

# **International Hoteliers (UK) Limited**

Report and Financial Statements

Year Ended

31 December 2011

Company Number 1698769



# **International Hoteliers (UK) Limited**

## **Report and financial statements for the year ended 31 December 2011**

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### **Directors**

M A Cairns  
J O'Shea  
S Moatassem  
J Rea

### **Secretary and registered office**

S Moatassem, 30 Portman Square, London, W1A 4ZX

### **Company number**

1698769

### **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# **International Hoteliers (UK) Limited**

## **Report of the directors for the year ended 31 December 2011**

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The directors present their report together with the audited financial statements for the year ended 31 December 2011

### **Results and dividends**

The results of the company for the year are set out on page 5 and show a profit for the year on ordinary activities after taxation of £ (2010 - £3,576,888)

The directors do not recommend the payment of a dividend for the year (2010 - £Nil)

### **Principal activities and review of the business**

The principal activity of the company consists of the ownership of, and investment in the Hyatt Regency London - The Churchill Hotel, Portman Square, London

During the year the company continued to receive rental income under the sub-lease with Churchill Group Limited and will do so during 2011

### **Directors**

The directors of the company during the year were

M A Cairns  
J O'Shea  
S Moatassem  
J Rea

No director had any beneficial interest in the shares of the company at any time during the year

### **Financial instruments**

Details of the financial risk management objectives and policies and the use of financial instruments by the company are provided in note 20 to the financial statements

# International Hoteliers (UK) Limited

## Report of the directors for the year ended 31 December 2011 (*continued*)

### 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,
- 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.

### Auditors


All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing the directors' report, advantage has been taken of the small companies exemption under the Companies Act 2006.

### On behalf of the Board

Director

  
M.A. Cairns

Date

09 AUG 2012

# **International Hoteliers (UK) Limited**

## **Independent auditor's report**

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### **TO THE MEMBERS OF INTERNATIONAL HOTELIERS (UK) LIMITED**

We have audited the financial statements of International Hoteliers (UK) Limited for the year ended 31 December 2011 which comprise the profit and loss account, the note of historical cost profits and losses, 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 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 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 2011 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 matters 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.

## International Hoteliers (UK) Limited

### Independent auditor's report (*continued*)

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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



Marc Reinecke (*senior statutory auditor*)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

Date **09 AUG 2012**

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

## International Hoteliers (UK) Limited

### Profit and loss account for the year ended 31 December 2011

	Note	2011 £'000	2010 £'000
<b>Turnover</b>	2	463	463
Other operating charges		(2,157)	(2,157)
<b>Operating loss</b>	3	(1,694)	(1,694)
Income from shares in group undertakings		1,776	1,776
Release of provision against investments	5	2,545	5,271
Interest payable and similar charges	6	(1,776)	(1,776)
<b>Profit on ordinary activities before and after taxation</b>	15	851	3,577
Tax charge for the year		(530)	-
<b>Profit after tax</b>		321	3,577

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account

There are no movements in shareholders funds in the current and prior year other than the profit for the year

The notes on pages 8 to 14 form part of these financial statements

## International Hoteliers (UK) Limited

### Note of historical cost profits and losses for the year ended 31 December 2011

	2011 £'000	2010 £'000
Reported profit on ordinary activities before taxation	851	3,577
Difference between actual and historical cost depreciation	1,973	1,973
<b>Historical cost profit on ordinary activities before taxation</b>	<b>2,824</b>	<b>5,550</b>

The notes on pages 8 to 14 form part of these financial statements



# International Hoteliers (UK) Limited

## Balance sheet at 31 December 2011

<i>Company number 1698769</i>	<b>Note</b>	<b>2011 £'000</b>	<b>2011 £'000</b>	<b>2010 £'000</b>	<b>2010 £'000</b>
<b>Fixed assets</b>					
Tangible assets	8		81,700		83,850
Investments	9		46,661		44,116
			<u>128,361</u>		<u>127,966</u>
<b>Current assets</b>					
Debtors - due in more than one year	10	60,630		58,398	
<b>Creditors' amounts falling due within one year</b>	11	<u>530</u>		<u>-</u>	
<b>Net current liabilities</b>			<u>60,100</u>		<u>58,398</u>
<b>Total assets less current liabilities</b>			<u>188,461</u>		<u>186,364</u>
<b>Creditors: amounts falling due after more than one year</b>	12		<u>124,367</u>		<u>122,591</u>
			<u>64,094</u>		<u>63,773</u>
<b>Capital and reserves</b>					
Called up share capital	14		2,000		2,000
Revaluation reserve	15		98,625		98,625
Profit and loss account	15		(36,531)		(36,852)
<b>Shareholders' funds</b>			<u>64,094</u>		<u>63,773</u>

