Marlow Hotel Company Limited

Directors' report and
financial statements

Year ended 31 December 2017

Registered number: 04078323

Marlow Hotel Company Limited

Directors' report and financial statements

Contents | *Page*

Marlow Hotel Company Limited

Directors and other information

Directors	Robert Gray (appointed 22 March 2016) Michael Gallagher (appointed 2 February 2018) Vincent Vernier (appointed 13 September 2018) John Brennan (resigned 4 May 2018) Grant Hearn (resigned 13 July 2018) Darren Guy (appointed 1 August 2016; resigned 20 Decemeber 2017)
Secretary	Vincent Vernier (appointed 13 September 2018) Michael Gallagher (appointed 2 February 2018; resigned 13 September 2018) Darren Guy (resigned 20 December 2017)
Registered office	17 Dominion Street, London England EC2M 2EF
Auditor	KPMG 1 Stokes Place St. Stephen's Green Dublin 2 Ireland
Bankers	Lloyds Banking Group 4th Floor Citymark 150 Fountainbridge Edinburgh EH3 9PE
Registered number	04078323

Marlow Hotel Company Limited

Directors' report

The directors submit their report together with the audited financial statements of Marlow Hotel Company Limited ("the Company") for the year ended 31 December 2017.

Principal activities

The Company ceased trading in 2017 following disposal of its hotel trade and assets in December 2016.

During 2017, the Company's shareholder Jurys Hotel Management (UK) Limited sold its shareholding to LSREF III Malin Investments Designated Activity Company, a related company.

The Company's immediate parent is LSREF III Malin Investments Designated Activity Company. The Company's ultimate parent is AMR Hospitality (Ireland) DAC (formerly Amaris Hospitality DAC). Reference to 'Group' in these financial statements refer to AMR Hospitality (Ireland) DAC.

Results and dividends

The results of the Company for the year are set out in the profit and loss account on page 8 and in the related notes.

There were no dividends proposed during the year *(2016: £Nil)*.

Directors and secretary and their interests

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Robert Gray (appointed 22 March 2016)
Michael Gallagher (appointed 2 Feruary 2018)
Vincent Vernier (appointed 13 September 2018)
Darren Guy (appointed 1 August 2016; resigned 20 December 2017)
John Brennan (resigned 4 May 2018)
Grant Hearn (resigned 13 July 2018)

The directors and secretary who held office at 31 December 2017 had no interests in the shares, loan stock or debentures of the Company or the entity's ultimate parent undertaking.

Disabled persons

It is the policy of the Company to give fair and full consideration to registered disabled persons applying for employment and to the continuing employment and appropriate training of staff who become disabled having regard to their particular aptitudes and abilities.

Employee participation

The Company places particular importance on the involvement of its employees keeping them regularly informed through meetings on matters affecting them as employees and on issues affecting the Company's performance. The training and development of employees at all levels continues to be a major priority.

Subsequent events

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

Political and charitable donations
The Company made no political or charitable donations during the period *(2016: £Nil)*.

Marlow Hotel Company Limited

Directors' report *(continued)*

Going concern

The financial statements have not been prepared on the going concern basis. This is on the basis that it is anticipated that the company will be in a liquidation process within the next 12 months. Therefore, the directors do not consider it appropriate to prepare these financial statements on a going concern basis.

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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Small companies' exemption

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and as such a strategic report has not been presented.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor, KPMG, Chartered Accountants, will be deemed to be reappointed and will therefore continue in office.

On behalf of the board

Michael Gallagher
Director

13 September 2018

Marlow Hotel Company 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 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 assets, liabilities and financial position of the Company and of its profit or loss 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;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or cease operations, or have no realistic alternative to do so. As explained in note 2 - basis of preparation - forming part of the financial statements, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2006.

