

Registered number: 01796064

QUALITY HOTELS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

WEDNESDAY



ACIS3Q14

A14

20/12/2023

#258

COMPANIES HOUSE

QUALITY HOTELS LIMITED

COMPANY INFORMATION

Directors	J W Lobb R Ramirez Sanchez
Company secretary	Mitre Secretaries Limited
Registered number	01796064
Registered office	35 New Broad Street London EC2M 1NH
Independent auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW

QUALITY HOTELS LIMITED

CONTENTS

	Page
Statement of financial position	1
Notes to the financial statements	2 - 7
The following pages do not form part of the statutory financial statements:	
Detailed profit and loss account and summaries	8 - 10

QUALITY HOTELS LIMITED
REGISTERED NUMBER: 01796064

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	35,953	13,837
Current assets			
Debtors: amounts falling due within one year	5	182,386	138,336
Cash at bank and in hand	6	579,552	1,596,213
		<u>761,938</u>	<u>1,734,549</u>
Current liabilities			
Creditors: amounts falling due within one year	7	(140,601)	(167,936)
Net current assets		<u>621,337</u>	<u>1,566,613</u>
Total assets less current liabilities		<u>657,290</u>	<u>1,580,450</u>
Provisions for liabilities			
Deferred tax		(7,764)	(1,093)
Net assets		<u><u>649,526</u></u>	<u><u>1,579,357</u></u>
Capital and reserves			
Called up share capital		100,000	100,000
Profit and loss account		549,526	1,479,357
		<u><u>649,526</u></u>	<u><u>1,579,357</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12/18/2023

DocuSigned by:

Jeff Lobb

65619E08AD434D4...

J W Lobb
 Director

The notes on pages 2 to 7 form part of these financial statements.

QUALITY HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

The company is a private company, limited by shares, incorporated and domiciled in England and Wales. The principal activity during the year continued to be that of providing marketing, advance reservation and franchise services to hotels.

The address of the registered office is 35 New Broad Street, London, EC2M 1NH.

The average monthly number of employees, including directors, during the year was 18 (2021 - 17).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis. In assessing this, the directors have prepared forecasts for the company and given due consideration to the long term financing, their working capital requirements and the profits and cash generation anticipated by the company.

In their assessment of going concern the directors have considered the current and developing impact on the business as the COVID-19 virus continues to affect all aspects of life around the world. This has had an impact on the company's operations during 2022. Given the hotel sector within which the group and company operates has been adversely affected by events relating to COVID-19 and related lockdown actions. However, the Directors have taken all necessary mitigating actions during the crisis and are satisfied that the Company has sufficient reserves and ongoing activity to continue to trade and operate through this crisis.

Having regard to the above, the directors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

The financial statements do not include any adjustments that may result from any significant changes in the assumptions noted above in preparing the financial statements on a going concern basis

2.3 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue is recognised when the service is provided.

QUALITY HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following basis:

Fixtures & fittings	- Over the term of the lease.
Office and computer equipment	- 20-33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.7 Creditors

Short term creditors are measured at the transaction price.

2.8 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.9 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

QUALITY HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

2.12 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

QUALITY HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Turnover

100% of the company's turnover (2021: 100%) is attributable to customers based in geographical markets outside the United Kingdom.

QUALITY HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Tangible fixed assets

	Fixtures & fittings £	Office equipment £	Total £
Cost or valuation			
At 1 January 2022	1,485	62,328	63,813
Additions	-	37,489	37,489
At 31 December 2022	<u>1,485</u>	<u>99,817</u>	<u>101,302</u>
Depreciation			
At 1 January 2022	1,485	48,491	49,976
Charge for the year on owned assets	-	15,373	15,373
At 31 December 2022	<u>1,485</u>	<u>63,864</u>	<u>65,349</u>
Net book value			
At 31 December 2022	<u>-</u>	<u>35,953</u>	<u>35,953</u>
At 31 December 2021	<u>-</u>	<u>13,837</u>	<u>13,837</u>

5. Debtors: Amounts falling due within one year

	2022 £	2021 £
Amounts owed by group undertakings	134,944	98,356
Other debtors	26,016	22,230
Prepayments	21,426	17,750
	<u>182,386</u>	<u>138,336</u>

6. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	<u>579,552</u>	<u>1,596,213</u>

QUALITY HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	2,120	50,614
Corporation tax	10,682	15,263
Other taxation and social security	31,560	19,440
Other creditors	8,272	11,849
Accruals	87,967	70,770
	<u>140,601</u>	<u>167,936</u>

8. Pension commitments

The company contributes into a qualifying workplace pension scheme for the benefit of all employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension cost charge represents contributions payable by the company to the fund and amounted to £50,130 (2021: £46,002). Contributions totalling £7,839 (2021: £5,830) were payable to the fund at the balance sheet date and are included in creditors.

9. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 102 Section 33.1.A "Related Party Disclosure" not to disclose transactions with other members of the group on the grounds that 100% of the voting rights are controlled within the group.

10. Controlling party

The company is a wholly owned subsidiary of Choice Hotels Licensing B.V., a company incorporated in the Netherlands, which is a wholly owned subsidiary of the ultimate parent company, Choice Hotels International Inc., a company incorporated in the USA.

11. Auditor's information

The auditor's report that was included in the financial statements and reports for the year ended 31 December 2022 and delivered to the directors was unqualified.

The audit report was issued by Crowe U.K. LLP and was signed by Nigel Bostock (Senior Statutory Auditor) on 19 December 2023.