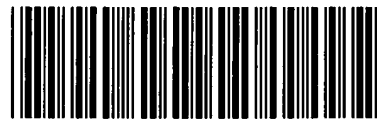


**REGISTERED NUMBER: 00320728 (England and Wales)**

**Comfort Hotels International Limited**  
**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

FRIDAY



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29/09/2017  
COMPANIES HOUSE

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2016**

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**Comfort Hotels International Limited**

**COMPANY INFORMATION**  
**for the year ended 31 December 2016**

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**DIRECTORS:**

Mr J Percival  
Mr S Beasley  
Mr C Heath

**SECRETARY:**

HLT Secretary Limited

**REGISTERED OFFICE:**

Maple Court  
Central Park  
Reeds Crescent  
Watford  
Hertfordshire  
WD24 4QQ

**REGISTERED NUMBER:**

00320728 (England and Wales)

**AUDITORS:**

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

**STRATEGIC REPORT**  
**for the year ended 31 December 2016**

---

The directors present their strategic report for the year ended 31 December 2016.

The company did not trade in the year under review.

**REVIEW OF BUSINESS**

The company has made a profit after tax for the year ended 31 December 2016 of £- (2015: £4,009,516).

The company has not traded during the year under review however following the company participating in a legal entity rationalisation project, aimed at reducing the number of entities in the wider Hilton Worldwide Holdings Inc. group, during the year all the subsidiaries were liquidated and balances held were eliminated on liquidation.

The legal entity rationalisation project aimed at reducing the number of entities in the wider Hilton Worldwide Holdings Inc. group. During the prior year and as part of the project an investment held by a subsidiary of this company was sold to another entity within the Hilton Worldwide Holding Inc. group at net book value. As a result of this sale, a dividend was received from the company's immediate subsidiary undertaking of £9,679,512, the investment was impaired by £5,669,999 and the revaluation reserve of £4,066,504 relating to the investment sold was released to retained earnings. This investment then had a book value of £10,001 and was later disposed. In addition, the company undertook a capital reduction, reducing its share premium by £3,506,552 and its share capital by £106,289,269. This created distributable reserves of £109,795,821. A dividend was then paid to Comfort Hotels International Limited's parent of £18,226,199.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Impairment risk

The company was previously exposed to interest rate risk and impairment risk. As the company has been prepared for liquidation it is no longer exposed to these risks.

**FUTURE DEVELOPMENTS**

It is not anticipated the company will trade in the foreseeable future.

**ON BEHALF OF THE BOARD:**



Mr S Beasley - Director

19 July 2017

**REPORT OF THE DIRECTORS  
for the year ended 31 December 2016**

---

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2016.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

Mr J Percival

Mr S Beasley

Other changes in directors holding office are as follows:

Mr C Heath - appointed 15 March 2016

**GOING CONCERN**

The company's activities, together with the factors likely to affect its future development, its competitive, economic and interest rate risks are set out in the 'Review of Business' and 'Principal Risks and Uncertainties' section in the Strategic Report. The financial statements have been prepared under the going concern basis because the company has net assets and net current assets. Management believe that the company has the ability to meet its liabilities as they fall due.

**DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

During the year Hilton Worldwide Holdings Inc. purchased and maintained on behalf of the company liability insurance for its directors and officers, in respect of proceedings brought by third parties, as permitted by section 236 of the Companies Act 2006.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 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 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.

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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

**Comfort Hotels International Limited (Registered number: 00320728)**

**REPORT OF THE DIRECTORS**  
**for the year ended 31 December 2016**

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**AUDITORS**

In accordance with section 485 of the Companies Act 2006, a resolution is proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the company.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to be 'S Beasley', with a long horizontal line extending to the right.

Mr S Beasley - Director

19 July 2017

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMFORT HOTELS INTERNATIONAL LIMITED**

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We have audited the financial statements of Comfort Hotels International Limited for the year ended 31 December 2016 which comprise the Statement of Profit or Loss and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 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 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 auditors**

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 Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 December 2016 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
COMFORT HOTELS INTERNATIONAL LIMITED**

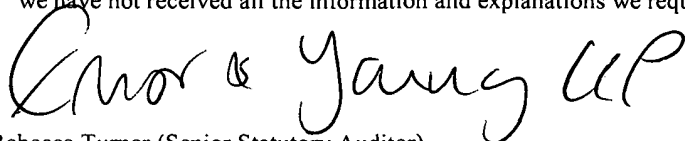
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**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Report of the Directors.

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.