On behalf of the board

Michael Gallagher
Director

13 September 2018

KPMG

KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARLOW HOTEL COMPANY LIMITED

1 Report on the audit of the financial statements

Opinion

We have audited the financial statements of Marlow Hotel Company Limited ('the Company') for the year ended 31 December 2017 set out on pages 8 to 21, which comprise the Profit and loss account and other comprehensive income, the Balance Sheet, Statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is UK Law and FRS 101 *Reduced Disclosure Framework.*

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with FRS 101 *Reduced Disclosure Framework*; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – non-going concern basis of preparation

We draw attention to the disclosure made in note 2 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for preparation of other information accompanying the financial statements. The other information comprises the information included in the directors' report and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information;

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report on these matters/in regard to these matters.

2 Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set 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, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

The purpose of our audit work and to whom we owe our responsibilities

Our 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.

Eamon Dillon

Eamon Dillon (Senior Statutory Auditor)
for and on behalf of
***KPMG* Statutory Auditor**
1 Stokes Place
St. Stephen's Green
Dublin 2

13 September 2018

Marlow Hotel Company Limited

Profit and loss account
for the year ended 31 December 2017

Discontinued Operations

	Note	**Year ended 31 December 2017 £'000**	Year ended 31 December 2016 £'000
Turnover		-	8,204
Cost of sales		-	(6,234)
Gross result\profit		-	1,970
Administrative expenses		**(20)**	(183)
Operating (loss)\profit	*5*	**(20)**	1,787
Net finance costs	*4*	**(578)**	(732)
Profit on disposal		**2,600**	5,356
Profit on ordinary activities before taxation		**2,002**	6,411
Tax on profit on ordinary activities	*6*	-	-
Profit for the year		**2,002**	6,411

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

The results for the year arise from discontinued operations

Marlow Hotel Company Limited

Statement of comprehensive income
for the year ended 31 December 2017

Discontinued Operations	**Year ended 31 December 2017 £'000**	Year ended 31 December 2016 £'000
Profit for the year	**2,002**	6,411
Items that will never be reclassified to profit or loss:		
Realised gain on disposal of property, plant and equipment	-	1,695
Other comprehensive income, net of tax	-	1,695
Total comprehensive income for the year	**2,002**	8,106

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

The results for the year arise from discontinued operations.

Marlow Hotel Company Limited

Balance sheet
as at 31 December 2017

	Note	31 December 2017 £'000	31 December 2016 £'000
Current assets			
Debtors: amounts falling due within one year	7	**22,948**	24,239
Cash at bank and in hand		**291**	138
		23,239	24,377
Creditors: amounts falling due within one year	8	**(12,538)**	(15,678)
Net current assets		**10,701**	8,699
Total assets less current liabilities		**10,701**	8,699
Net assets		**10,701**	8,699
Capital and reserves			
Called up share capital	9	**6,001**	6,001
Share premium	9	**7,458**	7,458
Retained earnings		**(2,758)**	(4,760)
Shareholders' funds		**10,701**	8,699

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

The financial statements were approved by the board of directors on 13 September 2018 and were signed on its behalf by:

Michael Gallagher
Director

13 September 2018

Company registration number: 04078323

Marlow Hotel Company Limited

Statement of changes in equity
for the year ended 31 December 2017

	Share capital £'000	Share premium £'000	Revaluation reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2016	6,001	7,458	1,695	(12,866)	2,288
Comprehensive income					
Profit for the year	-	-	-	6,411	6,411
Other comprehensive income					
Realised gain on disposal of property, plant and equipment	-	-	(1,695)	1,695	-
At 31 December 2016	**6,001**	**7,458**	-	**(4,760)**	8,699
Comprehensive income					
Profit for the year	-	-	-	**2,002**	**2,002**
At 31 December 2017	**6,001**	**7,458**	-	**(2,758)**	**10,701**

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

Marlow Hotel Company Limited

Notes
forming part of the financial statements

1 Reporting entity

Marlow Hotel Company Limited is a Company incorporated in the United Kingdom. The Company's registration number is 04078323 and the registered office is 17 Dominion Street, London, England, EC2M 2EF

2 Significant accounting policies

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("EU IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

In these financial statements, the Company has adopted certain disclosure exemptions available under FRS 101. These include:

- a cash flow statement and related notes;
- disclosures in respect of the compensation of key management personnel;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- certain comparative information;
- the effects of new but not yet effective IFRSs; and
- an additional balance sheet for the beginning of the earliest comparative period following transition.

