

**Venice Hadrian 3 Limited**

**Report and Financial Statements**

**31 December 2011**



# **Venice Hadrian 3 Limited**

## **Report and financial statements 2011**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Directors' responsibilities statement</b>	<b>9</b>
<b>Independent auditor's report</b>	<b>10</b>
<b>Profit and loss account</b>	<b>12</b>
<b>Balance sheet</b>	<b>13</b>
<b>Notes to the accounts</b>	<b>14</b>

# **Venice Hadrian 3 Limited**

## **Report and financial statements 2011**

### **Officers and professional advisers**

#### **Directors**

A Troy  
M E Bennison  
G S Hunter

#### **Secretary**

M E Bennison

#### **Registered office**

The Inspire  
Hornbeam Park  
Harrogate  
North Yorkshire  
HG2 8PA

#### **Bankers**

Bank of Scotland plc

#### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Leeds

## **Venice Hadrian 3 Limited**

### **Directors' report**

The directors present their annual report and the audited financial statements for year ended 31 December 2011

#### **Principal activities**

The Company is a non trading company and has not traded during the financial year

#### **Principal Hayley Group Business Review**

The company, together with the other subsidiaries of the UK parent company Venice Newco 1 Limited, form the Principal Hayley Group of Companies ("Principal Hayley")

##### *1 2011 Review*

##### *Results summary*

Principal Hayley is a major player in the upscale UK Hotels and Conference Centres markets owning 21 properties with a total of 3,617 bedrooms in both key city centre and prime out of town locations. In Europe Principal Hayley owns the 150 bedroom Chateau Saint-Just conference centre near Paris. Additionally, Principal Hayley operates the 118 bedroom Oakley Court Hotel under a management contract agreement.

The Group's results for the year ended 31 December 2011 are summarised below. They include a full year's trading for all properties in both financial years with the exception of the Grand Central Hotel in Glasgow which opened in October 2010 following refurbishment.

The 2011 results were impacted by exceptional trading costs and costs relating to the purchase of long leasehold interests in six properties, further details of which are set out below. Further, the 2010 results were impacted by one off costs relating to the opening of the Grand Central Hotel and large non cash interest costs on borrowings from the parent company which were not repeated in 2011.

## Venice Hadrian 3 Limited

### Directors' report

#### *Results summary (continued)*

The following proforma information is given to provide a better understanding of the Group's underlying performance and is calculated account as if the December 2011 property acquisition had taken place on 31 December 2010

	<b>2011 Unaudited proforma £'000</b>	<b>2011 Actual £'000</b>	<b>2010 Actual £'000</b>
<b>Turnover</b>			
UK like for like properties	136,786	136,786	132,455
Chateau Saint-Just, France	6,805	6,805	6,387
Grand Central Hotel	8,453	8,453	1,818
	<u>152,044</u>	<u>152,044</u>	<u>140,660</u>
<b>Profitability</b>			
EBITDAR	43,288	43,288	42,173
Rent payable	(5,545)	(18,953)	(18,134)
Group EBITDA	<u>37,743</u>	<u>24,335</u>	<u>24,039</u>
Interest payable	<u>(37,558)</u>	<u>(27,707)</u>	<u>(26,402)</u>
Earnings before depreciation, amortisation, non-recurrings and non-recurring interest	185	(3,372)	(2,363)
Depreciation and amortisation	(17,136)	(17,136)	(16,497)
Interest on group loans (subsequently written off)	-	-	(28,584)
Other exceptional / non-recurring items	<u>(1,851)</u>	<u>(2,481)</u>	<u>(8,201)</u>
Loss before tax	<u>(18,802)</u>	<u>(22,990)</u>	<u>(55,645)</u>

## Venice Hadrian 3 Limited

### Directors' report

#### *Purchase of Long Leasehold Interest in six properties*

On 22 December 2011 the Group completed the acquisition of 175 year long leasehold interests in six of its properties which up to that date were rented under operating leases from the Aaim Group. The transaction was financed by an additional £131.5m loan facility provided by the Group's bankers.

