

Dunston Hall Hotel Limited
Directors' report and financial
statements
Registered number 02208921
1 January 2017

TUESDAY



A644FFS1

A13

11/04/2017

#325

COMPANIES HOUSE

Contents

	Page numbers
Directors and advisors	1
Strategic report	2
Directors' report	4
Statement of directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements	5
Independent auditor's report to the members of Dunston Hall Hotel Limited	6
Profit and loss account	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11

Directors and advisors

Executive directors

Brad Palmer
Hugh Taylor
Michael Purtill FCA
Ian Goulding BSc ACA

Non-executive Chairman
Non-executive Director
Managing Director
Finance Director

Secretary and registered office

Ian Goulding
Wellington House
Cliffe Park
Bruntcliffe Road
Morley
Leeds
LS27 0RY

Registered auditor

KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

Solicitors

DLA Piper UK LLP
Princes Exchange
Princes Square
Leeds
LS1 4BY

Strategic report

Principal activities

The company's principal activity is that of a property investment company. The property is a four star hotel trading within the UK provincial hotel market and it is leased out to a fellow subsidiary undertaking of the QHotels group.

Business model

The company is part of the Stratton Point group of companies, a UK provincial hotel group trading under the brand QHotels, and its investments are in subsidiary undertakings that, through holding companies, ultimately trade in the UK provincial hotel market.

The management of all aspects of the business is retained and driven by the directors.

With the significant value held within investment property there is a requirement for the company to have access to significant sources of long-term funds. These are provided by the Stratton Point group through a combination of equity shareholder funds, parent and subsidiary undertaking borrowings, and bank loans.

Business review and results

The trading performance of the company is set out in the profit and loss account within these financial statements.

The balance sheet of the company sets out the financial position of the company at the year end and note 1 sets out the financial support provided by the group. The directors are satisfied that this position is satisfactory for the foreseeable future.

Going concern

Note 1 provides a detailed narrative as to the directors' considerations of the going concern of the company.

On the basis of their assessment of the company's financial position, enquiries made of the directors of Stratton Point Group Limited, its ultimate UK parent, and assessment of the contingent liability arising as a consequence of the company being a party to a co-borrower bank facility with the Devonshire Point group, a related party group, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Key performance indicators

The profit and loss account and balance sheet show the KPIs of the business, namely the level of profitability of the company and the value of its freehold property.

Principal risks and uncertainties

Financing and interest rates

The company finances its activities through loans provided by fellow group undertakings on commercial terms.

Interest rates on loans to and from group undertakings are set by the directors of the parent company and ultimately are a function of the financing arrangements of the group. The company does not trade in financial instruments and has no other form of derivatives.

Property insurance and consequential loss

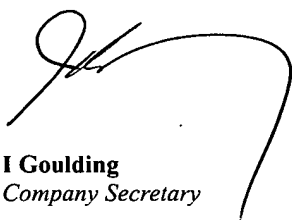
The company's key asset is its interest in freehold property and as such mitigates the risk of damage or destruction of that asset by putting in place appropriate insurance cover. The cover is provided on a group-wide basis and provides for full reinstatement value of the property and loss of gross profits for a period of three years.

Strategic report (*continued*)

Future developments and subsequent events

The directors note that there has been a continued improvement in the UK provincial hotel market in 2016, notwithstanding the hiatus to the UK economy generally because of the Brexit referendum result. The directors anticipate that there will be a continued general improvement in the UK economy in 2017, and in particular expect a positive impact as a result of more staycation visits to UK hotels due to the relative increase in cost of travelling abroad as a result of the devaluation of Sterling.

By order of the board



I Goulding
Company Secretary

5 April 2017

Wellington House
Cliffe Park
Bruntcliffe Road
Morley
Leeds
LS27 0RY

Directors' report

The directors present their directors' report and the financial statements for the 52 week year ended 1 January 2017 (*2015: 53 weeks ended 3 January 2016*). The group adopts a variable reference date and the financial statements are prepared for a fiscal year to the Sunday closest to 31 December each year. The term "year" within the financial statements refers to the fiscal year as noted herein.

Directors and directors' interests

The directors of the company who served during the year were:

Hugh Taylor
Brad Palmer
Michael Purtill
Ian Goulding

All directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Dividends

The directors do not recommend the payment of a final dividend (*2015: £nil*).

