

**COMPANIES
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Company Registration No 0680929 (England and Wales)

**BROOK HOTELS GROUP LIMITED
ANNUAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2012**



**Accounts
Q.C. APPROVED**

BROOK HOTELS GROUP LIMITED

DIRECTORS AND ADVISERS

Directors	U Ummat A Ummat
Company number	0680929
Registered office	94 Kingston Hill Kingston Upon Thames Surrey KT2 7NP
Auditors	Cowgill Holloway LLP Regency House 45 - 51 Chorley New Road Bolton BL1 4QR
Bankers	Santander UK Plc PO Box 10102 23 Prescott Street London EC1 8TN

BROOK HOTELS GROUP LIMITED

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BROOK HOTELS GROUP LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2012

The directors present their report and financial statements for the period ended 30 September 2012

Principal activities and review of the business

The principal activity of the company continued to be that of the ownership and operation of hotels

On 22 December 2011 a group re-organisation occurred. This involved the transfer of certain existing trading companies into the newly formed group, headed by the new parent holding company, namely Brook Hotels Group Limited

The period ended 30th September 2012 has reported a loss after tax of (£2,962,732) and net assets of (£2,906,542) for the new group. The group has suffered exceptional losses on the disposal of subsidiaries amounting to £2,987,799. It is well documented that the general economic climate has continued to be extremely challenging for most businesses and apart from the exceptional losses suffered, the directors are pleased with the operating profit the group has reported for the period.

Turnover for each subsidiary within the group has increased in the period on a comparative comparison to 2011 as a result of increased hotel occupancy and the directors expect continuance of this for 2013.

Reported profit for the period, also shows significant growth as a result of effective cost control procedures implemented in the period by the directors. This will continue for 2013.

Overall, the directors are satisfied with the financial position of the individual entities at 30th September 2012 and believe that the net liability position shown in the consolidated accounts is a result of the exceptional paper loss on disposal of two subsidiaries. Overall the directors believe the group and its individual trading subsidiary companies are in a strong and stable position financially for the future.

Results and dividends

The consolidated profit and loss account for the period is set out on

Directors

The following directors have held office since 1 April 2011

U Ummat

A Ummat

BROOK HOTELS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2012

Financial instruments

Liquidity risk

The company is funded through its retained earnings and borrowings. The directors regularly monitor cash flow projections of the company in order to ensure that it has sufficient available funds for its continuing operations.

Interest rate risk

The company currently has borrowings that are at a floating rate of interest that have been used to finance the purchase of the hotel, including integral fixed assets. The risk is managed by monitoring key ratios such as interest cover, as well as cash flow. The company does not use derivative financial instruments to manage this risk and, as such, no hedge accounting is applied.

Foreign currency risk

The company is not exposed to any significant direct currency risk since there are no foreign subsidiaries or balances held in foreign locations, and all invoicing is in sterling.

Credit risk

The company has policies in place such that credit checks are made on all potential customers as part of the set new account procedures. Key suppliers are also subject to credit checks in order to mitigate supply chain failure.

Auditors

The auditors, Cowgill Holloway LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 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 group and of the profit or loss of the group 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BROOK HOTELS GROUP LIMITED

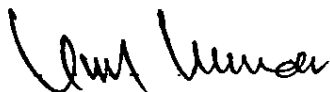
DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2012

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



U Ummat

Director

8 AUGUST 2012

BROOK HOTELS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BROOK HOTELS GROUP LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Brook Hotels Group Limited for the period ended 30 September 2012 set out on pages 6 to 23. 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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 3, 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 group's and parent company's affairs as at 30 September 2012 and of the group's loss for the period 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 period for which the financial statements are prepared is consistent with the financial statements.

