

Registered number: 2323039

IHC MAY FAIR HOTEL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

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IHC MAY FAIR HOTEL LIMITED

COMPANY INFORMATION

DIRECTORS

A S McEwan
C Springett
R Wheeler

COMPANY SECRETARY

F Cuttell

COMPANY NUMBER

2323039

REGISTERED OFFICE

Broadwater Park
Denham
Buckinghamshire
UB9 5HR

AUDITORS

Ernst & Young LLP
One Colmore Square
Birmingham
B4 6HQ

BANKERS

Lloyds TSB Bank plc
PO Box 72
Bailey Drive
Gillingham Business Park
Kent
ME8 0LS

IHC MAY FAIR HOTEL LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Statement of directors' responsibilities	3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 11

IHC MAY FAIR HOTEL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009**

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

PRINCIPAL ACTIVITY

The Company's principal activity is to provide financing to other InterContinental Hotels Group PLC companies. It is the intention of the directors that the Company will continue operating in this capacity.

The directors view the results as satisfactory as are the future prospects of the Company.

Primarily the Company's transactions are with fellow group undertakings and as such there are not considered to be any significant risks and uncertainties impacting the Company. Any uncertainties impacting the Company would arise from internal decisions taken within the InterContinental Hotels group (consisting of InterContinental Hotels Group PLC and its subsidiaries) ("IHG" or the "Group").

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £299,000 (2008 £1,859,000).

The directors do not propose a dividend (2008 £nil) on the £1 ordinary shares.

A dividend of £10 (2008 £10) on the 10% Cumulative Preference Shares has been accumulated in the year.

DIRECTORS

The directors during 2009 and since the year end were as follows:

A S McEwan
C Springett
R Wheeler

GOING CONCERN

The Company operates its activities in conjunction with other companies within the Group and therefore relies on the Group for its continued existence. At the end of 2009, the Group was trading significantly within its banking covenants and debt facility. Furthermore, the Group's fee-based model and wide geographic spread means that it is well placed to manage through the current downturn, and forecasts and sensitivity projections, based on a range of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility.

Information on the Group's banking covenants and debt facility, processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposures to credit risk and liquidity risk are disclosed in the Annual Report and Financial Statements of the Group.

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Directors' Report and financial statements as the ultimate parent company, InterContinental Hotels Group PLC and its subsidiaries, intends to make funds available to IHC May Fair Hotel Limited to enable it to meet its debts as they fall due.

IHC MAY FAIR HOTEL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009**

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

A qualifying third party indemnity provision has been granted in favour of existing and former directors of the Company by InterContinental Hotels Limited, in accordance with Section 232 of the Companies Act 2006. A copy of this indemnity provision is available for inspection by the members of the Company at the Company's registered office at Broadwater Park, Denham, Buckinghamshire, UB9 5HR.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

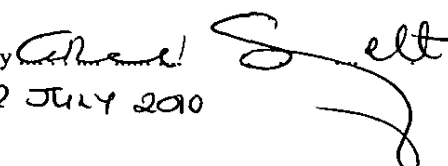
- so far as he or she is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he or she has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

AUDITORS

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

This report has been prepared in accordance with the small companies exemption.

By order of the Board

Signed by 
Date 2 JULY 2010

Secretary/Director
CATHERINE SPRINGETT

IHC MAY FAIR HOTEL LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2009**

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 judgments and 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 a 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.

IHC MAY FAIR HOTEL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IHC MAY FAIR HOTEL LIMITED

We have audited the financial statements of IHC May Fair Hotel Limited for the year ended 31 December 2009, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. 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 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 set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the 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.

IHC MAY FAIR HOTEL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IHC MAY FAIR HOTEL 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

Ernst & Young LLP

Steve Bagworth (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

Date *7 July 2010*

IHC MAY FAIR HOTEL LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009**

	<i>Note</i>	<i>2009 £000</i>	<i>2008 £000</i>
Interest receivable	5	415	2,600
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		415	2,600
Tax on profit on ordinary activities	6	(116)	(741)
PROFIT FOR THE FINANCIAL YEAR	10,11	299	1,859

All amounts relate to continuing operations

There were no recognised gains and losses for 2009 or 2008 other than those included in the profit and loss account

The notes on pages 8 to 11 form part of these financial statements

IHC MAY FAIR HOTEL LIMITED
REGISTERED NUMBER: 2323039

BALANCE SHEET
AS AT 31 DECEMBER 2009

	Note	£000	2009 £000	2008 £000
CURRENT ASSETS				
Debtors	7	53,230		52,220
Cash at bank		638		638
		<u>53,868</u>		<u>52,858</u>
CREDITORS: amounts falling due within one year				
	8	<u>(1,975)</u>		<u>(1,264)</u>
NET CURRENT ASSETS			<u>51,893</u>	<u>51,594</u>
NET ASSETS			<u>51,893</u>	<u>51,594</u>
CAPITAL AND RESERVES				
Called up share capital	9		1	1
Share premium account	10		41,988	41,988
Profit and loss account	10		<u>9,904</u>	<u>9,605</u>
SHAREHOLDERS' FUNDS	11		<u>51,893</u>	<u>51,594</u>

