

Malmaison Hotels Limited

**Directors' report and financial
statements**

Registered number 3532178

30 June 2003



Directors' report and financial statements

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Directors' report

The directors present their annual report and the financial statements for the year ended 30 June 2003.

Review of business

The Company was dormant throughout the year.

Dividends

The directors do not propose the payment of a final dividend. (2002: £nil).

Directors and directors' interests

The directors who held office during the year were as follows:

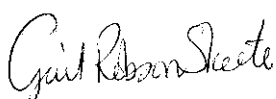
RG Balfour-Lynn
JW Harrison
JS Shashou
AF Blurton
J Singh
MA Bibring
IB Cave

None of the directors had any interest in the share capital of the Company. The interests of RG Balfour-Lynn, JW Harrison, JS Shashou, J Singh, MA Bibring and AF Blurton in the share capital of the ultimate holding company, Marylebone Warwick Balfour Group Plc, are disclosed in the financial statements of that company.

Auditors

In accordance with Section 388A of the Companies Act 1985, the company has resolved not to appoint an auditor.

By order of the board



Gail Robson-Skeete
Company Secretary

1 West Garden Place
Kendal Street
London W2 2AQ

28th January

2004

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those 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 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Balance sheet
at 30 June 2003

	<i>Note</i>	2003 £	2002 £
Current assets			
Amounts owed by group undertaking		3,753,568	3,753,568
		<hr/>	<hr/>
		3,753,568	3,753,568
Creditors: amounts falling due within one year	3	(3,753,000)	(3,753,000)
		<hr/>	<hr/>
Net assets		568	568
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	4	2	2
Profit and loss account		566	566
		<hr/>	<hr/>
Equity shareholders' funds		568	568
		<hr/>	<hr/>

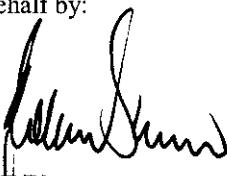
The accounts for the year ended 30 June 2003 have not been audited because the Company is entitled to the exemption in section 249AA(1) of the Companies Act 1985 relating to dormant companies.

No members have required the Company to obtain an audit of its accounts for the period in question in accordance with section 249B(2).

The Directors acknowledge their responsibility for:

- a) Ensuring the Company keeps accounting records which comply with section 221.
- b) Preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of its financial period, and of its profit and loss for the financial period in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

These financial statements were approved by the board of directors on *28th January* 2004 and were signed on its behalf by:


A.R. Blurton
Director


J Singh
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

As the Company is a wholly owned subsidiary of Marylebone Warwick Balfour Group Plc, it has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

2 Staff numbers and costs

The Company did not employ any staff during the year (2002: none). None of the directors received any emoluments from the Company (2002: £nil).

3 Creditors: amounts falling due within one year

	2003 £	2002 £
Amounts owed to group undertakings	3,753,000	3,753,000

4 Called up share capital

	2003 £	2002 £
<i>Authorised</i>		
100 Ordinary shares of £1 each	1,000	1,000
<i>Allotted, called up and fully paid:</i>		
2 Ordinary shares of £1 each	2	2

5 Immediate and ultimate parent companies

The immediate parent company is Malmaison Limited and the ultimate parent company is Marylebone Warwick Balfour Group Plc. Both companies are registered in England and Wales.

The only group in which the results of the Company are consolidated is that headed by Marylebone Warwick Balfour Group Plc. The consolidated financial statements are available to the public and may be obtained from the Company Secretary, City Group P.L.C, 25 City Road, London EC1Y 1BQ.