BROOK HOTELS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF BROOK HOTELS GROUP LIMITED

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



Stuart Stead (Senior Statutory Auditor)
for and on behalf of Cowgill Holloway LLP

8 August 2013

Chartered Accountants
Statutory Auditor

Regency House
45 - 51 Chorley New Road
Bolton
BL1 4QR

BROOK HOTELS GROUP LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 SEPTEMBER 2012

	Notes	Period ended 30 September 2012 £	Year ended 31 March 2011 £
Turnover	2		
Continuing operations		5,179,615	-
Discontinued activities		386,213	-
		<u>5,565,828</u>	<u>-</u>
Cost of sales		(2,851,586)	-
		<u>2,714,242</u>	<u>-</u>
Gross profit			
Administrative expenses		(1,851,705)	-
		<u>862,537</u>	<u>-</u>
Operating profit	4		
Continuing operations		1,130,828	-
Discontinued activities		(268,291)	-
		<u>862,537</u>	<u>-</u>
Profit loss on sale of subsidiary		(2,987,799)	-
		<u>(2,125,262)</u>	<u>-</u>
Loss on ordinary activities before interest			
Interest payable and similar charges	5	(628,005)	-
		<u>(2,753,267)</u>	<u>-</u>
Loss on ordinary activities before taxation			
Tax on (loss)/profit on ordinary activities	6	(209,465)	-
		<u>(2,962,732)</u>	<u>-</u>
Loss on ordinary activities after taxation			

There are no recognised gains and losses other than those passing through the profit and loss account

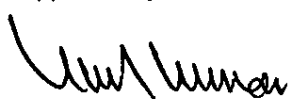
BROOK HOTELS GROUP LIMITED

BALANCE SHEETS

AS AT 30 SEPTEMBER 2012

		Group		Company	
	Notes	As at 30 September 2012 £	As at 31 March 2011 £	As at 30 September 2012 £	As at 31 March 2011 £
Fixed assets					
Intangible assets	8	(8,365,681)	-	-	-
Tangible assets	9	23,005,085	-	-	-
Investments	10	-	-	6,256,090	-
		<u>14,639,404</u>	<u>-</u>	<u>6,256,090</u>	<u>-</u>
Current assets					
Stocks	11	68,964	-	-	-
Debtors	12	484,182	-	100	100
Cash at bank and in hand		171,082	-	-	-
		<u>724,228</u>	<u>-</u>	<u>100</u>	<u>100</u>
Creditors amounts falling due within one year	13	<u>(2,913,909)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net current (liabilities)/assets		<u>(2,189,681)</u>	<u>-</u>	<u>100</u>	<u>100</u>
Total assets less current liabilities		12,449,723	-	6,256,190	100
Creditors: amounts falling due after more than one year					
	14	(15,201,481)	-	-	-
Provisions for liabilities	15	<u>(154,784)</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>(2,906,542)</u>	<u>-</u>	<u>6,256,190</u>	<u>100</u>
Capital and reserves					
Called up share capital	16	56,190	-	56,190	100
Profit and loss account	17	<u>(2,962,732)</u>	<u>-</u>	<u>6,200,000</u>	<u>-</u>
Shareholders' funds	18	<u>(2,906,542)</u>	<u>-</u>	<u>6,256,190</u>	<u>100</u>

Approved by the Board and authorised for issue on 8 August 2013



U Ummat
Director

Company Registration No 0680929

BROOK HOTELS GROUP LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 SEPTEMBER 2012

	Period ended		Year ended	
	30 September		31 March	
	2012		2011	
	£	£	£	£
Net cash inflow from operating activities		234,125		-
Returns on investments and servicing of finance				
Interest paid	(628,005)		-	
Net cash outflow for returns on investments and servicing of finance		(628,005)		-
Capital expenditure and financial investment				
Payments to acquire intangible assets	(95,364)		-	
Payments to acquire tangible assets	(71,204)		-	
Net cash outflow for capital expenditure		(166,568)		-
Net cash outflow before management of liquid resources and financing		(560,448)		-
Financing				
Issue of ordinary share capital	56,090		-	
Other new long term loans	566,884		-	
Repayment of long term bank loan	(287,242)		-	
Net cash inflow from financing		335,732		-
Increase/(decrease) in cash in the period		(224,716)		-

