

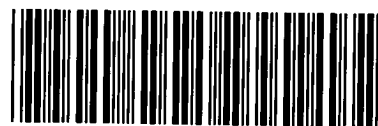
# Maybourne Hotels Limited

Reports and financial statements

**Year ended 31 December 2016**

***Registered number: 3669284***

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# Maybourne Hotels Limited

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# Maybourne Hotels Limited

## Directors and other information

### Board of Directors

Fady Bakhos  
Liam Cunningham

### Registered office

41- 43 Brook Street  
Mayfair  
London  
W1K 4HJ

### Auditor

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

### Bankers

Barclays Bank  
1 Churchill Place  
London  
E14 5HP

Allied Irish Bank (GB)  
City Office  
9-10 Angel Court  
London  
EC2R 7AB

### Solicitors

Macfarlanes LLP  
10 Norwich Street  
London  
EC4A 1BD

### Registered number

3669284

# Maybourne Hotels Limited

## Strategic report

The directors present their report and the audited financial statements for the year ended 31 December 2016.

### Principal activity

The principal activity of Maybourne Hotels Limited ('the Company') is the provision of management services to other entities within the group headed by Coroin Limited ('the Group'). The principal activity of these companies is the provision of five star deluxe hotel and restaurant services.

### Business review

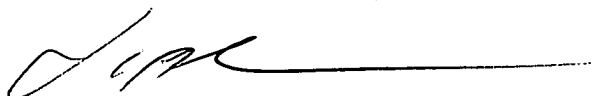
The Company achieved a turnover of £17,054,000 (2015: £14,431,000) in the year ended 31 December 2016 which is an increase of 18% compared to the year ended 31 December 2015.

The Company produced an operating profit of £2,701,000 in the year to 31 December 2015 (2015: £954,000).

### Principal risks and uncertainties

The hotel industry's performance is closely aligned to the general economic environment. Therefore, a key risk facing the Company is adverse economic conditions. The company expects 2017 to improve in terms of trading.

By order of the board and signed on its behalf by



Liam Cunningham  
Director

26 September 2017

# Maybourne Hotels Limited

## Directors' report

The directors present their report for the year ended 31 December 2016.

### Dividends

During the year no dividends were paid or proposed (2015: £nil).

### Directors and their interests

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

Liam Cunningham	
Carole Walker	Resigned 29 February 2016
Fady Bakhos	Appointed 29 February 2016

### Directors' liabilities

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

### Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

### Employee involvement

The Company operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2005. During the year, the policy of providing employees with information, including information relating to the economic and financial factors affecting the performance of the company, has been continued through the staff quarterly meetings in which employees have also been encouraged to present their suggestions and views on the Company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Employees participate directly in the success of the business through the Company's incentive schemes linked to performance and improved quality of service..

### Political donations

The company made no political contributions during the year.

### Going Concern

The Company's business activities, together with the factors likely to affect its future development isdescribed in the Strategic report on page 2.

# Maybourne Hotels Limited

## Directors' report (*continued*)

The group headed by Coroin Limited ('the Group') has considerable financial resources. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully.

After making enquiries and taking into account the support assured by Coroin Limited, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

### Disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

### Auditor

The Company appointed Ernst & Young LLP as its auditor on 27 September 2016. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and Ernst & Young LLP will therefore continue in office.

Approved by the Board of Directors ('the Board') and signed on behalf of the Board



Liam Cunningham  
Director

26 September 2017

# Maybourne Hotels Limited

## Statement of directors' 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 year. 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; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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.

On behalf of the Board



Liam Cunningham  
Director

26 September 2017

## **Independent auditor's report to the members of Maybourne Hotels Limited**

We have audited the financial statements of Maybourne Hotels Limited for the year ended 31 December 2016 which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes 1 to 20. 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 FRS 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 directors and auditor**

As explained more fully in the Statement of directors' responsibilities set out on page 5, 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 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Reports and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.



## Independent auditor's report to the members of Maybourne Hotels Limited *(continued)*

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic report or Directors' report.

