

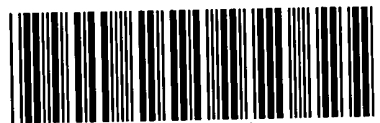
41-43 Brook Street LLP

Report and
financial statements

Year ended 31 December 2016

LLP: OC335486

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41-43 Brook Street LLP

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41-43 Brook Street LLP

Members and other information

Designated members Brook Street 2 Limited

Registered office 41-43 Brook Street
Mayfair
London
W1K 4HJ

Auditors Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers Barclays Bank
1 Churchill Place
London
E14 5HP

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

Solicitors Macfarlanes LLP
10 Norwich Street
London
EC4A 1BD

LLP OC335486

41-43 Brook Street LLP

Members' report

The members present their report and audited financial statements for the year ended 31 December 2016.

Principal activities

The principal activity of 41-43 Brook Street LLP ('the Partnership') is the ownership of the leasehold property known as 41- 43 Brook Street.

Business review

The profit for the year ended 31 December 2016 amounted to £nil (2015: £nil). The members consider that the profit for the year as set out on page 7 is in line with their expectations.

Policy on members' drawings

The members' drawings policy allows each member to draw a proportion of its profit share, subject to the cash requirements of the business.

Designated members

The designated members during the year were:

- Brook Street 2 Limited

Disclosure of information to auditors

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

Members' capital and interests

Details of any changes in members' capital in the year ended 31 December 2016 are set out in the notes to the financial statement.

41-43 Brook Street LLP

Members' report (*continued*)

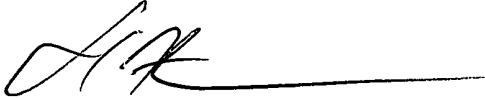
Going Concern

The group headed by Coroin Limited ('the Group') has considerable financial resources. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully. After making enquiries, and taking into account the support of Coroin Limited, the directors have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

Auditor

The Partnership appointed Ernst & Young LLP as its auditor on 27 September 2016. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and Ernst & Young LLP will therefore continue in office.

On behalf of the members



Liam Cunningham
For Brook Street 2 Limited Designated member

26 September 2017

41-43 Brook Street LLP

Statement of members' responsibilities

The members are responsible for preparing the members' report and the financial statements in accordance with applicable law and regulations.

Company law, as applied to LLPs, requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under LLP law, as applied to LLPs, the members 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 LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies for the LLP's financial statements and then apply them consistently;
- make judgments 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 entity will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the entity's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the members



Liam Cunningham
For Brook Street 2 Limited Designated member

26 September 2017

Independent auditor's report to the members of 41-43 Brook Street LLP

We have audited the financial statements of 41-43 Brook Street LLP for the year ended 31 December 2016 which comprise the Statement of comprehensive income, Balance sheet, Statement of changes in equity and related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 101 *Reduced Disclosure Framework*. Our audit was conducted in accordance with International Standards on Auditing (ISAs) (UK & Ireland).

This report is made solely to the members of the limited liability partnership (LLP), as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP'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 members' responsibilities statement set out on page 4, the members 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 & Ireland) including FRS 101 *Reduced Disclosure Framework*. Those standards require us to comply with the Financial Reporting Council'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 LLP 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 Report and financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the case of performing the audit. 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 affairs of the LLP as at 31 December 2016 and of its result for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Independent auditor's report to the members of 41-43 Brook Street LLP *(continued)*

Opinion on other matter 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 Members' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Members' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have identified no material misstatements in the Members' report.

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.



Rebecca Turner (Senior statutory auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor

1 More London Place

London

SE1 2AF

28 September 2017

41-43 Brook Street LLP

LLP: OC335486

Statement of comprehensive income

for the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
Turnover	3	492	437
Administrative expenses		(492)	(437)
Gross profit	3	<u>-</u>	<u>-</u>
Profit for the financial year before members' remuneration and profit shares		-	-
Members' remuneration charged as an expense		-	-
		<u>-</u>	<u>-</u>
Result for the financial year available for discretionary division among members		<u>-</u>	<u>-</u>

The Partnership had no other comprehensive income in the current year or previous financial year other than those dealt with in the profit and loss account. All activities in the current year and previous financial year are derived from continued operations.

