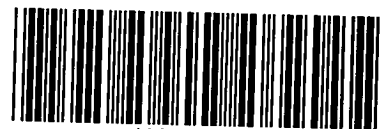


**HIC Treasury Limited**  
**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

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COMPANIES HOUSE

HIC Treasury Limited (Registered number: 01647393)

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for the year ended 31 December 2013

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**COMPANY INFORMATION**  
for the year ended 31 December 2013

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**DIRECTORS:**

M J Way  
E J Rabin  
Hilton Corporate Director LLC  
J Percival

**SECRETARY:**

HLT Secretary Limited

**REGISTERED OFFICE:**

Maple Court  
Central Park  
Reeds Crescent  
Watford  
Hertfordshire  
WD24 4QQ

**REGISTERED NUMBER:**

01647393

**AUDITORS:**

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

**STRATEGIC REPORT**  
for the year ended 31 December 2013

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The directors present their strategic report for the year ended 31 December 2013.

The principal activity of the company in the year under review was of undertaking borrowings from and entering into loans to other members of Hilton Worldwide Holdings Inc and engaging in associated finance related activities.

**REVIEW OF BUSINESS**

The company has made a profit after taxation for the period ended 31 December 2013 of £21,742,540 (2012: loss of £(12,174,179)) which was transferred to reserves.

**PRINCIPAL RISKS AND UNCERTAINTIES**

**Economic risk**

The company is subject to the cyclical nature of the hospitality and travel industry not just in its own market but those of its customers. Budgeting and forecasting processes enable the company to identify risks in market trends early to enable mitigation of such risks.

**Interest rate risk**

This company is subject to interest rate risk on intercompany loans where the interest rate is linked to LIBOR. The company's treasury department monitors interest rates.

**Exchange rate risk**

This company is subject to exchange rate risk on inter company loans held in foreign currency. The company's treasury department monitors exchange rates.

Management does not believe the company is any more exposed to financial statement risk factors than others in the industry and has a system of internal controls and procedures that attempt to mitigate such risk.

**FUTURE DEVELOPMENTS**

The company is one entity involved in the wider group's treasury operation and will continue to be used as deemed necessary as part of the Group's Treasury strategy.

**ON BEHALF OF THE BOARD:**



E J Rabin - Director

11 June 2014

**REPORT OF THE DIRECTORS**  
for the year ended 31 December 2013

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The directors present their report with the financial statements of the company for the year ended 31 December 2013.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2013.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2013 to the date of this report.

M J Way  
E J Rabin  
Hilton Corporate Director LLC  
J Percival

**EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE**

No significant post balance sheet events have occurred.

**DIRECTORS' AND OFFICERS' LIABILITY**

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 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). 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.

**HIC Treasury Limited (Registered number: 01647393)**

**REPORT OF THE DIRECTORS**  
**for the year ended 31 December 2013**

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**AUDITORS**

Ernst & Young LLP will be re-appointed as the company's auditor in accordance with the elective resolution passed by the company under section 385 of the Companies Act 2006.

**ON BEHALF OF THE BOARD:**



E J Rabin - Director

11 June 2014

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HIC TREASURY LIMITED**

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We have audited the financial statements of HIC Treasury Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet 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).

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 a Report of the Auditors 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 2013 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 requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
HIC TREASURY LIMITED**

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**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.

*Ernst & Young L.L.P.*

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

12 June 2014



**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 2013

	Notes	2013 £	2012 £
<b>TURNOVER</b>		-	-
Cost of sales		(18,669)	(20,722)
<b>GROSS LOSS</b>		(18,669)	(20,722)
Profit/(loss) on foreign currency transactions		17,214,405	(16,281,190)
<b>OPERATING PROFIT/(LOSS)</b>	4	17,195,736	(16,301,912)
Interest receivable	5	8,540,278	9,541,513
		25,736,014	(6,760,399)
Interest payable	6	(3,973,755)	(5,388,801)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		21,762,259	(12,149,200)
Tax on profit/(loss) on ordinary activities	7	(19,719)	(24,979)
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		21,742,540	(12,174,179)

