

**Company Registration No. 3197645**

**Brown's Hotel Limited**

**Report and Financial Statements**

**30 April 2008**

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# **Brown's Hotel Limited**

## **Report and financial statements 2008**

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# **Brown's Hotel Limited**

## **Report and financial statements 2008**

### **Officers and professional advisers**

#### **Directors**

Pamela Dickson  
David Munns  
Richard Power

#### **Secretary**

David Munns

#### **Registered office**

70 Jermyn Street  
London  
SW1Y 6NY

#### **Bankers**

Bank of Scotland  
38 St Andrew Square  
Edinburgh  
EH2 2YR

#### **Solicitors**

Forsters LLP  
31 Hill Street  
London  
W1J 5LS

#### **Auditors**

PKF (UK) LLP  
Farringdon Place  
20 Farringdon Road  
London  
EC1M 3AP

# **Brown's Hotel Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 30 April 2008

### **Principal activity**

To 31 October 2006, the principal activity of the Company was the ownership and operation of the Brown's Hotel in London. The 117 bedroom hotel is situated in the middle of London's Mayfair district. The hotel is the oldest 5 star hotel in London.

On 31 October 2006, the company sold the trade and assets of Brown's Hotel to Rocco Forte & Family (London) Limited, its immediate parent undertaking. Since 31 October 2006, the company has not traded.

### **Results and dividends**

The Company made a profit after taxation of £nil for the year (2007 profit after taxation of £48,673,000). The directors do not propose to pay a dividend (2007 £nil).

### **Directors**

The names of the directors of the Company are stated on page 1, all of whom served throughout the year.

### **Awareness of relevant audit information**

So far as the directors are aware, there is no information needed by the Company's auditors in connection with preparing their report of which they are unaware, and the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report has been prepared in accordance with the Special Provisions of Part VII of the Company's Act 1985.

Approved by the Board of Directors  
and signed on behalf of the Board



David Munns  
Director

## **Browns Hotel Limited**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required to 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 judgments and estimates that are reasonable and prudent,
- 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 proper accounting records that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Brown's Hotel Limited

### Profit and loss account Year ended 30 April 2008

	Note	Year ended 30 April 2008 £'000	Year ended 30 April 2007 £'000
<b>Turnover</b>		-	8,285
Cost of sales		-	(3,534)
<b>Gross profit</b>		-	4,751
Administrative expenses		-	(2,923)
<b>Operating profit</b>		-	1,828
Profit on disposal of fixed assets		-	47,657
<b>Profit before interest and taxation</b>		-	49,485
Interest payable and similar charges	2	-	(812)
Interest receivable and similar income		-	-
<b>Profit on ordinary activities before taxation</b>	3	-	48,673
Tax on profit on ordinary activities	4	-	-
<b>Profit for the year</b>	8	-	48,673

The Company has no recognised gains or losses other than the result for the year

## Brown's Hotel Limited

### Balance sheet 30 April 2008

	Note	2008 £'000	2007 £'000
<b>Current assets</b>			
Debtors due after more than one year	6	89,000	89,000
<b>Net current assets and total assets less current liabilities</b>		89,000	89,000
<b>Net assets</b>		89,000	89,000
<b>Capital and reserves</b>			
Called up share capital	7	3,036	3,036
Share Premium	8	41,964	41,964
Revaluation Reserve	8	-	-
Profit and loss account	8	44,000	44,000
<b>Shareholders' funds</b>	9	89,000	89,000

The company is entitled to the exemption from audit conferred by subsection 1 of section 249A of the Companies Act 1985 and no notice requiring an audit has been deposited under section 249B(2) of the Act

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year in accordance with the requirements of section 226 of the Act and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 September 2008



David Munns  
Director

# **Brown's Hotel Limited**

## **Notes to the accounts Year ended 30 April 2008**

### **1 Accounting policies**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and prior periods, are described below.

#### **Accounting convention**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

#### **Cash flow statement**

Under the provisions of FRS 1 (Revised) Cash Flow Statements, the Company has not prepared a cash flow statement because its ultimate parent company, Rocco Forte & Family (Luxury Hotels) Limited, which is incorporated in the Great Britain, prepares consolidated accounts. The cash flows of the Company are included in the consolidated group cash flow statement.

#### **Related party disclosures**

As a subsidiary of Rocco Forte & Family (Luxury Hotels) Limited the Company has taken advantage of the exemption in FRS 8 Related Party Disclosures not to disclose transactions with other members of the group. Transactions with other related parties are disclosed in note 10.

#### **Taxation**

Corporation tax payable is provided on taxable profits at the current rate.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.



