

The Berkeley Hotel Limited

Directors' report and
financial statements

For the period ended 31 December 2010

Registered number 3669260



The Berkeley Hotel Limited

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors and other information	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditor's report	5
Statement of accounting policies	7
Profit and loss account	9
Balance sheet	10
Notes forming part of the financial statements	11

The Berkeley Hotel Limited

Directors and other information

Directors

Stephen Alden
Mark Hennebry

Secretary

Carole Walker

Registered office

30 Old Burlington Street
Mayfair
London
W1S 3AR

Bankers

Allied Irish Bank (GB)
City Office
9 – 10 Angel Court
London
EC2R 7AB

Auditors

KPMG
Chartered Accountants
1 Stokes Place
St Stephen's Green
Dublin 2

Solicitors

DLA
3 Noble Street
London
EC2V 7EE

The Berkeley Hotel Limited

Directors' report

The directors present their report and the audited financial statements for the 18 month period ended 31 December 2010

Activities

The principal activity of the company is the ownership and operation of The Berkeley Hotel

Review of developments and future prospects

The profit for the 18 month period to 31 December 2010 before taxation was £19.1 million (*year ended 30 June 2009 £15.4 million*). The profit and loss account is shown on page 9.

The directors expect that the present activity level will be sustained for the foreseeable future.

Business review

The company's occupancy was 82% during the 18 month period ended 31 December 2010 (*year ended 30 June 2009 80%*). Revenue per available room (RevPar) for the company increased by £50 to £359 a growth of 16.2% (*year ended 30 June 2009 £309*). The key risk facing the company's performance for 2011 is a downturn in the global economy.

Dividends

During the period no dividends have been paid or proposed (*year ended 30 June 2009 £4.5m*).

Directors and their interests

The directors who held office during the period were as follows:

Stephen Alden

Mark Hennebry

Lisa Seelinger Resigned 30 November 2010

The directors and secretary do not hold any material interests in the shares of the company or any other company in the group.

Employees

The company's policy is to give full and fair consideration to the recruitment of disabled persons having regard to their particular aptitudes and abilities. Appropriate training will be arranged for disabled persons. The company's personnel policies ensure that all its employees are made aware, on a regular basis, of the company's policies, programmes and progress.

The Berkeley Hotel Limited

Directors' report *(continued)*

Creditor payment policy

The payment policy of the company is to pay all purchases within thirty days of the end of the month. The payment policy applies to all payments to creditors/suppliers for revenue and capital supplies of goods and services without exception.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

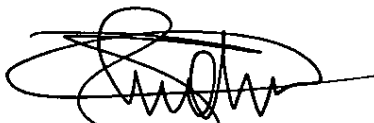
Political and charitable contributions

The company made no political contributions during the period and no donations to charities.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG will therefore continue in office.

Approved by the board of directors and signed on behalf of the Board



Stephen Alden
Director

22 July 2011

The Berkeley Hotel Limited

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

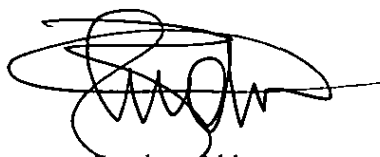
Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

On behalf of the board

A handwritten signature in black ink, appearing to be 'Stephen Alden', written over a circular stamp or seal.

Stephen Alden
Director

22 July 2011



KPMG
Chartered Accountants
1 Stokes Place
St. Stephens Green
Dublin 2
Ireland

Independent auditor's report to the members of The Berkeley Hotel Limited

We have audited the financial statements of The Berkeley Hotel Limited for the period ended 31 December 2010 which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the period then ended,`
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Independent auditor's report to the members of The Berkeley Hotel Limited *(continued)*

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in Note 1 to the financial statements about the preparation of the financial statements on a going concern basis. As outlined in Note 1 borrowings of the company's parent, Coroin Ltd, and other group companies, are secured by a fixed and floating charge over the assets of the company. The parent company is currently in discussions with its bankers with a view to extending its banking facilities, which currently are due on 30 September 2011. As these negotiations are ongoing there exists a risk that such banking facilities will not be extended and that the fixed and floating charges issued by the company may be called upon. However, the parent company is confident that discussions with its bankers will be satisfactorily concluded and on this basis the directors are satisfied that the financial statements should be prepared on the going concern basis.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Laura Gallagher (Senior Statutory Auditor)
For and on behalf of KPMG, Statutory Auditor
Chartered Accountants
Stokes Place
St Stephens Green
Dublin 2
Ireland