Charitable and political donations

Donations made by the company during the year for charitable purposes amount to £nil (*2015: £nil*). No contributions were made by the company for political purposes (*2015: £nil*).

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



I Goulding
Company Secretary

5 April 2017

Wellington House
Cliffe Park
Bruntcliffe Road
Morley
Leeds
LS1 4BY

Statement of directors' responsibilities in respect of the Strategic Report, 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), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 judgments 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
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
United Kingdom

Independent auditor's report to the members of Dunston Hall Hotel Limited

We have audited the financial statements of Dunston Hall Hotel Limited for the year ended 1 January 2017 set out on pages 8 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 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

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 1 January 2017 and of its loss 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 is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statement and from reading the Strategic report and the Directors Report:

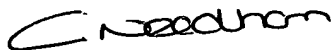
- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Dunston Hall Hotel Limited *(continued)*

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.



Claire Needham (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

7 April 2017

Profit and loss account

for the 52 week year ended 1 January 2017

	<i>Note</i>	Year ended 1 January 2017 £'000	Year ended 3 January 2016 £'000
Turnover	2	950	950
Cost of sales		-	-
Gross profit		950	950
Administrative expenses		(244)	(404)
Change in fair value of investment property		(2,357)	5,668
Operating (loss)/profit		(1,651)	6,214
Interest receivable and similar income	3	113	-
Interest payable and similar charges	4	(948)	(790)
(Loss)/profit on ordinary activities before taxation	5	(2,486)	5,424
Tax on (loss)/profit on ordinary activities	6	454	(961)
(Loss)/profit for the financial year	12	(2,032)	4,463

All of the company's operations during the year shown above represent continuing operations.

The company has no other comprehensive income other than the profit above and therefore no separate statement of comprehensive income has been presented.

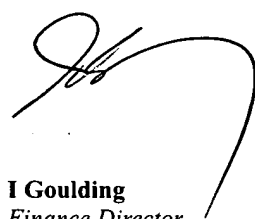
Notes on pages 11 to 17 form an integral part of the financial statements.

Balance Sheet
as at 1 January 2017

	<i>Note</i>	As at 1 January 2017 £'000	As at 3 January 2016 £'000
Fixed assets			
Investment property	7	25,200	26,400
Current assets			
Debtors	9	2,197	1,186
Creditors: amounts falling due within one year	10	(15,246)	(12,887)
Net current liabilities		(13,049)	(11,701)
Total assets less current liabilities		12,151	14,699
Provisions for liabilities	11	(668)	(1,184)
Net assets		11,483	13,515
Capital and reserves			
Called up share capital	12	-	-
Share premium		42	42
Profit and loss account		11,441	13,473
Total equity shareholders' funds		11,483	13,515

Notes on pages 11 to 17 form an integral part of the financial statements.

The financial statements were approved by the board of directors on 5 April 2017 and were signed on its behalf by:



I Goulding
Finance Director

Statement of changes in equity
for the 52 week year ended 1 January 2017

	Called up share capital £'000	Share Premium account £'000	Profit & loss account £'000	Total equity £'000
Balance as at 29 December 2014	-	42	9,010	9,052
Total comprehensive income for the period				
Profit	-	-	4,463	4,463
Total comprehensive income for the period	-	-	4,463	4,463
Balance as at 3 January 2016	-	42	13,473	13,515

	Called up share capital £'000	Share premium account £'000	Profit & loss account £'000	Total equity £'000
Balance at 4 January 2016	-	42	13,473	13,515
Total comprehensive income for the period				
Loss	-	-	(2,032)	(2,032)
Total comprehensive income for the period	-	-	(2,032)	(2,032)
Balance at 1 January 2017	-	42	11,441	11,483

Notes on pages 11 to 17 form an integral part of the financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

Dunston Hall Hotel Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

Basis of preparation

The financial statements have been prepared for the 52 weeks ended 1 January 2017 (*2015: 53 weeks ended 3 January 2016*). The group adopts a variable reference date and the financial statements are prepared for a fiscal year to the Sunday closest to 31 December each year. The term "year" within the financial statements refers to the fiscal year as noted herein.

