

Marston Centrecourt Limited
Directors' report and financial
statements

Registered number 5600708

2 January 2011

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Directors and advisors

Executive directors

Michael Purtill FCA
Ian Goulding BSc ACA

Managing Director
Finance 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

Irish Bank Resolution Corporation Limited
(formerly Anglo Irish Bank Corporation Plc)
10 Old Jewry
London
EC2R 8DN

Directors' report

The directors present their directors' report and the financial statements for the 52 week year ended 2 January 2011

Principal activity and business review

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

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

The directors consider that the financial position at 2 January 2011 was satisfactory and they expect this to be maintained for the foreseeable future

Going concern

The company participates in QHotels Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries

The directors, having assessed the responses of the directors of the company's parent QHotels Group Limited to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of QHotels Group to continue as a going concern or its ability to continue with the current banking arrangements which were agreed on 4 November 2011

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of QHotels Group Limited, 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

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 (2009 £nil)

Directors and directors' interests

The directors of the company who served during the year were

Michael Purtill
Ian Goulding
David Taylor

David Taylor resigned from his position as director after the financial year end on 18 July 2011

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

Directors' report *(continued)*

Charitable and political donations

No contributions were made by the company for either charitable or political purposes (2009 £nil)

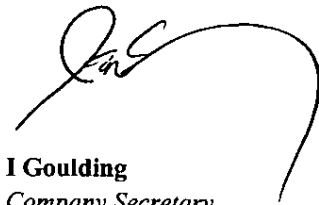
Disclosure of information to auditors

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

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



I Goulding
Company Secretary

25 November 2011

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)

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 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 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditor's report to the members of Marston Centrecourt Limited

We have audited the financial statements of Marston Centrecourt Limited for the 52 week period ended 2 January 2011 set out on pages 7 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 APB's website at www.lrc.org.uk/apb/scope/private.cfm

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 2 January 2011 and of its profit for the 52 week period 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Marston Centrecourt 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

Richard Evans (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS1 4DW

25 November 2011

Profit and loss account

for the 52 week year ended 2 January 2011

	Note	Year ended 2 January 2011 £'000	Year ended 3 January 2010 £'000
Turnover	2	725	725
Cost of sales		-	-
Gross profit		725	725
Administrative expenses		(124)	(140)
Operating profit		601	585
Interest receivable and similar income	3	256	192
Interest payable and similar charges	4	(30)	(16)
Profit on ordinary activities before taxation	5	827	761
Tax on profit on ordinary activities	6	(194)	(193)
Profit for the financial year	12	633	568

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 2 January 2011

	Note	Year ended 2 January 2011 £'000	Year ended 3 January 2010 £'000
Reported profit on ordinary activities before taxation		827	761
Difference between historical cost depreciation and the actual depreciation for the year calculated on revalued amounts	12	1	16
Historical cost profit on ordinary activities before taxation		828	777
Historical cost profit for the year retained after taxation		634	584

Statement of total recognised gains and losses

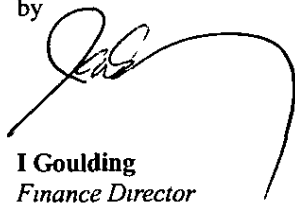
for the 52 week year ended 2 January 2011

	Note	Year ended 2 January 2011 £'000	Year ended 3 January 2010 £'000
Profit for the financial year	12	633	568
Unrealised deficit on revaluation of freehold property	12	-	(4,494)
Total recognised gains and losses in year		633	(3,926)

Balance sheet
as at 2 January 2011

	<i>Note</i>	As at 2 January 2011 £'000	As at 3 January 2010 £'000
Fixed assets			
Tangible assets	7	10,173	10,297
Current assets			
Debtors	8	4,277	3,296
Creditors amounts falling due within one year	9	(656)	(432)
Net current assets		3,621	2,864
Total assets less current liabilities		13,794	13,161
Net assets		13,794	13,161
Capital and reserves			
Called up share capital	11	10,500	10,500
Revaluation reserve	12	279	280
Profit and loss account	12	3,015	2,381
Total equity shareholders' funds	13	13,794	13,161

The financial statements were approved by the board of directors on 25 November 2011 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 preparation

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

The financial statements have been prepared for the 52 weeks ended 2 January 2011 (*2009 53 weeks ended 3 January 2010*) 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

Going concern

The company's ultimate parent company QHotels 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 and in particular will not seek repayment of the amounts currently made available by it or any other fellow subsidiary undertaking

The company participates in QHotels Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries

The directors, having assessed the responses of the directors of the company's parent QHotels Group Limited to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of QHotels Group to continue as a going concern or its ability to continue with the current banking arrangements which were agreed on 4 November 2011

