

Company Registration No. 06003799 (England and Wales)

PEEL MEDIA HOTELS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

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PEEL MEDIA HOTELS LIMITED

COMPANY INFORMATION

Directors	John Whittaker Paul Wainscott A C I S Steven Underwood A C A Neil Lees A C I S David Glover Peter Hosker LL B
Secretary	Neil Lees A C I S
Company number	06003799
Registered office	Peel Dome The Trafford Centre Manchester M17 8PL
Auditors	Deloitte LLP Chartered Accountants and Statutory Auditor Manchester United Kingdom
Bankers	The Royal Bank of Scotland plc

PEEL MEDIA HOTELS LIMITED

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PEEL MEDIA HOTELS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2011

The directors present their annual report and audited financial statements for the year ended 31 March 2011

This directors' report has been prepared in accordance with the special provision relating to small companies under section 417(1) of the Companies Act 2006. Accordingly, no Enhanced Business Review has been prepared.

Principal activities and review of the business

The principal activity of the company is that of hotel operations at MediaCityUK, the hotel opened in October 2010. During the year the company disposed of the hotel building to Peel Leisure (Properties) Limited and is responsible for the hotel operations only.

Going Concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 1 of the financial statements.

Results and dividends

The results for the year are set out on page 5.

No dividend has been paid for the year (2010: £nil).

Directors and their interests

Except where stated, the following directors have held office since 1 April 2010.

John Whittaker
Paul Wainscott A C I S
Steven Underwood A C A
Neil Lees A C I S
David Glover
Peter Hosker LL B

Auditors

A resolution to re-appoint the auditors, Deloitte LLP, will be submitted to the Annual General Meeting.

PEEL MEDIA HOTELS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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,
- 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure 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 directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

By order of the board



Neil Lees A C I S

Secretary

27 September 2011

PEEL MEDIA HOTELS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PEEL MEDIA HOTELS LIMITED

We have audited the financial statements of Peel Media Hotels Limited for the year ended 31 March 2011 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 19. 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).

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 statement of directors' responsibilities, 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 Ethical Standards for Auditors.

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.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 March 2011 and of its loss 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 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.

PEEL MEDIA HOTELS LIMITED

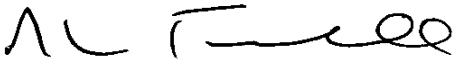
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PEEL MEDIA HOTELS LIMITED

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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report



Alan Fendall (Senior Statutory Auditor)
for and on behalf of Deloitte LLP

30 September 2011

Chartered Accountants and Statutory Auditor
Manchester
United Kingdom

PEEL MEDIA HOTELS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011 £	2010 £
Turnover	2	1,249,007	-
Impairment of investment properties		-	(2,170,691)
Administrative expenses		(2,210,672)	-
Operating loss	3	(961,665)	(2,170,691)
Interest receivable and similar income	4	-	3,657
Interest payable and similar charges	6	-	(3,654)
Loss on ordinary activities before taxation		(961,665)	(2,170,688)
Tax on loss on ordinary activities	7	(209,384)	20,271
Loss for the year	15	(1,171,049)	(2,150,417)

All the above results relate to continuing operations. There is no material difference between the results as reported and on a historical cost basis.

There are no recognised gains and losses other than those passing through the profit and loss account. Accordingly, a separate statement of total recognised gains and losses has not been prepared.

PEEL MEDIA HOTELS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	8 and 9		39,718		24,900,000
Current assets					
Stocks	10	18,035		-	
Debtors	11	2,031,882		141,207	
Cash at bank and in hand		50,807		-	
		<u>2,100,724</u>		<u>141,207</u>	
Creditors. amounts falling due within one year	12	<u>(5,419,981)</u>		<u>(26,999,998)</u>	
Net current liabilities			<u>(3,319,257)</u>		<u>(26,858,791)</u>
Total assets less current liabilities			<u>(3,279,539)</u>		<u>(1,958,791)</u>
Provisions for liabilities	13		-		<u>(149,699)</u>
Net liabilities			<u><u>(3,279,539)</u></u>		<u><u>(2,108,490)</u></u>
Capital and reserves					
Called up share capital	14		2		2
Profit and loss account	15		<u>(3,279,541)</u>		<u>(2,108,492)</u>
Shareholders' deficit	16		<u><u>(3,279,539)</u></u>		<u><u>(2,108,490)</u></u>