The key financial impacts of the transaction for Principal Hayley are as follows:

- Operating lease rentals payable on the properties of £18.1m per annum as at 22 December 2011 are no longer payable
- Ground rents payable on the properties of £3.9m per annum, subject to 5 yearly reviews, are now payable
- Interest will be payable on new bank borrowings of £131.5m. The floating rate LIBOR element on £90.0m of these new borrowings has been swapped at 1.475% until 31 December 2015
- No repayments in respect of the new £131.5m of bank loans are required prior to the maturity of the Group's facilities on 31 December 2015

On a proforma basis for 2011 the impact of the transaction was as follows:

- Rent payable is reduced by £13.4m to £5.5m
- Interest payable is increased by £9.8m to £37.6m
- Net earnings before depreciation, amortisation and non-recurrings is increased by £3.6m

#### 2 Revenues

Overall Group revenues increased 8.1% by £11.4m from £140.7m to £152.0m and, on a like for like basis, revenues increased by 3.4% from £138.9m to £143.6m.

A full year's contribution from the Grand Central Hotel in Glasgow contributed £6.6m of the overall revenue increase. The refurbished property, which opened in October 2010, had an extremely successful year, receiving excellent reviews and rapidly establishing itself in the Glasgow marketplace. It achieved 72.9% occupancy and revenue per available room of £53.42 during 2011, both measures significantly ahead of its competitor set in Glasgow.

#### *London*

Revenue growth of 5.2% in London outperformed the results for the marketplace as a whole. The TRI Hospitality Consulting HotStats reported market growth in TrevPar for 2011 of 3.8% for London.

Our London hotel, the Hotel Russell, had excellent growth in average room rate and revenue per available room compared with 2010 as follows:

	2011	2010	% change
Occupancy (%)	86.4	87.5	-1.3%
Average Room Rate (£)	120.26	110.67	+8.7%
Revenue per Available Room (£)	103.91	96.87	+7.3%
Total revenues (£'m)	19.2	18.2	+5.2%

These results are particularly pleasing compared with the results reported by the TRI Hospitality Consulting HotStats which reported market growth in RevPAR for the same period of +6.1%.

## Venice Hadrian 3 Limited

### Directors' report

#### *Provinces*

Like for like revenue growth (excluding the impact of the Grand Central Hotel) of 2.6% in the Provinces outperformed the results for the marketplace as a whole. The TRI Hospitality Consulting HotStats reported market growth in TrevPar for 2011 of -0.2% for the Provinces.

The Provincial hotels have continued to perform well. In our conference and training venues the weakness in the business market, particularly in terms of rates achieved, has been balanced by improved occupancy levels of business from other market segments. Whilst this has had an impact on the overall rates achieved this has not been at the expense of overall RevPAR which has increased.

Overall, the growth in Provincial RevPAR compared with 2010 was as follows:

	2011	2010	% change
Occupancy (%)	65.6	62.9	+4.2%
Average Room Rate (£)	72.26	72.58	-0.4%
Revenue per Available Room (£)	47.38	45.68	+3.7%
Total revenues – like for like (£'m)	108.7	106.0	+2.6%

The RevPAR growth of +2.6% was significantly better than the results reported by the TRI Hospitality Consulting HotStats which reported Provincial market growth in RevPAR for the same period of +1.5%.

#### 3 Profitability

Group EBITDAR of £43,059,000 was £886,000 higher than in 2010. The growth in the Group's revenues did not fully translate into additional earnings due to a number of factors which were common to the Hotel and Conference Centre industry in 2011 as follows:

- Business mix, particularly in the Conference Centres, reduced profitability with day delegate business being particularly affected.
- Commission costs increased as the Group, in common with other UK hoteliers, had to increasingly rely on 3<sup>rd</sup> party channels to attract business.
- Energy costs and business rates increased significantly compared with 2010.

Rent payable of £18,953,000 increased by 4.5% compared with 2010. As noted above, on a proforma basis the rent charge for 2011 was £5,546,000 and the 2012 charge will be at this level.

