

The Berkeley Hotel Limited

Directors' report and financial statements

For the year ended 31 December 2012

Registered number 3669260



The Berkeley Hotel Limited

Directors' report and financial statements

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The Berkeley Hotel Limited

Directors and other information

Directors	Stephen Alden Carole Walker
Secretary	Carole Walker
Registered office	30 Old Burlington Street Mayfair London W1S 3AR
Bankers	Barclays Bank 1 Churchill Place London E14 5HP Allied Irish Bank (GB) City Office 9 – 10 Angel Court London EC2R 7AB
Auditor	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 year ended 31 December 2012

Activities

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

Business review and future prospects

Turnover for the year ended 31 December 2012 amounted to £45.7m (*2011 £45.1m*) and average room rate grew by 3.7%. The profit before taxation was £12.8 million (*2011 £13.1 million*). The profit and loss account is shown on page 9. The key risk facing the company's performance for 2013 is a downturn in the global economy.

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

Dividends

During the year no dividends have been paid or proposed (*2011 £Nil*).

Directors and their interests

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

Stephen Alden

Carole Walker

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

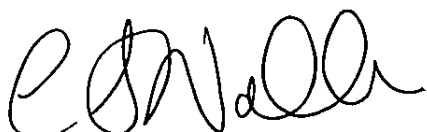
Political and charitable contributions

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

Auditor

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



Carole Walker
Director

19 June 2013

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



Carole Walker
Director

19 June 2013



KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's 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 year ended 31 December 2012 which comprise the profit and loss account, 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 2012 and of its profit for the year 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)

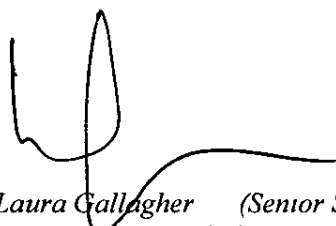
Opinion on other matter prescribed by the Companies Act 2006

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*

24 June 2013

The Berkeley Hotel Limited

Statement of accounting policies

for the year ended 31 December 2012

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 Financial Reporting Council

The financial statements have been prepared on a going concern basis

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 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.

The Berkeley Hotel Limited

Statement of accounting policies *for the year ended 31 December 2012*

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

Registered number 3669260

Profit and loss account

for the year ended 31 December 2012

	<i>Note</i>	2012 £'000	2011 £'000
Turnover	<i>1</i>	45,676	45,137
Cost of sales		(13,089)	(12,851)
		<hr/>	<hr/>
Gross profit		32,587	32,286
Administrative expenses		(19,759)	(19,236)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	<i>3</i>	12,828	13,050
Tax credit on profit on ordinary activities	<i>4</i>	553	1,355
		<hr/>	<hr/>
Profit for the financial year	<i>12/13</i>	13,381	14,405
		<hr/>	<hr/>

The company had no recognised gains or losses in the financial year 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.

The Berkeley Hotel Limited

Registered number 3669260

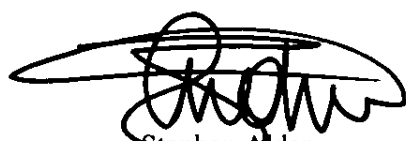
Balance sheet

at 31 December 2012

	Note	2012 £'000	2011 £'000
Fixed assets			
Tangible assets	5	164,696	164,423
Financial assets	6	6	6
		<hr/>	<hr/>
		164,702	164,429
Current assets			
Stocks	7	635	601
Debtors	8	103,330	89,691
Cash at bank and in hand		1,571	2,279
		<hr/>	<hr/>
		105,536	92,571
Creditors: amounts falling due within one year	9	(6,519)	(6,662)
		<hr/>	<hr/>
Net current assets		99,017	85,909
		<hr/>	<hr/>
Net assets		263,719	250,338
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	11	150	150
Share premium account	12	133,586	133,586
Profit and loss account	12	129,983	116,602
		<hr/>	<hr/>
Shareholders' funds	13	263,719	250,338
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 19 June 2013

Signed on behalf of the Board of Directors


Stephen Alden
Director

19 June 2013

The Berkeley Hotel Limited

Notes

forming part of the financial statements

1 Turnover

	2012 £'000	2011 £'000
Hotel, restaurant and ancillary services	45,676	45,137

All turnover arises in the United Kingdom

2 Staff numbers and costs

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

	2012 No.	2011 No
Hotel and administration	427	442

The aggregate payroll costs of these persons were as follow

	2012 £'000	2011 £'000
Wages and salaries	8,845	8,611
Social security costs	643	710
Other pension costs	152	164
	9,640	9,485

The directors receive no remuneration for their services to this company

The Berkeley Hotel Limited

Notes (continued)

3 Operating profit

	2012 £'000	2011 £'000
Operating leases		
- Other assets	100	127
Depreciation – owned assets	2,881	2,912
	<u> </u>	<u> </u>

Auditor's Remuneration

	2012 £'000	2011 £'000
Audit of these financial statements	25	25
	<u> </u>	<u> </u>
Amounts receivable by the auditors and their associates in respect of		
Other services relating to taxation	30	30
	<u> </u>	<u> </u>

