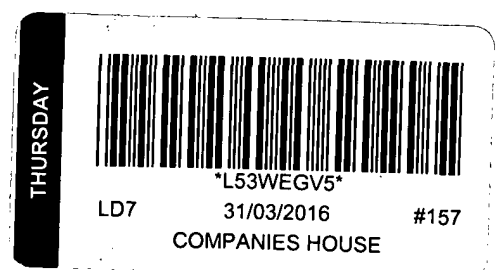


Company Registration No. 03141385 (England and Wales)

Malmaison Limited
Director's report and financial statements
For the year ended 30 June 2015



Malmaison Limited

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Malmaison Limited

Strategic report

For the year ended 30 June 2015

The director presents his strategic report and financial statements for the year ended 30 June 2015.

Review of the business

The Company did not trade during the Year.

Risk management

Position at year end

On 30 June 2014, as part of a group-wide restructuring, the Company's trade and assets in relation to Malmaison Dundee, were sold to Malmaison Trading Limited, a fellow subsidiary fully owned within the Malmaison and Hotel du Vin Group. The purpose of this restructuring was to simplify the administrative structure of the Group. Further information on how the decision to restructure the group has affected these financial statements can be found in note 1.

Key performance indicators

On behalf of the board


.....
P Roberts
Director
.....

31/3/16

Malmaison Limited

Director's report

For the year ended 30 June 2015

The director presents his report and financial statements for the year ended 30 June 2015.

Results and dividends

The results for the year are set out on page 6.

The director does not recommend payment of an ordinary dividend (2014 - £nil).

Directors

The following directors have held office since 1 July 2014:

P Roberts

G Davis

(Resigned 17 June 2015)

Auditors

In accordance with the company's articles, a resolution proposing that BDO LLP be reappointed as auditors of the company will be put at a General Meeting.

Statement of director's responsibilities

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 company will continue in business. As explained in note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Malmaison Limited

Director's report (continued)

For the year ended 30 June 2015

Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

15 Appold Street
London
EC2A 2HB


.....
P Roberts
Director
.....

Malmaison Limited
Company Registration No. 03141385

Malmaison Limited

Independent auditors' report

To the members of Malmaison Limited

We have audited the financial statements of Malmaison Limited for the year ended 30 June 2015 which comprise the profit and loss account, the balance sheet and the related notes. 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). As described in note 1, the financial statements have not been prepared on a going concern basis.

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 director and auditors

As explained more fully in the Statement of Director's Responsibilities, the director is 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 30 June 2015 and of its profit 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 strategic report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Malmaison Limited

Independent auditors' report (continued)

To the members of Malmaison 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, 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.

BDO LLP

Ian Clayden (Senior Statutory Auditor)

for and on behalf of BDO LLP, Statutory Auditor

55 Baker Street

London, W1U 7EU

31/3/16

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

Malmaison Limited

Profit and loss account

For the year ended 30 June 2015

	Notes	2015 £	2014 £
Turnover	2	-	1,613,293
Cost of sales		-	(998,036)
Gross (loss)/profit		-	615,257
Administrative expenses		-	(1,331,483)
Other operating income		-	460,692
Operating loss	3	-	(255,534)
Investment income	4	753,899	89,575,000
Interest receivable and similar income	4	-	902,287
Amounts written off investments	5	-	(21,978,303)
Profit on ordinary activities before taxation		753,899	68,243,450
Tax on profit on ordinary activities	6	-	-
Profit for the year	12	753,899	68,243,450

The profit and loss account has been prepared on the basis that all operations are continuing operations.

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

The notes on pages 8 to 14 form part of these financial statements.

Malmaison Limited

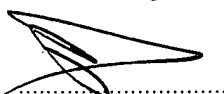
Balance sheet

As at 30 June 2015

	Notes	30 June 2015		30 June 2014	
		£	£	£	£
Fixed assets					
Investments	7		10,218		10,218
Current assets					
Debtors	8	484,564,913		485,123,396	
Cash at bank and in hand		2		2	
		<u>484,564,915</u>		<u>485,123,398</u>	
Creditors: amounts falling due within one year	9	(474,944,642)		(476,257,024)	
Net current assets			<u>9,620,273</u>		<u>8,866,374</u>
Total assets less current liabilities			<u><u>9,630,491</u></u>		<u><u>8,876,592</u></u>
Capital and reserves					
Called up share capital	11		269,621		269,621
Profit and loss account	12		<u>9,360,870</u>		<u>8,606,971</u>
Shareholders' funds	13		<u><u>9,630,491</u></u>		<u><u>8,876,592</u></u>

The notes on pages 8 to 14 form part of these financial statements.