Rebecca Turner (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

19 July 2017



**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
for the year ended 31 December 2016

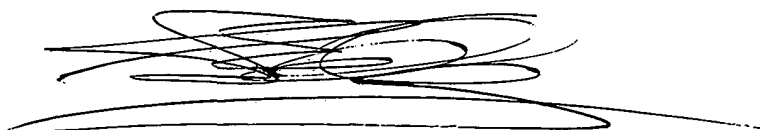
	Notes	2016 £	2015 £
<b>TURNOVER</b>		-	-
Other operating items		-	(5,669,996)
<b>OPERATING LOSS</b>		-	(5,669,996)
Income from shares in group undertakings	6	-	9,679,512
<b>PROFIT BEFORE TAXATION</b>	7	-	4,009,516
Tax on profit	8	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		-	4,009,516
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		-	4,009,516

The notes form part of these financial statements

**BALANCE SHEET**  
**31 December 2016**

	Notes	2016 £	2015 £
<b>FIXED ASSETS</b>			
Investments	10	-	3
<b>CURRENT ASSETS</b>			
Debtors	11	<u>3</u>	<u>-</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3</u>	<u>3</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	1	1
Retained earnings	13	<u>2</u>	<u>2</u>
<b>SHAREHOLDER FUNDS</b>		<u>3</u>	<u>3</u>

The financial statements were approved by the Board of Directors on 19 July 2017 and were signed on its behalf by:



Mr S Beasley - Director

The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2016

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
<b>Balance at 1 January 2015</b>	106,289,270	(99,645,641)	3,506,552	4,066,504	14,216,685
<b>Changes in equity</b>					
Issue of share capital	(106,289,269)	-	-	-	(106,289,269)
Dividends	-	(18,226,198)	-	-	(18,226,198)
Total comprehensive income	-	4,009,516	-	-	4,009,516
Capital reduction	-	109,795,821	(3,506,552)	-	106,289,269
Released on disposal	-	4,066,504	-	(4,066,504)	-
<b>Balance at 31 December 2015</b>	<u>1</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>3</u>
<b>Changes in equity</b>					
<b>Balance at 31 December 2016</b>	<u>1</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>3</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2016**

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**1. FUNDAMENTAL ACCOUNTING CONCEPT**

Comfort Hotels International Limited is incorporated and domiciled in England and Wales.

The financial statements have been prepared under the going concern basis because the company has net assets and net current assets. Management believe that the company has the ability to meet its liabilities as they fall due.

**2. STATUTORY INFORMATION**

Comfort Hotels International Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**3. ACCOUNTING POLICIES**

**Basis of preparation**

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The company's financial statements are presented in Sterling, which is the company's functional currency. Amounts have been rounded to the nearest £.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraphs 10(d), 16 and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 130(f), 134(d to f) and 135(c to e) of IAS 36 Impairments of Assets.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2016**

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**3. ACCOUNTING POLICIES - continued**

**Financial instruments**

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than those financial assets and liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

**Financial assets**

Financial assets within the scope of IAS 39 (Financial Instruments: Recognition and Measurement) are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial assets at initial recognition.

The company's financial assets are all 'loans and receivables' including intercompany loans.

The subsequent measurement of financial assets depends on their classification as follows:

- Intercompany loans are initially recognised at fair value and subsequently measured at amortised cost using the effective interest (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest in profit or loss. Losses arising from impairment are recognised in profit or loss in cost of sales.

**Financial liabilities**

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition.

The only financial liabilities are intercompany loans.

The measurement of financial liabilities depends on their classification as follows:

- After initial recognition, intercompany loans are subsequently measured at amortised cost using the effective interest method.

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

**Fair values**

All the company's financial instruments (except for cash) are not traded in an active market, at initial recognition the fair value is determined using appropriate valuation techniques. Due to the nature of the financial instruments as short term and market rate instruments, transaction price is considered to be the fair value.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2016**

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**3. ACCOUNTING POLICIES - continued**

**Taxation**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which:
  - (i) is not a business combination; and
  - (ii) at the time of the transaction, affects *neither accounting profit nor taxable profit (tax loss)*.
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in profit or loss.

**Fixed asset investments**

Investments in subsidiary undertakings are stated at cost. The carrying value of investments is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

**Judgements and key sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

**Critical judgements**

Management believe that there are no critical judgements made in relation to this entity that would have a significant effect on amounts recognised in the financial statements.

**Key sources of estimation uncertainty**

Management believe there are no key assumptions concerning the future, and other sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of resulting in a material adjustment to the carrying amounts of assets within the next financial year.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 31 December 2016

**4. EMPLOYEES AND DIRECTORS**

All operations of the company during the year ended 31 December 2016 have been undertaken by employees of other companies within Hilton Worldwide Holdings Inc.. A charge of £- has been included in the cost of sales in respect of their services (2015: £-).