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.



Rebecca Turner (Senior statutory auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
1 More London Place  
London  
SE1 2AF

27 September 2017

# Maybourne Hotels Limited

Registered number: 3669284

## Statement of comprehensive income for the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
<b>Turnover</b>	3	<b>17,054</b>	14,431
Cost of sales		(4,756)	(5,819)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>12,298</b>	8,612
Administrative expenses		(6,340)	(4,395)
Exceptional items	5	(3,257)	(3,263)
		<hr/>	<hr/>
<b>Operating profit</b>	6	<b>2,701</b>	954
Interest receivable and similar income	7	2	-
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>2,703</b>	954
Tax (charge)/credit on profit on ordinary activities	8	(573)	1,629
		<hr/>	<hr/>
<b>Profit for the financial year</b>		<b>2,130</b>	2,583
		<hr/>	<hr/>

The company had no other comprehensive income in the financial year or in the preceding financial year other than those dealt with in the profit and loss account and other comprehensive income. All activities in the current year and preceding periods are derived from continuing operations.

# Maybourne Hotels Limited

Registered number: 3669284

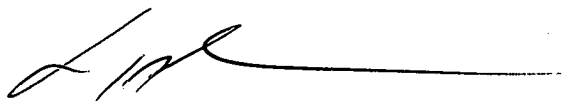
## Balance sheet

as at 31 December 2016

	Note	2016 £'000	2015 £'000
<b>Fixed assets</b>			
Tangible assets	9	1,085	1,262
Investments	10	868	868
		<hr/>	<hr/>
		1,953	2,130
<b>Current assets</b>			
Debtors	11	336,253	326,006
Cash at bank and in hand		5,923	12,229
		<hr/>	<hr/>
		342,176	338,235
<b>Creditors: amounts due within one year</b>	12	(346,285)	(344,651)
		<hr/>	<hr/>
<b>Net current liabilities</b>		(4,109)	(6,416)
		<hr/>	<hr/>
<b>Net liabilities</b>		(2,156)	(4,286)
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	14	150	150
Share premium account		3,052	3,052
Profit and loss account		(5,358)	(7,488)
		<hr/>	<hr/>
<b>Deficit on shareholders' funds</b>		(2,156)	(4,286)
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 26 September 2017.

Signed on behalf of the Board of Directors



Liam Cunningham  
Director

# Maybourne Hotels Limited

Registered number: 3669284

## Statement of changes in equity for the year ended 31 December 2016

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
<b>At 1 January 2015</b>	<b>150</b>	<b>3,052</b>	<b>(10,071)</b>	<b>(6,869)</b>
Profit for the financial year	-	-	2,583	2,583
Other comprehensive income	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2015</b>	<b>150</b>	<b>3,052</b>	<b>(7,488)</b>	<b>(4,286)</b>
Profit for the financial year	-	-	2,130	2,130
Other comprehensive income	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2016</b>	<b>150</b>	<b>3,052</b>	<b>(5,358)</b>	<b>(2,156)</b>
	<hr/>	<hr/>	<hr/>	<hr/>

The accompanying notes form an integral part of the financial statements.

The Share premium reserve relates to the excess paid by the shareholders to the Company above the nominal value of share capital.

The reserve for Retained earnings relates accumulated profits/(losses) of the Company less any distributions to shareholders.

# Maybourne Hotels Limited

## Notes

*to the financial statements*

### 1 Statement of compliance

Maybourne Hotels Limited is a company incorporated and domiciled in the England and Wales. The company's registered office is 41-43 Brook Street, Mayfair, London, W1K 4HJ.

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

These financial statements are presented in sterling, being the functional currency of the company. All financial information presented in sterling has been rounded to the nearest thousand, except where otherwise stated.

### 2 Significant accounting policies

#### Basis of preparation

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the European Union ("EU IFRS"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has adopted certain disclosure exemptions available under FRS 101. These include:

- a cash flow statement and related notes;
- disclosures in respect of the compensation of key management personnel;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- certain comparative information; and
- the effects of new but not yet effective IFRSs.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Coroin Limited. The results of the Company are included in the publicly available consolidated financial statements of Coroin Limited.

