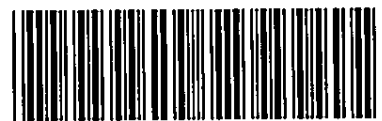


Marston Centrecourt Limited
Directors' report and financial
statements
Registered number 5600708
30 December 2007

FRIDAY



ABLY71BN

A22

11/07/2008

55

COMPANIES HOUSE

Contents

Directors and advisors	1
Directors' report	2
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	4
Independent auditors' report to the members of Marston Centrecourt Limited	5
Profit and loss account	7
Note of historical cost profits and losses	7
Statement of total recognised gains and losses	7
Balance sheet	8
Notes	9

Directors and advisors

Executive directors

Michael Purtill FCA
Ian Goulding BSc ACA
David Taylor

Managing Director
Finance Director
Sales Director

Secretary and registered office

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

Registered auditors

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW

Solicitors

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

Bankers

Anglo Irish Bank Corporation Plc
10 Old Jewry
London
EC2R 8DN

Directors' report

The directors present their annual report and the audited financial statements for the 52 week year ended 30 December 2007

Principal activity and business review

The profit and loss account for the period is set out on page 7

The company's principal activity is that of a property investment company

Principal risks and uncertainties

Financing and interest rates

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

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

Dividends

The directors do not recommend the payment of a dividend (2006 £nil)

Directors and directors' interests

The directors of the company who served during the year were

Michael Purtill
Ian Goulding
David Taylor

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

Charitable and political donations

No contributions were made by the company for either charitable or political purposes (2006 £nil)

Disclosure of information to auditors

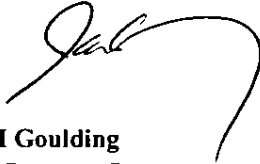
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make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

Directors' report *(continued)*

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

By order of the board



I Goulding
Company Secretary

23 May 2008

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).

The financial statements are required by law to 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditors' report to the members of Marston Centrecourt Limited

We have audited the financial statements of Marston Centrecourt Limited for the year ended 30 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Note of Historical Cost Profits and Losses, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of Marston Centrecourt Limited
(continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

23 May 2008

Profit and loss account

for the 52 week year ended 30 December 2007

	Notes	Year ended 30 December 2007 £'000	62 week period ended 31 December 2006 £'000
Turnover	2	725	761
Cost of sales		-	-
Gross profit		725	761
Administrative expenses		(134)	(112)
Operating profit		591	649
Interest receivable and similar income	3	125	90
Profit on ordinary activities before taxation	4	716	739
Tax on profit on ordinary activities	5	1,034	(1,312)
Profit/(loss) for the financial year	11	1,750	(573)

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

Note of historical cost profits and losses

for the 52 week year ended 30 December 2007

	Year ended 30 December 2007 £'000	62 week period ended 31 December 2006 £'000
Reported profit on ordinary activities before taxation	716	739
Difference between historical cost depreciation and the actual depreciation for the period calculated on revalued amounts	11	-
	727	739
Historical cost profit/(loss) on ordinary activities before taxation	1,761	(473)

Statement of total recognised gains and losses

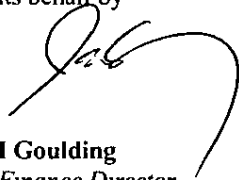
for the 52 week year ended 30 December 2007

	Notes	Year ended 30 December 2007 £'000	62 week period ended 31 December 2006 £'000
Profit/(loss) for the financial year	11	1,750	(573)
Revaluation of freehold property	11	-	3,115
Total recognised gains and losses in year		1,750	2,542

Balance sheet
as at 30 December 2007

	<i>Notes</i>	30 December 2007 £'000	31 December 2006 £'000
Fixed assets			
Tangible assets	6	13,369	13,503
Current assets			
Debtors	7	1,471	649
Cash at bank and in hand		-	66
		1,471	715
Creditors amounts falling due within one year	8	(48)	-
Net current assets		1,423	715
Total assets less current liabilities		14,792	14,218
Provision for liabilities and charges	9	-	(1,176)
Net assets		14,792	13,042
Capital and reserves			
Called up share capital	10	10,500	10,500
Revaluation reserve	11	3,104	3,115
Profit and loss account	11	1,188	(573)
Total equity shareholders' funds	12	14,792	13,042

The financial statements on pages 7 to 13 were approved by the board of directors on 23 May 2008 and were signed on its behalf by


I Goulding
Finance Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules as modified to include the revaluation of certain tangible fixed assets

As a wholly owned subsidiary, the company has availed itself of the exemption under Financial Reporting Standard Number 8, not to disclose intra-group transactions

Under Financial Reporting Standard Number 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds of it being a wholly owned subsidiary of QHotels Group Limited

Tangible assets

No depreciation is provided on freehold land Depreciation is provided on all tangible fixed assets, other than freehold land, on a straight line basis, over their estimated useful economic lives as follows

Freehold and leasehold property	- up to 50 years
Plant and equipment	- between 10 and 20 years

Turnover

Turnover, which excludes value added tax, transactions between group companies and trade discounts, represents the invoiced value of goods and services supplied

Taxation

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

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

2 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 30 December 2007 £'000	62 week period ended 31 December 2006 £'000
Interest receivable from group undertakings	125	90

