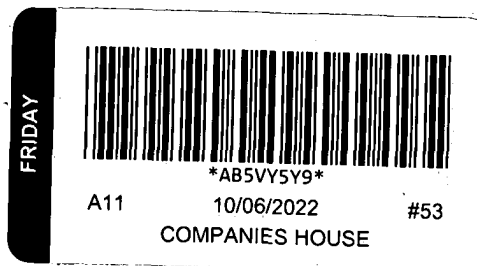


**The Malmaison Hotel (Newcastle) Limited**

**Annual report and financial  
statements**

**Registered number 03276263**

**30 September 2021**



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## **Directors' report**

The directors present their annual report and financial statements for the year ended 30 September 2021.

### **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 Company is a subsidiary of Fraser Hospitality UK Holdings Limited (the 'Group').

### **Results and dividends**

The results for the period are set out on page 6 and are in line with the Directors' expectations..

No ordinary dividends were paid during the year. The directors do not recommend payment of a final dividend.

### **Directors**

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

G Bakker  
B K Chan

### **Political contributions**

The Company made no political donations or incurred any political expenditure during the year (2020: £nil).

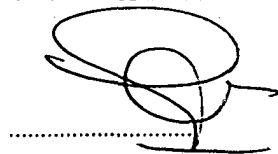
### **Statement of disclosure to auditor**

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.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the board



**G Bakker**

*Director*

Dated: 08 June 2022

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Annual 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MALMAISON HOTEL (NEWCASTLE) LIMITED**

### **Opinion**

We have audited the financial statements of The Malmaison Hotel (Newcastle) Limited ("the Company") for the year ended 30 September 2021 which comprise the Profit and loss account, Balance sheet and Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2021 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management, directors and sales staff.
- Using analytical procedures to identify any unusual or unexpected relationships.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MALMAISON HOTEL (NEWCASTLE) LIMITED** *(continued)*

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there is no revenue transactions.

We did not identify any additional fraud risks.

We performed procedures including agreeing all accounting entries in the period to supporting documentation.

### *Identifying and responding to risks of material misstatement related to compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Director's report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MALMAISON HOTEL (NEWCASTLE) LIMITED** *(continued)*

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.

**Sarah Tannock-Kitchen (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
One Snowhill, Snow Hill Queensway  
Birmingham  
B4 6GH  
United Kingdom

Dated: 8 June 2022

**Profit and loss account**  
*for the year ended 30 September 2021*

	<i>Note</i>	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>
Administrative expenses	3	-	-
Other operating income		-	-
		<hr/>	<hr/>
<b>Operating result</b>		-	-
Interest receivable and similar income		983	991
Interest payable and similar expense		(983)	(991)
		<hr/>	<hr/>
<b>Result before taxation</b>		-	-
Tax on result		-	-
		<hr/>	<hr/>
<b>Result for the financial period</b>		-	-
		<hr/> <hr/>	<hr/> <hr/>

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 notes form an integral part of the financial statements.

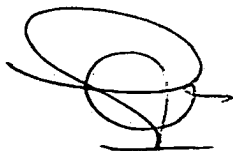


**Balance sheet**  
*as at 30 September 2021*

	<i>Note</i>	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>
<b>Non-current assets</b>			
Net investment in sub-lease	5	24,644	24,856
<b>Creditors: amounts falling due within one year</b>	7	(379)	(243)
<b>Total assets less current liabilities</b>		<b>24,265</b>	<b>24,613</b>
<b>Creditors: amounts falling due after more than one year</b>	8	<b>(24,265)</b>	<b>(24,613)</b>
<b>Net assets</b>		<b>-</b>	<b>-</b>
<b>Capital and reserves</b>			
Called up share capital	6	-	-
Retained earnings		-	-
<b>Total equity</b>		<b>-</b>	<b>-</b>

The financial statements were approved by the Board of directors and authorised for issue on 08 June 2022.