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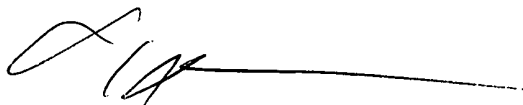
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Balance sheet

as at 31 December 2016

	<i>Note</i>	2016 £'000	2015 £'000
Tangible fixed asset	6	35,599	35,209
Current assets			
Debtors	7	9,407	9,980
Cash at bank and in hand		10	10
		9,417	9,990
Creditors: amounts falling due within one year	8	(10,014)	(10,197)
Net current liabilities		(597)	(207)
Net assets attributable to members		35,002	35,002
Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability	10	35,002	35,002
Total members' interests		35,002	35,002

These financial statements were approved by the members on 26 September 2017.



Liam Cunningham
For Brook Street 2 Limited Designated member

41-43 Brook Street LLP

LLP: OC335486

Statement of changes in equity

for the year ended 31 December 2016

	Equity members' interests £	Total £
At 1 January 2015	35,002	35,002
Profit for the year	-	-
Other comprehensive income	-	-
Members profit distribution	-	-
	<hr/>	<hr/>
At 31 December 2015	35,002	35,002
Profit for the year	-	-
Other comprehensive income	-	-
Members profit distribution	-	-
	<hr/>	<hr/>
At 31 December 2016	35,002	35,002

The accompanying notes form an integral part of the financial statements.

41-43 Brook Street LLP

Notes

forming part of the financial statements

1 Statement of compliance

41-43 Brook Street LLP is a limited partnership incorporated in the United Kingdom. The limited partnership's registered office is 41-43 Brook Street, Mayfair, London, W1K 4HJ.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

These financial statements are presented in sterling, being the functional currency of the limited partnership. All financial information presented in sterling has been rounded to the nearest thousand, except where otherwise stated.

2 Significant accounting policies

Basis of preparation

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("EU IFRS"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has adopted certain disclosure exemptions available under FRS 101. These include:

- a cash flow statement and related notes (para 8(h));
- disclosures in respect of the compensation of key management personnel (para 8(j));
- disclosures in respect of transactions with wholly owned subsidiaries (para 8(k));
- certain comparative information (para 8(f)); and
- the effects of new but not yet effective IFRSs (para 8(i));

As the consolidated financial statements of Coroin Limited include the equivalent disclosures, the company has also taken the exemption under FRS 101 available in respect of the following:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*; and
- Certain disclosures required by IAS 36 *Impairment of Assets*.

Basis of measurement

The financial statements have been prepared on the historical cost basis.

41-43 Brook Street LLP

Notes *(continued)*

2 Accounting policies *(continued)*

Use of estimates and judgements

In preparing these financial statements management has made judgements, estimates and assumptions that affect application of the limited partnership accounting policies and the reported amounts of assets, liabilities, income and expenses. Such estimates and judgements are based on historical experience and other factors, including expectation of future events that are believed to be reasonable. Actual outcomes may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The key accounting judgements and sources of estimation uncertainty affecting these financial statements are:

- Carrying value of tangible fixed assets – note 6

Estimates to underlying assumptions are reviewed on an on going basis. Revisions to estimates are recognised prospectively.

Going concern

The financial statements have been prepared on the going concern basis.

The group headed by Coroin Limited ('the Group') has considerable financial resources. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully.

After making enquiries, and taking into account the support assured by Coroin Limited, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Non-derivative financial instruments

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Non-derivative financial liabilities

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Tangible fixed assets

Recognition and measurement

Items of tangible fixed assets are measured at cost less accumulated depreciation and impairment.

If significant parts of an item of tangible fixed assets have different useful lives, then they are accounted for as separate items (*major components*) of tangible fixed assets.

Any gain or loss on disposal of an item of tangible fixed assets is recognised in profit or loss.

41-43 Brook Street LLP

Notes (continued)

2 Accounting policies (continued)

Depreciation

Depreciation has not been charged on the leasehold property held by the Company as the residual values of those properties exceeds the carrying values.

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 Partnership recognises an impairment loss in the profit and loss account.

Other fixed assets are stated at cost less accumulated depreciation.

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

3 Statutory information

	2016 £'000	2015 £'000
<i>Turnover comprises:</i>		
Intergroup recharges	195	437
Property rental	287	-
	<hr/>	<hr/>
▫ Total turnover	492	437
	<hr/> <hr/>	<hr/> <hr/>

All turnover is derived from operations in the UK.

	2016 £'000	2015 £'000
<i>Gross profit is stated after charging:</i>		
Depreciation – owned assets	195	-
	<hr/> <hr/>	<hr/> <hr/>

4 Information regarding members, employees and audit fees

The partnership has no employees. The audit fee of the partnership is borne by its parent undertaking.

5 Tax charge on profit on ordinary activities

Under taxation legislation in the UK, the partnership does not constitute a separate taxable entity and, accordingly, no provision for taxation has been made in these financial statements.