4 Tax credit on profit on ordinary activities

	2012 £'000	2011 £'000
UK corporation tax for the year	-	-
Deferred tax credit (Note 10)		
Timing differences origination and reversal		
Current year	535	651
Adjustment in respect of prior years	18	704
	<u> </u>	<u> </u>
Tax credit on profit on ordinary activities	553	1,355
	<u> </u>	<u> </u>

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 24.50% (2011: 26.49%)

The Berkeley Hotel Limited

Notes (continued)

4 Tax charge on profit on ordinary activities (continued)

The differences are explained below

	2012 £'000	2011 £'000
Profit on ordinary activities before tax	12,828	13,050
Tax at 24.50% (2011 26.49%) thereon	3,142	3,457
Effect of:		
Expenses not deductible for tax purposes	144	7
Qualifying depreciation in excess of capital allowances	696	736
Group relief received for nil consideration	(3,987)	(4,201)
Other timing differences	5	1
Current tax charge for the year	-	-
Factors that may affect the future tax charge		

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly. The deferred tax asset at the balance sheet date has been calculated based on the rate of 23% substantively enacted at the balance sheet date.

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax asset/liability accordingly.

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 £24.2 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 £0.7 million.

The Berkeley Hotel Limited

Notes (continued)

5 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 31 December 2011	133,200	12,314	50,482	195,996
Additions	-	3,154	-	3,154
Reclassification	621	(3,658)	3,037	-
Disposals	-	-	(3)	(3)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2012	133,821	11,810	53,516	199,147
	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated depreciation				
At 31 December 2011	-	-	31,573	31,573
Charge for the year	-	-	2,881	2,881
Disposals	-	-	(3)	(3)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2012	-	-	34,451	34,451
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2012	133,821	11,810	19,065	164,696
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2011	133,200	12,314	18,909	164,423
	<hr/>	<hr/>	<hr/>	<hr/>

Borrowings of MHG Senior Borrower Limited, a group company and other group companies, are secured by a fixed and floating charge over the assets of the company

The Berkeley Hotel Limited

Notes (continued)

6 Financial fixed assets

Investments in subsidiary undertakings

	2012 £'000	2011 £'000
<i>At cost and net book value</i>		
At beginning and end of year	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%

7 Stocks

	2012 £'000	2011 £'000
Raw materials and consumables	635	601

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

8 Debtors

	2012 £'000	2011 £'000
Trade debtors	1,388	1,399
Amounts owed by group undertaking	99,034	86,172
Other debtors	179	67
Prepayments and accrued income	819	696
Deferred tax asset (note 10)	1,910	1,357
	103,330	89,691

All amounts are due within one year

The Berkeley Hotel Limited

Notes (continued)

9 Creditors: amounts falling due within one year

	2012 £'000	2011 £'000
Trade creditors	2,262	2,180
Amounts owed to group undertaking	310	339
Amounts owed to subsidiary undertakings	6	6
Other taxes and social security	1,940	1,946
Other creditors	250	228
Accruals and deferred income	1,751	1,963
	<u>6,519</u>	<u>6,662</u>

10 Deferred tax

	2012 £'000	2011 £'000
Movement in deferred tax asset		
Opening deferred tax asset	1,357	2
Credit to the profit and loss account (Note 4)	553	1,355
	<u>1,910</u>	<u>1,357</u>
Closing deferred tax asset		
	<u>1,910</u>	<u>1,357</u>
Analysis of deferred tax asset		
Difference between accumulated depreciation and capital allowances	1,904	1,351
Short term timing differences	6	6
	<u>1,910</u>	<u>1,357</u>
Deferred tax asset		
	<u>1,910</u>	<u>1,357</u>

The Berkeley Hotel Limited

Notes (continued)

11 Called up share capital

	2012 £'000	2011 £'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

12 Reserves

	Share premium £'000	Revenue reserves £'000	Total £'000
At 31 December 2011	133,586	116,602	250,188
Profit for the financial year	-	13,381	13,381
	<hr/>	<hr/>	<hr/>
At 31 December 2012	133,586	129,983	263,569
	<hr/>	<hr/>	<hr/>

13 Reconciliation of movement in shareholders' funds

	2012 £'000	2011 £'000
At start of the financial year	250,338	235,933
Profit for the financial year	13,381	14,405
	<hr/>	<hr/>
At end of the financial year	263,719	250,338
	<hr/>	<hr/>

The Berkeley Hotel Limited

Notes (continued)

14 Capital commitments

	2012 £'000	2011 £'000
Capital commitment (land and buildings) Contracted but not provided for in the accounts	-	769

15 Operating lease commitments

	2012 £'000	2011 £'000
Operating lease commitments		
Other leases expiring		
- within one year	18	28
- in two to five years	117	216
- greater than five years	-	-
Annual commitments under non-cancellable leases	135	244

16 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 – the Staff and Senior Staff sections, 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. Pensions for 46 employees are funded through this scheme. The defined contribution pension cost for the year amounted to £54,854 (2011 £55,796). The company actively encourages staff to join the scheme as it believes that it is an important element of the remuneration package.

The consolidated pension position at 31 December 2012 is disclosed 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.

The Berkeley Hotel Limited

Notes *(continued)*

16 Pensions and similar obligations *(continued)*

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 2012 this deficit, calculated in accordance with FRS 17, amounted to £2.1 million *(31 December 2011 £5.2 million)*. Full details of the scheme are disclosed in the accounts of Coroin Limited.

17 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.

18 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.