22 June 2011

The Berkeley Hotel Limited

Statement of accounting policies

for the period ended 31 December 2010

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation and going concern

The financial statements are prepared in Sterling in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

The financial statements have been prepared on a going concern basis. See Note 1 to the financial statements for further information

Cash flow statement

The company's ultimate parent undertaking publishes financial statements which are publicly available. Those financial statements include a consolidated cash flow statement. For this reason the exemption requirements of FRS 1 (Revised) "Cash Flow Statements" are met and the company has therefore not prepared a cash flow statement

Group accounts

The company is exempt from the obligation to prepare consolidated accounts by virtue of Section 400 of the Companies Act 2006 in that it is a wholly owned subsidiary of its ultimate parent and controlling undertaking which itself prepares group accounts which are publicly available. These financial statements are therefore entity financial statements and are not consolidated financial statements

Turnover

Turnover represents income from hotel and restaurant operations, excludes value added tax and is recognised on provision of the related service. Turnover is derived solely from UK operations

Capitalisation of interest

Interest attributable to progress payments made on construction work-in-progress is capitalised and included in the cost of fixed assets. Interest is calculated by reference to specific borrowings where applicable or calculated at the weighted average interest rate for the pool of borrowings funding that particular project. Capitalisation of interest ceases when substantially all the activities that are necessary to bring the tangible fixed asset into use are complete

Stocks

Stocks are valued at the lower of cost and net realisable value

Tangible fixed assets

Tangible fixed assets are held at cost. Expenditure on development of the company's hotel and restaurants, including major replacement and improvement of assets, is disclosed as land and buildings, plant, machinery, fixtures and fittings. Land and buildings includes the costs associated with structural

The Berkeley Hotel Limited

Statement of accounting policies *(continued)* *for the period ended 31 December 2010*

improvements to long-term leasehold properties. The cost of replacement of glass and china and certain other loose equipment of hotels and restaurants is charged to the profit and loss account in the year in which it is incurred.

Depreciation

Depreciation is not charged on freehold property as the group, of which this company is a member, has a policy and practice of disposing of assets well before the end of their economic lives and the disposal proceeds of similar assets have not been materially less than their carrying amounts.

As a result, on an annual basis the group estimates the recoverable amount of its hotel properties based on the higher of their net realisable values or the present values of future cash flows expected to result from their use. Where the recoverable amount is less than the carrying amount of the hotel properties the group recognises an impairment loss in the profit and loss account.

Other fixed assets are stated at cost less accumulated depreciation. No depreciation is charged on archive materials and manuscripts however as they are maintained in good condition and they are expected to have a high residual value.

Depreciation of other tangible assets is provided on a straight-line basis over the following useful lives:

Plant and machinery	between 4 and 20 years
Fixtures and fittings	between 5 and 20 years

Deferred taxation

Deferred taxation is provided in full on an undiscounted basis on timing differences that result in an obligation to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law and on an undiscounted basis. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Leasing

Rentals under operating leases are charged to the profit and loss account over the terms of the leases.

Pension and other post retirement benefits

The company is a participating member of a larger group defined benefit pension scheme, the Maybourne Hotels Group Pension and Life Insurance Scheme, providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis and therefore, as permitted by FRS 17 'Retirement benefits', the scheme has been accounted for in these financial statements, as if the scheme was a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

The Berkeley Hotel Limited

Profit and loss account for the period ended 31 December 2010

		18 month period ended 31 December 2010 £'000	Year ended 30 June 2009 £'000
	<i>Note</i>		
Turnover	2	62,534	37,038
Cost of sales		(17,486)	(9,974)
		<hr/>	<hr/>
Gross profit		45,048	27,064
Administrative expenses		(25,960)	(16,130)
		<hr/>	<hr/>
Operating profit	4	19,088	10,934
Exceptional item			
Profit on sale of intangible asset	5	-	4,500
		<hr/>	<hr/>
Profit on ordinary activities before taxation		19,088	15,434
Tax (charge)/credit on profit on ordinary activities	6	(228)	2,389
		<hr/>	<hr/>
Profit for the financial period/year	15/16	18,860	17,823
		<hr/>	<hr/>

The company had no recognised gains or losses in the financial period or in the preceding financial year other than those dealt with in the profit and loss account. All activities in the current and preceding periods are derived from continuing operations.

