

Company registration number: 2178571

Marriott Hotels (Reading) Limited

Report and financial statements

31 December 2009

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Marriott Hotels (Reading) Limited

Report and financial statements 31 December 2009

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Marriott Hotels (Reading) Limited

Report and financial statements 31 December 2009 Officers and professional advisers

Directors

PA Simmons
B R Price

Company secretary

Citco Management (UK) Limited
7 Albemarle Street
London
W1S 4HQ

Registered office

7 Albemarle Street
London
W1S 4HQ

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
10 Bricket Road
St Albans
Herts
AL1 3JX

Marriott Hotels (Reading) Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2009

This directors' report has been prepared taking advantage of the small companies exemption in accordance with s415A of the Companies Act 2006

Principal activity

The principal activity of the company is to develop hotel sites for sale in the UK from time to time, as opportunities arise. The company did not undertake any significant business activity during the year.

Results and dividends

The company's profit for the financial period was £238,851 (2008: loss £1,257,984), which has been transferred to reserves. No dividends were declared or paid in 2009 (2008: £nil).

Going concern

The company is dependent on ongoing financial support from its parent undertaking, Marriott International Inc., who has confirmed to the directors of the company that this support will be forthcoming for at least 12 months from the date of signing the balance sheet in order to enable the company to fulfil its financial commitments as and when they fall due. Accordingly, the directors have prepared these financial statements on a going concern basis.

Directors

The directors who served during the year and up to the date of signing the financial statements were as follows:

CA Braak	resigned 12 February 2010
PA Simmons	
B R Price	appointed 12 February 2010

Statement of directors' responsibilities

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Marriott Hotels (Reading) Limited

Directors' report (continued)

Statement of directors' responsibilities (continued)

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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors and disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the board of directors and signed on behalf of the board



P A Simmons
Director
3/8/2010

Independent auditors' report to the members of Marriott Hotels (Reading) Limited

We have audited the financial statements of Marriott Hotels (Reading) Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet, the accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as applicable to financial statements prepared in accordance with the small companies regime of the Companies Act 2006.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2 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 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with 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 auditors' report to the members of Marriott Hotels (Reading) 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
- the directors were not entitled to prepare financial statements and the directors' report in accordance with the small company regime

Alison Cashmore (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
3 AUGUST 2010

Marriott Hotels (Reading) Limited

Profit and loss account for the year ended 31 December 2009

	Notes	2009 £	2008 £
Administrative expenses		(13,057)	(20,497)
Operating loss	3	(13,057)	(20,497)
Interest receivable and similar income	4	387,348	-
Interest payable and similar charges	5	(135,440)	(1,195,890)
Profit / (loss) on ordinary activities before taxation		238,851	(1,216,387)
Tax on profit / (loss) on ordinary activities	6	-	(41,597)
Profit / (loss) for the financial year	11	238,851	(1,257,984)

The company's results all relate to continuing operations

There are no recognised gains or losses other than the profit for the year, therefore no separate statement of total recognised gains and losses has been presented

The accompanying notes are an integral part of the profit and loss account

Marriott Hotels (Reading) Limited

Balance sheet as at 31 December 2009

	Notes	2009 £	2008 £
Current assets			
Debtors	7	112,240	142,226
Creditors. amounts falling due within one year	8	(371,899)	(392,523)
Total assets less current liabilities		(259,659)	(250,297)
Creditors' amounts falling due after one year	9	(3,410,249)	(3,658,462)
Net liabilities		(3,669,908)	(3,908,759)
Capital and reserves			
Called-up share capital	10	100	100
Profit and loss account	11	(3,670,008)	(3,908,859)
Shareholders' deficit	11	(3,669,908)	(3,908,759)

These financial statements on pages 6 to 12 were approved and authorised for issue by the board of directors on 3/3/2010

Signed on behalf of the board

P A Simmons

Director

Marriott Hotels (Reading) Limited

Company Registration Number: 2178571

Marriott Hotels (Reading) Limited

Notes to the financial statements for the year ended 31 December 2009

1. Accounting policies

The financial statements are prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

The principal accounting policies adopted are described below. They have been applied consistently throughout the year.

Basis of accounting

The accounts have been prepared under the historical cost convention.

The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of the parent undertaking, Marriott International, Inc. The directors have received confirmation that Marriott International, Inc. intends to support the company for at least 12 months from the date of signing these financial statements.

Cash flow statement

The company is exempt from the requirements of FRS 1 'Cashflow statements (revised 1996)' to include a cashflow statement as part of its financial statements because it is a wholly owned subsidiary of Marriott International Inc. whose consolidated accounts are publicly available and in whose financial statements the company is consolidated.

