

Company Registration No. 03346172 (England and Wales)

Hotel du Vin (Tunbridge Wells) Limited

Directors' report and financial statements

For the year ended 31 December 2009



Hotel du Vin (Tunbridge Wells) Limited

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Hotel du Vin (Tunbridge Wells) Limited

Directors' report

For the year ended 31 December 2009

The directors present their report and financial statements for the year ended 31 December 2009

Principal activities and review of the business

The Company is engaged in the management of a hotel and restaurant under the Hotel du Vin brand and is situated in the town of Tunbridge Wells

The Company is a wholly owned subsidiary of MWB Malmaison Holdings Limited. This Group had 27 operating hotels at 31 December 2009 and opportunities exist to expand further in 2010 and beyond. This business is well placed to continue its strong cash flow, both from its solid underpinning from freehold properties throughout the UK and also from the value of its earnings stream.

The Board identifies and evaluates risks and uncertainties in the period covered by its Business Plan and designs controls to mitigate these. Responsibility for management of each key risk is identified and delegated to specific Executives within the business. The Company is exposed to the risks of global and regional adverse political, economic and financial market developments (including recession and inflation), that could lower the Company's revenues and operating results in the future. Future results could also be adversely affected by events that reduce domestic or international activities, such as travel-related incidents or industrial action, increased transportation and fuel costs.

At 31 December 2009, the occupancy rate and average rate achieved per room both showed a slight decline compared with the levels achieved at the previous year end. The Company's income is assisted from generally stable business and leisure markets. Therefore, a downturn in these sectors could have an adverse effect on the revenues and net operating profits of the Company's hotel.

The Company formed part of the Malmaison and Hotel du Vin division of its ultimate parent company, MWB Group Holdings Plc ("MWB Group") for the period under review. The development, performance and position of the overall business including key performance indicators ("KPI's") are disclosed in the Operating Review on pages 10 to 15 of MWB Group's annual report and financial statements. Year on year movements for KPI's relating to this Company in particular are disclosed in the table below.

	2009	2008	Definition and method of calculation
Occupancy (% change)	(1.8%)	(3.1%)	The year on year movement of the number of rooms sold expressed as a percentage of the number of rooms available in the year.
Average room rate (% change)	(6.7%)	(1.8%)	The year on year movement of the achieved room rate calculated as total accommodation revenue divided by the number of rooms sold in the year expressed as a percentage.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Statement of disclosure to auditors

The directors who held office at the date of approval of this Directors' report confirm that so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

Hotel du Vin (Tunbridge Wells) Limited

Directors' report (continued)

For the year ended 31 December 2009

Directors

The following directors have held office since 1 January 2009

AF Blurton (Resigned 12 January 2010)
J Singh
MA Bibring
RB Cook

None of the directors had any interest in the share capital of the Company. The interests of AF Blurton, J Singh and MA Bibring in the share capital of the ultimate holding company, MWB Group Holdings Plc, are disclosed in the financial statements of that company.

Auditors

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

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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,
- 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.

By order of the board



Gail Robson
Secretary

179 Great Portland Street
London
W1W 5LS

29 June 2010

Hotel du Vin (Tunbridge Wells) Limited
Company Registration No 03346172

KPMG Audit Plc

Independent auditors' report

To the members of Hotel du Vin (Tunbridge Wells) Limited

We have audited the financial statements of Hotel du Vin (Tunbridge Wells) Limited for the year ended 31 December 2009 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 UK Accounting Standards (UK 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 the directors and auditors

As explained more fully in the Directors' responsibilities 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. Our responsibility is to audit 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 (APB'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 APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion:

- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006;
- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its loss for the year then ended; and

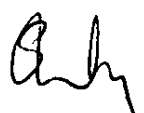
Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.


