

MHG Senior Borrower Limited

Reports and financial statements

For the year ended 31 December 2016

Registered number: 08313665

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MHG Senior Borrower Limited

Directors' report and financial statements

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MHG Senior Borrower Limited

Directors and other information

Directors

Fady Bakhos
Liam Cunningham

Registered office

41-43 Brook Street
Mayfair
London
W1K 4HJ

Bankers

Barclays Bank
1 Churchill Place
London
E14 5HP

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

Auditor

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

Solicitors

Macfarlanes LLP
20 Cursitor Street
London
EC4A 1LT

MHG Senior Borrower Limited

Strategic report

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

Activities

The principal activity of the company is that of a holding and financing company of companies operating in the hotel and restaurant industry.

Business review

The profit and loss for the year is set out on page 7. The loss for the year to 31 December 2016 before taxation was £30.2 million (2015: loss of £42.2 million). This loss reduced as, on 27 October 2015, the company refinanced its external and internal loan facilities. Arrangement fees of £13.7 million previously offset against old loan facilities were immediately recognised in the profit and loss account in the year ended 31 December 2015 the effect of which is not seen in the year ended 31 December 2016.

Principal risks and uncertainties

The directors consider that the following are the principal risk factors that could materially and adversely affect the company's future operating profits or financial position.

- General economic risk – the company through its investments in subsidiary undertakings is exposed to general economic risk, including changes in the economic outlook in the hotel and leisure industry. The company is also exposed to government changes in industrial, fiscal, monetary or regulatory policies.
- Interest rate risk – the company now has a Murabaha Loan agreement which incurs fixed payments. From historical loan agreements the company has interest rate caps which are exposed to upside interest rate risk.
- Liquidity risk - the company is funded by a long term Murabaha agreement expiring in October 2022 as well as amounts payable to group undertakings. The company has obtained a letter of support from the UK ultimate parent Coroin Limited to ensure that it can meet its liabilities as they fall due.

The company has a successful track record of managing these risks. The directors are confident that they have put in place a strong management team and suite of products capable of dealing with the above issues as they arise.

Approved by the Board of Directors and signed on behalf of the Board



Liam Cunningham
Director

18 July 2017

MHG Senior Borrower Limited

Directors' report

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

Directors and their interests

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

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

The directors and secretary do not hold any material interests in the shares of the company or any other company in the group

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.

Dividends

During the year no dividends have been paid or proposed (2015: nil).

Future developments

The directors expect to implement strategic plans to address the company's deficit on shareholders' funds in the near future.

Financial instruments

The Company finances its activities with a combination of bank loans and amounts owed to group companies, as disclosed in notes 9 and 10. The Company also enters into derivative transactions, including principally interest rate caps. The purpose is to manage the interest rate risk arising from its sources of finance.

Financial instruments interest rate risk information on how this risk arises is set out in the Strategic report above, as are the objectives, policies and processes for their management and the methods used to measure this risk.

Use of derivatives

The company historically uses an interest rate caps to adjust interest rate exposures in order to limit interest payments. Whilst the variable rate loan agreements have now been replaced, these interest rate caps are still in place.

Hedge accounting is not applied.

MHG Senior Borrower Limited

Directors' report (*Continued*)

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 3. 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.

Political contributions

The company made no political contributions during the year (2015: nil).

Research and development

The company did not incur any expenses in relation to research and development in the year (2015: nil).

Going Concern

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposures to economic, interest rate and liquidity risks are described in the Strategic Report on page 2.

The Group headed by Coroin Limited 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 of 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.

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 and signed on behalf of the Board



Liam Cunningham
Director

18 July 2017

MHG Senior Borrower Limited

Statement of directors' responsibilities

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) 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

18 July 2017

Independent auditor's report to the members of MHG Senior Borrower Limited

We have audited the financial statements of MHG Senior Borrower Limited for the year ended 31 December 2016 which comprise the Statement of comprehensive income, Balance sheet, Statement of changes in equity and related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (UK 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 loss 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.