Registered number: 3669260

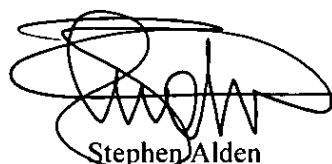
The Berkeley Hotel Limited

Balance sheet at 31 December 2010

		31 December 2010 £'000	30 June 2009 £'000
Fixed assets			
Tangible assets	8	164,440	164,022
Financial assets	9	6	6
		<hr/>	<hr/>
		164,446	164,028
Current assets			
Stocks	10	551	422
Debtors	11	77,022	58,393
Cash at bank and in hand		812	205
		<hr/>	<hr/>
		78,385	59,020
Creditors: amounts falling due within one year	12	(6,898)	(5,975)
		<hr/>	<hr/>
Net current assets		71,487	53,045
		<hr/>	<hr/>
Net assets		235,933	217,073
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	14	150	150
Share premium account	15	133,586	133,586
Profit and loss account	15	102,197	83,337
		<hr/>	<hr/>
Shareholders' funds	16	235,933	217,073
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 22 July 2011

Signed on behalf of the Board of Directors


Stephen Alden
Director

22 July 2011

The Berkeley Hotel Limited

Notes

forming part of the financial statements

1 Basis of preparation of financial statements and going concern

The financial statements have been prepared on a going concern basis

As at 31 December 2010 the company had net current assets of £71,487,000 and net assets of £235,933,000. The company has provided cross guarantees with respect to the borrowings of Coroin Limited and its subsidiaries (the "group")

As at 31 December 2010 the group had net current liabilities of £604,711,000 and net assets of £18,099,000. The group's projections for 2011 forecast increased operating profit and cash flows reflecting increased average room rates and occupancy. The group holds sufficient working capital to meet its trading obligations. Funding of the group's debt used to acquire and develop the assets is dependent upon the continued availability of bank borrowings which are due for refinancing in September 2011. It is expected that the group's bankers will continue to provide financing to enable the group to meet its obligations as and when they fall due for the foreseeable future. It is expected that such financing will be agreed at similar terms and conditions as currently in place.

On this basis, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

2 Turnover

	18 month period ended 31 December 2010 £'000	Year ended 30 June 2009 £'000
Hotel, restaurant and ancillary services	62,534	37,038
All turnover arises in the UK		

3 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	2010 No.	2009 No.
Hotel and administration	384	349

The Berkeley Hotel Limited

Notes (continued)

3 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follow

	2010 £'000	2009 £'000
Wages and salaries	11,439	6,565
Social security costs	1,017	564
Other pension costs	186	137
	<u>12,642</u>	<u>7,266</u>

The directors receive no remuneration for their services to this company

4 Operating profit

	18 month period ended 31 December 2010 £'000	Year ended 30 June 2009 £'000
Operating leases		
- Other assets	241	132
Depreciation – owned assets	3,938	2,610
	<u></u>	<u></u>

Auditor's Remuneration

	18 month period ended 31 December 2010 £'000	Year ended 30 June 2009 £'000
Audit of these financial statements	22	22
	<u></u>	<u></u>
Amounts receivable by the auditors and their associates in respect of		
Other services relating to taxation	24	24
	<u></u>	<u></u>

The Berkeley Hotel Limited

Notes (continued)

5 Exceptional item

In the year ended 30 June 2009 the company disposed of certain of its intellectual property at its fair market value of £4.5 million to a related company (See note 20)

6 Tax (charge)/credit on profit on ordinary activities

	18 month period ended 31 December 2010 £'000	Year ended 30 June 2009 £'000
UK corporation tax for the year at 28% (2009 28%) based on the profit for the period/year	-	-
Deferred tax (charge)/credit		
Timing differences origination and reversal		
Current year	(229)	723
Adjustment in respect of prior years	1	1,666
	<hr/>	<hr/>
Tax (charge)/credit on profit on ordinary activities	(228)	2,389
	<hr/>	<hr/>

Factors affecting corporation tax charge for the current year

The corporation tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the UK of 28% (2009 28%)

The Berkeley Hotel Limited

Notes (continued)