The financial statements were approved and authorised for issue by the board of directors on 31/3/16 and were signed on its behalf by:



P Roberts
Director

Malmaison Limited
Company Registration No. 03141385

Malmaison Limited

Notes to the financial statements

For the year ended 30 June 2015

1 Accounting policies

1.1 Accounting conventions

Basis of preparation

The financial statements are prepared under the historical cost convention.

Going concern

As described in the Strategic report on page 1, substantially all of the trade and assets of the Company were transferred to Malmaison Trading Limited during the year. As a result the Directors have concluded that it is not appropriate to adopt a going concern basis of preparation in these financial statements. There have been no effects on the measurement and recognition of the Company's assets and liabilities of preparing the financial statements on a basis other than that of a going concern.

FRS1 exemption

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group and the consolidated accounts are publically available.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. It is recognised at the point services are provided to the guest. Deposits received are held on the balance sheet and shown as a current liability.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation and any recognised impairment losses. 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:

Fixtures, fittings & equipment

1.5 Leasing

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

1.6 Investments

The interest of the Company in the shares of subsidiary undertakings is stated at cost less any provision for impairment.

1.7 Pensions

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

Malmaison Limited

Notes to the financial statements (continued)

For the year ended 30 June 2015

1 Accounting policies (continued)

1.8 Deferred taxation

Deferred taxation is recognised in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes, except that deferred tax assets are recognised only to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. The deferred tax balance has not been discounted.

1.9 Group accounts

The financial statements present information about the Company as an individual undertaking and not about its group. The Company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Malmaison Hotel du Vin Holdings Limited and MHDV Holdings (UK) Limited, companies incorporated in England and Wales, and is included in the consolidated accounts of those companies.

1.10 Capital contributions

Where debts due to other group companies are waived on instruction from the company's parent this is treated as a capital contribution and recognised as a movement in the profit and loss reserve.

2 Turnover

The total turnover of the Company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating loss	2015	2014
	£	£
Operating loss is stated after charging:		
Depreciation of tangible assets	-	25,288
Operating lease rentals	-	70,833
Fees for the audit of the Company	-	1,000
and after crediting:		
Profit on disposal of intangible assets	-	(7)

4 Investment income and interest receivable	2015	2014
	£	£
Income from shares in group undertakings	753,899	89,575,000
Intercompany interest	-	902,287
	<u>753,899</u>	<u>90,477,287</u>

Malmaison Limited

Notes to the financial statements (continued)

For the year ended 30 June 2015

5	Amounts written off investments	2015	2014
		£	£
	Amounts written off fixed asset investments:		
	- permanent diminution in value	-	21,978,303
		<u>-</u>	<u>21,978,303</u>
6	Taxation	2015	2014
		£	£
	Total current tax	-	-
		<u>-</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	753,899	68,243,450
		<u>753,899</u>	<u>68,243,450</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.75% (2014 - 22.50%)	156,434	15,354,776
		<u>156,434</u>	<u>15,354,776</u>
	Effects of:		
	Non deductible expenses	-	4,947,125
	Non taxable income from group undertakings	(156,434)	(20,154,375)
	Accelerated capital allowances	-	5,690
	Group relief surrendered (from)/to other group companies for no consideration	-	(153,216)
		<u>(156,434)</u>	<u>(15,354,776)</u>
	Current tax charge for the year	-	-
		<u>-</u>	<u>-</u>

Malmaison Limited

Notes to the financial statements (continued)

For the year ended 30 June 2015

7 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 July 2014 & at 30 June 2015	21,988,521
Provisions for diminution in value	
At 1 July 2014 & at 30 June 2015	21,978,303
Net book value	
At 30 June 2015	10,218
At 30 June 2014	10,218