As the consolidated financial statements of Coroin Limited include the equivalent disclosures, the company has also taken the exemption under FRS 101 available in respect of the following:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*; and
- Certain disclosures required by IAS 36 *Impairment of Assets*.

#### Basis of measurement

The financial statements have been prepared on the historical cost basis.

# Maybourne Hotels Limited

## Notes *(continued)*

### **2 Significant accounting policies *(continued)***

#### **Foreign currency**

Transactions in foreign currencies are translated to the functional currency of the company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

#### **Use of estimates and judgements**

In preparing these financial statements management has made judgements, estimates and assumptions that affect application of the company accounting policies and the reported amounts of assets, liabilities, income and expenses. Such estimates and judgements are based on historical experience and other factors, including expectation of future events that are believed to be reasonable. Actual outcomes may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The company does not have any judgements or estimates which may have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

#### **Going Concern**

The Company's business activities, together with the factors likely to affect its future development, is described in the Strategic Report on page 2.

The group headed by Coroin Limited ('the Group') has considerable financial resources. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully.

After making enquiries, and taking into account the support assured by Coroin Limited, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is recognised for the provision of management services to other entities within the group headed by Coroin Limited ('the Group').

# Maybourne Hotels Limited

## Notes (continued)

### 2 Significant accounting policies (continued)

#### Taxation

The income tax expense comprises current and deferred tax. It is recognised in the income statement except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity.

Current tax is the expected tax payable on the taxable income for the year using tax rates and laws that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: those differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that the Company is able to control the timing of reversal and it is probable that they will not reverse in the foreseeable future.

A deferred tax asset is recognised to the extent that it is probable future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

#### Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

#### Operating lease payments

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit or loss as an integral part of the total lease expense.

#### Exceptional items

Exceptional items relate to items considered "non-core" which give a better understanding of the underlying trade when disclosed separately. This includes pension recharges for special pension contributions from Coroin Limited.

# Maybourne Hotels Limited

## Notes (continued)

### 2 Significant accounting policies (continued)

#### Pension

##### *Defined contribution plans*

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

##### *Defined benefit plans*

The company is a participating employer in group defined benefit schemes operated by providing benefits based on final pensionable salary. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis and therefore, as required by (IAS19 'Employee benefits'), accounts for the schemes as if they were defined contribution schemes. As a result the amount charged to profit or loss account represents the contributions payable to the schemes in respect of the accounting year.

#### Non-derivative financial instruments

##### *Loans and receivables*

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

##### *Non-derivative financial liabilities*

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

##### *Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Ordinary dividends are recognised in the period in which they are paid to shareholders.

#### Tangible fixed assets

##### *Recognition and measurement*

Items of tangible fixed assets are measured at cost less accumulated depreciation and impairment.

If significant parts of an item of tangible fixed assets have different useful lives, then they are accounted for as separate items (major components) of tangible fixed assets.

Any gain or loss on disposal of an item of tangible fixed assets is recognised in profit or loss.



# Maybourne Hotels Limited

## Notes (continued)

### **Depreciation**

Fixed assets are stated at cost less accumulated depreciation.

Depreciation of tangible assets is provided on a straight-line basis over the following useful lives:

Fixtures and fittings, plant and machinery	between 4 and 20 years
--	------------------------

Assets under the course of construction are not depreciated until brought into use.

### **Impairment**

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. An impairment loss is reversed, only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### **Investments**

Investments in subsidiaries are held at historical cost less any applicable provision for impairment.

# Maybourne Hotels Limited

## Notes (continued)

<b>3 Turnover</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
Management fees	<b>16,878</b>	14,398
Property rental	<b>107</b>	-
Gain on foreign exchange	<b>69</b>	33
	<hr/>	<hr/>
Total turnover	<b>17,054</b>	14,431
	<hr/>	<hr/>

All turnover is derived from operations in the UK.