Interest costs of £27,707,000 for 2011 represent the Group's bank loan interest and finance lease costs for the year and include the costs from £285m of swaps which expired in April 2012. The Group has entered into new more beneficial swaps from April 2012 onwards in respect of £270m of its long term debt and these will benefit the interest payable charge by approximately £9m in their first year.

#### 4 Our People

Throughout what has been another difficult period in 2011 our staff have continued to demonstrate their total support and continued passion for the Group. Our culture 'The Principal Hayley Way' remains embedded throughout Principal Hayley and through our strong customer service strategy 'Quality Wins' we yet again had another year of exceeding our customers expectations by delivering exceptional levels of service. I would like to personally thank all our staff for their hard work both in 2011 and continuing on in 2012.

## Venice Hadrian 3 Limited

### Directors' report

#### 5 Capital Investment

During 2011 the Group continued to invest in its properties with total capital expenditure of over £8m being mainly focussed on improving our guests' experience and improving our energy and operational efficiency

A key element of improving our guests' experience during 2011 was to develop a number of our properties to provide a more rounded offering and to move away from being traditional conference centres. An example of this strategy is the Tempus concept, which brings a contemporary high street environment to our restaurants, and which we rolled out to a further 5 of our properties during the first quarter of 2011

Energy efficiency remains a priority for the Group and we have invested in a number of projects which are described below. Operational efficiency has been improved by the roll out of new EPOS systems in the later part of 2011 and into 2012 which will provide us with much better management information to improve our Food and Beverage offerings

In the first half of 2011 we created 10 new bedrooms at the St David's hotel in Cardiff from under utilised first floor meeting rooms at a cost of £0.4m. The bedrooms created increased the hotel's capacity by 7.5% to 142 bedrooms and helped the hotel increase its revenues for 2011 by 3.9% to just under £8m

#### 6 Environmental Review

Over the last year we have ensured environmental management and carbon emissions reduction remains a top priority. The following investment and awareness initiatives have been introduced

##### Investment initiatives

- During 2011 we completed the roll out of energy saving key-card holders to every bedroom in the estate where the devices didn't already exist
- During 2011 we completed the installation of low energy LED lamps throughout all public areas in all sites
- We continue to invest in energy saving PIR motion sensors in corridors and other public areas together with back of house corridors, public toilets and changing rooms
- We have, in partnership with energy consultants Get Solutions, rolled out their software based energy management tool which forces all sites to consider energy management on a daily basis

##### Awareness initiatives

- We have re-launched our internal environmental policy so it becomes an operating manual to assist each property's Green team
- We have introduced the Green Tourism Board Scheme (GTBS) to all properties and in 2012 all sites will be audited by GTBS
- Smart meters were fitted at all sites in 2011 giving us half hourly usage data to help target future efficiency initiatives

#### 7 2012 Outlook

Trading during the first 4 months of 2012 has been continued to be challenging in line with expectations. However, in the UK the Group sold an additional 5,657 (2.1%) room nights and there was an increase in overall UK revenues of 2.5% compared with 2011

The prospects for the hotel and conference centre industry remain closely correlated with the performance of the wider economy as a whole. Whilst the short term outlook remains uncertain, we remain optimistic about the long term prospects for the UK and European hotel and conference centre markets



## **Venice Hadrian 3 Limited**

### **Directors' report**

#### **Going Concern**

The directors have considered the future trading prospects of Principal Hayley as described in the Principal Hayley Group Business Review

In addition, detailed trading and cash flow projections, which include growth in Principal Hayley's established businesses, have been considered taking account of the Group's available bank facilities and the covenants contained therein. The directors have also considered further projections using reasonable downside sensitivities.

Both the projections and the sensitised projections show that for a period of not less than 12 months from the date of approval of these accounts (i) Principal Hayley has sufficient bank facilities in place, and (ii) that its banking covenants will be met.

