

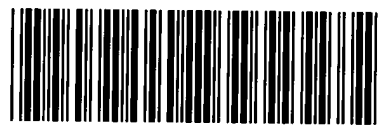
# **Brown's Hotel Limited**

Report and Financial Statements

Year ended 30 April 2018

Company Number 3197645

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# Brown's Hotel Limited

## Report and financial statements for the year ended 30 April 2018

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### Directors

The Hon Sir Rocco J V Forte  
David Gareth Caldecott

### Registered office

70 Jermyn Street, London, SW1Y 6NY

### Auditor

BDO LLP, 55 Baker Street, London, W1U 7EU

### Bankers

Bank of Scotland, The Mound, Edinburgh, EH1 1YZ

### Solicitors

Forsters LLP, 31 Hill Street, London, W1J 5LS

# Brown's Hotel Limited

## Report of the directors for the year ended 30 April 2018

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The Directors present their annual report and the audited financial statements for the year ended 30 April 2018.

### Directors

The Directors of the Company, all of whom served throughout the year, were:

The Hon Sir Rocco J V Forte  
David Gareth Caldecott

### Results and dividends

The Company made a profit after taxation of £Nil for the year (2017 - £Nil). During the year the Company paid an interim dividend of £4,000,000 (2017 - £Nil)

### Business review

To 31 October 2006 the principal activity of the Company was the ownership and operation of Brown's Hotel in London. The 115 bedroom hotel is situated in the middle of London's Mayfair district. The hotel is the oldest five 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 company. The company has not traded since 31 October 2006. There are currently no plans for the company to recommence trading.


### Provision of information to auditor

Each of the persons who are Directors at the time when this directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditor in connection with preparing their report and to establish that the Company's auditor is aware of that information.

This report has been prepared in accordance with the Special Provisions of Part 15 of the Companies Act 2006 relating to small companies.

The report of the Directors was approved on behalf of the Board by:



The Hon Sir Rocco J V Forte  
**Director**

23 August 2018

# **Brown's Hotel Limited**

## **Directors' responsibilities**

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The Directors are responsible for preparing the report of the Directors 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). 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 accounting 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 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 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

## Independent auditor's report

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### INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF BROWN'S HOTEL LIMITED

#### Opinion

We have audited the financial statements of Brown's Hotel Limited ("the Company") for the year ended 30 April 2018 which comprise the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2018 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **Brown's Hotel Limited**

## **Independent auditor's report (*continued*)**

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### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

We have *nothing to report in respect of the following matters in relation to which 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; or
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# Brown's Hotel Limited

## Independent auditor's report (*continued*)

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### Use of our report

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.



Mark RA Edwards (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
23 August 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Brown's Hotel Limited

Company number 3197645

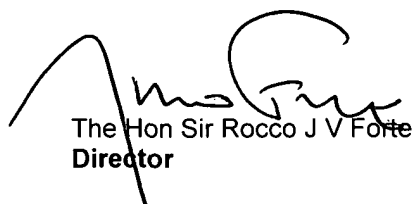
## Balance sheet at 30 April 2018

	Note	2018 £'000	2017 £'000
Debtors due within one year	4	1,000	5,000
<b>Total assets less current liabilities</b>		<u>1,000</u>	<u>5,000</u>
<b>Net assets</b>		<u>1,000</u>	<u>5,000</u>
<b>Capital and reserves</b>			
Called up share capital	5	1,000	3,036
Share premium	5	-	1,964
Profit and loss account		-	-
<b>Shareholder's funds</b>		<u>1,000</u>	<u>5,000</u>

The Company has no recognised gains or losses for the year. Accordingly, no profit and loss account or statement of comprehensive income has been provided.

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved by the Board and authorised for issue on 23 August 2018. They were signed on its behalf by:



The Hon Sir Rocco J V Forte  
Director

The notes on pages 8 to 10 form part of these financial statements.



# Brown's Hotel Limited

## Statement of Changes in Equity for the year ended 30 April 2018

	Share capital £'000	Share Premium £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
<b>Balance at 1 May 2017</b>	3,036	1,964	-	-	5,000
Capital reduction	(2,036)	(1,964)	4,000	-	-
Result for the year	-	-	-	-	-
Dividend	-	-	(4,000)	-	(4,000)
<b>Balance at 30 April 2018</b>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>

## Statement of Changes in Equity for the year ended 30 April 2017

	Share capital £'000	Share Premium £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
<b>Balance at 1 May 2016</b>	3,036	1,964	-	-	5,000
Result for the year	-	-	-	-	-
<b>Balance at 30 April 2017</b>	<u>3,036</u>	<u>1,964</u>	<u>-</u>	<u>-</u>	<u>5,000</u>

The notes on pages 8 to 10 form part of these financial statements.