As the consolidated financial statements of AMR Hospitality (Ireland) DAC (being the indirect parent) 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*; and
- certain disclosures required by IAS 36 *Impairment of Assets*.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

Basis of measurement

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

Functional currency

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 *(continued)*

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.

Discontinued Operations

The Company's operations and cash flows are classified as discontinued operations on the basis that it is anticipated that the Company will be in a liquidation process within the next 12 months. Classification as a discontinued operation occurs at the earlier of the disposal or when the operation meets the criteria to be classified as held-for-sale.

Going concern

The financial statements have not been prepared on the going concern basis. This is on the basis that it is anticipated that the Company will be in a liquidation process within the next 12 months. Therefore, the directors do not consider it appropriate to prepare these financial statements on a going concern basis. The measurement, recognition and disclosure requirements of FRS 101 continue to be applied. The comparatives relating to the year ended 31 December 2016 have been prepared on a going concern basis as that was an appropriate basis when they were approved and finalised.

Measurement of fair values

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

Revenue

Revenue represents sales (excluding VAT and similar taxes) of goods and services net of trade discounts provided in the normal course of business. Revenue was derived from hotel operations and includes the rental of rooms, food and beverage sales, and other revenue. Revenue is recognised when rooms are occupied and food and beverages are sold.

Leases

Assets held by the Company under leases that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

2 Significant accounting policies *(continued)*

Leases *(continued)*

Assets held under other leases are classified as operating leases and are not recognised in the Company's balance sheet. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Finance income and finance costs

The Company's finance income and finance costs include:

- interest expense;
- interest income; and
- the foreign currency gain or loss on financial assets and financial liabilities.

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

Tax

Income tax expense comprises current and deferred tax. It is recognised in the profit and loss account except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity.

Current tax is the expected tax payable on the taxable income for the year using tax rates and laws that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: those differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of reversal and it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. A deferred tax asset is recognised to the extent that it is probable future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2 Significant accounting policies *(continued)*

Foreign currency

Foreign currency transactions
Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Tangible fixed assets

Recognition and measurement
Freehold and long-term leasehold (lease term 99 years or above) land and buildings are measured at fair value.

Revaluation gains are credited to other comprehensive income and accumulated in equity within the revaluation reserve unless it represents the reversal of an impairment of the same asset previously recognised in profit or loss, in which case it should be recognised in profit or loss. A decrease arising as a result of a revaluation is recognised in profit or loss to the extent that it exceeds any amount previously credited to the revaluation surplus relating to the same asset. Otherwise it is recognised in other comprehensive income.

If significant parts of an item of tangible fixed assets have different useful lives, then they are accounted for as separate items (major components) of tangible fixed assets.

Any gain or loss on disposal of an item of tangible fixed assets is recognised in profit or loss.

Other tangible fixed assets
Other tangible fixed assets are measured at cost less accumulated depreciation and impairment.
Impairment losses are recognised in profit and loss.

Depreciation
No depreciation is provided on land. Other tangible fixed assets are depreciated to a residual value over the estimated useful lives were are as follows:

Buildings Core - Freehold	65 years
Buildings Core - Leasehold	Lease Term
Buildings Non Core	30 years
Plant	20 years
Fixtures, fittings and equipment	5 to 10 years

Depreciation is charged to the income statement on a straight line basis over the estimated useful life. Residual value is reassessed annually.

2 Significant accounting policies *(continued)*

Tangible fixed assets *(continued)*

Impairment
Individual items of tangible fixed assets are reviewed for impairment annually and tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that do not generate independent cash flows are combined into cash generating units. If carrying amounts exceed estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. Recoverable amount is the higher of fair value less cost to sell and value in use. Value in use is assessed based on estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Pension

Defined contribution plans
Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Trade and other receivables

Trade and other receivables are measured at their nominal amount less any allowance for doubtful amounts. An allowance is made when collection of the full amount is no longer considered probable.

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.