The company is exempt by virtue of section 405 of the Companies Act 2006, from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Stratton Point Group, includes the Company in its consolidated financial statements. The consolidated financial statements of Stratton Point Group Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Companies House. In these financial statements, the Company is considered to be a qualifying entity (for the purpose of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures;

- The reconciliation of the number of shares outstanding from the beginning to the end of the period;
- No Cash Flow Statement with related notes;
- Key Management personnel compensation; and
- Transactions with wholly owned, fellow group undertakings.

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value; investment property.

Significant judgements and estimates

Other than determining the fair value of the investment property, discussed in note 7 there are no other key judgements made within the financial statements.

Going concern

The Stratton Point group and Devonshire Point group, a related party group, operate centralised treasury arrangements. The combined group's cleared cash facilities reside in Devonshire Point Limited's bank account with the amounts owed to and from the company held on inter-company loan. The two groups are parties to a bank facility which is secured by a cross-guaranteed charge over the assets of both groups and the company is a participant to this facility.

The directors have assessed the responses of directors of Stratton Point Group Limited, the ultimate UK parent of the group and Devonshire Point Group Limited, the ultimate UK parent of the co-borrower, to their enquiries with regard to the combined group's cash forecasts on both a base case as well as realistic downside scenarios.

Stratton Point Group Limited has indicated that for at least 12 months from the date of approval of these financial statements it will continue to make available such funds as are needed by the company.

On the basis of the above, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes *(continued)*

1 Accounting policies *(continued)*

Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation, or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise.

If a reliable measure is not available without undue cost or effort for an item of investment property, this item is thereafter accounted for as tangible fixed assets in accordance with section 17 until a reliable measure of fair value becomes available.

Turnover

Turnover comprises rental income from group undertakings, which exclude value added tax.

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

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 and loss account.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Notes (continued)

1 Accounting policies (continued)

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Provisions

Where the Company enters into a financial guarantee contract to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

2 Segmental reporting

The company's turnover, profit before taxation and net assets are derived from its principal activity within the UK and as such no segmental information has been disclosed.

3 Interest receivable and similar income

	Year ended 1 January 2017 £'000	Year ended 3 January 2016 £'000
Interest receivable from group undertakings	113	-

4 Interest payable and other charges

	Year ended 1 January 2017 £'000	Year ended 3 January 2016 £'000
Interest payable to group undertakings	948	790

Notes (continued)

5 Expenses and auditor's remuneration

	Year ended 1 January 2017 £'000	Year ended 3 January 2016 £'000
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Property rent receivable	(950)	(950)
Change in fair value of investment property	2,357	(5,668)

The audit fee for the company for the current and prior year was borne by QHotels Services Limited, a fellow subsidiary, an estimate of the audit fee relating to this company is £1,000 (2015: £1,000). The company paid no other fees to the auditors for other services (2015: £nil).

The directors received no remuneration in respect of their services to this Company for the year ended 1 January 2017 (2015: £nil).

6 Tax on profit on ordinary activities

Total tax expense recognised in the profit and loss account, other comprehensive income and equity:

	Year ended 1 January 2017 £'000	Year ended 3 January 2016 £'000
Current tax		
Group relief	7	17
Adjustments in respect of prior periods	2	(1)
Total current tax	9	16
Deferred tax		
Origination and reversal of timing differences charged to profit and loss	(463)	945
Total deferred tax	(463)	945
Total tax	(454)	961

	Year ended 1 January 2017			Year ended 3 January 2016		
	£'000	£'000	£'000	£'000	£'000	£'000
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in profit and loss account	9	(463)	(454)	16	945	961
Total tax	9	(463)	(454)	16	945	961

Reductions in the UK corporate tax rate from 23% to 21% (effective from 1 April 2014) and to 20% (effective 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2014) and 20% (effective from 1 April 2017) were substantively enacted on 26 October 2015.

The deferred tax liability at 1 January 2017 has been calculated based on these rates. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly.