Shaun Kirby (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants

29 JUNE 2010

8 Salisbury Square
London
EC4Y 8BB

Hotel du Vin (Tunbridge Wells) Limited

Profit and loss account

For the year ended 31 December 2009

	Notes	2009 £	2008 £
Turnover	2	3,440,086	3,798,886
Cost of sales		(1,737,087)	(1,770,264)
Gross profit		1,702,999	2,028,622
Administrative expenses		(1,840,744)	(1,945,011)
(Loss)/profit on ordinary activities before taxation	3	(137,745)	83,611
Tax on (loss)/profit on ordinary activities	4	-	-
(Loss)/profit for the year	11	(137,745)	83,611

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 6 to 11 form part of these financial statements

Hotel du Vin (Tunbridge Wells) Limited

Balance sheet

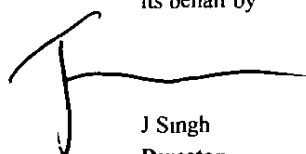
As at 31 December 2009

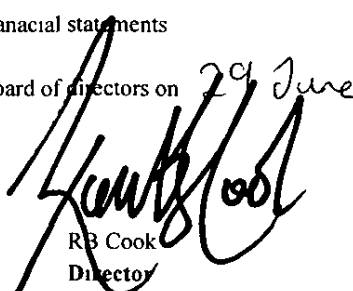
	Notes	2009 £	£	2008 £	£
Fixed assets					
Tangible assets	5		774,403		913,879
Current assets					
Stocks	6	87,195		93,725	
Debtors	7	2,678,084		1,828,288	
Cash at bank and in hand		60,792		73,426	
		<u>2,826,071</u>		<u>1,995,439</u>	
Creditors' amounts falling due within one year	8	<u>(3,159,961)</u>		<u>(2,331,060)</u>	
Net current liabilities			<u>(333,890)</u>		<u>(335,621)</u>
Total assets less current liabilities			<u>440,513</u>		<u>578,258</u>
Capital and reserves					
Called up share capital	10		400,000		400,000
Profit and loss account	11		40,513		178,258
Shareholders' funds	12		<u>440,513</u>		<u>578,258</u>

The notes on pages 6 to 11 form part of these financial statements

The financial statements were approved by the board of directors on its behalf by

29 June 2010 and were signed on


J Singh
Director


RB Cook
Director

Hotel du Vin (Tunbridge Wells) Limited

Notes to the financial statements

For the year ended 31 December 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The Company has received an assurance from its holding company, MWB Malmaison Holdings Limited, that it will provide such funds as necessary for the Company to meet its liabilities as they fall due. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue. However, after making enquiries and considering all the relevant issues, the Directors have a reasonable expectation that the parent company and therefore the Company, have adequate resources to continue in operational existence for the foreseeable future. For this reason the financial statements have been prepared on a going concern basis.

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.

1.2 Compliance with accounting standards

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

1.3 Turnover

Turnover, which is wholly generated within the United Kingdom, represents the sales value of work done in respect of hotel management during the year and is exclusive of value added tax.

1.4 Tangible fixed assets and depreciation

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

Land and buildings Freehold	straight line over 100 years
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 Stock

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

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.

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. The deferred tax balance has not been discounted.

Hotel du Vin (Tunbridge Wells) Limited

Notes to the financial statements (continued)

For the year ended 31 December 2009

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)/profit	2009 £	2008 £
Operating (loss)/profit is stated after charging		
Depreciation of tangible assets	172,674	168,709
Operating lease rentals	830,087	802,418
Fees for the audit of the Company	600	600

Fees for the audit of the Company represent the amount receivable by the Company's auditors. The amount may not be borne by the company.

Fees paid to the Company's auditors, KPMG LLP, and its associates for services other than the statutory audit of the Company are not disclosed in these financial statements since the consolidated accounts of the ultimate parent undertaking, MWB Group Holdings Plc, are required to disclose non-audit fees on a consolidated basis.