# Brown's Hotel Limited

## Notes to the accounts Year ended 30 April 2008

### 2. Interest payable and similar charges

	Year ended 30 April 2008 £'000	Year ended 30 April 2007 £'000
Payable to group undertakings	-	530
Interest on finance leases	-	282
	-	812

### 3 Profit on ordinary activities before taxation

	Year ended 30 April 2008 £'000	Year ended 30 April 2007 £'000
Profit on ordinary activities before taxation is stated after charging		
Depreciation and amounts written off tangible fixed assets		
- owned	-	185
- held under finance leases	-	367
Operating lease rentals		
- plant & machinery	-	29
- other	-	48
Profit on disposal of fixed assets	-	47,657
Auditors remuneration		
- audit	-	-

Auditors remuneration for audit services of the Company for the year of £nil (2007 £2,500) has been borne by the parent undertaking, Rocco Forte & Family (Luxury Hotels) Limited

# Brown's Hotel Limited

## Notes to the accounts Year ended 30 April 2008

### 4 Tax on profit on ordinary activities

The tax charge for the year comprises

	Year ended 30 April 2008 £'000	Year ended 30 April 2007 £'000
Current Tax		
- UK Corporation tax at 30% (2007 30%) for the year	-	-
Deferred tax	-	-
Total tax charge	-	-

There were unprovided deferred tax assets at the end of the year as follows

	2008 £'000	2007 £'000
Accelerated capital allowances	-	-
Other timing differences	-	-
Tax loss available	-	-
Deferred tax asset	-	-

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	Year ended 30 April 2008 £'000	Year ended 30 April 2007 £'000
Profit on ordinary activities before tax	-	48,673
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2007 30%)	-	14,602
Effects of		
Expenses not deductible for tax purposes	-	17
Capital allowances in excess of depreciation	-	(95)
Income not taxable for tax purposes	-	(14,297)
Utilisation of tax losses and tax losses carried forward	-	(227)
Movement in short term timing differences	-	-
Current tax charge for the year	-	-

## Brown's Hotel Limited

### Notes to the accounts Year ended 30 April 2008

#### 5 Staff costs and directors' remuneration

	2008 No.	2007 No.
The average monthly number of employees during the period until the business transferred was		
Administration	-	22
Sales	-	10
Operational	-	208
	<u>-</u>	<u>240</u>
	<u>-</u>	<u>240</u>
	£'000	£'000
Their aggregate remuneration comprised		
Wages and salaries	-	2,121
Social security costs	-	197
	<u>-</u>	<u>2,318</u>
	<u>-</u>	<u>2,318</u>

The directors received no remuneration in respect of services to the Company during the year (2007 £nil)

# Brown's Hotel Limited

## Notes to the accounts Year ended 30 April 2008

### 6 Debtors: amounts falling due after more than one year

	2008 £'000	2007 £'000
Amounts owed by group undertakings	89,000	89,000

### 7. Called up share capital

	2008 £'000	2007 £'000
<b>Authorised</b>		
22,000,000 Ordinary shares of 25p each	5,500	5,500
<b>Allotted, called-up and fully paid:</b>		
12,144,600 Ordinary shares of 25p each	3,036	3,036

### 8. Reserves

	Share premium £'000	Profit and loss reserve £'000
At 1 May 2007	41,964	44,000
Profit for the year	-	-
At 30 April 2008	41,964	44,000

## Brown's Hotel Limited

### Notes to the accounts Year ended 30 April 2008

#### 9. Reconciliation of movements in shareholders' funds

	2008 £'000	2007 £'000
Profit for the year	-	48,673
Net increase to shareholders' funds	-	48,673
Opening shareholders' funds	89,000	40,327
Closing shareholders' funds	89,000	89,000

#### 10. Related party transactions

The Company has taken advantage of the exemption contained in paragraph 3(c) of Financial Reporting Standard No 8, not to disclose transactions with other members of the group. Balances due to or from group undertakings are disclosed in notes 6.

During the year, the Company paid management fees to Rocco Forte & Family (Hotel Management) Limited totalling £nil (2007 £534,000), and made sales to that company of £nil (2007 £7,000). The Company also paid recharges of expenditure of £nil to RF Hotels Limited (2007 £205,000), and made recharges of expenditure to that company of £nil (2007 £33,000). The Company made purchases of £nil from Sir Rocco Forte & Family (Cardiff Bay) Limited (2007 £1,000). These companies were related parties of the Group as they were companies under the control of the Hon Sir Rocco J V Forte, a director of Rocco Forte & Family (Luxury Hotels) Limited.

#### 11. Contingent Liabilities

The Company is party to a group loan facility over which the Group's bankers have a cross guarantee. The amount outstanding on this facility at 30 April 2008 was £161,772,000 (2007 £145,949,000).

#### 12. Ultimate parent company and controlling party

The Company's immediate parent undertaking is Rocco Forte & Family (London) Limited, incorporated in Great Britain and registered in England and Wales.

The Company's ultimate parent undertaking is Rocco Forte & Family (Luxury Hotels) Limited, incorporated in Great Britain and registered in England and Wales. This is the only group in which the results of the Company are consolidated. Copies of the group financial statements of Rocco Forte & Family (Luxury Hotels) Limited are available from 70 Jermyn Street, London, SW1Y 6NY.