

Company Registration No. 03276263 (England and Wales)

**THE MALMAISON HOTEL (NEWCASTLE) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2016**



THE MALMAISON HOTEL (NEWCASTLE) LIMITED

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THE MALMAISON HOTEL (NEWCASTLE) LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

The director presents the strategic report and financial statements for the fifteen month period ended 30 September 2016.

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. The year end was changed from June to September to align with the Parent company.

Risk management

The Board and Senior Executive team 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 control 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 because 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.

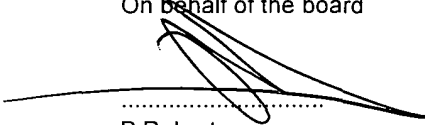
Financial Risk – Impact of economic factors that affect our customers or our costs

Mitigation controls to financial risks because 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 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

02/05/17

THE MALMAISON HOTEL (NEWCASTLE) LIMITED

DIRECTOR'S REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

The director presents his annual report and financial statements for the fifteen month period ended 30 September 2016.

Results and dividends

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

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Director

The director who held office during the period and up to the date of signature of the financial statements was as follows:

P Roberts
G Bakker

Auditor

KPMG LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of director's responsibilities

The directors are responsible for preparing the Strategic Report, 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 period. 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 ;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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.

Statement of disclosure to auditor

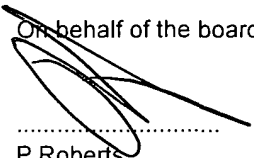
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

THE MALMAISON HOTEL (NEWCASTLE) LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

On behalf of the board



.....
P Roberts

Director

02/05/17

THE MALMAISON HOTEL (NEWCASTLE) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE MALMAISON HOTEL (NEWCASTLE) LIMITED

We have audited the financial statements of The Malmaison Hotel (Newcastle) Limited for the fifteen month period ended 30 September 2016 set out on pages 6 to 13. 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), including Financial Reporting Standard 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 director and auditor

As explained more fully in the Director's Responsibilities Statement set out on pages 2 - 3, 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 Auditing Practices Board'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 September 2016 and of its profit 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 Strategic Report and the Director's Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

THE MALMAISON HOTEL (NEWCASTLE) LIMITED

INDEPENDENT AUDITOR'S 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.



Mark Flanagan (Senior Statutory Auditor)
for and on behalf of KPMG LLP

08/05/17

Chartered Accountants
Statutory Auditor

31 Park Row
Nottingham
England
NG1 6FQ

THE MALMAISON HOTEL (NEWCASTLE) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	Period ended 30 September 2016 £	Year ended 30 June 2015 £
Notes		
Administrative expenses	(1,818,292)	(1,454,633)
Other operating income	1,818,292	1,454,633
Operating profit	-	-
Tax on profit	-	-
Profit for the financial period	-	-

All activity derives from continuing operations.

The Company has no recognised gains and losses other than those above and therefore no separate statement of other comprehensive income has been presented.

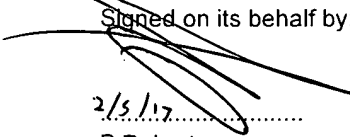
THE MALMAISON HOTEL (NEWCASTLE) LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2016

		30 September 2016 £	30 June 2015 £
	Notes		
Current assets			
Debtors	5	1	1
		<u> </u>	<u> </u>
Total assets less current liabilities		1	1
		<u> </u>	<u> </u>
Net assets		1	1
		<u> </u>	<u> </u>
Capital and reserves			
Called up share capital	6	1	1
		<u> </u>	<u> </u>

The financial statements were approved by the Board of directors and authorised for issue on 2/5/17
Signed on its behalf by:


2/5/17
P Roberts
Director

Company Registration No. 03276263

THE MALMAISON HOTEL (NEWCASTLE) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	Share capital	Share premium account	Retained earnings	Total
Notes	£	£	£	£
Balance at 1 July 2014	1	-	-	1
Profit and total comprehensive income for the period	-	-	-	-
Balance at 30 June 2015	1	-	-	1
Profit and total comprehensive income for the period	-	-	-	-
Balance at 30 September 2016	1	-	-	1

THE MALMAISON HOTEL (NEWCASTLE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

1 Accounting policies

Company information

The Malmaison Hotel (Newcastle) Limited is a company limited by shares incorporated in England and Wales. The registered office is 15 Appold Street, London.

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance of the Company is provided in note 8.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations. Equivalent disclosures are included in the consolidated financial statements of Frasers Hospitality UK Holdings Limited in which the entity is consolidated;
- the requirements of paragraph 33 (c) of IFRS 5 Non current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangibles Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property and (v) paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

Where required, equivalent disclosures are given in the group accounts of Frasers Hospitality UK Holdings Limited, which indirectly owns 1005 of the issued share capital of the Company. The group accounts of Frasers Hospitality UK Holdings Limited are available to the public and can be obtained from 30-31 Cowcross Studios, London, EC1M 6DQ.

THE MALMAISON HOTEL (NEWCASTLE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

1 Accounting policies

(Continued)

1.2 Going concern

The director has at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus he *continue to adopt the going concern basis of accounting in preparing the financial statements.*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.3 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of IFRS 13. There was no impact on the company from the adoption of IFRS 13.

1.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

THE MALMAISON HOTEL (NEWCASTLE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term. The rental income is recognised as other operating income.

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Given the nature of the companies activities, the Directors believe that currently there are no accounting estimates or judgements.

3 Auditor's remuneration

Audit fees are borne by other group companies.

THE MALMAISON HOTEL (NEWCASTLE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

4 Director's remuneration

None of the director received any emoluments in respect of their services as directors of the Company during the period ended 30 September 2016 (Year ended 30 June 2015 £nil). The remuneration of the directors is paid by other entities within the Group, which makes no recharge to the Company. The directors act in a group capacity only and do not allocate specific time to the Company and therefore it is not possible to make an accurate apportionment of their emoluments in respect of the Company.

5 Debtors

	30 September 2016	30 June 2015
	£	£
Amount due from parent undertaking	1	1

6 Share capital

	30 September 2016	30 June 2015
	£	£
Ordinary share capital		
<i>Issued and fully paid</i>		
1 of £1 each	1	1

7 Operating lease commitments

Lessee

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements are as follows:

	30 September 2016	30 June 2015
	£	£
Minimum lease payments under operating leases	1,818,292	1,454,633

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	30 September 2016	30 June 2015
	£	£
Within one year	1,170,230	1,059,913
Between two and five years	4,680,918	4,680,918
In over five years	39,761,458	40,931,688
	<u>45,612,606</u>	<u>46,672,519</u>

THE MALMAISON HOTEL (NEWCASTLE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

7 Operating lease commitments

(Continued)

Lessor

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	30 September 2016 £	30 June 2015 £
Within one year	1,170,230	1,059,913
Between two and five years	4,680,918	4,680,918
In over five years	39,761,458	40,931,688
	<u>45,612,606</u>	<u>46,672,519</u>

8 Reconciliations on adoption of FRS 101

Reconciliation of equity

	1 July 2014 £	30 June 2015 £
Equity as reported under previous UK GAAP and under FRS 101	<u>1</u>	<u>1</u>

Reconciliation of profit for the financial period

	2015 £
as reported under previous UK GAAP and under FRS 101	<u>-</u>

The administrative expenses and other operating income have both changed upon conversion to FRS101 although the result has not. This is as a result of the adoption of IAS17 and the spreading of lease income and lease costs on a straight line basis over the term of the lease. Under UK GAAP, the amount was £1,083,822, under FRS 101, the amount was £1,454,633