BROOK HOTELS GROUP LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2012

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities		2012	2011	
			£	£	
	Operating profit/(loss)		862,537	-	
	Depreciation of tangible assets		130,343	-	
	Amortisation of intangible assets		(925,160)	-	
	Impairment losses		1,091,502	-	
	Loss on sale of subsidiary		(2,987,799)	-	
	(Increase)/decrease in stocks		(68,964)	-	
	(Increase)/decrease in debtors		(484,082)	(100)	
	Increase/(decrease) in creditors within one year		2,127,119	-	
	Other movements		488,629	-	
	Net cash inflow/(outflow) from operating activities		234,125	(100)	
2	Analysis of net debt	1 April 2011	Cash flow	Other non-cash changes	30 September 2012
		£	£	£	£
	Net cash				
	Cash at bank and in hand	-	171,082	-	171,082
	Bank overdrafts	-	(395,798)	-	(395,798)
		-	(224,716)	-	(224,716)
	Other loans	-	(566,884)	-	(566,884)
	Debts falling due within one year	-	(121,729)	-	(121,729)
	Debts falling due after one year	-	287,242	(14,921,839)	(14,634,597)
		-	(401,371)	(14,921,839)	(15,323,210)
	Net debt	-	(626,087)	(14,921,839)	(15,547,926)
3	Reconciliation of net cash flow to movement in net debt		2012	2011	
			£	£	
	Decrease in cash in the period		(224,716)	-	
	Cash inflow from increase in liquid resources		(14,921,839)	-	
	Cash inflow from increase in debt		(401,371)	-	
	Movement in net debt in the period		(15,547,926)	-	
	Opening net debt		-	-	
	Closing net debt		(15,547,926)	-	

BROOK HOTELS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 30 September 2012. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Goodwill

Intangible assets include acquisition costs concerning the hotel acquired. The intangible asset is being amortised systematically over its useful economic life which is deemed to be 10 years, though no amortisation charge is made in the year of acquisition.

1.5 Acquisition costs

Negative goodwill arising on consolidation relates principally to tangible fixed assets. Amortisation is calculated to write off the cost in equal annual instalments over 10 years.

1.6 Development costs

Intangible assets include development costs in respect of developing rolling hotel menus, procurement systems, sale systems and other long term assets. These development assets are being written off over 10 years, being the directors best estimate of their useful economic life. No amortisation is recognised in the year of addition.

Development costs are capitalised when the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

Intangible assets are reviewed for impairment on an annual basis with an impairment charge taken to the profit and loss account in the period to which it relates. Intangible assets include development costs in respect of developing rolling hotel menus, procurement systems, sale systems and other long term assets. These development assets are being written off over 10 years, being the directors best estimate of their useful economic life. No amortisation charge is made in the year of addition.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	As below
Land and buildings Leasehold	Over the life of the lease
Fixtures, fittings & equipment	5% p a reducing balance

BROOK HOTELS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2012

1 Accounting policies

(continued)

No depreciation has been charged on freehold buildings. This is based on the understanding that the value of freehold land and buildings (professionally valued April 2011) together with various non-income generating assets held, are at least equal to the accumulated historical cost and in one instance significantly in excess of the accumulated historical cost. The directors believe that depreciating the freehold buildings is therefore inappropriate and would be misleading in respect of the carrying value of the freehold land and buildings held. The company has a policy of regular maintenance and repair such that the tangible fixed asset is retained at its previously assessed standard of performance and it is unlikely to suffer from technological or economic obsolescence.

Freehold land and buildings are reviewed for impairment on an annual basis with any impairment charge taken to the profit and loss account in the period to which it relates.

Within fixtures fittings and equipment are certain capitalised wages which are depreciated over 5 years straight line p a

1.8 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.9 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.10 Stock

Stock is valued at the lower of cost and net realisable value.

1.11 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable.

1.12 Deferred taxation

Deferred tax is recognised in respect of all timing differences which have originated but not reversed at the balance sheet date. Timing differences are differences between taxable profits and the results as stated in the financial statements which 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.

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

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued asset and the resulting gain or loss has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates which are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws which have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non - discounted basis.

BROOK HOTELS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2012

2 Turnover

The total turnover of the group for the period has been derived from its principal activity wholly undertaken in the United Kingdom

3 Cost of sales and net operating expenses

	2012			2011		
	Continuing £	Discontinued £	Total £	Continuing £	Discontinued £	Total £
Cost of sales	2,579,963	271,623	2,851,586	-	-	-
Administrative expenses	1,468,824	382,881	1,851,705	-	-	-
	<u>4,048,787</u>	<u>654,504</u>	<u>4,703,291</u>	<u>-</u>	<u>-</u>	<u>-</u>