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of QHotels Group Limited, 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

Basis of accounting

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 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

Notes (continued)

1 Accounting policies (continued)

Taxation

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

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

2 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 2 January 2011 £'000	Year ended 3 January 2010 £'000
Interest receivable from group undertakings	256	192

4 Interest payable and similar charges

	Year ended 2 January 2011 £'000	Year ended 3 January 2010 £'000
Interest payable to group takings	30	16

5 Profit on ordinary activities before taxation

	Year ended 2 January 2011 £'000	Year ended 3 January 2010 £'000
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Depreciation charge for the year	124	140
Property rent receivable	(725)	(725)

The audit fee for the company for the current and prior year was borne by QHotels Services Limited, a fellow subsidiary. The company paid no other fees to the auditors for other services (2009 £nil)

The directors received no remuneration in respect of the year ended 2 January 2011 (2009 £nil)

6 Tax on profit on ordinary activities

	Year ended 2 January 2011 £'000	Year ended 2 January 2011 £'000
Current year		
Group relief	194	193
Tax charge for the year	194	193

Notes (continued)

6 Tax on profit on ordinary activities (continued)

The current tax charge for the year is lower (2009 lower) than the standard rate of corporation tax in the UK of 28% (2009 28%). The differences are explained below

	Year ended 2 January 2011 £'000	Year ended 3 January 2010 £'000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	827	761
Current tax charge at 28% (2009 28%)	231	213
<i>Effects of</i>		
Unprovided deferred tax	(14)	25
HBA allowances claimed	(33)	(59)
Non-qualifying depreciation	10	14
Total current tax charge (see above)	194	193

7 Tangible fixed assets

	Freehold land and buildings £'000	Plant and equipment £'000	Total £'000
<i>Cost or valuation</i>			
At beginning and end of year	9,384	1,290	10,674
<i>Depreciation</i>			
At beginning of year	-	(377)	(377)
Charge for year	(32)	(92)	(124)
At end of year	(32)	(469)	(501)
<i>Net book value</i>			
At 2 January 2011	9,352	821	10,173
At 3 January 2010	9,384	913	10,297

The company's freehold properties were independently valued by CJ Day, MRICS of Christie & Co in July 2010. The valuation was prepared on the basis of market value in accordance with the Valuation Standards (6th Edition) published by the Royal Institution of Chartered Surveyors.

The effect of this valuation was accounted for in the period ended 3 January 2010. The directors consider that the valuation materially represents the market value at 2 January 2011.

Notes (continued)

7 Tangible fixed assets (continued)

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

	2 January 2011 £'000	3 January 2010 £'000
Historical cost	9,210	9,210
Historical net book value	9,073	9,104

8 Debtors

	2 January 2011 £'000	3 January 2010 £'000
Amounts due from group undertakings	4,277	3,296

9 Creditors: amount falling due within one year

	2 January 2011 £'000	3 January 2010 £'000
Amounts due to group undertakings	656	432

10 Deferred tax

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

	2 January 2011		3 January 2010	
	Provided	Unprovided asset	Provided	Unprovided asset
	£'000	£'000	£'000	£'000
Difference between accumulated depreciation and capital allowances	-	(88)	-	(105)

The deferred tax asset has not been provided for on the grounds of the uncertainty of when it may be able to be utilised

Notes (continued)

11 Called up share capital

	2 January 2011 £000	3 January 2010 £000
Authorised		
25,000,000 ordinary shares of £1 each	25,000	25,000
Allotted, called up and fully paid		
10,500,001 ordinary shares of £1 each	10,500	10,500

12 Reserves

The reserves of the company are as follows

	Revaluation reserve £'000	Profit & loss account £'000	Total £'000
At beginning of year	280	2,381	2,661
Profit for the year	-	633	633
Transfer in respect of depreciation provided on revaluation surplus	(1)	1	-
At end of year	279	3,015	3,294

13 Reconciliation of movements in shareholders' funds

	Year ended 2 January 2011 £'000	Year ended 3 January 2010 £'000
Opening shareholders' funds	13,161	17,087
Profit for the year	633	568
Unrealised deficit on revaluation of freehold property	-	(4,494)
Closing shareholders' funds	13,794	13,161

14 Ultimate controlling party

The entire issued share capital of the company is owned by MH Freeholds Limited. The ultimate parent company 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. The ultimate controlling party of QHotels Group Limited is Alchemy Partners Nominees Limited on behalf of investors in the Alchemy Investment Plan. The Alchemy Investment Plan is managed by Alchemy Partners (Guernsey) Limited.

15 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.