

**Macdonald Hotels Investments Limited (formerly
Macdonald Hotels and Resorts Limited)**

Directors' report and financial statements
Registered number SC125204
27 March 2014



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Company information

Directors	D Guile RG Fraser R Macdonald (appointed 11/09/2014)
Secretary	RG Fraser
Auditor	KPMG LLP Saltire Court 20 Castle Terrace Edinburgh EH1 2EG
Bankers	Bank of Scotland The Mound Edinburgh EH1 1YZ
Registered office	Whiteside House Bathgate West Lothian EH48 2RX

Strategic report

The directors present their strategic report for the year ended 27 March 2014.

Principal activities

The company is a holding company for companies operating hotels.

Business review

The financial results for the year ended 27 March 2014 are contained in the profit and loss account on page 6.

Whilst the company does not trade it holds a number of investments in trading entities, which the directors continue to monitor to ensure they are performing.

The directors have prepared the financial statements on a going concern basis as explained in note 1 to the financial statements, under the section "Basis of Preparation".

By order of the board



RG Fraser
Director

Whiteside House
Bathgate
West Lothian
EH48 2RX

23 December 2014

Directors' report

The directors present their annual report and the audited financial statements for the year ended 27 March 2014.

Change of name

The company changed its name to Macdonald Hotels Investments Limited on 20th June 2014.

Dividend

Dividends paid during the year comprise interim dividends of £nil in respect of the year ended 27 March 2014 (2013: £nil). The directors do not recommend the payment of a final dividend (2013: £nil).

Directors

The directors who held office during the year and to the date of this report are shown on page 1.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any 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.

By order of the board



RG Fraser
Director

Whiteside House
Bathgate
West Lothian
EH48 2RX

23 December 2014

Statement of directors' responsibilities in respect of the Strategic Report, and Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
United Kingdom

Independent auditor's report to the members of Macdonald Hotels Investments Limited (formerly Macdonald Hotels and Resorts Limited)

We have audited the financial statements of Macdonald Hotels Investments Limited (formerly Macdonald Hotels and Resorts Limited) for the year ended 27 March 2014 set out on pages 6 to 12. 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 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 Directors' Responsibilities Statement set out on page 4, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 27 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the 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.

Alex Sanderson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

23 December 2014

Profit and loss account
for the year ended 27 March 2014

	<i>Note</i>	2014 £000	2013 £000
Release of provisions and other accruals		-	844
Interest receivable	4	366	362
		<hr/>	<hr/>
Profit on ordinary activities before taxation	2	366	1,206
Tax on profit on ordinary activities	5	(84)	(289)
		<hr/>	<hr/>
Profit for the financial year	10	282	917
		<hr/>	<hr/>

The company has no recognised gains or losses other than as reported above.

The result for the year has been derived from continuing activities.

The notes on pages 9 to 12 form an integral part of these financial statements.

Balance sheet
 at 27 March 2014

	<i>Note</i>	2014 £000	2013 £000
Fixed assets			
Investments	6	15,833	15,833
Current assets			
Debtors	7	17,501	17,424
Creditors: amounts falling due within one year	8	(9,326)	(9,531)
Net current assets		<u>8,175</u>	<u>7,893</u>
Net assets		<u><u>24,008</u></u>	<u><u>23,726</u></u>
Capital and reserves			
Called up share capital	9	3,169	3,169
Share premium account		32,606	32,606
Capital contribution		26,319	26,319
Profit and loss account	10	(38,086)	(38,368)
Equity Shareholders' funds		<u><u>24,008</u></u>	<u><u>23,726</u></u>

The notes on pages 9 to 12 form an integral part of these financial statements.

These financial statements were approved by the board of directors 23 December 2014 and were signed on its behalf by:



RG Fraser
 Director

Reconciliation of Movements in Shareholders' Funds
for the year ended 27 March 2014

	2014 £000	2013 £000
Profit for the financial year	282	917
Opening shareholders' funds	23,726	22,809
	<hr/>	<hr/>
Shareholders' funds	24,008	23,726
	<hr/> <hr/>	<hr/> <hr/>

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.

Financial year

These financial statements are drawn up for the 52 week period ended 27 March 2014.