4 Operating profit

	2012 £	2011 £
Operating profit is stated after charging		
Amortisation of intangible assets	(925,160)	-
Depreciation of tangible assets	130,343	-
Impairment losses	1,091,501	-
Operating lease rentals		
- Other assets	109,320	-
Fees payable to the group's auditor for the audit of the group's annual accounts (company £-, 2011 £-)	<u>15,000</u>	<u>-</u>

Exceptional losses suffered on the disposal of subsidiaries amounted to £2,987,799

5 Interest payable

	2012 £	2011 £
On bank loans and overdrafts	596,068	-
On overdue tax	31,937	-
	<u>628,005</u>	<u>-</u>

BROOK HOTELS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2012

6 Taxation	2012	2011
	£	£
Domestic current year tax		
U K corporation tax	269,263	-
Total current tax	<u>269,263</u>	-
Deferred tax		
Deferred tax charge credit current year	(59,798)	-
	<u>209,465</u>	-
Factors affecting the tax charge for the period		
Loss on ordinary activities before taxation	(2,753,267)	-
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.00% (2011 - 28.00%)	<u>(715,849)</u>	-
Effects of		
Non deductible expenses	(30,581)	-
Depreciation add back	(169,854)	-
Capital allowances	(29,589)	-
Chargeable disposals	1,115,791	-
Other tax adjustments	99,345	-
	<u>985,112</u>	-
Current tax charge for the period	<u>(269,263)</u>	-

Other adjustments represents taxable profits recognised by subsidiary companies prior to acquisition and marginal relief

7 Profit for the financial period

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial period is made up as follows

	2012	2011
	£	£
Holding company's profit for the financial period	<u>6,200,000</u>	-

BROOK HOTELS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2012

8 Intangible fixed assets Group

	Acquisition costs £	Negative goodwill £	Development Costs £	Total £
Cost				
At 1 April 2011	-	-	-	-
Additions	107,334	(9,400,000)	233,044	(9,059,622)
Disposals	-	-	(233,044)	(233,044)
At 30 September 2012	107,334	(9,400,000)	-	(9,292,666)
Amortisation				
At 1 April 2011	-	-	-	-
Amortisation on disposals	-	-	(1,825)	(1,825)
Charge for the period	13,015	(940,000)	1,825	(925,160)
At 30 September 2012	13,015	(940,000)	-	(926,985)
Net book value				
At 30 September 2012	94,319	(8,460,000)	-	(8,365,681)
At 31 March 2011	-	-	-	-

BROOK HOTELS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2012

9 Tangible fixed assets

Group

	Land and buildings Freehold £	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 April 2011	-	-	-	-
Additions	20,369,882	450,933	2,314,613	23,135,428
At 30 September 2012	<u>20,369,882</u>	<u>450,933</u>	<u>2,314,613</u>	<u>23,135,428</u>
Depreciation				
At 1 April 2011	-	-	-	-
Charge for the period	-	5,646	124,697	130,343
At 30 September 2012	<u>-</u>	<u>5,646</u>	<u>124,697</u>	<u>130,343</u>
Net book value				
At 30 September 2012	<u>20,369,882</u>	<u>445,287</u>	<u>2,189,916</u>	<u>23,005,085</u>

As noted within the accounting policies no depreciation is provided on freehold land and buildings

BROOK HOTELS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2012

10 Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 April 2011	-
Additions	9,456,090
Disposals	(3,200,000)
	<hr/>
At 30 September 2012	6,256,090
	<hr/>
Net book value	
At 30 September 2012	6,256,090
	<hr/> <hr/>
At 31 March 2011	-
	<hr/> <hr/>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Kingston Lodge Hotel Limited	England and Wales	Ordinary	100
Brook Hotels No 1 Limited	England and Wales	Ordinary	100
Brook Hotels (Management) Limited	England and Wales	Ordinary	100
Marston Farm Hotel Limited	England and Wales	Ordinary	100
Marston Farm Hotel (No 2) Limited	England and Wales	Ordinary	100
The Whipper-In Hotel Limited	England and Wales	Ordinary	100
The Mollington Hotel and Spa Limited	England and Wales	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
Kingston Lodge Hotel Limited	Hotel operator
Brook Hotels No 1 Limited	Hotel operator
Brook Hotels (Management) Limited	Management company
Marston Farm Hotel Limited	Dormant company
Marston Farm Hotel (No 2) Limited	Dormant company
The Whipper-In Hotel Limited	Dormant company
The Mollington Hotel and Spa Limited	Dormant company