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	Class	Shares held	%
Subsidiary undertakings				
The Malmaison Company (Edinburgh) Limited	England and Wales	Ordinary	100.00	
The Malmaison Hotel (Glasgow) Limited	Scotland	Ordinary	100.00	
The Malmaison Hotel (Manchester) Limited	England and Wales	Ordinary	100.00	
The Malmaison Hotel (Birmingham) Limited	England and Wales	Ordinary	100.00	
The Malmaison Hotel (Newcastle) Limited	England and Wales	Ordinary	100.00	
The Malmaison Hotel (Leeds) Limited	England and Wales	Ordinary	100.00	
Malmaison (Chart Square) Limited	England and Wales	Ordinary	100.00	
Malmaison (Liverpool) Limited	England and Wales	Ordinary	100.00	
Malmaison (Reading) Limited	England and Wales	Ordinary	100.00	
Malmaison (Oxford) Limited	England and Wales	Ordinary	100.00	
Malmaison (Belfast) Limited	England and Wales	Ordinary	100.00	
Malmaison Europe LP Limited	England and Wales	Ordinary	100.00	
Malmaison Europe Sarl	Luxembourg	Ordinary	100.00	
Malmaison Brand Limited	England and Wales	Ordinary	100.00	
MWB Malmaison Brand Limited	Scotland	Ordinary	100.00	
The Waterside Apartments (Princes Dock) Management	England and Wales	Ordinary	100.00	

The entities listed above are direct subsidiaries of the Company. The principal activity of the companies continued to be that of hotel operator.

For details of indirect subsidiaries, reference can be made to the direct parent company's accounts.

Malmaison Limited

Notes to the financial statements (continued)

For the year ended 30 June 2015

8 Debtors	2015 £	2014 £
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Amounts owed by parent and fellow subsidiary undertakings	<u>484,564,913</u>	<u>485,123,396</u>
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Amounts owed to parent and fellow subsidiary undertakings are interest free, unsecured and repayable on demand.

9 Creditors: amounts falling due within one year	2015 £	2014 £
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Amounts owed to parent and fellow subsidiary undertakings	<u>474,944,642</u>	<u>476,257,024</u>
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Amounts owed by parent and fellow subsidiary undertakings are interest free, unsecured and repayable on demand.

10 Pension and other post-retirement benefit commitments

Defined contribution

	2015 £	2014 £
Contributions payable by the Company for the year	<u>-</u>	<u>7,133</u>

11 Share capital	2015 £	2014 £
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Allotted, called up and fully paid

26,962,100 Ordinary shares of 1p each	<u>269,621</u>	<u>269,621</u>
---------------------------------------	----------------	----------------

12 Statement of movements on profit and loss account

	Notes	Profit and loss account £
Balance at 1 July 2014		8,606,971
Profit for the year		<u>753,899</u>
Balance at 30 June 2015		<u>9,360,870</u>

Malmaison Limited

Notes to the financial statements (continued)

For the year ended 30 June 2015

13 Reconciliation of movements in shareholders' funds	30 June 2015 £	30 June 2014 £
Profit for the financial year	753,899	68,243,450
Capital contribution	-	11,226,000
Opening shareholders' funds	8,876,592	(70,592,858)
Closing shareholders' funds	<u>9,630,491</u>	<u>8,876,592</u>

14 Employees

Number of employees

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

	2015	2014
Directors	2	2
Hotel administration	-	88
	<u>2</u>	<u>90</u>

Employment costs

	2015 £	2014 £
Wages and salaries	-	588,757
Social security costs	-	41,031
Other pension costs	-	7,133
	<u>-</u>	<u>636,921</u>

None of the directors received any emoluments from the Company for their services during the period (2014 - £nil).

15 Control

The immediate parent company is Malmaison and Hotel du Vin Property Limited, a company registered in England. The ultimate parent company is xxxx, a company registered in Singapore. The Company's results are consolidated in the sub-groups headed by MHDV Holdings (UK) Limited and Frasers Hospitality Holdings UK Limited, both companies being registered in England.

Malmaison Limited

Notes to the financial statements (continued)

For the year ended 30 June 2015

16 Related party transactions

The Company has taken advantage of the exemption available in accordance with FRS 8 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the Company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.