Notes (continued)

4 Profit on ordinary activities before taxation

	Year ended 30 December 2007 £'000	62 week period ended 31 December 2006 £'000
<i>Profit on ordinary activities before taxation is stated after charging/(crediting)</i>		
Depreciation charge for the year	134	112
Auditors remuneration for Audit	2	2
Directors' emoluments	-	-
Property rent receivable	(725)	(761)
	<u> </u>	<u> </u>

The company paid no other fees to the auditors for other services (2006 £nil)

5 Tax on profit on ordinary activities

	Year ended 30 December 2007 £'000	62 week period ended 31 December 2006 £'000
Current period		
Group relief	142	136
Deferred tax	(312)	1,176
Release of remaining deferred tax asset	58	-
	<u> </u>	<u> </u>
	(112)	1,312
Prior period		
Deferred tax	(922)	-
	<u> </u>	<u> </u>
Total (credit)/charge in profit on ordinary activities	<u>(1,034)</u>	<u>1,312</u>

The current tax charge for the period is lower than the standard rate of corporation tax in the UK of 30% (2006 30%) The differences are explained below

	Year ended 30 December 2007 £'000	62 week period ended 31 December 2006 £'000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	716	739
	<u> </u>	<u> </u>
Current tax charge at 30%	215	221
<i>Effects of</i>		
Deferred tax provided	312	(1,176)
Differences in transfer values	-	1,091
HBA abolition converts timing difference to a permanent difference	(284)	-
Expenses not allowable for tax purposes	12	-
HBA allowances claimed	(113)	-
	<u> </u>	<u> </u>
Total current tax charge (see above)	<u>142</u>	<u>136</u>

Notes (continued)

6 Tangible fixed assets

	Freehold land and buildings £'000	Plant and equipment £'000	Total £'000
<i>Cost or valuation</i>			
At beginning and end of period	12,325	1 290	13,615
<i>Depreciation</i>			
At beginning of period	(12)	(100)	(112)
Charge for period	(42)	(92)	(134)
At end of period	(54)	(192)	(246)
<i>Net book value</i>			
At 30 December 2007	12,271	1,098	13,369
At 31 December 2006	12,313	1,190	13,503

The company's freehold property was independently valued by Jones Lang LaSalle in October 2006. The valuation was prepared on the basis of market value in accordance with the practice statements contained in the RICS Appraisal and Valuation Manual published by Royal Institution of Chartered Surveyors.

The historical cost and net book value of the company's freehold land and buildings included above at valuation is as follows:

	2007 £'000	2006 £'000
Historical cost	9,210	9,210
Historical net book value	9,167	9,198

7 Debtors

	2007 £'000	2006 £'000
Amounts due from group undertakings	1,471	649

8 Creditors, amount falling due within one year

	2007 £'000	2006 £'000
Amounts due to group undertakings	48	-

Notes (continued)

9 Provision for liabilities and charges

	2007 £'000	2006 £'000
Deferred taxation		
At beginning of year	1,176	-
Current year (credit)/charge	(312)	1,176
Prior year credit	(922)	-
Release of remaining deferred tax asset	58	-
	<u> </u>	<u> </u>
At end of year	-	1,176
	<u> </u>	<u> </u>

The amounts provided for deferred taxation and the amounts not provided are set out below

	2007		2006	
	Provided £'000	Unprovided £'000	Provided £'000	Unprovided £'000
Difference between accumulated depreciation and capital allowances	-	(54)	1,176	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

10 Called up share capital

	2007 £000	2006 £000
Authorised		
25,000,000 ordinary shares of £1 each	25,000	25,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
10,500,001 ordinary shares of £1 each	10,500	10,500
	<u> </u>	<u> </u>

11 Reserves

The reserves of the company are as follows

	Revaluation reserve £'000	Profit & loss account £'000	Total £'000
At beginning of year	3,115	(573)	2,542
Retained profit for the year	-	1,750	1,750
Transfer in respect of depreciation provided on revaluation surplus	(11)	11	-
	<u> </u>	<u> </u>	<u> </u>
At end of year	3,104	1,188	4,292
	<u> </u>	<u> </u>	<u> </u>

12 Reconciliation of movements in shareholders' funds

	2007 £'000	2006 £'000
Opening shareholders' funds	13,042	-
Shares issued in year	-	10,500
Profit/(loss) for the year	1,750	(573)
Revaluation of freehold property in year	-	3,115
	<u> </u>	<u> </u>
Closing shareholders' funds	14,792	13,042
	<u> </u>	<u> </u>

Notes *(continued)*

13 Ultimate controlling party

The entire issued share capital of the company is owned by MH Freeholds Limited. The ultimate controlling party is QHotels Group Limited, a company incorporated in Great Britain and registered in England and Wales. The Group accounts of QHotels Group Limited can be obtained from Registrar of Companies, Companies House, Crown Way, Cardiff, CF4 3UZ. 86.7% of the issued share capital of QHotels Group Limited is held by Alchemy Partners Nominees Limited on behalf of investors in the Alchemy Investment Plan. The Alchemy Investment Plan is managed by Alchemy Partners (Guernsey) Limited.

14 Contingent liabilities

The company is a participant in QHotels Limited's term loan borrowings whereby these borrowings are secured by fixed and floating charges over the company's assets.