# Brown's Hotel Limited

## Notes forming part of the financial statements for the year ended 30 April 2018

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### 1 Accounting policies

#### *Statement of preparation*

The financial statements have been prepared in accordance with the Companies Act 2006 and Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared on a historical cost basis. The presentation currency used is pound sterling and amounts have been presented in round thousands ("£000s").

The Company's ultimate parent company, Rocco Forte Hotels Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Rocco Forte Hotels Limited, which is incorporated in the UK, are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are publically available.

In preparing the financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore the following disclosures have not been provided:

- A statement of cashflows
- Certain comparative information as otherwise required by EU endorsed IFRS
- Disclosure of related party transactions with other wholly owned members of the group headed by Rocco Forte Hotels Limited.
- Certain financial instrument disclosures as provided in the consolidated financial statements of Rocco Forte Hotels Limited

#### *Amounts due from Group companies*

Amounts due from Group companies are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment. The carrying value is assessed at each reporting date to determine whether there is objective evidence that it is impaired. An impairment loss is calculated as the difference between its carrying value amount and the present value of estimated cashflows discounted at the asset's original effective interest rate.

#### ***Critical accounting estimates and assumptions***

The company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances. In the future actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *Impairment testing*

Intercompany receivables are tested for impairment when events or circumstances indicate that their carrying value may not be recoverable. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. Information on the discount rates and key judgements are included in note 3 to the consolidated financial statements of Rocco Forte Hotels Limited.

# Brown's Hotel Limited

## Notes forming part of the financial statements for the year ended 30 April 2018 (continued)

### 2 Profit on ordinary activities before taxation

The Company had no employees during the year and the prior year. The Directors received no remuneration in respect of services provided to the Company during the year (2017 - £Nil).

Auditor's remuneration for audit services of the Company for the year of £1,000 (2017 - £875) and £Nil (2017 - £415) for taxation services have been borne by the ultimate parent, Rocco Forte Hotels Limited.

### 3 Tax on profit on ordinary activities

There was no tax payable in 2018 (2017 - £Nil).

There was no difference between the total current tax and the amount calculated by applying the standard rate of UK corporation tax to the result before tax in the current year (2017 - £Nil).

There are no deferred tax assets or liabilities as at 30 April 2018 (2017 - £Nil).

### 4 Debtors due within one year

	2018 £'000	2017 £'000
Loan to parent company	1,000	5,000

This loan is non-interest bearing and is repayable on demand.

### 5 Called up share capital and reserves

	2018 £'000	2017 £'000
Ordinary shares of 25p each in issue	1,000	3,036

The following describes the nature and purpose of each reserve within equity.

**Share Capital** - Nominal value of share capital subscribed for. On 26 April 2018 a capital reduction was performed whereby 8,144,600 shares were cancelled and extinguished.

**Share premium** - Amounts subscribed for share capital in excess of nominal value. During the year amounts carried forward were transferred to other reserves as part of the capital reduction.

**Capital redemption reserve** - This reserve relates to amounts transferred from share capital and share premium on reduction of issued shares and is available for distribution.

An interim dividend of £4,000,000 was paid in the year to the company's parent, Rocco Forte & Family (London) Limited.

**Profit and loss account** - All net gains and losses and transactions with owners (dividends).

### 6 Contingent liabilities

The Company is party to a group loan facility over which the Group's bankers have a cross guarantee secured by way of a fixed and floating charge on the assets of certain group companies. The amount outstanding on this facility at 30 April 2018 was £118,658,000 (2017 - £122,584,000).

# **Brown's Hotel Limited**

**Notes forming part of the financial statements  
for the year ended 30 April 2018 (*continued*)**

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## **7 Ultimate parent company and controlling party**

At the year end the Company's immediate parent is Rocco Forte & Family (London) Limited. Rocco Forte Hotels Limited is the ultimate parent company and is the only group in which the results of the Company are consolidated. Copies of the Group financial statements of Rocco Forte Hotels Limited are publicly available.

The Hon Sir Rocco J V Forte, a Director of Rocco Forte Hotels Limited and members of his close family, control the Company as a result of controlling directly or indirectly 75% of the issued share capital of Rocco Forte Hotels Limited (2017 - 75%).