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Registrar of Companies ✓

Registered number: 01796064

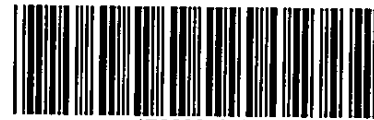
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QUALITY HOTELS LIMITED

AUDITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED  
31 DECEMBER 2011



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COMPANIES HOUSE

 **Wellden  
Turnbull** LLP  
Chartered Accountants and  
Statutory Auditors

 **UK200Group**

## QUALITY HOTELS LIMITED

### INDEPENDENT AUDITORS' REPORT TO QUALITY HOTELS LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 2 to 5, together with the financial statements of Quality Hotels Limited for the year ended 31 December 2011 prepared under section 396 of the Companies Act 2006

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

#### OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts on pages 2 to 5 have been properly prepared in accordance with the regulations made under that section.



Robin John FCA CTA (Senior statutory auditor)  
for and on behalf of

**Wellden Turnbull LLP**

Chartered Accountants

Statutory Auditors

78 Portsmouth Road

Cobham

Surrey

KT11 1PP

Date 10 May 2012

**QUALITY HOTELS LIMITED**  
**REGISTERED NUMBER: 01796064**

**ABBREVIATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2011**

	Note	£	2011	£	£	2010	£
<b>FIXED ASSETS</b>							
Tangible assets	2			252,961			314,228
<b>CURRENT ASSETS</b>							
Debtors	3	313,685			2,881,069		
Cash at bank and in hand		663,702			196,418		
				<u>977,387</u>		<u>3,077,487</u>	
<b>CREDITORS: amounts falling due within one year</b>							
		(589,288)			(2,859,666)		
<b>NET CURRENT ASSETS</b>				<u>388,099</u>			<u>217,821</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				<u>641,060</u>			<u>532,049</u>
<b>CAPITAL AND RESERVES</b>							
Called up share capital	4			100,000			100,000
Profit and loss account				541,060			432,049
<b>SHAREHOLDERS' FUNDS</b>				<u>641,060</u>			<u>532,049</u>

The abbreviated accounts, which have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime, were approved and authorised for issue by the board and

were signed on its behalf on

20/01/2012



**Mr M S Pearce**  
 Director

The notes on pages 3 to 5 form part of these financial statements

## **QUALITY HOTELS LIMITED**

### **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011**

#### **1. ACCOUNTING POLICIES**

##### **1.1 Basis of preparation of financial statements**

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

##### **1.2 Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

##### **1.3 Turnover**

Turnover comprises revenue recognised by the company in respect of services recharged to other group companies, at a mark up, exclusive of Value Added Tax

##### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Improvements to leasehold property	-	over the term of the lease
Fixtures and fittings	-	12.5% straight line
Office and computer equipment	-	20-33% straight line

##### **1.5 Operating leases**

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

##### **1.6 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

# QUALITY HOTELS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 1. ACCOUNTING POLICIES (continued)

#### 1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

#### 1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

### 2 TANGIBLE FIXED ASSETS

	£
<b>Cost</b>	
At 1 January 2011	543,684
Additions	36,143
Disposals	(16,218)
At 31 December 2011	563,609
<b>Depreciation</b>	
At 1 January 2011	229,456
Charge for the year	97,410
On disposals	(16,218)
At 31 December 2011	310,648
<b>Net book value</b>	
At 31 December 2011	252,961
At 31 December 2010	314,228

### 3 DEBTORS

Debtors include £49,105 (2010 - £49,105) falling due after more than one year

### 4 SHARE CAPITAL

	2011 £	2010 £
<b>Allotted, called up and fully paid</b>		
100,000 ordinary shares of £1 each	100,000	100,000

**QUALITY HOTELS LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**5. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company is a wholly owned subsidiary undertaking of Choice Hotels Licensing B V which is a wholly owned subsidiary of the ultimate parent company, Choice Hotels International Inc

The consolidated financial statements of Choice Hotels International Inc are available to the public and may be obtained from 10750 Columbia Pike, Silver Spring, Maryland 20901, USA