## 4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	<b>2016 No.</b>	<b>2015 No.</b>
Hotel and administration	<b>75</b>	83
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follow:

	<b>2016 £'000</b>	<b>2015 £'000</b>
Wages and salaries	<b>3,873</b>	5,086
Social security costs	<b>598</b>	452
Other pension costs (excluding exceptional costs)	<b>285</b>	282
	<hr/>	<hr/>
	<b>4,756</b>	5,820
	<hr/>	<hr/>

### Directors' remuneration

One of directors is remunerated by third party management company Hume Street Management Consultants Limited which charge fees of £5,000,000 (2015: £3,500,000) to Coroin Limited as set out in note 21(a) of the Coroin Limited financial statements. One of the directors is remunerated by third party management company Al Mirqab Holding Co. which is paid €2,000,000 (2015: €2,000,000m) by Constellation Hotel Holdings S.C.A. an intermediate parent holding company registered in Luxembourg. The directors do not believe that it is practicable to apportion these amounts between their services as directors of the company and their services as directors of the holding and fellow subsidiary companies.

## 5 Exceptional items

Exceptional items relates to £3,257,000 (2015: £3,263,000) relating to amounts recharged by Coroin Limited in respect of additional monthly contributions paid to the defined benefit pension scheme to cover the shortfall in funding as recommended in the actuarial valuation at 31 March 2015.

These additional top up contributions increase annually at a rate determined by the Retail Price Index and are required to address the Minimum Funding Requirement shortfall.

# Maybourne Hotels Limited

## Notes (continued)

### 5 Exceptional items (continued)

Full details of the pension scheme are disclosed in the accounts of the Company's parent undertaking (see also note 18).

<b>6 Statutory information</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
<b>Operating profit is stated after charging</b>		
Operating leases – minimum lease payments	<b>645</b>	703
Depreciation – owned assets	<b>441</b>	518
	<hr/>	<hr/>
<b>Auditor's remuneration</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
Audit of these financial statements	<b>6</b>	15
	<hr/>	<hr/>
Amounts receivable by the auditors and their associates in respect of:		
Other services relating to taxation	<b>18</b>	18
	<hr/>	<hr/>
<b>7 Interest receivable and similar income</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
Deposit interest receivable	<b>2</b>	-
	<hr/>	<hr/>

# Maybourne Hotels Limited

## Notes (continued)

### 8 Income taxes

(a) Amounts recognised in profit or loss	2016 £'000	2015 £'000
<b>Current tax</b>		
UK corporation tax	-	-
Adjustment in respect of prior years	-	-
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of temporary differences	622	135
Impact of change in tax rates	-	179
Adjustments in respect of prior periods	(49)	(1,943)
<b>Total deferred tax charge/ (credit)</b>	573	(1,629)
<b>Tax charge/ (credit) in the income statement</b>	573	(1,629)
<b>Reconciliation of tax charge/ (credit)</b>	<b>31 December 2016 £'000</b>	<b>31 December 2015 £'000</b>
Profit on ordinary activities before tax	2,703	954
Profit on ordinary activities before tax at the standard corporation tax rate in UK of 20.00% (2015: 20.25%)	541	193
Expenses not deductible for tax purposes	81	16
Impact of change in tax rates	-	179
Group relief surrendered not paid for	38	-
Transfer pricing adjustments	(38)	(75)
Adjustment to tax charge in respect of previous periods	(49)	(1,942)
<b>Total tax charge/ (credit)</b>	573	(1,629)

### Factors which may affect future tax charges

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 17% (effective 1 April 2020) were substantively enacted on 26 October 2015 and 6 September 2016 respectively. This will reduce the company's future tax charge accordingly.