Opinion on other matter prescribed by the Companies Act 2006

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

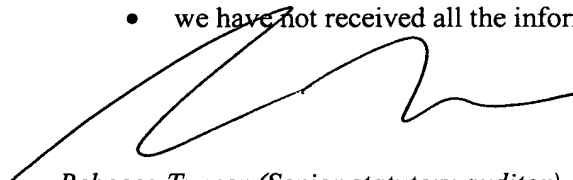
- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report has been prepared in accordance with applicable legal requirements.

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 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

19th July 2017

MHG Senior Borrower Limited

Registered number: 08313665

Statement of comprehensive income for the year ended 31 December 2016

	<i>Note</i>	2016 £'000	2015 £'000
Administrative expenses		(381)	(5)
Operating loss		(381)	(5)
Interest payable and similar charges	4	(29,835)	(42,232)
Loss on ordinary activities before tax		(30,216)	(42,237)
Tax (charge)/credit loss on ordinary activities	5	(34)	(26)
Loss and comprehensive loss for the financial year		(30,250)	(42,263)

There are no other comprehensive income or losses for the year or preceding financial year.

MHG Senior Borrower Limited

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Balance sheet at 31 December 2016

	<i>Note</i>	2016 £'000	2015 £'000
Fixed assets			
Financial assets	7	<u>1,000,000</u>	<u>1,000,000</u>
Current assets			
Cash		1	1
Debtors	8	198	232
Other financial assets	9	-	483
		<u>199</u>	<u>716</u>
Creditors: amounts falling due within one year	10	<u>(375,701)</u>	<u>(323,889)</u>
Net current liabilities		<u>(375,502)</u>	<u>(323,173)</u>
Total assets less current liabilities		624,498	676,827
Creditors: amounts falling due after one year	11	<u>(772,453)</u>	<u>(794,532)</u>
Net liabilities		<u>(147,955)</u>	<u>(117,705)</u>
Capital and reserves			
Called up share capital	14	-	-
Retained earnings		<u>(147,955)</u>	<u>(117,705)</u>
Deficit on shareholders' funds		<u>(147,955)</u>	<u>(117,705)</u>

These financial statements were approved by the Board of Directors on 18 July 2017.

Signed on behalf of the Board of Directors



Liam Cunningham
Director

18 July 2017

MHG Senior Borrower Limited

Registered number: 08313665

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

	Attributable to equity holders of the company		
	Share Capital £'000	Retained Earnings £'000	Total £'000
At 1 January 2015	-	(75,442)	(75,442)
Loss for the year	-	(42,263)	(42,263)
Total comprehensive loss for the year	<u>-</u>	<u>(42,263)</u>	<u>(42,263)</u>
At 1 January 2016	-	(117,705)	(117,705)
Loss for the year	-	(30,250)	(30,250)
Total comprehensive loss for the year	<u>-</u>	<u>(30,250)</u>	<u>(30,250)</u>
At 31 December 2016	<u>-</u>	<u>(147,955)</u>	<u>(147,955)</u>

MHG Senior Borrower Limited

Notes

forming part of the financial statements

1 Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of MHG Senior Borrowing Limited (the 'Company') for the year ended 31 December 2016 were authorised for issue by the board of directors on [date] and the balance sheet was signed on the board's behalf by Liam Cunningham.

The Company is incorporated and domiciled in England and Wales and its registered office is 41-43 Brook Street, Mayfair, W1K 4HJ.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

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

The principal accounting policies adopted by the Company are set out in note 2.

2 Significant accounting policies

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 Financial Reporting Standards as adopted by the EU ("EU IFRSs"), 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 have 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 (para 8(h));
- disclosures in respect of the compensation of key management personnel (para 8(j)) ;
- disclosures in respect of transactions with wholly owned subsidiaries (para 8(k));
- certain comparative information (para 8(f)); and
- the effects of new but not yet effective IFRSs (para 8(i));

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*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

MHG Senior Borrower Limited

Notes *(continued)*

2 Significant accounting policies *(continued)*

Basis of measurement

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

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.