Signed on its behalf by:



**G Bakker**

*Director*

Company Registration No. 03276263

## Statement of changes in equity

	Share capital £000	Retained earnings £000	Total £000
Balance at 1 October 2019	-	-	-
Result and total comprehensive income for the period	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 September 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>	<hr/>

	Share capital £000	Retained earnings £000	Total £000
Balance at 1 October 2020	-	-	-
Result and total comprehensive income for the period	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 September 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>	<hr/>

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

#### **Company information**

The Malmaison Hotel (Newcastle) Limited is a company limited by shares incorporated in England and Wales. The registered number is 03276263 and the registered office is 3rd Floor, 95 Cromwell Road, London, SW7 4DL.

#### **1.1 Accounting convention**

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's parent undertaking, Frasers Hospitality UK Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Frasers Hospitality UK Holdings are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 3rd Floor, 95 Cromwell Road, London, SW7 4DL.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Certain disclosures regarding revenue;
- Certain disclosures regarding leases;
- Disclosures in respect of transactions with wholly owned subsidiaries ;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy, the correction of error, or the reclassification of items in the financial statements;
- Disclosures in respect of the compensation of Key Management Personnel;
- Disclosures of transactions with a management entity that provides key management personnel services to the Company; and
- Disclosures required by IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* in respect of the cash flows of discontinued operations.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### **1.2 Going concern**

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons.

Notwithstanding net current liabilities of £379,000 as at 30 September 2021 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for the Company for a period of at least 15 months from the date of approval of these financial statements ("the going concern assessment period"). The directors have given careful consideration to the current economic environment due to Covid-19 and general cost inflation.

In forming their view the directors have taken into consideration that Frasers Property Limited, the penultimate parent company, has provided a letter of support to the directors of the Company to confirm that it intends, should the need arise, to provide financial and/or other support to the Company, including, if required, not seeking repayment of amounts currently made available (£nil at 30 September 2021), for the year.

Having performed this assessment, the directors are confident that the Company will have sufficient funds to continue in operational existence by meeting its liabilities as they fall due for payment for at least 15 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis. As with any entity placing reliance on other group entities for financial support, the Board acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. As a result, the directors believe that it is appropriate to prepare the financial statements on a going concern basis.

#### **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.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### **1.5 Financial assets (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**

##### *As a lessee*

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as that of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

##### *Short-term leases and leases of low-value assets*

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

##### *As a lessor*

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term.

## Notes (continued)

### 2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are 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 company's activities, the Directors believe that currently there are no critical accounting estimates or judgements.

### 3 Auditor's remuneration

Audit fees are borne by other group companies and are considered negligible.

### 4 Directors' remuneration

None of the directors received any emoluments in respect of their services as directors of the Company during the year ended 30 September 2021 (2020: £nil). The remuneration of the directors is paid by other entities outside of this Group. The directors act in a group capacity only and do not allocate specific time to any Company. The value of any time spent on services provided to the Company is considered negligible.

### 5 Net investment in sub-lease

	2021 £000	2020 £000
Net investment in sub-lease	24,644	24,856

During the year £983,000 (2020: £991,000) amortisation was recognised as income in the profit and loss account.

### 6 Share capital

	2021 £000	2020 £000
<i>Issued and fully paid</i>		
1 ordinary share of £1	-	-

### 7 Creditors: amounts falling due within one year

	2021 £000	2020 £000
Lease liability	379	243
	379	243

**Notes (continued)**

**8 Creditors: amounts falling due after more than one year**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Lease liability	<b>24,265</b>	24,613
	<b>24,265</b>	<b>24,613</b>

During the year £983,000 (2020: £991,000) amortisation was recognised as an expense in the profit and loss account.

**9 Operating lease commitments**

*Lessor*

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

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Within one year	<b>1,319</b>	1,195
Between two and five years	<b>5,310</b>	5,275
In over five years	<b>33,629</b>	35,312
	<b>40,258</b>	<b>41,782</b>

**10 Ultimate parent company and parent company of larger group**

The ultimate parent company is TCC Assets Limited, a company incorporated in Thailand. The smallest group in which the Company is consolidated is that headed by Frasers Hospitality UK Holdings Limited, registered 3<sup>rd</sup> floor, 95 Cromwell Road, London SW7 4DL.