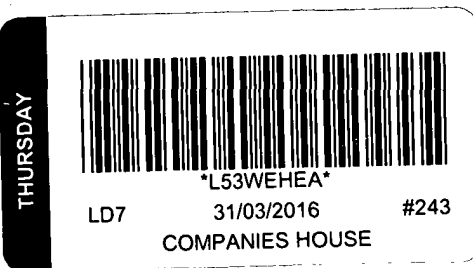


Company Registration No. 03276263 (England and Wales)

The Malmaison Hotel (Newcastle) Limited
Director's report and financial statements
For the year ended 30 June 2015



The Malmaison Hotel (Newcastle) Limited

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The Malmaison Hotel (Newcastle) 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 acted as a "pass-through" for rent payable to third parties and charged on to fellow trading subsidiaries. No services were performed outside of this during the year.

Risk management

The Board and Senior Executive team of the wider Group identify and evaluate risks and uncertainties in the period covered by its Business Plan and design controls to mitigate these. Responsibility for management of each key risk is identified and delegated to specific executives within the business. As a company operating in the hospitality industry, areas of risk specific to the Company include those involving Market Risk, Health & Safety Risk and Financial Risk. A review of the impact on the Group and therefore the Company and the measures in place to mitigate those risks are detailed below.

Market Risk - Loss of market share through competitor activity

Mitigation controls are in place to outperform the competition and are developed both at a strategic brand level and a tactical local level. Market information is available to establish position and to enable actions through pricing decisions and sales activities to maintain market position.

Health & Safety Risk - Serious injury as a result of Company negligence

The Group engages a third party health and safety audit company which is independent of the group to carry out regular health and safety site audits to ensure adherence with all current policies and procedures.

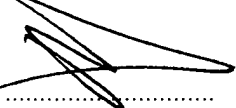
Financial Risk - Impact of economic factors that affect our customers or our costs

Mitigation controls to financial risks as a result of the broader general economic factors and their impact are managed through our ability to be flexible with our customer base and react swiftly to change in our cost base:

Position at year end

As a consequence of the Group restructuring that took place in June 2014, the Company now holds no significant assets and has no liabilities and will remain in this state for the foreseeable future.

On behalf of the board



P Roberts

Director

31/3/15

The Malmaison Hotel (Newcastle) 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.

An interim ordinary dividend was paid amounting to £109,932 (2014 - £13,753,000). The director does not recommend payment of a final 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.

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.

The Malmaison Hotel (Newcastle) 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
.....

The Malmaison Hotel (Newcastle) Limited
Company Registration No. 03276263

The Malmaison Hotel (Newcastle) Limited

Independent auditors' report

To the members of The Malmaison Hotel (Newcastle) Limited

We have audited the financial statements of The Malmaison Hotel (Newcastle) 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).

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.

The Malmaison Hotel (Newcastle) Limited

Independent auditors' report (continued)

To the members of The Malmaison Hotel (Newcastle) 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

31/03/16

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

The Malmaison Hotel (Newcastle) Limited

Profit and loss account

For the year ended 30 June 2015

	Notes	2015 £	2014 £
Turnover	2	-	6,037,935
Cost of sales		-	(2,635,908)
Gross (loss)/profit		-	3,402,027
Administrative expenses		(1,083,822)	(3,476,516)
Other operating income		1,083,822	-
Operating loss	3	-	(74,489)
Interest receivable and similar income	4	-	30
Loss on ordinary activities before taxation		-	(74,459)
Tax on loss on ordinary activities	5	-	-
Loss for the year	10	-	(74,459)

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 13 form part of these financial statements.

The Malmaison Hotel (Newcastle) Limited

Balance sheet

As at 30 June 2015

	Notes	30 June 2015		30 June 2014	
		£	£	£	£
Current assets					
Debtors	7		1		109,933
			<u>1</u>		<u>109,933</u>
Total assets less current liabilities			<u>1</u>		<u>109,933</u>
Capital and reserves					
Called up share capital	9		1		1
Profit and loss account	10		-		109,932
			<u>1</u>		<u>109,933</u>
Shareholders' funds	11		<u>1</u>		<u>109,933</u>

The notes on pages 8 to 13 form part of these financial statements.