There are not considered to be any significant judgements or estimates in the Company's financial statements.

Going concern

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposures to economic, interest rate and liquidity risks are described in the Strategic Report on page 2.

The Group headed by Coroin Limited 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 of 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.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values. When measuring the fair value of an asset or liability the Company uses market observable data as far as possible.

Finance income and finance costs

The Company's finance income and finance costs include:

- interest expense; and
- interest income.
-

Interest income or expense is recognised using the effective interest method.

MHG Senior Borrower Limited

Notes *(continued)*

2 Significant accounting policies *(continued)*

Tax

Income 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 Group is able to control the timing of reversal and it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

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.

MHG Senior Borrower Limited

Notes *(continued)*

2 Significant accounting policies *(continued)*

Financial instruments

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Company classifies non-derivative financial liabilities into the other financial liabilities category.

(i) Non-derivative financial assets and financial liabilities – recognition and derecognition

The Company initially recognises loans and receivables issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets – measurement

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.

Cash and cash equivalents

Cash and cash equivalents include bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

(iii) Non-derivative financial liabilities – measurement

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.

MHG Senior Borrower Limited

Notes *(continued)*

2 Significant accounting policies *(continued)*

Financial instruments *(continued)*

(iv) 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 declared as final dividends are recognised as a liability in the period in which they are approved by shareholders. Interim dividends are recognised as a liability when declared.

(v) Derivative financial instruments

The Company's borrowings historically exposed it to the financial risks of changes in interest rates. The Company uses derivative financial instruments such as interest rate cap agreements to hedge these exposures. The Company does not use derivatives for trading or speculative purposes.

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The full fair value of a hedging derivative is classified as a non-current asset or non-current liability if the remaining maturity of the hedged item is more than twelve months and as a current asset or current liability if the remaining maturity of the hedged item is less than twelve months.

The fair value of derivative instruments is determined by using valuation techniques. The Group uses its judgement to select the most appropriate valuation methods and makes assumptions that are mainly based on observable market conditions (Level 2 fair values) existing at the reporting date.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Provisions and contingent liabilities

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of that outflow can be measured reliably. If the effect is material, provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of an outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of an outflow of economic benefits is remote.

MHG Senior Borrower Limited

Notes (continued)

3 Staff numbers and costs

The company has no employees (2015: nil). The directors receive no remuneration (2015: nil) for their services to this company.

4 Auditors remuneration

The audit fee of £6,000 (2015: £6,000) is borne by another group company.

5 Interest payable and similar charges

	2016 £'000	2015 £'000
External bank loans (i)	29,352	18,376
Intercompany loans	-	7,479
Accelerated amortisation of loan issue expenses (ii)	-	13,795
Fair value movement on derivatives (iii)	483	2,582
	<u>29,835</u>	<u>42,232</u>

(i) Arrangement fees of £2,905 thousand, have been represented in the 2015 comparative to be included within interest on external bank loans. This was incurred in relation to new facilities have been capitalised and in line with the company's accounting policies will be amortised over the period of the loan using the effective interest method.

(ii) On 27 October 2015 the company refinanced both its external and internal loan facilities. Arrangement fees previously offset against old loan facilities were immediately recognised in the profit and loss account in the year ended 31 December 2015.

(iii) The company has interest rate cap agreements in place in relation to loan facilities which were terminated as part of the re-financing that took place in 2015. These interest rate caps do not mature until 23 January 2018 and are recognised at fair value. As these financial instruments do not qualify for hedge accounting all fair value movements are recognised in the profit and loss account until they expire.