Taxation

UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, 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 not discounted.

Foreign currencies

Transactions in foreign currencies are recorded at the exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. All exchange differences are included in the profit and loss account.

Marriott Hotels (Reading) Limited

Notes to the financial statements for the year ended 31 December 2009

2. Staff costs

Except for the directors, the company did not employ any staff in the year or in the previous year

The emoluments of the directors are paid by the parent company. The directors' services to this company and to a number of fellow subsidiaries are of a non-executive nature and are deemed to be attributable to services to the parent company. Accordingly, the directors received no remuneration for services to the company in the year (2008 £nil)

3. Operating loss

Operating loss is stated after charging

	2009 £	2008 £
Auditors' remuneration		
- Audit fees	4,551	3,616
- Other services relating to tax	3,084	7,961

4 Interest receivable and similar income

	2009 £	2008 £
Foreign exchange gain	387,348	-

5. Interest payable and similar charges

	2009 £	2008 £
Interest payable on loans from group undertakings	135,440	181,153
Foreign exchange loss	-	1,014,737
	135,440	1,195,890

6. Tax on profit/(loss) on ordinary activities

The tax charge for the year comprises

	2009 £	2008 £
UK corporation tax at 28% (2008 28.5%)	-	-
Adjustment in respect of prior years	-	41,597
Total current tax	-	41,597
Deferred tax		
Origination and reversal of timing differences	-	-
Total tax charge	-	41,597

Marriott Hotels (Reading) Limited

Notes to the financial statements for the year ended 31 December 2009

6. Tax on profit/(loss) on ordinary activities

The difference between the total current tax shown and the amount calculated by applying the standard rate of UK corporation tax to the profit/(loss) before tax is as follows

	2009 £	2008 £
Profit/(loss) on ordinary activities before taxation	238,851	(1,216,387)
Tax at 28% (2008 28.5%)	66,878	(346,670)
Effects of		
Adjustment in respect of prior years	-	41,597
Group relief claimed	(66,878)	346,670
Current tax charge for the year	-	41,597

There is an unprovided deferred tax assets of £52,044 (2008 £52,044) relating to capital losses carried forward. The deferred tax asset has not been recognised in the financial statements due to uncertainty over the timing of suitable future capital gains.

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement. The Finance Act (No 2) 2010 is expected to include legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 24% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

7. Debtors: amounts falling due within one year

	2009 £	2008 £
Amounts due from group undertakings	112,240	138,221
Prepaid expenses	-	4,005
	112,240	142,226

Amounts owed by group undertakings are unsecured, repayable on demand and interest free.

Marriott Hotels (Reading) Limited

Notes to the financial statements for the year ended 31 December 2009

8. Creditors: amounts falling due within one year

	2009 £	2008 £
Amounts due to group undertakings	365,350	387,157
Accruals and deferred income	6,549	5,366
	<u>371,899</u>	<u>392,523</u>

Amounts owed to group undertakings are unsecured, repayable on demand and are interest free

9. Creditors: amounts falling due after more than one year

	2009 £	2008 £
Amounts owed to group undertakings	<u>3,410,249</u>	<u>3,658,462</u>

The amounts due to group undertakings outstanding at the year end were interest bearing during the year at LIBOR plus 1% The loans have no fixed repayment date and are unsecured

10. Called up equity share capital

	2009 £	2008 £
Authorised:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid.		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

11. Reconciliation of movement in shareholders' deficit

	Share Capital £	Profit and loss account £	Total £
At 1 January 2009	100	(3,908,859)	(3,908,759)
Loss for the financial year	-	238,851	238,851
At 31 December 2009	<u>100</u>	<u>(3,670,008)</u>	<u>(3,669,908)</u>

Marriott Hotels (Reading) Limited

Notes to the financial statements for the year ended 31 December 2009

12. Ultimate holding company

The company's immediate parent undertaking is Marriott Hotels and Catering (Holdings) Limited, incorporated in Great Britain and registered in England and Wales. The ultimate holding company and controlling party is Marriott International Inc, incorporated in the State of Delaware, U S A,

The largest and smallest group in which the company's results are consolidated is that headed by Marriott International Inc

The consolidated accounts of Marriott International Inc are available to the public and may be obtained from Marriott International Inc, 10400 Fernwood Road, Bethesda, MD 20817, U S A

13. Related party transactions

As a wholly owned subsidiary of Marriott International Inc, the company has taken advantage of the exemption in FRS 8 'Related party disclosures' not to disclose transactions with other members of the group headed by Marriott International Inc