Approved by the Board and authorised for issue on 27 September 2011



Steven Underwood A C A
Director

Company Registration No. 06003799

PEEL MEDIA HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of fixed asset investment properties

The directors have received confirmation that Peel Holdings (Leisure) Limited ("Peel"), the company's holding company, will continue to provide the necessary level of support to enable it to continue to operate for the foreseeable future. In considering the ability of Peel to provide any necessary support in the context of the uncertainties it faces as a result of the current economic climate, the directors have obtained an understanding of Peel's forecasts, the continuing availability of its facilities and its strategic and contingent plans. Additional details surrounding these uncertainties and mitigating actions can be found in the accounts for Peel Holdings (Leisure) Limited.

Taking all these factors into account, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis in preparing the annual report and financial statements.

As permitted by Financial Reporting Standard No. 1 (revised) "Cash Flow Statements", the company has not prepared a cash flow statement as the company is a wholly owned subsidiary undertaking of the Peel Holdings (Leisure) Limited group of companies. Peel Holdings (Leisure) Limited is a company incorporated and registered in England and Wales which produces group financial statements in accordance with the Companies Act 2006, which include a consolidated group cash flow statement.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Law and Accounting Standards, which have been applied consistently.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

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 less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	rates between 10% and 14% straight line
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PEEL MEDIA HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting policies

(continued)

Tangible fixed assets include investment properties which are included in the balance sheet at their open market value and, in accordance with Statement of Standard Accounting Practice No 19, are not depreciated or amortised unless they relate to properties with an unexpired life of 20 years or less. This departure from the Statutory Accounting Rules is necessary for the financial statements to give a true and fair view in accordance with applicable United Kingdom accounting standards. Depreciation is only one of many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Surpluses or deficits arising from revaluation are transferred to the unrealised revaluation reserve, except that a deficit which is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. Realised revaluation surpluses representing the difference between historical cost and the asset's carrying value are reclassified by way of a transfer to profit and loss account reserve in the year in which the property disposal occurs.

Properties in the course of development or practically completed but not substantially let are included in the balance sheet at cost subject to provisions if the directors consider it prudent having regard to the prevailing market conditions. Cost includes interest and directly attributable overheads whilst the property is in the course of development.

Reclassifications between investment properties, other fixed assets and stocks are made at the lower of net book value and net realisable value.

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the 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 is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements.

Deferred tax is measured on a non-discounted basis.

PEEL MEDIA HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting policies

(continued)

1.8 Related party transactions

The company has taken advantage of the exemption in paragraph 3(c) of Financial Reporting Standard No 8 "Related Party Disclosures" and has not disclosed details of transactions with fellow wholly owned undertakings within the Peel Holdings Group Limited group of companies

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating loss

	2011 £	2010 £
Operating loss is stated after charging		
Depreciation of tangible assets	5,552	-
Operating lease rentals	569,652	-

The auditors' remuneration of £3,000 for audit work was borne by another group company for the year (2010 £3,000) No remuneration was paid in respect of non-audit services (2010 £nil)

4 Interest receivable and similar income

	2011 £	2010 £
Bank interest	-	3,654
Other interest	-	3
	-	3,657

5 Impairment of investment properties

	2011 £	2010 £
Amounts written off fixed asset investments		
- permanent diminution in value	-	2,170,691

PEEL MEDIA HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

6	Interest payable and similar charges	2011	2010
		£	£
	On amounts payable to group companies	-	723,718
	Other interest	-	58,159
	Less interest capitalised	-	(778,223)
		<hr/>	<hr/>
		-	3,654
		<hr/>	<hr/>