The financial statements were approved by the Board of Directors and authorised for issue on **09 AUG 2012**

Director

  
M A Cairns

The notes on pages 8 to 14 form part of these financial statements

# International Hoteliers (UK) Limited

## Notes forming part of the financial statements for the year ended 31 December 2011

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### 1 Accounting policies

#### *Basis of accounting*

The accounts have been prepared under the historical cost convention, except for long leasehold land and buildings which are stated at directors' valuation, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

#### *Basis of consolidation*

The company has taken advantage of the exemption not to submit group accounts as the company is itself a wholly owned subsidiary of an EC parent company incorporated in Great Britain (see note 16). The financial statements present information about the company as an individual undertaking and not about its group.

#### *Revaluation of land and buildings*

Following the introduction of FRS15, the company adopted the transitional provisions and fixed assets are recorded at a historic valuation.

The profit or loss on disposal of revalued properties is calculated by reference to net book value and any realised revaluation surplus is transferred to the profit and loss account through reserves.

#### *Depreciation*

Depreciation is provided to write off the cost or valuation of all tangible fixed assets evenly over their expected useful lives. The company's long leasehold land and buildings are being depreciated over 50 years.

#### *Valuation of investments*

Investments held as fixed assets are stated at cost less any provision for diminution in value.

#### *Deferred taxation*

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise.

#### *Financial instruments*

Details of the financial risk management objectives and policies and the use of financial instruments by the company are provided in note 19 to the financial statements.

## International Hoteliers (UK) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2011 (*continued*)

### 2 Turnover

Turnover represents rental income, exclusive of value added tax, under the sub-lease with the company's subsidiary undertaking, Churchill Group Limited

All revenue is generated in the United Kingdom

The directors consider the whole of the activities of the company to constitute a single class of business

### 3 Operating loss

	2011 £'000	2010 £'000
This is arrived at after charging		
Depreciation	2,150	2,150

The fees for the company's annual statutory audit are borne by another group company

### 4 Directors and employees

The company has got no employees (2010 - Nil)

No directors received any remuneration during the year (2010 - £Nil)

### 5 Release of provision against investments

	2011 £'000	2010 £'000
Release of provision against the cost of investment in Churchill Group Limited	2,545	5,271

### 6 Interest payable and similar charges

	2011 £'000	2010 £'000
Interest payable on loans repayable within five years		
Loans from parent undertaking (note 12)	1,776	1,776

## International Hoteliers (UK) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2011 *(continued)*

### 7 Taxation on ordinary activities

	2011 £'000	2010 £'000
Taxation on loss on ordinary activities	-	-

The tax assessed for the year is different from the standard rate of corporation tax in the UK. The differences are explained below:

	2011 £'000	2010 £'000
Profit on ordinary activities before tax	851	3,577
Profit on ordinary activities at the standard rate of corporation tax in the UK of 26.5% (2010 - 28%)	226	1,002
Effects of		
Depreciation for year in excess of capital allowances	569	602
Non taxable income - Dividend	(472)	(498)
Provision against investment	(674)	(1,476)
Group relief surrendered	(312)	(890)
Transfer pricing adjustments	1,193	1,260
Current tax charge for year	530	-

# International Hoteliers (UK) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2011 (*continued*)

## 8 Tangible fixed assets

	Long leasehold land and buildings £'000
<i>Valuation</i>	
At 1 January 2011 and at 31 December 2011	107,500
<i>Depreciation</i>	
At 1 January 2011	23,650
Provision for the year	2,150
At 31 December 2011	25,800
<i>Net book value</i>	
At 31 December 2011	81,700
At 31 December 2010	83,850
The long leasehold interest is stated at directors' valuation made on an open market value basis in 1988 The corresponding amount stated on a historical cost basis is as follows	
	£'000
<i>Cost</i>	
At 1 January 2011 and 31 December 2011	8,875