4 Taxation	2009 £	2008 £
Current tax charge	-	-
Factors affecting the tax charge for the year		
(Loss)/profit on ordinary activities before taxation	(137,745)	83,611
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008 - 28.50%)	(38,569)	23,829
Effects of		
Excess of depreciation over capital allowances	34,915	46,900
Group relief from fellow subsidiaries for no consideration	-	(70,729)
Tax losses carried forward for use against future profits	3,654	-
	38,569	(23,829)
Current tax charge	-	-

Hotel du Vin (Tunbridge Wells) Limited

Notes to the financial statements (continued)

For the year ended 31 December 2009

5 Tangible fixed assets

	Land and buildings Freehold	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 January 2009	10,000	1,406,595	1,416,595
Additions	-	33,198	33,198
At 31 December 2009	10,000	1,439,793	1,449,793
Depreciation			
At 1 January 2009	-	502,716	502,716
Charge for the year	50	172,624	172,674
At 31 December 2009	50	675,340	675,390
Net book value			
At 31 December 2009	9,950	764,453	774,403
At 31 December 2008	10,000	903,879	913,879

6 Stocks

	2009	2008
	£	£
Finished goods and goods for resale	87,195	93,725

During the year there were no inventory write downs recognised as an expense within cost of sales (2008 - £nil)

7 Debtors

	2009	2008
	£	£
Trade debtors	71,479	30,381
Amounts owed by parent and fellow subsidiary undertakings	2,562,184	1,744,279
Other debtors	5,028	11,023
Prepayments and accrued income	39,393	42,605
	2,678,084	1,828,288

Hotel du Vin (Tunbridge Wells) Limited

Notes to the financial statements (continued)

For the year ended 31 December 2009

8 Creditors: amounts falling due within one year	2009 £	2008 £
Trade creditors	229,738	180,386
Amounts owed to parent and fellow subsidiary undertakings	2,737,140	1,915,595
Taxes and social security costs	143,206	166,962
Other creditors	13,607	15,926
Accruals and deferred income	36,270	52,191
	<u>3,159,961</u>	<u>2,331,060</u>

9 Pension and other post-retirement benefit commitments

Defined contribution

	2009 £	2008 £
Contributions payable by the company for the year	<u>18,009</u>	<u>20,160</u>

10 Share capital	2009 £	2008 £
Allotted, called up and fully paid		
400,000 Ordinary shares of £1 each	<u>400,000</u>	<u>400,000</u>

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2009	178,258
Loss for the year	<u>(137,745)</u>
Balance at 31 December 2009	<u>40,513</u>

Hotel du Vin (Tunbridge Wells) Limited

Notes to the financial statements (continued)

For the year ended 31 December 2009

12 Reconciliation of movements in shareholders' funds	2009 £	2008 £
(Loss)/profit for the financial year	(137,745)	83,611
Opening shareholders' funds	578,258	494,647
	<hr/>	<hr/>
Closing shareholders' funds	440,513	578,258
	<hr/>	<hr/>

13 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 unpaid VAT.

14 Financial commitments

At 31 December 2009 the company was committed to making the following annual payments under non-cancellable operating leases in the year to 31 December 2010

	Land and buildings	
	2009	2008
	£	£
Operating leases which expire		
In over five years	830,087	802,418
	<hr/>	<hr/>

Hotel du Vin (Tunbridge Wells) Limited

Notes to the financial statements (continued)

For the year ended 31 December 2009

15 Employees

Number of employees

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

	2009 Number	2008 Number
Directors	4	7
Hotel administration	56	57
	<u>60</u>	<u>64</u>

Employment costs

	2009 £	2008 £
Wages and salaries	924,899	925,470
Social security costs	83,117	86,032
Other pension costs	18,009	20,160
	<u>1,026,025</u>	<u>1,031,662</u>

None of the directors received any emoluments from the Company for their services during the year (2008 - £nil)

16 Control

The immediate parent company is Hotel du Vin Limited. The ultimate parent company is MWB Group Holdings Plc. All companies are registered in England and Wales.

The only group in which the results of the Company are consolidated is that headed by MWB Group Holdings Plc. The consolidated financial statements are available to the public and copies may be obtained from the Company Secretary, City Group Plc, 30 City Road, London, EC1Y 2AG.

17 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.