

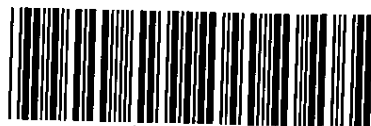
# MHG Senior Holdco Limited

Report and financial statements

**Year ended 31 December 2016**

*Registered number: 08313647*

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# MHG Senior Holdco Limited

<i>Contents</i>	<i>Page</i>
Directors and other information	1
Directors' report	2
Statement of directors' responsibilities	4
Statement of comprehensive income	5
Balance sheet	6
Statement of changes in equity	7
Notes to the financial statements	8

# MHG Senior Holdco Limited

## Directors and other information

### **Board of 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

### **Solicitors**

MacFarlanes LLP  
10 Norwich Street  
London  
EC4A 1BD

### **Registered number**

08313647

# MHG Senior Holdco Limited

## Directors' report

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

The Company has taken the exemption for small companies in relation to the Strategic report provided by Section 414B of the Companies Act 2006.

### Activities

The principal activity of MHG Senior Holdco Limited ('the Company') is that of a holding company of companies operating in the hotel and restaurant industry.

### Review of developments and future prospects

The profit and loss account and other comprehensive income is set out on page 5. The profit for the year ended 31 December 2016 before taxation was £nil (2015: £nil).

The directors expect that the present activity level will at least be sustained for the foreseeable future.

### Dividends

During the year no dividends have been paid or proposed.

### 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

### Political contributions

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

### Going Concern

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.

# MHG Senior Holdco Limited

## Directors' report

### **Auditor**

The annual accounts have not been audited because the Company is entitled to the exemption provided by section 480(1) of the Companies Act 2006 relating to dormant companies and the members have not required the Company to obtain an audit under section 476(1) of the Companies Act 2006.

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



Liam Cunningham  
*Director*

26 September 2017

# MHG Senior Holdco Limited

## Statement of directors' responsibilities in respect of the directors' report and the financial statements

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

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

# MHG Senior Holdco Limited

Registered number: 08313647

## Statement of comprehensive income

for the year ended 31 December 2016

	<i>Note</i>	<b>2016</b> <b>£</b>	2015 <b>£</b>
Administrative expenses		-	-
<b>Operating profit</b>			-
Interest receivable and similar income	4	-	7,479,150
Interest payable and similar charges	5	-	(7,479,150)
<b>Profit on ordinary activities before tax</b>		-	-
Tax on profit on ordinary activities	6	-	-
<b>Profit for the financial year</b>		-	-

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

# MHG Senior Holdco Limited

Registered number: 08313647

## Balance sheet

as at 31 December 2016

	<i>Note</i>	<b>2016</b> £	2015 £
<b>Fixed assets</b>			
Financial fixed assets	7	1	1
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors	8	39,720,990	39,720,990
Cash		-	-
		<hr/>	<hr/>
		<b>39,720,990</b>	39,720,990
<b>Creditors: amounts falling due within one year</b>	9	<b>(39,720,990)</b>	(39,720,990)
		<hr/>	<hr/>
<b>Net current liabilities</b>		-	-
		<hr/>	<hr/>
<b>Net assets</b>		<b>1</b>	1
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	10	1	1
Profit and loss account		-	-
		<hr/>	<hr/>
<b>Shareholders' funds</b>		<b>1</b>	1
		<hr/>	<hr/>

The annual accounts have not been audited because the Company is entitled to the exemption provided by section 480 of the Companies Act 2006 relating to dormant companies.

The members have not required the Company to obtain an audit under section 476 of the Companies Act 2006.

The Directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

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



# MHG Senior Holdco Limited

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

	<b>Share capital £</b>	<b>Retained earnings £</b>	<b>Total £</b>
<b>At 1 January 2015</b>	1	-	1
Profit for the financial year	-	-	-
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2015</b>	1	-	1
Profit for the financial year	-	-	-
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2016</b>	<b>1</b>	<b>-</b>	<b>1</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

# MHG Senior Holdco Limited

## Notes

to the financial statements

### 1 Statement of compliance

MHG Senior Holdco Limited is a company incorporated in the United Kingdom. The company's registered office is at 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 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 Holdco Limited

## Notes *(continued)*

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

#### **Basis of measurement**

The 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.