PEEL MEDIA HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

7	Taxation	2011 £	2010 £
	Domestic current year tax		
	Adjustment for prior years	-	(141,206)
	Total current tax	-	(141,206)
	Deferred tax		
	Origination and reversal of timing differences	219,741	120,935
	Deferred tax adjustments arising in previous periods	361	-
	Rate change	(10,718)	-
		209,384	120,935
		209,384	(20,271)
	Provision is made for deferred tax at a rate of 26% (2010 28%)		
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(961,665)	(2,170,688)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2010 - 28.00%)	(269,266)	(607,793)
	Effects of		
	Non deductible impairment of investment properties	-	607,793
	Movement in short term timing differences	-	(217,902)
	Capital allowances in excess of depreciation	1,554	-
	Tax losses carried forward	335,124	238,200
	Transfer pricing adjustment	(67,412)	(20,298)
	Adjustments to previous periods	-	(141,206)
		269,266	466,587
	Current tax charge for the year	-	(141,206)

PEEL MEDIA HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

8 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2010	-
Additions	45,270
At 31 March 2011	45,270
Depreciation	
At 1 April 2010	-
Charge for the year	5,552
At 31 March 2011	5,552
Net book value	
At 31 March 2011	39,718

9 Tangible fixed assets

	Investment properties £
Valuation	
At 1 April 2010	24,900,000
Transfer to other group companies	(24,900,000)
At 31 March 2011	-
Net book value	
At 31 March 2011	-
At 31 March 2010	24,900,000

Investment properties were professionally valued by Jones Lang LaSalle, chartered surveyors, at open market value at 18 June 2010. The directors, after consulting with the company's own RICS qualified staff accepted this valuation at 31 March 2010.

PEEL MEDIA HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

10 Stocks	2011 £	2010 £
Food and beverage stock	18,035	-

There is no material difference between the balance sheet value of stocks and their replacement costs

11 Debtors	2011 £	2010 £
Trade debtors	126,700	-
Amounts owed by parent and fellow subsidiary undertakings	1,519,312	141,207
Prepayments and accrued income	384,426	-
Deferred tax asset (see note 13)	1,444	-
	2,031,882	141,207

12 Creditors: amounts falling due within one year	2011 £	2010 £
Trade creditors	164,788	-
Amounts owed to parent and fellow subsidiary undertakings	4,891,736	26,999,998
Other creditors	94,136	-
Accruals and deferred income	269,321	-
	5,419,981	26,999,998

PEEL MEDIA HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

13 Provisions for liabilities

The deferred tax asset (included in debtors, note 11) is made up as follows:

	2011 £	
Balance at 1 April 2010 - liability	149,699	
Profit and loss account	209,383	
Intra-group transfers	(360,526)	
	<u>(1,444)</u>	
Balance at 31 March 2011 - asset		
	<u>(1,444)</u>	
	2011 £	2010 £
Accelerated/(decelerated) capital allowances	-	(360)
Other tax differences	-	388,259
Tax losses available	(30,665)	(238,200)
Capital allowances in excess of depreciation	29,221	-
	<u>(1,444)</u>	<u>149,699</u>

The unrecognised deferred tax asset of £532,372 is unprovided at 31 March 2011 (2010 £nil), this relates to trade losses carried forward

14 Share capital	2011 £	2010 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2010	(2,108,492)
Loss for the year	<u>(1,171,049)</u>
Balance at 31 March 2011	<u>(3,279,541)</u>

PEEL MEDIA HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

16 Reconciliation of movements in shareholders' deficit	2011 £	2010 £
Loss for the financial year	(1,171,049)	(2,150,417)
Opening shareholders' (deficit)/funds	(2,108,490)	41,927
Closing shareholders' deficit	<u>(3,279,539)</u>	<u>(2,108,490)</u>

17 Financial commitments

At 31 March 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2012

	Land and buildings	
	2011 £	2010 £
Operating leases which expire in over five years	<u>1,200,000</u>	<u>-</u>

18 Employees

There were no employees during the year apart from the directors

No director received any remuneration for their services to the company (2010 £nil)

19 Control

The ultimate holding company in the year ended 31 March 2011 was Tokenhouse Limited, a company incorporated in the Isle of Man. Tokenhouse Limited is controlled by the 1997 Billown Settlement Trust

The largest group of companies, of which the company is a member, that produces consolidated accounts is Peel Holdings Group Limited, a company incorporated in the Isle of Man

The smallest group of companies, of which the company is a member, that produces consolidated accounts, is Peel Holdings (Leisure) Limited, a company incorporated in England. Its Group accounts are available from the Company Secretary, Peel Dome, The Trafford Centre, Manchester, M17 8PL