# Maybourne Hotels Limited

## Notes (continued)

<b>9 Tangible fixed assets</b>	<b>Asset under course of construction £'000</b>	<b>Short leasehold properties £'000</b>	<b>Fixtures fittings, plant and machinery £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 31 December 2015	223	171	11,743	12,137
Additions	264	-	-	264
Reclassification	(170)	-	170	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2016</b>	<b>317</b>	<b>171</b>	<b>11,913</b>	<b>12,401</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Accumulated depreciation</b>				
At 31 December 2015	-	171	10,704	10,875
Charge for the year	-	-	441	441
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2016</b>	<b>-</b>	<b>171</b>	<b>11,145</b>	<b>11,316</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
<b>At 31 December 2016</b>	<b>317</b>	<b>-</b>	<b>768</b>	<b>1,085</b>
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	223	-	1,039	1,262
	<hr/>	<hr/>	<hr/>	<hr/>

# Maybourne Hotels Limited

## Notes (continued)

### 10 Investments

Investment in subsidiary undertakings	2016 £'000	2015 £'000
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*At cost and net book value*

At beginning and end of year	868	868
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Subsidiary undertaking	Country of incorporation	Activity	Shareholding
Centralglen Limited	Great Britain	Dormant company	100%
The Opheans Limited	Great Britain	Dormant company	100%
Headfort Hotel (Belgravia) Limited	Great Britain	Dormant company	*100%
Motcomb Trust Limited	Great Britain	Dormant company	*100%
The Worcester Building Company Limited	Great Britain	Dormant company	100%
James Edward Limited	Great Britain	Dormant company	100%
The Strand Power Company Limited	Great Britain	Dormant company	100%
Beaufort Construction Limited	Great Britain	Dormant company	100%
Stones Chop House Limited	Great Britain	Dormant company	100%
The Claridge's Hotel Laundry Limited	Great Britain	Dormant company	100%
Patrick Spitfire Limited	Great Britain	Dormant company	100%
BP&S (1906) Limited	Great Britain	Dormant company	100%
Q&M Limited	Great Britain	Dormant company	100%
Project Castle Limited	Great Britain	Dormant company	100%
Only G Limited	Great Britain	Dormant company	100%
Speed 6060 Limited	Great Britain	Dormant company	100%

\*Indirect shareholdings

The registered address for each subsidiary is the same as that of the Company.

11 Debtors	2016 £'000	2015 £'000
Trade debtors	89	89
Amounts owed by group undertakings	50,252	49,730
Amounts owed by parent company	279,519	271,682
Other debtors	215	201
Prepayments and accrued income	335	328
VAT recoverable	4,787	2,347
Deferred tax asset (note 13)	1,056	1,629
	<b>336,253</b>	<b>326,006</b>

All amounts are due within one year.

# Maybourne Hotels Limited

## Notes (continued)

<b>12 Creditors:</b> amounts falling due within one year	<b>2016 £'000</b>	<b>2015 £'000</b>
Trade creditors	<b>1,391</b>	1,234
Amounts owed to group undertakings	<b>341,717</b>	339,301
Amounts owed to subsidiary undertaking	<b>868</b>	868
Other taxes and social security	<b>155</b>	155
Other creditors	<b>16</b>	155
Accruals and deferred income	<b>2,138</b>	2,938
	<b>346,285</b>	<b>344,651</b>

## 13 Deferred tax assets and liabilities

### *Recognised deferred tax assets and liabilities*

	<b>2016 £'000</b>	<b>2015 £'000</b>
At 1 January	<b>1,629</b>	-
(Charged)/credited to profit and loss	<b>(573)</b>	1,629
At 31 December	<b>1,056</b>	<b>1,629</b>

Deferred tax assets and liabilities are attributable to the following:

	<b>Assets 2016 £'000</b>	<b>Assets 2015 £'000</b>	<b>Liabilities 2016 £'000</b>	<b>Liabilities 2015 £'000</b>
Tangible fixed assets	<b>(928)</b>	(1,139)	-	-
Tax value of losses carried forward	<b>(60)</b>	(443)	-	-
Other temporary differences	<b>(68)</b>	(47)	-	-
<b>Net deferred tax (assets)/liabilities</b>	<b>(1,056)</b>	<b>(1,629)</b>	<b>-</b>	<b>-</b>

# Maybourne Hotels Limited

## Notes (continued)

<b>14 Called up share capital</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
<b><i>Authorised, called up, allotted and fully paid</i></b>		
1,000,000 "A" ordinary shares of 10p each	<b>100</b>	100
500,000 "B" ordinary shares of 10p each	<b>50</b>	50
	<hr/>	<hr/>
	<b>150</b>	150
	<hr/>	<hr/>

Shares rank equally, except with respect to shareholder rights to dividends and return on capital, where "A" shares are worth 10,000 times more those of "B" shares.