The financial statements were approved and authorised for issue by the board of directors on 21/3/16 and were signed on its behalf by:


P Roberts
Director

The Malmaison Hotel (Newcastle) Limited
Company Registration No. 03276263

The Malmaison Hotel (Newcastle) 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, the trade and assets of the Company were transferred to Malmaison Trading Limited during the year ended 30 June 2014. The Company will remain in operation as a "Pass through" vehicle that will incur rent under an existing lease obligation and pass this cost on to a fellow subsidiary. Either directly or with the support of wider Group, the board considers the recipient of the pass through rental charge to have sufficient means to meet these obligations. On this basis the directors continue to prepare the financial statements on a going concern basis. There have been no effects on the measurement and recognition of the Company's assets and liabilities resulting from the restructuring.

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 and fittings	straight line over 5-10 years
-----------------------	-------------------------------

1.5 Leasing

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

1.6 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.

1.7 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.

The Malmaison Hotel (Newcastle) Limited

Notes to the financial statements (continued)

For the year ended 30 June 2015

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	-	396,187
Operating lease rentals	1,059,913	1,059,913
Fees for the audit of the Company	-	1,000
and after crediting:		
Profit on disposal of intangible assets	-	(7)

4 Interest receivable

	2015	2014
	£	£
Bank interest	-	30
	-	30

The Malmaison Hotel (Newcastle) Limited

Notes to the financial statements (continued)

For the year ended 30 June 2015

5	Taxation	2015	2014
		£	£
	Total current tax	<u>-</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	<u>-</u>	<u>(74,459)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.75% (2014 - 22.50%)	<u>-</u>	<u>(16,753)</u>
	Effects of:		
	Non deductible expenses	-	1,994
	Excess of depreciation over capital allowances	-	89,142
	Tax losses utilised against trading profits	<u>-</u>	<u>(74,383)</u>
		<u>-</u>	<u>16,753</u>
	Current tax charge for the year	<u>-</u>	<u>-</u>
6	Dividends	2015	2014
		£	£
	Ordinary interim paid	<u>109,932</u>	<u>13,753,000</u>
7	Debtors	2015	2014
		£	£
	Amounts owed by parent and fellow subsidiary undertakings	<u>1</u>	<u>109,933</u>

The Malmaison Hotel (Newcastle) Limited

Notes to the financial statements (continued)

For the year ended 30 June 2015

8 Pension and other post-retirement benefit commitments

Defined contribution

	2015 £	2014 £
Contributions payable by the Company for the year	-	12,790

9 Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	1	1

10 Statement of movements on profit and loss account

	Notes	Profit and loss account £
Balance at 1 July 2014		109,932
Dividends paid	6	(109,932)
Balance at 30 June 2015		-

11 Reconciliation of movements in shareholders' funds

	Notes	2015 £	2014 £
Loss for the financial year		-	(74,459)
Dividends	6	(109,932)	(13,753,000)
Net depletion in shareholders' funds		(109,932)	(13,827,459)
Opening shareholders' funds		109,933	13,937,392
Closing shareholders' funds		1	109,933

12 Contingent liabilities

The Company is registered with HM Revenue and Customs as a member of a Group for VAT purposes. As a result, it is jointly and severally liable on a continuing basis for amounts owing by other members of the Group in respect of VAT payable. The estimated liability to the Group at the period end amounted to £2.8m (2014 - £1.9m).

The Malmaison Hotel (Newcastle) Limited

Notes to the financial statements (continued)

For the year ended 30 June 2015

13 Financial commitments

At 30 June 2015 the Company was committed to making the following annual payments under non-cancellable operating leases in the year to 30 June 2016:

	Land and buildings	
	2015	2014
	£	£
Operating leases which expire:		
In over five years	<u>1,059,913</u>	<u>1,059,913</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	-	87
	<u>2</u>	<u>89</u>

Employment costs

	2015	2014
	£	£
Wages and salaries	-	1,513,248
Social security costs	-	110,608
Other pension costs	-	12,790
	<u>-</u>	<u>1,636,646</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 Limited, a company registered in England. The ultimate parent company is TCC Assets Limited, a company registered in Thailand. The smallest group for which consolidated financial statements are prepared is headed by MHDV Holdings (UK) Limited. Copies of the financial statements of MHDV Holdings (UK) Limited can be requested from the Company Secretary, WFW Legal Services Limited, 15 Appold Street, London, EC2A 2HB.

The Malmaison Hotel (Newcastle) 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.