Financial instruments

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

2 Significant accounting policies *(continued)*

Financial instruments *(continued)*

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

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

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

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

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

(ii) Non-derivative financial assets – measurement

Loans and receivables
These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

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

(iii) Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(iv) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

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

2 Significant accounting policies *(continued)*

Provisions and contingent liabilities

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

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

3 Staff numbers and costs

The average number of persons including executive directors employed by the Company during the year was nil *(2016: 62)*.

The aggregate payroll costs of these persons were as follows:

	2017	2016
	£'000	£'000
Wages and salaries	-	2,321
Social security costs	-	118
Pension costs	-	24
	-	2,463

4 Net finance costs

	2017	2016
	£'000	£'000
Interest expense on related party loans	-	(732)
Interest expense on amounts due to group companies	**(578)**	-
	(578)	(732)

Marlow Hotel Company Limited

Notes *(continued)*

5 Operating (loss)\profit

Auditors' remuneration was charged by another group company in both years.

There was no remuneration paid to the directors by the Company during the year (2016: £Nil). There were no retirement benefits accruing to the directors (2016: £Nil).

6 Tax on (loss)\profit on ordinary activities

	2017 £'000	2016 £'000
Corporation tax		
Current tax		
Current tax on (loss)\profit for the year	-	-
Total current charge	-	-

No deferred tax arose in the current or prior year.

	2017 £'000	2016 £'000
Reconciliation to total tax		
Profit on ordinary activities before taxation	**2,002**	6,411
Loss\(profit) on ordinary activities at standard corporation tax rate in the UK of 19.25% *(2016: 20%)*	**(385)**	1,282
Effects of:		
Expenses not deductible for tax purposes/income not taxable	**385**	(1,287)
Deferred tax not recognised	-	(22)
Group relief surrendered not paid for	-	27
	-	-

Factors that may affect future tax charges

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were enacted on 26 October 2015. Finance Bill 2016 further reduced the 18% rate to 17% from 1 April 2020, following substantial enactment on 6 September 2016. Together this will reduce the company's future tax charges accordingly.

Notes *(continued)*

7 Debtors: amounts falling due within one year

	2017	2016
	£'000	£'000
Trade debtors	**-**	103
Amounts owed by group underakings (i)	**22,948**	24,133
VAT	**-**	3
	22,948	24,239

(i) At 31 December 2017, amounts due from Group undertakings are interest-free, unsecured and repayable on demand.

8 Creditors: amounts falling due within one year

	2017	2016
	£'000	£'000
Trade creditors	**-**	259
Accruals	**281**	3,112
Payroll taxes	**-**	42
Other creditors	**-**	5
Related party loan	**-**	12,260
Amounts due from group companies (i)	**12,257**	-
	12,538	15,678

(i) At 31 December 2017, amounts due to Group undertakings are interest-free, unsecured and repayable on demand.

9 Share capital

	2017	2016
	£'000	£'000
Authorised		
6,000,600 ordinary shares of £1 each	**6,001**	6,001
Issued and paid up		
6,000,600 ordinary shares of £1 each	**6,001**	6,001

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. During 2015 the Company issued 6 million new ordinary shares for £2.243 per share as part of a debt capitalisation agreement, creating £7.5 million of share premium.

Notes *(continued)*

10 Group relationships and controlling parties

The Company is a wholly owned subsidiary of LSREF III Malin Investments DAC which in turn is an indirect wholly owned subsidiary of AMR Hospitality (Ireland) DAC. The AMR Hospitality (Ireland) DAC consolidated financial statements, which include the results of the Company, are available from 6th Floor, Fitzwilliam Court, Leeson Close, Dublin 2.

The ultimate controlling parties of both LSREF III Malin Investments DAC and AMR Hospitality (Ireland) DAC are Lone Star Real Estate Partners III (U.S) L.P. and Lone Star Real Estate Partners III (Bermuda) L.P.

11 Related parties

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

There were no other related party transactions.

12 Guarantee

The Company is party to the Groups Senior facilities agreement and Mezzanine facilities agreement in each case as a guarantor and security provider. These loans were repaid subsequent to the year end and the charges removed from the Company.

13 Subsequent events

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

14 Approval of financial statements

The financial statements were approved by the directors on 13 September 2018.