#### **Going concern**

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.

#### **Tax**

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

# MHG Senior Holdco Limited

## Notes *(continued)*

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

#### **Tax** *(continued)*

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.

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.

#### **Interest receivable and interest payable**

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit or loss (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

#### **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.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less. Cash equivalents are short-term highly liquid investments with an original maturity of three months or less from the date of acquisition that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

# MHG Senior Holdco Limited

## Notes (continued)

### 2 Significant accounting policies (continued)

#### Non-derivative financial instruments (continued)

##### 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.

### 3 Staff numbers and costs

The company has no employees. The audit fee is borne by another group company.

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.

4 Interest receivable and similar income	2016 £	2015 £
Interest earned on intercompany balances	-	7,479,150

The interest receivable relates to the interest charged on the intercompany debtor.

5 Interest payable and similar charges	2016 £	2015 £
Interest charged on intercompany balances	-	7,479,150

The interest payable relates to the interest charged on the intercompany creditor.

# MHG Senior Holdco Limited

## Notes (continued)

### 6 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	-	-
Adjustments in respect of prior periods	-	-
	-----	-----
<b>Total deferred tax charge</b>	-	-
	-----	-----
<b>Reconciliation of tax charge</b>	<b>31 December</b>	<b>31 December</b>
	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Loss on ordinary activities before tax	-	-
	-----	-----
Loss on ordinary activities before tax at the standard corporation tax rate in UK of 20% (2015: 20.25%)	-	-
Group relief (received)/surrendered	-	-
Expenses not deductible for tax purposes	-	-
Timing differences relating to derivatives	-	-
Impact of change in tax rates	-	-
	-----	-----
<b>Total tax charge</b>	-	-
	-----	-----

#### 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.

# MHG Senior Holdco Limited

## Notes (continued)

<b>7 Financial fixed assets</b>	<b>2016</b>	2015
	<b>£</b>	<b>£</b>
Investment in shares in subsidiary undertakings	<b>1</b>	1

On 28 December 2012 the Company purchased 1 share in MHG Senior Borrower Limited for a consideration of £1. The investment is a 100% shareholding.

The Company has a shareholding in the following principal companies:

<b>Subsidiary undertaking</b>	<b>Country of incorporation and operation</b>	<b>Activity</b>	<b>Shareholding (ordinary shares)</b>
MHG Senior Borrower Limited	Great Britain	Holding company	100% (direct)
Claridge's Hotel Holdings Limited	Great Britain	Holding company	100% (indirect)
The Berkeley Hotel Limited	Great Britain	Hotel operations	100% (indirect)
The Connaught Hotel Limited	Great Britain	Hotel operations	100% (indirect)
Maybourne Hotels Limited	Great Britain	Management services company	100% (indirect)
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)
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)

# MHG Senior Holdco Limited

## Notes (continued)

### 7 Financial assets (continued)

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

<b>8 Debtors:</b> amounts falling due within one year	<b>2016</b>	2015
	<b>£</b>	£
Amounts owed by group companies	<b>39,720,990</b>	39,720,990
	-----	-----
<b>9 Creditors:</b> amounts falling due within one year	<b>2016</b>	2015
	<b>£</b>	£
Amounts owed to group undertaking	<b>39,720,990</b>	39,720,990
	-----	-----



# MHG Senior Holdco Limited

## Notes (continued)

<b>10 Called up share capital</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<i>Authorised</i>		
1 ordinary share of £1	1	1
	-----	-----
<i>Called up, allotted and fully paid</i>		
1 ordinary share of £1	1	1
	-----	-----

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

### 11 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.

### 12 Ultimate parent company

At 31 December 2016 the company's immediate parent company was Maybourne Mezzanine Holdco Limited, a company incorporated in Great Britain and registered in England and Wales.

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 also be available from its registered office, 41-43 Brook Street, Mayfair, London, W1K 4HJ.

### 13 Subsequent events

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