Notes (continued)

6 Tax on profit on ordinary activities (continued)

The current tax charge for the year is higher than (2015: *higher than*) the standard rate of corporation tax in the UK 20.00% (2015: 20.25%). The differences are explained below:

	Year ended 1 January 2017 £'000	Year ended 3 January 2016 £'000
<i>Tax reconciliation</i>		
(Loss)/profit on ordinary activities before tax	(2,486)	5,424
Current tax charge at 20.00% (2015: 20.25%)	(497)	1,098
<i>Effects of:</i>		
Non qualifying depreciation	26	14
Adjustments in respect of prior periods	3	(1)
Short term timing differences	6	54
Non-qualifying change in fair value of investment property	471	(1,148)
Recognition of deferred tax on tax losses, rollover relief & capital allowances over depreciation	(463)	944
Total tax (credit)/charge included in profit or loss (see above)	(454)	961

7 Investment property

	1 January 2017 £'000	3 January 2016 £'000
Net book value at 3 January 2016	26,400	20,393
Additions	1,400	745
Depreciation	(243)	(406)
Net (loss)/gain from fair value adjustments	(2,357)	5,668
Net book value at 1 January 2017	25,200	26,400

The group's freehold and leasehold properties were valued by the directors as at 1 January 2017. The last independent valuation was performed by Jane Lees, MRICS and Robert Chess, FRICS of CBRE in April 2016. The valuation was prepared in accordance with the RICS Valuation – Professional Standards January 2014 ("the Red Book") published by the Royal Institution of Chartered Surveyors.

8 Investments

The company has an investment of £100 (2015: £100) at cost, representing the whole of the issued ordinary share capital of Dunston Hall Hotel Trading Limited, a company incorporated in England, which manages a hotel. The registered office of this subsidiary undertaking is Wellington House, Cliffe Park, Bruntcliffe Road, Morley, Leeds, LS27 0RY.

9 Debtors

	1 January 2017 £'000	3 January 2016 £'000
Amounts due from group undertakings	2,197	1,134
Deferred tax (note 11)	-	52
	2,197	1,186

The loans due from group undertakings are repayable on demand and attract interest at 7.0%.

Notes (continued)

10 Creditors: amounts falling due within one year

	1 January 2017 £'000	3 January 2016 £'000
Amounts due to group undertakings	15,223	12,843
Other creditors	23	44
	<u>15,246</u>	<u>12,887</u>

The loans due from group undertakings are repayable on demand and attract interest at 7.0%.

11 Deferred tax

	Assets		Liabilities		Net Deferred tax	
	1 January 2017 £'000	3 January 2016 £'000	1 January 2017 £'000	3 January 2016 £'000	1 January 2017 £'000	3 January 2016 £'000
Accelerated capital allowances and losses	45	52	-	-	45	52
Revaluation	-	-	(713)	(1,184)	(713)	(1,184)
Deferred tax (liability)/ asset	<u>45</u>	<u>52</u>	<u>(713)</u>	<u>(1,184)</u>	<u>(668)</u>	<u>(1,132)</u>

The company has no unrecognised deferred tax.

Deferred tax liabilities and assets relating to the same asset have been netted off against each other and shown as a net deferred tax liability within Provision for Liabilities. In the prior year they were shown separately as an asset within Debtors and a liability within Provision for Liabilities.

12 Called up share capital

	1 January 2017 £'000	3 January 2016 £'000
Authorised, allotted, called up and fully paid 100 ordinary shares of £1 each	<u>-</u>	<u>-</u>

13 Capital commitments

	1 January 2017 £'000	3 January 2016 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<u>3</u>	<u>657</u>

14 Ultimate controlling party

The immediate controlling party is Stratton Point 1 Limited, a company incorporated in England. The ultimate controlling party is Devonshire Point Investment S.a.r.l, a company incorporated in Luxembourg whose registered office is 4, rue Lou Hemmer, L-1748 Findel.

Notes *(continued)*

15 Contingent liabilities

On 18 April 2016 the company became a party to a co-borrower bank loan between Stratton Point 1 Limited, the company's immediate parent undertaking, and Devonshire Point Limited, a related party. The loan is secured by a cross-guaranteed charge over the assets of Stratton Point 1 Limited and all of its subsidiary undertakings, together with the assets of its co-borrower and all of its subsidiary undertakings.

On 2 May 2016 Stratton Point 1 Limited and its subsidiary undertakings joined the QHotels Limited's VAT group, a related party. All members within a VAT group are jointly and severally liable for the liabilities of the other members of the VAT group.