6 Tax charge on profit on ordinary activities (continued)

The differences are explained below

	18 month period ended 31 December 2010 £'000	Year ended 30 June 2009 £'000
Profit on ordinary activities before tax	19,088	15,434
Tax at 28% (2009 28%) thereon	5,345	4,322
<i>Effect of:</i>		
Expenses not deductible for tax purposes	1,483	4
Capital allowances in excess of qualifying depreciation	(229)	723
Group relief received for nil consideration	(6,599)	(5,526)
Other permanent differences	-	614
Other timing differences	-	(137)
Current tax charge for the period/year	-	-

Factors that may affect the future tax charge

The tax charge in future periods will be impacted by any rate changes to the corporation tax rate in force in the countries in which it operates. In the UK, the Finance Bill 2010 included a reduction in the rate of corporate tax from 28% to 27% and this was substantially enacted on 21 July 2010. The rate reduction applies from 1 April 2011. Deferred tax balances must be recognised at the future rate applicable when the balance is expected to unwind. The rate reduction is not reflected in the closing tax balance at the year end. The UK 2010 Emergency budget announced further reductions in the corporation tax rate of 1% annually, reaching 24% on 1 April 2014 and this is not reflected in the closing deferred tax balance.

Deferred tax has not been provided on the difference between the carrying value and the tax basis of fixed assets. This tax will only become payable if the assets are sold and rollover relief is not obtained. The estimated amount of tax that would become payable in these circumstances is £28.8 million.

Deferred tax has not been provided in respect of gains realised that have been rolled over into the acquisition cost of replacement assets. This tax will become payable if replacement assets are sold and further rollover relief is not available. The estimated amount of tax that would become payable in these circumstances is £0.9 million.

The Berkeley Hotel Limited

Notes (continued)

7 Dividends

	18 month period ended 31 December 2010 £'000	Year ended 30 June 2009 £'000
Dividends	-	4,500

In the year ended 30 June 2009 the Company declared and paid a dividend of £4.5 million to its parent company, Coroin Limited

8 Tangible fixed assets

	Long leasehold land and buildings £'000	Assets under the course of construction £'000	Fixtures, fittings, plant and machinery £'000	Total £'000
Cost				
At 30 June 2009	132,866	9,905	45,974	188,745
Additions	-	4,356	-	4,356
Reclassification	40	(2,453)	2,413	-
At 31 December 2010	132,906	11,808	48,387	193,101
Accumulated depreciation				
At 30 June 2009	-	-	24,723	24,723
Charge for the year	-	-	3,938	3,938
At 31 December 2010	-	-	28,661	28,661
Net book value				
At 31 December 2010	132,906	11,808	19,726	164,440
At 30 June 2009	132,866	9,905	21,251	164,022

Borrowings of the company's parent, Coroin Ltd, and other group companies, are secured by a fixed and floating charge over the assets of the company

The Berkeley Hotel Limited

Notes (continued)

9 Financial fixed assets

Investments in subsidiary undertakings

	31 December 2010 £'000	30 June 2009 £'000
<i>At cost and net book value</i>		
At beginning and end of period	6	6

The subsidiary undertakings are as follows

Subsidiary undertaking	Country of incorporation	Activity	Shareholding
The Minema Limited	Great Britain	Dormant Company	100%
The Berkeley Hotel Company Limited	Great Britain	Dormant Company	100%

10 Stocks

	31 December 2010 £'000	30 June 2009 £'000
Raw materials and consumables	551	422

The directors believe that the net realisable value of stock is greater than cost

11 Debtors

	31 December 2010 £'000	30 June 2009 £'000
Trade debtors	1,308	1,784
Amounts owed by group undertaking	74,552	54,948
Other debtors	196	838
Amounts owed by related company (note 20)	286	312
Prepayments and accrued income	678	281
Deferred tax asset (note 13)	2	230
	77,022	58,393

All amounts are due within one year

The Berkeley Hotel Limited

Notes (continued)

12 Creditors: amounts falling due within one year

	31 December 2010 £'000	30 June 2009 £'000
Bank overdrafts	-	115
Trade creditors	1,509	1,862
Amounts owed to group undertaking	992	846
Amounts owed to subsidiary undertakings	6	6
Other taxes and social security	1,795	1,172
Other creditors	168	169
Accruals and deferred income	2,428	1,805
	<u>6,898</u>	<u>5,975</u>