41-43 Brook Street LLP

Notes (continued)

6 Tangible fixed assets	Long leasehold land and buildings	Fixtures, fittings, plant and machinery	Total £'000
	£'000		
Cost			
At beginning of year	35,209	-	35,209
Additions	-	585	585
At 31 December 2016	35,209	585	35,794
Accumulated depreciation			
At 31 December 2015	-	-	-
Charge for the year	-	195	195
At 31 December 2016	-	195	195
Net book value			
At 31 December 2016	35,209	390	35,599
At 31 December 2015	35,209	390	35,209

The partnership is the beneficial owner of the leasehold property of 41-43 Brook Street.

QIB (UK) plc holds a first fixed charge over the long leasehold land and buildings and fixtures and fittings, the beneficial ownership of which resides with the Company and a floating charge over all its the Company's assets in respect of the amounts owed by MHG Senior Borrower Limited at the period end of £788,560,000 (2015: £800,000,000). The legal ownership of the company's long leasehold land and buildings resides with Bluedraft Limited, a non trading company under common control.

In accordance with the Company's accounting policies, the directors undertake an annual review of the carrying value of all tangible fixed assets to determine whether there is any indication of impairment. An impairment test was performed at 31 December 2016 by comparing the carrying amount of these assets to their recoverable amounts.

The recoverable amount is determined as the higher of value in use and fair value less costs of disposal. In determining an asset's recoverable amount the directors are required to make judgements, estimates and assumptions that impact on the carrying value of the properties. The estimates and assumptions used are based on historical experience and other factors that are believed to be reasonable based on information available. At 31 December 2016, the fair value, and hence the recoverable amount were deemed to be significantly higher than the carrying amount. The directors conclude that the carrying value of property, plant and equipment is not impaired at 31 December 2016.

The estimated fair value of the long lease and freehold land and buildings would increase (decrease) if:

- the discount rate was higher (lower);
- the trading performance of the hotels improved (declined); or
- market yields increased (decreased).

41-43 Brook Street LLP

Notes (continued)

7 Debtors	2016	2015
	£'000	£'000
Amounts owed by group undertakings	9,366	9,905
Prepayments and accrued income	41	75
	<hr/> 9,407 <hr/>	<hr/> 9,980 <hr/>

All amounts fall due within one year.

8 Creditors: amounts falling due within one year	2016	2015
	£'000	£'000
Amounts owed to group undertakings	10,002	10,197
Accruals and deferred income	12	-
	<hr/> 10,014 <hr/>	<hr/> 10,197 <hr/>

9 Members share of profits	2016	2015
	£'000	£'000
At beginning of year	-	-
Profit for the financial year available for profit share	-	-
Members profit allocation – Brook Street 2 Limited	-	-
	<hr/> At end of year <hr/>	<hr/> - <hr/>

10 Members capital (classified as a liability)	2016	2015
	£'000	£'000
At beginning and end of year	35,002	35,002
	<hr/> 35,002 <hr/>	<hr/> 35,002 <hr/>

The members' capital contribution received by the LLP is classified as a liability as the LLP does not have an unconditional right to refuse payment to members.

11 Reconciliation of movement in members' interests	2016	2015
	£'000	£'000
At beginning of year	35,002	35,002
Profit for the financial year available for profit share	-	-
Members profit allocation – Brook Street 2 Limited	-	-
	<hr/> At end of year <hr/>	<hr/> 35,002 <hr/>

41-43 Brook Street LLP

Notes *(continued)*

12 Transactions with members

The Partnership owes Brook Street 1 Limited £7,836,000 (2015: £7,836,000). Brook Street 1 Limited is not a member of the Partnership but is a company under common control.

Brook Street 2 Limited is a sole designated member of the Partnership. At the year end the Partnership owed Brook Street 2 Limited £2,166,000 (2015: £2,361,000).

Maybourne Hotels Limited is a subsidiary undertaking of the Partnerships' parent undertaking, Coroin Limited. At the year end the Partnership was owed £9,366,000 (2015: £9,905,000) by Maybourne Hotels Limited.

13 Ultimate parent undertaking

The Partnership's ultimate parent and controlling party is Prime Capital S.A., a company incorporated in Luxembourg. This is the largest group in which the results of the Partnership are consolidated.

Coroin Limited, a company incorporated in Great Britain and registered in England and Wales is the smallest group in which the results of the Partnership are consolidated. Copies of those statutory accounts will be available from its registered office, 41-43 Brook Street, Mayfair, London, W1K 4HJ.

14 Subsequent events

There were no events subsequent to the balance sheet date that require adjustment to or disclosure in the financial statements.