MHG Senior Borrower Limited

Notes (continued)

6 Income taxes

(a) Amounts recognised in profit or loss

	2016 £'000	2015 £'000
Current tax		
UK corporation tax	-	-
	<hr/>	<hr/>
Adjustment in respect of prior years	-	-
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>
Deferred tax		
Origination and reversal of temporary differences	29	29
Adjustments in respect of prior periods	(4)	(3)
Impact of change in tax rates	9	-
	<hr/>	<hr/>
Total deferred tax charge/(credit)	34	26
	<hr/> <hr/>	<hr/> <hr/>
Reconciliation of tax charge/(credit)	31 December 2016 £'000	31 December 2015 £'000
Loss on ordinary activities before tax	(30,216)	(42,237)
	<hr/>	<hr/>
Loss on ordinary activities before tax at the standard corporation tax rate in UK of 20% (2015: 20.25%):	(6,043)	(8,552)
	<hr/>	<hr/>
Group relief (received) / surrendered	8,628	7,733
Expenses not deductible for tax purposes	-	848
Transfer pricing adjustments	(2,556)	-
Impact of change in tax rates	5	(3)
	<hr/>	<hr/>
Total tax charge/(credit)	34	26
	<hr/> <hr/>	<hr/> <hr/>

Factors which may affect future tax charges;

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future tax charge accordingly.

MHG Senior Borrower Limited

Notes (continued)

7 Financial assets

	2016 £'000	2015 £'000
Investment in shares in subsidiary undertakings	1,000,000	1,000,000

None of the shares of the above subsidiary undertakings are listed. In the opinion of the directors the shares in the company's subsidiary and other group undertakings are worth at least the amounts at which they are stated in the balance sheet.

The company has the following investments in subsidiaries.

Subsidiary undertaking	Country of Incorporation and operation	Activity	Shareholding (ordinary shares)
Claridge's Hotel Holdings Limited	Great Britain	Holding Company	100% (direct)
The Berkeley Hotel Limited	Great Britain	Hotel Operations	100% (direct)
The Connaught Hotel Limited	Great Britain	Hotel Operations	100% (direct)
Maybourne Hotels Limited	Great Britain	Management Services Company	100% (direct)
Claridge's Hotel Limited	Great Britain	Hotel Operations	100% (indirect)
Connaught F&B Limited	Great Britain	Food and Beverage Operations	100% (indirect)
Brook Street 1 Limited	Great Britain	Holding Company	100% (indirect)
Brook Street 2 Limited	Great Britain	Holding Company	100% (indirect)
Goldrange Properties Limited	Great Britain	Ownership of Property	100% (indirect)
41-43 Brook Street LLP	Great Britain	Ownership of Property	100% (indirect)
Bluedraft Limited	Great Britain	Ownership of Property	100% (indirect)
Brook Street Trustee Co No. 1 Limited	Great Britain	Hotel Operations	100% (indirect)
Brook Street Trustee Co No. 2 Limited	Great Britain	Dormant company	100% (indirect)
A Goody Rewarded Limited	Great Britain	Dormant company	100% (indirect)
Claridge's Hotel (42000) Limited	Great Britain	Dormant company	100% (indirect)
The Minema Limited	Great Britain	Dormant company	100% (indirect)
The Berkeley Hotel (49907) Co. Limited	Great Britain	Dormant company	100% (indirect)

MHG Senior Borrower Limited

Notes (continued)

7 Financial assets (continued)

The Connaught Hotel (52242) Limited	Great Britain	Dormant company	100% (indirect)
Mount Street Mansions Limited	Great Britain	Dormant company	100% (indirect)
Beaufort Construction Limited	Great Britain	Dormant company	100% (indirect)
B.P.& S. (1906) Limited	Great Britain	Dormant company	100% (indirect)
James Edward Limited	Great Britain	Dormant company	100% (indirect)
Only G Limited	Great Britain	Dormant company	100% (indirect)
Stone's Chop House Limited	Great Britain	Dormant company	100% (indirect)
Project Castle Limited	Great Britain	Dormant company	100% (indirect)
Q&M Limited	Great Britain	Dormant company	100% (indirect)
Patrick Spitfire Limited	Great Britain	Dormant company	100% (indirect)
The Claridge's Hotel Laundry Limited	Great Britain	Dormant company	100% (indirect)
Centralglen Limited	Great Britain	Dormant company	100% (indirect)
The Orpheans Limited	Great Britain	Dormant company	100% (indirect)
Speed 6060 Limited	Great Britain	Dormant company	100% (indirect)
The Strand Power Company Limited	Great Britain	Dormant company	100% (indirect)
Worcester Building Co. Limited	Great Britain	Dormant company	100% (indirect)
Motcomb Trust Limited	Great Britain	Dormant company	100% (indirect)
Headfort Hotel (Belgravia) Limited	Great Britain	Dormant company	100% (indirect)

The registered office of all subsidiary undertakings is 41-43 Brook Street, Mayfair, London, W1K 4HJ.