13 Deferred tax

	31 December 2010 £'000	30 June 2009 £'000
Movement in deferred tax asset		
Opening deferred tax asset/(liability)	230	(2,159)
(Charge)/Credit to the profit and loss account (Note 6)	(228)	2,389
	<u>2</u>	<u>230</u>
Closing deferred tax asset	<u>2</u>	<u>230</u>
	2010 £'000	2009 £'000
Analysis of deferred tax asset		
Difference between accumulated depreciation and capital allowances	(2)	226
Short term timing differences	4	4
	<u>2</u>	<u>230</u>
Deferred tax asset	<u>2</u>	<u>230</u>

The Berkeley Hotel Limited

Notes (continued)

14 Called up share capital

	31 December 2010 £'000	30 June 2009 £'000
<i>Authorised, called up, allotted and fully paid</i>		
1,000,000 "A" ordinary shares of 10p each	100	100
500,000 "B" ordinary shares of 10p each	50	50
	<hr/>	<hr/>
	150	150
	<hr/>	<hr/>

Shares rank equally, except for a dividend and return on capital, where the distribution rights of the "A" shares are 10,000 times those of "B" shares

15 Reserves

	Share premium £'000	Revenue reserves £'000	Total £'000
At 30 June 2009	133,586	83,337	216,923
Profit for the period	-	18,860	18,860
	<hr/>	<hr/>	<hr/>
At 31 December 2010	133,586	102,197	235,783
	<hr/>	<hr/>	<hr/>

16 Reconciliation of movement in shareholders' funds

	31 December 2010 £'000	30 June 2009 £'000
At start of period	217,073	203,750
Profit for the period/year	18,860	17,823
Dividends (Note 7)	-	(4,500)
	<hr/>	<hr/>
At end of period/year	235,933	217,073
	<hr/>	<hr/>

The Berkeley Hotel Limited

Notes (continued)

17 Capital commitments

	31 December 2010 £'000	30 June 2009 £'000
Capital commitment (land and buildings)	-	-
Contracted but not provided for in the accounts	-	265

18 Operating lease commitments

	31 December 2010 £'000	30 June 2009 £'000
Operating lease commitments		
Other leases expiring		
- within one year	-	-
- in two to five years	165	164
- greater than five years	85	-
Annual commitments under non-cancellable leases	250	164

19 Pensions and similar obligations

The Berkeley Hotel Limited is a participating employer in two pension schemes. The Maybourne Hotels Group pension and life insurance scheme, a defined benefit scheme, which has two sections – Staff and Senior Staff section was closed to new entrants with effect from 1 August 2006. The Maybourne Stakeholder Scheme, a defined contribution scheme, was introduced on 1 August 2006 and is open to all staff if they meet the eligibility criteria. The company actively encourages staff to join the scheme as it believes that it is an important element of the remuneration package. This is disclosed fully in the consolidated accounts of Coroin Limited.

The directors are unable to identify the company's share of the scheme assets and liabilities as,

- Most scheme members have worked for more than one company within the group. The group structure has also changed materially over time due to restructurings, acquisitions and disposals. It is therefore not appropriate to allocate assets and liabilities between the participating companies.
- For funding purposes, the employers within the group share actuarial risks. The determination of cash contributions does not separately identify assets and liabilities for individual participating companies and all employers pay the same contribution rate in respect of accruing benefits. Contributions in respect of the past service deficit are paid separately by another group company.

As a result it is accounted for as a defined contribution scheme. The scheme is currently in deficit and it is expected that contributions will be increased to reduce the deficit. At 31 December 2010 this deficit, calculated in accordance with FRS 17, amounted to £1.4 million (30 June 2009 £5.7 million). Full details of the scheme are disclosed in the accounts of Coroin Limited.

The Berkeley Hotel Limited

Notes *(continued)*

20 Related party disclosures

The company is exempt under the provisions of paragraph 3, Financial Reporting Standard 8 “Related Party Disclosures” from disclosing details of transactions with Group related parties.

During the year, the company financed capital expenditure on behalf of Goldrange, a company controlled by a number of directors of Coroin Limited. An amount of £285,655 (2009 £312,542) is included in debtors at 31 December 2010 in this respect and represents the full amount outstanding at the year end plus interest charged at applicable market rates.

Last the year, the company sold certain of its intellectual property to a company controlled by a number of directors of Coroin Limited for £4,500,000.

21 Ultimate parent company

The company’s ultimate parent company is Coroin Limited, a company incorporated in Great Britain and registered in England and Wales. This is the smallest and largest group in which the results of the company are consolidated. Copies of those statutory accounts will also be available from its registered office, 30 Old Burlington Street, Mayfair, London, W1S 3AR.