Basis of preparation

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

The financial statements have been prepared on the going concern basis. The day to day working capital requirements of Macdonald Hotels Investments Limited (formerly Macdonald Hotels and Resorts Limited) are provided by the ultimate parent undertaking, Macdonald Hotels Limited. The directors of Macdonald Hotels Limited have indicated to the directors of Macdonald Hotels Investments Limited (formerly Macdonald Hotels and Resorts Limited) that Macdonald Hotels Limited will continue to provide such funds as are necessary to enable it to continue to trade and to meet its liabilities as they fall due and that Macdonald Hotels Limited will not seek repayment of the amounts currently made available. As with any company placing reliance on other group companies for financial support, the directors 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.

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is a wholly owned subsidiary of Macdonald Hotels Limited, and its cash flows are included within the consolidated cash flow statement of that company.

As the company is a wholly owned subsidiary of the group headed by Macdonald Hotels Limited, the company 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). The consolidated financial statements of Macdonald Hotels Limited, within which this Company is included, can be obtained from Whiteside House, Whiteside Industrial Estate, Bathgate, EH48 2RX.

Investments

Investments in subsidiary undertakings, associates and joint ventures are stated at cost, less amounts written off.

Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

2 Profit on ordinary activities before taxation

The audit fee for the year of £4,400 (2013: £4,400) has been borne by the company's parent company.

Notes (continued)

3 Staff costs and directors' emoluments

The company has no employees other than its directors.

The directors received no remuneration from the company in the current year or preceding period.

4 Interest receivable

	2014 £000	2013 £000
Receivable from group undertakings	366	362

5 Taxation

The taxation charge comprises:

	2014 £000	2013 £000
<i>Current tax</i>		
Group relief payable	84	289

Factors affecting the tax charge for the current year

The current tax charge for the year is the same as (2013: same as) the standard rate of corporation tax in the UK of 23% (2013: 24%). The differences are explained below.

	2014 £000	2013 £000
Profit on ordinary activities before tax	366	1,206
Current tax at 23% (2013: 24%)	84	289

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

Notes (continued)

6 Fixed asset investments

	Shares in subsidiaries	Capital contribution	Shares in joint ventures	Loans to joint ventures	Total
	£000	£000	£000	£000	£000
Cost					
At beginning and end of year	14,282	118,264	85	3,010	135,641
Provision					
At beginning and end of year	1,544	118,264	-	-	119,808
Net book value					
At beginning and end of year	12,738	-	85	3,010	15,833

At 27 March 2014 the following companies were the principal subsidiaries undertakings. All operate in the UK. All of the entities are included in the consolidation of the parent company, Macdonald Hotels Limited, and are 100% owned unless noted below.

Subsidiaries

Macdonald Hotels (Management) Limited	(iii)
Macdonald Resorts Limited	(ii)
Hill Valley Hotel, Golf and Country Club	(i)
Cardrona Hotel, Golf & Country Club (89% ordinary shares owned)	(i)
Macdonald Aviemore Highland Resort Limited	(i)

The nature of the business is as noted:

- (i) Hotels
- (ii) Hotels and Leisure
- (iii) Management Services

7 Debtors

	2014 £000	2013 £000
Other debtors and prepayments	45	1
Amounts due from group undertakings	17,456	17,423
	<u>17,501</u>	<u>17,424</u>

Although amounts due from group undertakings are repayable on demand, the company has no plans to demand settlement in the short term.

Notes (continued)

8 Creditors: amounts falling due within one year

	2014 £000	2013 £000
Group relief payable	84	289
Amounts due to group undertakings	9,242	9,242
	<hr/> 9,326 <hr/>	<hr/> 9,531 <hr/>

9 Called up share capital

	2014 £000	2013 £000
<i>Authorised</i>		
78,000,000 ordinary shares of 5p each	3,900	3,900
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
63,370,864 ordinary shares of 5p each	3,169	3,169
	<hr/>	<hr/>

10 Reserves

	£000
<i>Profit and loss account</i>	
At beginning of year	(38,368)
Profit for the year	282
	<hr/> (38,086) <hr/>

11 Contingent liabilities

The company is party to joint and several guarantees with other group members, including Macdonald Hotels Limited, in respect of bank borrowings. The company's liability in respect of these guarantees at 27 March 2014 amounted to £296 million (2013: £324 million).

The company also has an obligation under the group VAT registration amounting at 27 March 2014 to £7.7 million (2013: £2.0 million).

12 Ultimate parent company

The company's ultimate parent company is Macdonald Hotels Limited which is incorporated in Scotland.

The consolidated financial statements of Macdonald Hotels Limited can be obtained from Whiteside House, Bathgate, West Lothian, EH48 2RX. The only group in which the company's accounts are consolidated is headed by Macdonald Hotels Limited.