8 Debtors

	2016 £'000	2015 £'000
Deferred tax asset (see note 12)	198	232

MHG Senior Borrower Limited

Notes (continued)

9 Other financial assets

	2016 £'000	2015 £'000
Derivatives (see note 11)	-	483

Derivatives:

The company has interest rate cap agreements in place in relation to old loan facilities which are open and which, on transition to FRS 101, were required to be recognised at fair value. As these financial instruments do not qualify for hedge accounting all fair value movements will be recognised in the profit and loss account until they expire.

10 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Amounts owed to group companies	359,278	318,916
Bank loans (note 12)	16,423	4,973
	<u>375,701</u>	<u>323,889</u>

11 Creditors: amounts falling due after one year

	2016 £'000	2015 £'000
Bank loans (note 12)	772,453	794,532
	<u>772,453</u>	<u>794,532</u>

MHG Senior Borrower Limited

Notes (continued)

12 Bank and other loans

Bank loans comprise the following:

	2016 £'000	2015 £'000
Within Creditors: amounts falling due within one year		
£800,000,000 fixed rate loan expiring 2022	11,440	-
Accrued interest	4,983	4,973
	<u>16,423</u>	<u>4,973</u>
Within Creditors: amounts falling due after one year		
£800,000,000 fixed rate loan expiring 2022	777,120	800,000
Unamortised issue costs	(4,667)	(5,468)
	<u>772,453</u>	<u>794,532</u>
	2016	2015
	£'000	£'000
<i>Maturity profile of financial liabilities</i>		
Due within one year	11,440	-
Due between one and two years	11,440	11,440
Due between two and five years	34,320	34,320
Due after five years	731,360	754,240
	<u>788,560</u>	<u>800,000</u>

During 2015 the company refinanced its loan facilities replacing them with an £800 million facility, the substantive amount of which falls due for repayment in October 2022. The amounts in the above table represent the total amounts of principal repayable, gross of unamortised finance costs.

The security package for the bank loans comprises cross company guarantees supported by debentures giving fixed and floating charges over the assets of the Group.

Arrangement fees:

Offset against bank loans are unamortised loan arrangement fees of £4,667 thousand (2015: £5,468 thousand) which, in line with the company's accounting policies are amortised over the period of the loan using the effective interest method

13 Deferred tax assets and liabilities

Deferred tax (assets) and liabilities are attributable to the following:

	1 Jan 2016 £'000	Utilised in year £'000	31 Dec 2016 £'000
Other temporary differences	(232)	34	(198)
	<u>(232)</u>	<u>34</u>	<u>(198)</u>

MHG Senior Borrower Limited

Notes *(continued)*

14 Called up share capital

	2016	2015
	£	£
Authorised		
1 ordinary share of £1	1	1
Called up, allotted and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

On incorporation the company issued 1 share for £1 cash consideration.

15 Related party transactions

The company has availed of the exemptions available in FRS 101 from disclosing transactions entered into between two or more members of a group and also key management personnel compensation disclosures.

There were no other related party transactions.

16 Ultimate parent company

In 2015 the entire share capital of the company was indirectly acquired by Constellation Hotels Holding Ltd S.C.A. a company incorporated in Luxembourg.

The company is a wholly owned subsidiary of MHG Senior Holdco Limited which in turn is an indirect wholly owned subsidiary of Coroin Limited. The Coroin Limited consolidated financial statements, which include the results of the company, are available from its registered office, 41-43 Brook Street, Mayfair, W1K 4HJ.

17 Post balance sheet events

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