The directors note that there is still considerable economic uncertainty in the UK which may further impact the projections and the sensitised projections. However, the directors have a reasonable expectation that Principal Hayley has adequate resources to continue in operational existence for a period of not less than 12 months from the date of approval of these accounts. Accordingly, they continue to be satisfied that adopting the going concern basis in preparing the annual report and accounts for the Company is appropriate.

#### **Financial risk management objectives and policies**

Financial risk management objectives and policies are managed on a unified basis for Principal Hayley.

The Company's activities expose it to a number of financial risks. The use of financial derivatives to manage risks is subject to Board approval and no financial derivatives are used for speculative purposes.

##### *Cash flow risk*

The Company's activities do not expose it to the financial risks of changes in foreign currency exchange rates.

##### *Credit risk*

The Company's principal financial assets are receivables from other members of Principal Hayley. The Company has no other significant concentration of credit risk.

##### *Liquidity Risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future development, Principal Hayley uses a mixture of long-term and short-term bank loan finance. These facilities are not due, subject to compliance with normal banking covenants, for repayment or renewal until December 2015.

Current forecasts and projections, taking account of reasonable adverse variations in trading performance, show that Principal Hayley should be able to operate within its current facilities and meet its banking covenants.

##### *Price Risk*

The Company is not exposed to commodity price risk.

#### **Company results and dividends**

The directors expect the Company's levels of activity to remain unchanged during the year to 31 December 2012.

The Company made a profit £nil for the year (2010: loss of £152,483,451). No dividends were paid during the financial year (2010: £nil). The directors do not propose to pay a final dividend (2010: £nil).

## **Venice Hadrian 3 Limited**

### **Directors' report**

#### **Charitable and political contributions**

The Company made charitable donations of £nil during the year (2010 £nil) There were no donations made to political parties (2010 £nil)

#### **Directors**

The directors who held office during the year and subsequent to the balance sheet date were

A Troy  
M E Bennison (appointed 19 July 2011)  
G S Hunter  
T J Doubleday (resigned 19 July 2011)

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report

#### **Disclosure of relevant information to auditor**

Each of the persons who is a director at the date of approval of this report confirms that

- so far as each of the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

#### **Auditor**

A resolution to re-appoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting

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



M E Bennison  
Director  
14 June 2012

## **Venice Hadrian 3 Limited**

### **Directors' responsibilities statement**

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). 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 judgments and accounting 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 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.

## **Independent auditor's report to the members of Venice Hadrian 3 Limited**

We have audited the financial statements of Venice Hadrian 3 Limited for the year then ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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, 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 Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 2011 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of Venice Hadrian 3 Limited**  
**(continued)**

**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



David M Johnson BA FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Leeds, United Kingdom

14 June 2012

## Venice Hadrian 3 Limited

### Profit and loss account Year ended 31 December 2011

	Note	2011 £	2010 £
Administrative expenses			
- Impairment of investment in subsidiaries		-	(152,484,963)
<b>Operating profit / (loss)</b>		-	(152,484,963)
Finance charges (net)	2	-	1,512
<b>Profit / (loss) on ordinary activities before taxation</b>	3	-	(152,483,451)
Tax on profit / (loss) on ordinary activities	5	-	-
<b>Retained profit / (loss) for the financial year</b>	7	-	(152,483,451)

There are no recognised gains or losses other than the results shown in the profit and loss account above  
Accordingly, no statement of total recognised gains and losses is given

All amounts relate to continuing activities

## Venice Hadrian 3 Limited

### Balance sheet 31 December 2011

	Note	2011 £	2010 £
Net assets / (liabilities)		-	-
		<u>          </u>	<u>          </u>
Capital and reserves			
Called up share capital	6	1	1
Profit and loss account	7	(1)	(1)
		<u>          </u>	<u>          </u>
Equity shareholders' funds / (deficit)	8	-	-
		<u>          </u>	<u>          </u>

The financial statements of Venice Hadrian 3 Limited, company number 6198400, have been approved and authorised for issue by the Board of Directors



Signed on behalf of the Board of Directors

M E Bennison, Director

14 June 2012

## **Venice Hadrian 3 Limited**

### **Notes to the accounts**

**Year ended 31 December 2011**

#### **1. ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

##### **Basis of accounting**

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

##### **Going Concern**

The accounts have been prepared on a going concern basis. Further details regarding the adoption of the going concern basis can be found in the Directors' Report.