# International Hoteliers (UK) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2011 (*continued*)

<b>9</b>	<b>Fixed asset investments</b>	<b>£'000</b>
	<i>Cost</i>	
	At 1 January 2011 and at 31 December 2011	<b>46,661</b>
	<i>Amounts provided</i>	
	At 1 January 2011	2,545
	Reversal of impairment	(2,545)
	At 31 December 2011	-
	<i>Net book amount</i>	
	At 31 December 2011	<b>46,661</b>
	At 31 December 2010	<b>44,116</b>

Further details of the subsidiary undertaking are given below

<b>Name</b>	<b>Principal activity</b>	<b>Description and proportion of shares held</b>	<b>Country of registration</b>
Churchill Group Limited	Hotelier	100% ordinary shares 100% deferred shares	England

The investment is unlisted and has been adjusted by the directors to the net asset value of Churchill Group Limited at 31 December 2011 up to a maximum of the initial cost of the investment

<b>10</b>	<b>Debtors</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
	Amounts receivable after more than one year		
	Amounts owed by subsidiary undertaking	<b>60,332</b>	58,100
	Amounts owed by parent undertakings	<b>298</b>	298
		<b>60,630</b>	<b>58,398</b>
<b>11</b>	<b>Creditors: amounts falling due within one year</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
	Corporation tax	<b>530</b>	-

# International Hoteliers (UK) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2011 (*continued*)

## 12 Creditors: amounts falling due after more than one year

	2011 £'000	2010 £'000
Loans from parent undertaking	124,367	122,591

Interest of £1,776,429 (2010 - £1,776,429) was incurred in respect of these loans

## 13 Provision for liabilities

An analysis of the closing balance of deferred taxation is shown below

	Unprovided 2011 £'000	Provided 2011 £'000	Unprovided 2010 £'000	Provided 2010 £'000
Revaluation of fixed assets	24,654	-	24,564	-
Liability	24,654	-	24,564	-

The deferred tax asset has not been recognised on losses available to carry forward against future taxable profits as there is currently insufficient evidence that any asset would be recoverable

The deferred tax liability due to potential gains on revalued property is also unprovided as there is no intention to sell the property at the balance sheet date

## 14 Share capital

	Authorised, allotted, called up and fully paid			
	2011 Number	2010 Number	2011 £'000	2010 £'000
Ordinary shares of £1 each	2,000,000	2,000,000	2,000	2,000

## 15 Reserves

	Revaluation reserve £'000	Profit and loss account £'000
At 1 January 2011	98,625	(36,852)
Profit for the year	-	321
At 31 December 2011	98,625	(36,531)

# **International Hoteliers (UK) Limited**

**Notes forming part of the financial statements  
for the year ended 31 December 2011 (*continued*)**

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## **16 Contingent liabilities**

Barclays have a charge on the assets and leasehold property, The Churchill Hotel. At 31 December 2011, the balance due from Havana Holdings (UK) Limited to Barclays Bank plc was £78,705,000 (2010 - £81,250,000)

## **17 Ultimate parent company**

At 31 December 2011, the company's ultimate parent company is, Sandwood Worldwide Limited registered in the British Virgin Islands. The parent company of the smallest group of which the company is a member and for which group accounts are prepared is Havana Holdings (UK) Limited, a company registered in the England and Wales. Copies of the consolidated accounts may be obtained from 30 Portman Square, London, W1A 4ZX.

The beneficial owner of Sandwood Worldwide Limited is Sheikh Hamad bin Jassim bin Jaber Al Thani.

## **18 Statement of cash flows**

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 not to produce a statement of cash flows since its parent company publishes consolidated financial statements, including a statement of cash flows.

## **19 Related party transactions**

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, Related Party Disclosures, not to disclose transactions with group companies, on the basis that it is 100% controlled within the group and its parent undertaking, Havana Holdings (UK) Limited, prepares consolidated financial statements which are publicly available.

There were no other related party transactions during the year.

## **20 Financial Instruments**

The Company holds or issues financial instruments to finance its operations and enters into contracts to manage risks arising from those operations and its sources of finance in accordance with its accounting policies.

Working capital requirements and operations are financed by loans from group undertakings.