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

The notes form part of these financial statements

**BALANCE SHEET**  
**31 December 2013**

	Notes	2013 £	2012 £
<b>FIXED ASSETS</b>			
Investments	9	486,228,275	486,228,275
<b>CURRENT ASSETS</b>			
Debtors	10	634,228,277	590,369,031
Cash at bank		12,967,460	15,459,812
		<u>647,195,737</u>	<u>605,828,843</u>
<b>CREDITORS</b>			
Amounts falling due within one year	11	(3,891,169)	(3,840,580)
<b>NET CURRENT ASSETS</b>		<u>643,304,568</u>	<u>601,988,263</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,129,532,843	1,088,216,538
<b>CREDITORS</b>			
Amounts falling due after more than one year	12	(660,303,446)	(640,729,681)
<b>NET ASSETS</b>		<u><u>469,229,397</u></u>	<u><u>447,486,857</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	414,771,540	414,771,540
Profit and loss account	15	54,457,857	32,715,317
<b>SHAREHOLDERS' FUNDS</b>	17	<u><u>469,229,397</u></u>	<u><u>447,486,857</u></u>

The financial statements were approved by the Board of Directors on 11 June 2014 and were signed on its behalf by:



E J Rabin - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2013

**1. FUNDAMENTAL ACCOUNTING CONCEPT**

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. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Pension costs and other post-retirement benefits**

The company contributes to the Hilton Worldwide, Inc group defined benefit pension scheme. The company accounts for its participation in the scheme on a defined contribution basis as per 'FRS 17: Pensions and Retirement Benefits', on the basis that it is unable to identify on a consistent and reasonable basis its share of the underlying assets and liabilities of the defined benefit schemes within the Hilton Worldwide Group.

**3. STAFF COSTS**

All operations of the company during the year ended 31 December 2013 have been undertaken by employees of other companies within Hilton Worldwide Holdings Inc. A charge of £- has been included in the financial statements in respect of their services (2012: £-).

**4. OPERATING PROFIT/(LOSS)**

This is stated after charging/(crediting):

	2013	2012
	£	£
Foreign exchange on currency loans	(17,214,405)	16,281,190

The remuneration of the auditors is borne entirely by Hilton Worldwide Ltd.

**5. INTEREST RECEIVABLE**

	2013	2012
	£	£
Interest receivable from fellow group undertakings	8,493,968	9,353,595
Interest receivable from third parties	46,310	187,918
	<u>8,540,278</u>	<u>9,541,513</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 31 December 2013

**6. INTEREST PAYABLE**

	2013 £	2012 £
Interest payable to fellow group undertakings	3,973,677	5,388,439
Interest payable to third parties	78	362
	<u>3,973,755</u>	<u>5,388,801</u>

**7. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2013 £	2012 £
Current tax:		
Foreign tax - current tax on income for the year	19,719	24,979
Tax on profit/(loss) on ordinary activities	<u>19,719</u>	<u>24,979</u>

**Factors affecting the tax charge**

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

	2013 £	2012 £
Profit/(loss) on ordinary activities before tax	<u>21,762,259</u>	<u>(12,149,200)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.247% (2012 - 24.497%)	5,059,072	(2,976,190)
Effects of:		
Double tax relief	-	(5,120)
Foreign tax - current year	15,147	16,327
Foreign tax - prior year	4,572	8,652
Group relief surrendered(from)/ to fellow subsidiaries free of charge	<u>(5,059,072)</u>	<u>2,981,310</u>
Current tax charge	<u>19,719</u>	<u>24,979</u>

**8. DIRECTORS' REMUNERATION**

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 £0.7m (2012: £0.8m) all of which was paid by other companies within the Hilton UK Hotels Ltd 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 Ltd and other group companies.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 31 December 2013

**9. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2013 and 31 December 2013	486,228,275
<b>NET BOOK VALUE</b>	
At 31 December 2013	486,228,275
At 31 December 2012	486,228,275

The undertakings below are all wholly owned. Details of the investments held on 31 December 2013 are as follows:

	Country of registration and operation	Principal activities
MC Treasury Limited	England	Treasury Company

The company has utilised the exemption under Section 410 of the Companies Act 2006 not to disclose all undertakings held by its direct subsidiaries as none of those undertakings principally affect the profit or assets of the Company.

Consolidated financial statements have not been prepared as the company is consolidated into the financial statements of a larger group, for which the consolidated financial statements are publicly available, as disclosed in the below note "Parent undertaking, controlling party and consolidating entity".