##### **Investments**

Fixed asset investments are stated at cost less any necessary provision for impairment.

##### **Taxation**

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profit and its results stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured on a non-discounted basis.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, 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.

##### **Cash flow statement**

Under the provisions of FRS 1 (revised) Cash Flow Statements, the Company has not prepared a cash flow statement because its UK parent company Venice Newco 1 Limited prepares consolidated accounts which include the cash flows of the Company.



# Venice Hadrian 3 Limited

## Notes to the accounts

Year ended 31 December 2011

### 2. FINANCE CHARGES (NET)

	2011 £	2010 £
Loans from group companies	-	17,060,345
Interest payable and similar charges	-	17,060,345
Loans to group companies	-	(17,061,857)
Interest receivable and similar income	-	(17,061,857)
Net finance charges / (income)	-	(1,512)

### 3 PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2011 £	2010 £
Profit /(loss) on ordinary activities before taxation is stated after charging / (crediting)		
Auditor's remuneration - audit services	-	-

Auditor's remuneration of £1,000 (2010 £1,000) is borne by a fellow Group company

### 4. STAFF COSTS

The directors are the only employees of the company. The directors received no remuneration in respect of services to the Company during the year (2010 - £nil). From 1 January 2010 to 31 March 2011 the directors were remunerated by Principal Hayley Group Limited and from 1 April 2011 to 31 December 2011 the directors were remunerated by Principal Hayley Limited, both of which are fellow Group companies. It is not practicable to allocate a proportion of those costs to the Company.

# Venice Hadrian 3 Limited

## Notes to the accounts

Year ended 31 December 2011

### 5. TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

	2011 £	2010 £
The tax charge for the year comprises		
<b>Current tax</b>		
UK corporation tax on the profit / (loss) for the year	-	-
Total current tax charge / (credit)	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
Total deferred tax charges / (credit)	-	-
<b>Total tax charge/(credit)</b>	-	-

At 31 December 2011 there is no unprovided deferred tax (2010 £nil)

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

	2011 £	2010 £
Profit / (loss) on ordinary activities before taxation	-	(152,483,451)
Tax at standard UK rate of 26.5% (2010 28.0%)	-	(42,695,366)
Effects of Expenses not deductible for tax purposes	-	42,695,366
Current tax charge / (credit) for the year	-	-

# Venice Hadrian 3 Limited

## Notes to the accounts

Year ended 31 December 2011

### 6. CALLED UP SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid: 1 ordinary shares of £1 each	1	1
Total share capital	1	1

### 7. RESERVES

	Profit and loss account £
At the beginning of the year	(1)
Retained profit / (loss) for the year	-
At the end of the year	(1)

### 8. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit / (loss) for the financial year	-	(152,483,451)
Capital contribution received	-	152,480,402
Net increase / (reduction) to equity shareholders' funds	-	(3,049)
Opening equity shareholders' funds / (deficit)	-	3,049
Closing equity shareholders' funds / (deficit)	-	-

### 9. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in FRS 8 "Related Party Disclosures" not to disclose transactions with other Group companies

### 10. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The Company's ultimate parent company and controlling party is Venice Luxco Sarl, a company incorporated in Luxembourg. Venice Luxco Sarl does not prepare consolidated accounts.

The Company's immediate parent company is Venice Hadrian 2 Limited, a company registered in England and Wales. The largest and smallest group in which the Company is consolidated is that headed by Venice Hadrian 1 Limited, a company registered in England and Wales. Copies of the financial statements of Venice Hadrian 2 Limited and the consolidated financial statements of Venice Hadrian 1 Limited can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.