All the directors of the company are also directors of Hilton UK Hotels Ltd ("the group") and other group companies. The directors received total remuneration for the year of £0.8m (2015: £0.5m) all of which was paid by other companies within the Hilton UK Hotels group. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of Hilton UK Hotels other group companies.

**5. OTHER OPERATING ITEMS**

	2016 £	2015 £
Impairment losses on investments	<u>-</u>	<u>(5,669,996)</u>

**6. INCOME FROM SHARES IN GROUP UNDERTAKINGS**

	2016 £	2015 £
Shares in group undertakings	<u>-</u>	<u>9,679,512</u>

**7. PROFIT BEFORE TAXATION**

The remuneration of the auditors of £4,007 (2015: £10,917) is borne entirely by Hilton Worldwide Limited.

**8. TAXATION**

**Analysis of tax expense**

No liability to UK corporation tax arose for the year ended 31 December 2016 nor for the year ended 31 December 2015.

**Factors affecting the tax expense**

The tax assessed for the year is the same as (2015: lower than) the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £	2015 £
Profit before income tax	<u>-</u>	<u>4,009,516</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.247%)	-	811,807
Effects of:		
other group companies free of		
Non-taxable income and profit	-	(1,959,787)
Impairment charge not deductible for corporation tax purposes	<u>-</u>	<u>1,147,980</u>
Tax expense	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 31 December 2016

**8. TAXATION - continued**

The Finance (No.2) Act 2015, substantively enacted on 28 October 2015, reduced the main rate of corporation tax from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020, whilst the Finance Act 2016, substantively enacted on 6 September 2016, included further reduction of the rate of 18% to 17% from 1 April 2020. These changes do not have a material impact on the financial statements.

The Group's future tax charge could be affected by numerous factors including, but not limited to, the UK's triggering of Article 50 and any future consequences of the UK leaving the European Union, the UK's proposal to amend the tax rules relating to the utilisation of brought forward losses and any tax reforms adopted from the OECD's BEPS actions such as those in relation to the deductibility of interest, anti-avoidance or transfer pricing. No quantification of these changes is currently possible due to uncertainty around when any currently proposed rules will be enacted or effective. have limited impact on the current year's financial statements.

**9. DIVIDENDS**

	2016 £	2015 £
Ordinary shares of 0.0000000009 each	-	18,226,198

**10. INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2016	110,094,500
Disposals	<u>(110,094,500)</u>
At 31 December 2016	-
<b>PROVISIONS</b>	
At 1 January 2016	110,094,497
Eliminated on disposal	<u>(110,094,497)</u>
At 31 December 2016	-
<b>NET BOOK VALUE</b>	
At 31 December 2016	<u>-</u>
At 31 December 2015	<u>3</u>

During the prior year the company participated in a legal entity rationalisation project aimed at reducing the number of entities in the wider Hilton Worldwide Holdings Inc. group. As a result during year all the subsidiaries were liquidated and balances held were eliminated on disposal.

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £	2015 £
Amounts owed by group undertakings	<u>3</u>	<u>-</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2016**

---

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued**

Amounts owed by group undertakings are included in amounts due within one year where there are no specified repayment terms. Amounts owed by group undertakings are technically repayable on demand and hence are included in amounts due within one year. The loans bear interest at a rate linked to LIBOR plus a margin.

**12. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £	2015 £
1,062,892,699	Ordinary shares	0.000000000941	1	1

**13. RESERVES**

	Retained earnings £
At 1 January 2016	2
Profit for the year	-
	<hr/>
At 31 December 2016	<u>2</u>

**14. PARENT UNDERTAKING, CONTROLLING PARTY AND CONSOLIDATING ENTITY**

The company's immediate parent undertaking is Hilton Worldwide Limited, a hotel operator registered in England.

The ultimate parent the only undertaking for which group financial statements were prepared and into which the company is consolidated for 31 December 2016, was Hilton Worldwide Holdings Inc., a Delaware company incorporated in the United States of America. These group financial statements are available from the company secretary, Hilton Worldwide Holdings Inc., 7930 Jones Branch Drive, McLean, Fairfax County, Virginia VA 22102-3302, United States of America.

**15. COMMITMENTS**

The company has not entered into any commitments contracted for but not provided in the financial statements at period end.

**16. CONTINGENT LIABILITIES**

The company had jointly and severally guaranteed the value added tax liability of other companies within the same UK VAT group, which amounted to approximately £6.1m (2015: £8.8m) at 31 December 2016.