<b>15 Capital commitments</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
Capital commitments (Fixtures and fittings, plant and machinery):		
Contracted but not provided for in the accounts	<b>959</b>	262
	<hr/>	<hr/>

## **16 Operating leases**

Non-cancellable operating lease rentals are payable as follows:

	<b>2016 £'000</b>	<b>2015 £'000</b>
Less than one year	<b>263</b>	645
Between one and five years	<b>118</b>	381
More than five years	-	-
	<hr/>	<hr/>
	<b>381</b>	1,026
	<hr/>	<hr/>

During the year £645,000 was recognised as an expense in the profit and loss account in respect of operating leases (2015: £703,000).

## **17 Related party disclosures**

The Company is exempt under the provisions of IAS 24 *Related Party Disclosures* from disclosing related party transactions entered into between two or more 100% owned members of a group.



# Maybourne Hotels Limited

## Notes *(continued)*

### 18 Pensions and similar obligations

Maybourne Hotels Limited is a participating employer in two pension schemes:

- The Maybourne Hotels Group Pension and Life Insurance Scheme, a defined benefit scheme, which has two sections – the Staff and Senior Staff sections, was closed to new entrants with effect from 1 August 2006.
- The Maybourne Stakeholder Scheme, a defined contribution scheme, was introduced on 1 August 2006 and is open to all staff if they meet the eligibility criteria. Pensions for 17 employees (2015: 26 employees) are funded through this scheme. The defined contribution pension cost for the year amounted to £58,085 (2015: £104,835). To comply with the law, the Company auto-enrolled all employees who are not members of any pension scheme from 1 April 2014 – autoenrolment stakeholder pension scheme. 40 employees were auto-enrolled in 2016 (2015: 26 employees) with a cost for the year of £24,811 (2015: £21,602). The Company actively encourages staff to join the scheme as it believes that it is an important element of the remuneration package.

The directors are unable to identify the Company's share of the scheme assets and liabilities as;

- Most scheme members have worked for more than one company within the Group. The Group structure has also changed materially over time due to restructurings, acquisitions and disposals. It is therefore not appropriate to allocate assets and liabilities between the participating companies.
- For funding purposes, the employers within the Group share actuarial risks. The determination of cash contributions does not separately identify assets and liabilities for individual participating companies and all employers pay the same contribution rate in respect of accruing benefits. Contributions in respect of the past service deficit are paid separately by another group company.

As a result it is accounted for as a defined contribution scheme. The scheme is currently in deficit and the overall Group contributions have been capped at £324,178 a month (2015: £320,334 a month). At 31 December 2016 this deficit, calculated in accordance with IAS 19, amounted to £4.7 million (31 December 2015: surplus of £4.4 million). Full details of the scheme are disclosed in the accounts of Coroin Limited.

# Maybourne Hotels Limited

## Notes *(continued)*

### **19 Ultimate parent company**

The company's ultimate parent company and controlling party is Prime Capital S.A., a company incorporated in Luxembourg. This is the largest group in which the results of the company are consolidated.

Coroin Limited, a company incorporated in Great Britain and registered in England and Wales is the smallest group in which the results of the Company are consolidated. Copies of those statutory accounts will be available from its registered office, 41 - 43 Brook Street, Mayfair, London, W1K 4HJ.

### **20 Subsequent events**

There were no events subsequent to the the balance sheet date that require adjustment to or disclosure in the financial statements.