BROOK HOTELS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2012

11 Stocks

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Finished goods and goods for resale	68,964	-	-	-

12 Debtors

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	286,595	-	-	-
Called up share capital not paid	100	-	100	100
Other debtors	55,159	-	-	-
Prepayments and accrued income	142,328	-	-	-
	484,182	-	100	100

13 Creditors : amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	517,527	-	-	-
Trade creditors	704,012	-	-	-
Corporation tax	269,263	-	-	-
Taxes and social security costs	755,666	-	-	-
Directors current accounts	109,404	-	-	-
Other creditors	399,753	-	-	-
Accruals and deferred income	158,284	-	-	-
	2,913,909	-	-	-

The bank loans and overdraft are secured over the freehold and leasehold land and buildings to which they relate, by way of a debenture

BROOK HOTELS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2012

14 Creditors amounts falling due after more than one year

	Group 2012 £	2011 £	Company 2012 £	2011 £
Bank loans	14,634,597	-	-	-
Other loans	566,884	-	-	-
	<u>15,201,481</u>	<u>-</u>	<u>-</u>	<u>-</u>
Analysis of loans				
Not wholly repayable within five years by instalments	8,758,552			
Wholly repayable within five years	2,750,435	-	-	-
	<u>14,756,326</u>	<u>-</u>	<u>-</u>	<u>-</u>
Included in current liabilities	(121,729)	-	-	-
	<u>14,634,597</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loan maturity analysis				
In more than one year but not more than two years	635,209	-	-	-
In more than two years but not more than five years	1,993,497	-	-	-
In more than five years	12,005,891	-	-	-
	<u>14,634,597</u>	<u>-</u>	<u>-</u>	<u>-</u>

Bank loans are secured over the freehold and leasehold land and buildings to which they relate, by way of a debenture

BROOK HOTELS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2012

15 Provisions for liabilities Group

	Deferred taxation £
Other movements	214,582
Profit and loss account	(59,798)
	<hr/>
Balance at 30 September 2012	154,784
	<hr/> <hr/>

The liability included in 'other movements' represents deferred tax provision previously recognised by subsidiary companies prior to acquisition

The deferred tax liability is made up as follows:

	Group 2012 £	2011 £	Company 2012 £	2011 £
Accelerated capital allowances	154,784	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The liability included in 'other movements' represents deferred tax provision previously recognised by subsidiary companies prior to acquisition

BROOK HOTELS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2012

16 Share capital	2012	2011
	£	£
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
55,190 Ordinary A shares of each	5,519	-
505,710 Ordinary B shares of each	50,571	-
	<u>56,190</u>	<u>100</u>

On the 14th October 2011 the 100 Ordinary shares of £1 each were subdivided into 1,000 B Ordinary shares of 10 p each

On 22 December 2011 504,710 Ordinary B shares of 10p each were issued at par via a share for share exchange

On 5 January 2012 28,095 Ordinary A shares of 10p each were issued at par via a share for share exchange

On 19 January 2012 28,095 Ordinary A shares of 10p each were issued at par via a share for share exchange

All shares rank pari pasu in all respects

17 Statement of movements on profit and loss account Group

	Profit and loss account £
Loss for the period	(2,962,732)
	<u> </u>
Company	
	Profit and loss account £
Profit for the period	6,200,000
	<u> </u>

BROOK HOTELS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2012

18 Reconciliation of movements in shareholders' funds	2012	2011
Group	£	£
Loss for the financial period	(2,962,732)	-
Proceeds from issue of shares	56,090	-
Net depletion in shareholders' funds	(2,906,642)	-
Opening shareholders' funds	100	100
Closing shareholders' funds	(2,906,542)	100

	2012	2011
Company	£	£
Profit for the financial period	6,200,000	-
Proceeds from issue of shares	56,090	-
Net addition to shareholders' funds	6,256,090	-
Opening shareholders' funds	100	100
Closing shareholders' funds	6,256,190	100

19 Contingent liabilities

Group

The company has entered into a multilateral guarantee with Santander UK Plc for the liabilities and obligations of the group company Kingston Lodge Hotel Limited. At 30 September 2012, the amount due to Santander UK Plc under these guarantees amounted to £14,756,325 (31 March 2011: £Nil).

