

# Brook Street 2 Limited

Report and  
financial statements

Year ended 31 December 2016

**Registered number: 06516559**



# Brook Street 2 Limited

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# Brook Street 2 Limited

## Directors and other information

### Board of Directors

Fady Bakhos  
Liam Cunningham

### Registered office

41- 43 Brook Street  
Mayfair  
London  
W1K 4HJ

### Auditor

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

# Brook Street 2 Limited

## Directors' report

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

The Company has taken the exemption for small companies in relation to the Strategic report provided by Section 414B of the Companies Act 2006.

### Principal activities

The principal activity of Brook Street 2 Limited ('the Company') is that of an investment holding company.

### Business review

The loss for the year ended 31 December 2016 amounted to £195,000 (2015: loss of £437,000). The statement of comprehensive income is set out on page 7.

The 41- 43 Brook Street Trust terminated on 11 March 2013 and consequently the company is now the sole member of the 41- 43 Brook Street LLP.

### Dividends

During the period no dividends were paid (2015: Nil) and no dividends were proposed.

### Directors and their interests

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

Liam Cunningham  
Carole Walker  
Fady Bakhos

Resigned 29 February 2016  
Appointed 29 February 2016

### Political and charitable contributions

The Company made no political or charitable donations during the year (2015: nil).

### Disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

# Brook Street 2 Limited

## Directors' 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 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

### **Auditor**

The Company 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.

Approved by the Board of Directors ('the Board') and signed on behalf of the Board



Liam Cunningham  
*Director*

26 September 2017

# Brook Street 2 Limited

## Statement of directors' responsibilities

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 year. 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) including FRS 101 *Reduced Disclosure Framework*.

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 year. 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; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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



Liam Cunningham  
Director

26 September 2017

## Independent auditor's report to the members of Brook Street 2 Limited

We have audited the financial statements of Brook Street 2 Limited 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 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 101 *Reduced Disclosure Framework*.

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 Statement of directors' responsibilities 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 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 Report and financial statements to identify material inconsistencies with the audited 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 course 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 the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report to the members of Brook Street 2 Limited *(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 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 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 Directors' 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

27 September 2017



# Brook Street 2 Limited

Registered number 06516559

## Statement of comprehensive income

for the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
<b>Gross profit</b>		-	-
Administrative expenses		(195)	(437)
<b>Loss on ordinary activities before tax</b>		(195)	(437)
Tax charge on loss on ordinary activities	5	-	-
<b>Loss for the financial year</b>		(195)	(437)

The Company had no other comprehensive income in the financial year or previous financial year other than those dealt with in the profit and loss account. All activities in the current year and previous years were derived from continuing operations.

# Brook Street 2 Limited

Registered number 06516559

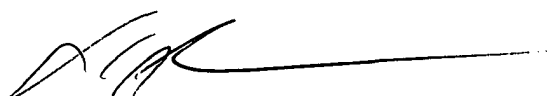
## Balance sheet

as at 31 December 2016

	Note	2016 £'000	2015 £'000
<b>Fixed assets</b>			
Investments	6	35,000	35,000
<b>Current assets</b>			
Debtors	7	2,166	2,361
<b>Net assets</b>		<u>37,166</u>	<u>37,361</u>
<b>Capital and reserves</b>			
Called up share capital	8	35,000	35,000
Profit and loss account		2,166	2,361
<b>Shareholders' funds</b>		<u>37,166</u>	<u>37,361</u>

These financial statements were approved by the Board of Directors on 26 September 2017.

Signed on behalf of the Board of Directors



Liam Cunningham  
Director

## Brook Street 2 Limited

### Statement of changes in equity for the year ended 31 December 2016

	Share capital £'000	Retained earnings £'000	Total £'000
<b>At 1 January 2015</b>	35,000	2,798	37,798
Loss for the financial year	-	(437)	(437)
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2015</b>	<b>35,000</b>	<b>2,361</b>	<b>37,361</b>
Loss for the financial year	-	(195)	(195)
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2016</b>	<b>35,000</b>	<b>2,166</b>	<b>37,166</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

The reserve for retained earnings relates accumulated profits/(losses) of the Company less any distributions to shareholders.

# Brook Street 2 Limited

## Notes

to the financial statements

### 1 Statement of compliance

Brook Street 2 Limited is a company incorporated in the United Kingdom. The Company's registered office is at 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 company. 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));

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Coroin Limited. The results of the Company are included in the publicly available consolidated financial statements of Coroin Limited

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*.