In the opinion of the directors the aggregate value of the investment in subsidiary undertakings is not less than the amounts at which they are stated in these financial statements.

**10. DEBTORS**

	2013 £	2012 £
Amounts falling due within one year:		
Other debtors	303	310
Amounts falling due after more than one year:		
Amounts owed by group undertakings	634,227,974	590,368,721
Aggregate amounts	634,228,277	590,369,031

Intercompany loans are interest bearing at a rate of LIBOR + 1% or equivalent.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2013**

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

	2013	2012
	£	£
Bank loans and overdrafts (see note 13)	215,697	30,183
Amounts owed to group undertakings	3,577,562	3,724,344
Other creditors	97,910	86,053
	<u>3,891,169</u>	<u>3,840,580</u>

Amounts owed to group undertakings are included in amounts due within one year where there are no specified repayment terms. While amounts owed to group undertakings are technically repayable on demand, and hence are included in amounts due within one year, the directors are of the opinion that in the ordinary course of business, repayment within such a timescale would not be required.

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2013	2012
	£	£
Amounts owed to group undertakings	<u>660,303,446</u>	<u>640,729,681</u>

Intercompany loans are interest bearing at a rate linked to the LIBOR + 1% or equivalent.

**13. LOANS**

An analysis of the maturity of loans is given below:

	2013	2012
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>215,697</u>	<u>30,183</u>

**14. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2013	2012
			£	£
414,771,540	Ordinary shares	£1	<u>414,771,540</u>	<u>414,771,540</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 31 December 2013

**15. RESERVES**

	Profit and loss account £
At 1 January 2013	32,715,317
Profit for the year	21,742,540
At 31 December 2013	<u>54,457,857</u>

**16. RELATED PARTY DISCLOSURES**

The company has taken advantage of provisions in FRS 8 which exempt wholly owned subsidiary undertakings within the Hilton Worldwide Holdings Inc group, from disclosing transactions with other entities within the group. The ultimate parent undertaking at 31 December 2013, Hilton Worldwide Holdings Inc has included the required related party disclosures within its group financial statements.

**17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2013 £	2012 £
Profit/(loss) for the financial year	21,742,540	(12,174,179)
<b>Net addition/(reduction) to shareholders' funds</b>	<u>21,742,540</u>	<u>(12,174,179)</u>
Opening shareholders' funds	447,486,857	459,661,036
<b>Closing shareholders' funds</b>	<u>469,229,397</u>	<u>447,486,857</u>

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

The company's immediate parent undertaking is HLT Treasury Mezz I-A Limited, an investment holding company registered in England.

The ultimate parent undertaking and controlling party at 31 December 2013 is BH Hotels Holdco LLC, a company controlled by certain investment funds affiliated with the Blackstone Group L.P., a publicly owned entity registered in the United States of America.

The only undertaking for which group financial statements were prepared and into which the company is consolidated for 31 December 2013, was Hilton Worldwide Holdings Inc (previously Hilton Worldwide, 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.

**19. CASH FLOW STATEMENT**

The company has taken advantage of the provision within FRS 1 which exempts subsidiary undertakings, 90% or more of whose voting rights are controlled within Hilton Worldwide Holdings Inc, from preparing a cash flow statement as consolidated financial statements in which the company is included are publicly available.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2013**

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**20. PENSIONS**

The company is unable to identify on a consistent and reasonable basis its share of the underlying assets and liabilities of the defined benefit schemes in relation to the Hilton Worldwide Holdings Inc UK Pension Plan. As a result, the company accounts for its participation in such schemes on a defined contribution basis as per 'FRS 17: Pensions and Retirement Benefits' and contributions are charged to the profit and loss account. During the year, the company made £- (2012: £-) of contributions to defined benefit schemes.

As at 31 December 2013 the defined benefit schemes within the Hilton Worldwide Holdings Inc UK Pension Plan in which the company participated had a closing Benefit Obligation of £231m (2012: £226m) and Fund Assets of £234m (2012: £225m). During March 2012, the scheme was closed on a deferred basis from November 2013 such that no further contributions will be made either by any company or by any employees and no further benefits will accrue after that date.

**21. COMMITMENTS**

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

**22. 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 £1.8m (2012: £1.2m) at 31 December 2013.