Company

The company has entered into a multilateral guarantee with Santander UK Plc for the liabilities and obligations of the subsidiary companies Brook Hotels No 1 Limited and Kingston Lodge Hotel Limited. At 30th September 2012, the amount due to Santander UK Plc under these guarantees amounted to £14,756,325 (2011: £Nil).

BROOK HOTELS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2012

20 Financial commitments

At 30 September 2012 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Expiry date				
Between two and five years	9,000	-	-	-
In over five years	22,500	-	-	-
	<u>31,500</u>	<u>-</u>	<u>-</u>	<u>-</u>

21 Directors' remuneration

	2012	2011
	£	£
Remuneration	<u>30,250</u>	<u>-</u>

22 Employees

Number of employees

The average monthly number of employees (including directors) during the period was

	2012	2011
	Number	Number
Hospitality staff	448	-
Administrative staff	19	-
Directors	1	-
	<u>468</u>	<u>-</u>

Employment costs

	2012	2011
	£	£
Wages and salaries	1,556,921	-
Social security costs	129,220	-
	<u>1,686,141</u>	<u>-</u>

BROOK HOTELS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2012

23 Control

The company is controlled by the director U Ummat, based on his majority shareholding

24 Related party relationships and transactions

Group

The company has taken advantage of the exemption available in accordance with FRS 8 'Related party disclosures' not to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

Brompton Hotels Limited is a related party due to common directors and shareholders

During the period ended 30th September 2012, Brook Hotels No 1 Limited transferred certain development costs at deemed market value of £152,000 (2011 £nil) to Brompton Hotels Limited. No profit or loss was made on this transfer. Additionally Brook Hotels No 1 Limited paid other costs amounting to £197,998 (2011 £nil) on behalf of Brompton Hotels Limited and recharged costs amounting to £83,000 (2011 £nil). Furthermore, Brook Hotels No 1 Limited made repayments of £89,000 (2011 £nil) to Brompton Hotels Limited and received repayments of £302,998 (2011 £nil). Finally, Brompton Hotels Limited charged management charges amounting to £10,000 to Brook Hotels No 1 Limited and the company recharged various costs of £200,500 (2011 £nil) to Brompton Hotels Limited. As at 30th September 2012 no balance was due to or due from Brompton Hotels Limited (2011 £nil) in respect of Brook Hotels No 1 Limited.

During the period ended 30th September 2012 Kingston Lodge Hotel Limited transferred certain development costs at net book value (deemed market value) of £79,779 (2011 £nil) to Brompton Hotels Limited. No profit or loss was made on his transfer. Additionally the Kingston Lodge Hotel Limited recharged payroll costs amounting to £62,100 and paid other costs amounting to £3,335 (2011 £nil) on behalf of Brompton Hotels Limited. During the period, Brompton Hotels paid costs amounting to £110,600 (2011 £nil) on behalf of Kingston Lodge Hotel Limited. Furthermore, Kingston Lodge Hotel Limited made repayments of £62,886 (2011 £nil) to Brompton Hotels Limited and received repayments of £97,500 (2011 £nil). As at 30th September 2012 there was no balance due to or due from Brompton Hotels Limited (2011 £nil) in respect of Kingston Lodge Hotel Limited. Brompton Hotels Limited is a related party due to common directors and shareholders.

During the period ended 30th September 2012, Brook Hotels (Management) Limited has recharged costs (including asset transfers) of £249,000 (2011 £nil) to Brompton Hotels Limited, charged management fees of £201,000 (2011 £nil) and has paid other costs amounting to £217,000 (2011 £nil) on behalf of Brompton Hotels Limited. Furthermore, Brook Hotels (Management) Limited had repaid £23,000 (2011 £nil) to Brompton Hotels Limited and received repayments of £240,000 (2011 £nil) from Brompton Hotels Limited. As at 30th September 2012 there was no balance due to or due from Brompton Hotels Limited (2011 £nil) in respect of Brook Hotels (Management) Limited.

As at 30th September 2012 the Brook Hotels (Management) Limited owed £606,081 to the directors A Ummat and U Ummat. These balances are unsecured, non interest bearing and repayable on demand.

Company

The company has taken advantage of the exception available in accordance with FRS 8 'Related party disclosures' not to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company