# Brook Street 2 Limited

## Notes *(continued)*

### **2 Significant accounting policies *(continued)***

#### **Basis of measurement**

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

#### **Use of estimates and judgements**

In preparing these financial statements management has made judgements, estimates and assumptions that affect application of the company 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.

#### **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.

#### **Tax**

The income tax expense comprises current and deferred tax. It is recognised in the income statement except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity.

Current tax is the expected tax payable on the taxable income for the year using tax rates and laws that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

# Brook Street 2 Limited

## Notes *(continued)*

### **2 Significant accounting policies *(continued)***

#### **Tax *(continued)***

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: those differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that the Company is able to control the timing of reversal and it is probable that they will not reverse in the foreseeable future.

A deferred tax asset is recognised to the extent that it is probable future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

#### **Provisions**

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

#### **Investments**

Investments in subsidiaries are held at historical cost less any applicable provision for impairment.

# Brook Street 2 Limited

## Notes (continued)

### 2 Significant accounting policies (continued)

#### 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.

##### *Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Ordinary dividends are recognised in the period in which they are paid to shareholders. Interim dividends are recognised as a liability when declared.

### 4 Information regarding directors, employees and audit fees

The company has no employees. The audit fee is borne by another company in the Group.

One of directors is remunerated by third party management company Hume Street Management Consultants Limited which charge fees of £5,000,000 (2015: £3,500,000) to Coroin Limited as set out in note 21(a) of the Coroin Limited financial statements. One of the directors is remunerated by third party management company Al Mirqab Holding Co. which is paid €2,000,000 (2015: €2,000,000m) by Constellation Hotel Holdings S.C.A. an intermediate parent holding company registered in Luxembourg. The directors do not believe that it is practicable to apportion these amounts between their services as directors of the company and their services as directors of the holding and fellow subsidiary companies.

# Brook Street 2 Limited

## Notes (continued)

### 5 Income taxes

#### (a) Amounts recognised in profit or loss

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
<b>Current tax</b>		
UK corporation tax	-	-
	<hr/>	<hr/>
Adjustment in respect of prior years	-	-
	<hr/>	<hr/>
<b>Total current tax</b>	-	-
	<hr/>	<hr/>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	-	-
Adjustments in respect of prior periods	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
<b>Reconciliation of tax charge/(credit)</b>	<b>31 December</b>	<b>31 December</b>
	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Loss on ordinary activities before tax	<b>(195)</b>	<b>(437)</b>
	<hr/>	<hr/>
Loss on ordinary activities before tax at the standard corporation tax rate in the UK of 20.00% (2015: 20.25%)	<b>(39)</b>	<b>(88)</b>
Group relief surrendered	<b>39</b>	<b>88</b>
	<hr/>	<hr/>
<b>Total tax charge</b>	-	-
	<hr/>	<hr/>

#### Factors which may affect future tax charges

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 17% (effective 1 April 2020) were substantively enacted on 26 October 2015 and 6 September 2016 respectively. This will reduce the company's future tax charge accordingly.



# Brook Street 2 Limited

## Notes (continued)

<b>6 Investments</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
At beginning and end of the year	<b>35,000</b>	<b>35,000</b>

The amount represents a capital contribution of £35 million to 41-43 Brook Street LLP for which the registered address is the same as that of the Company.

<b>7 Debtors</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
Amounts owed by group companies	<b>2,166</b>	<b>2,361</b>

Debtors are repayable on demand.

<b>8 Called up share capital</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
<b>Authorised</b> 35,000,000 ordinary shares of £1 each	<b>35,000</b>	<b>35,000</b>
<b>Authorised called up, allotted and fully paid</b> 35,000,000 ordinary shares of £1 each	<b>35,000</b>	<b>35,000</b>

## **9 Related party transactions**

The Company is exempt under the provisions of IAS 24 *Related Party Disclosures* from disclosing related party transactions entered into between two or more 100% owned members of a group.

## **10 Ultimate parent company**

The company's ultimate parent company and controlling party is Prime Capital S.A. is Constellation Hotels Holding Ltd. S.C.A., a Company incorporated in Luxembourg. This is the largest group in which the results of the Company 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 Company are consolidated. Copies of these statutory accounts are available from its registered office, 41-43 Brook Street, Mayfair, London, W1K 4HJ.

# Brook Street 2 Limited

## Notes *(continued)*

### **11 Subsequent events**

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