Approved by the Board

Signed by , Director
Date 2 JULY 2010 CATHERINE SPRINGETT

The notes on pages 8 to 11 form part of these financial statements

IHC MAY FAIR HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with applicable UK accounting standards

1.2 Taxation

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

The taxation liabilities of certain group undertakings are reduced wholly or in part by the surrender of losses by fellow group undertakings. The tax benefits arising from group relief are recognised in the financial statements of both the surrendering and recipient companies, being paid normally at the effective standard UK rate of the losses surrendered for the period in question

1.3 Cash flow

Under the provisions of Financial Reporting Standard ("FRS") 1 "Cash Flow Statements" (Revised 1996), the Company has not prepared a statement of cash flows because its ultimate parent undertaking, InterContinental Hotels Group PLC, which is incorporated within the European Union, has prepared consolidated financial statements which include the financial statements of the Company for the year and which contain an appropriate statement of cash flows of the Group

2. AUDITORS' REMUNERATION

Auditors' remuneration for this Company was £3,000 (2008 £3,000) and has been borne by a fellow group undertaking in the current and preceding year

3. DIRECTORS' REMUNERATION

The directors are also directors of other subsidiary undertakings within the InterContinental Hotels Group and their remuneration (including share-based payment charges) for the year was paid by other undertakings

4. STAFF COSTS

The Company did not employ any persons during the year (2008 nil)

5. INTEREST RECEIVABLE

	2009 £000	2008 £000
Interest on loans to group undertakings	415	2,600

IHC MAY FAIR HOTEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<i>2009</i>	<i>2008</i>
	<i>£000</i>	<i>£000</i>
UK corporation tax charge on profit for the year	<u>116</u>	<u>741</u>

Factors affecting current tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the effective standard rate of corporation tax in the UK of 28.0% for the year to 31 December 2009 (2008 28.5%)

7. DEBTORS

	<i>2009</i>	<i>2008</i>
	<i>£000</i>	<i>£000</i>
Amounts owed by group undertakings	<u>53,230</u>	<u>52,220</u>

8. CREDITORS: Amounts falling due within one year

	<i>2009</i>	<i>2008</i>
	<i>£000</i>	<i>£000</i>
Amounts owed to group undertakings	1,336	-
Corporation tax	639	1,264
	<u>1,975</u>	<u>1,264</u>

IHC MAY FAIR HOTEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

9. SHARE CAPITAL

	2009 £	2008 £
Allotted, called up and fully paid:		
1,093 ordinary shares of £1 each	1,093	1,093
100 10% cumulative preference shares of £1 each	100	100
	<u>1,193</u>	<u>1,193</u>

The holders of preference shares are not entitled to receive notice of and to attend any general meeting and are not entitled to vote on any resolution directly affecting any of the rights or privileges attached to the preference shares as a class

10. RECONCILIATION OF MOVEMENT IN RESERVES

	<i>Share premium account £000</i>	<i>Profit and loss account £000</i>
At 1 January 2009	41,988	9,605
Profit for the year	-	299
	<u>41,988</u>	<u>9,904</u>

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2009 £000	2008 £000
Opening shareholders' funds	51,594	49,735
Profit for the year	299	1,859
	<u>51,893</u>	<u>51,594</u>

IHC MAY FAIR HOTEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

12. GUARANTEES

The Company has entered into a composite guarantee with Lloyds TSB Bank plc to guarantee amounts due on overdrafts of certain other companies in the Group headed by InterContinental Hotels Group PLC to the extent of any credit balance of the Company held by Lloyds TSB Bank plc. At 31 December 2009 the maximum liability under the guarantee amounted to £69,738,035 (2008 £58,914,637)

13. RELATED PARTY TRANSACTIONS

As the Company was a wholly owned subsidiary of InterContinental Hotels Group PLC at 31 December 2009, the Company has taken advantage of the exemption contained in FRS 8 "Related Party Disclosures" and has therefore not disclosed transactions or balances with entities which form part of the Group, headed by InterContinental Hotels Group PLC

14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

As at 31 December 2009, InterContinental Hotels Group PLC, a company incorporated in Great Britain and registered in England and Wales was the ultimate parent undertaking and controlling entity of IHC May Fair Hotel Limited

The largest and smallest group in which the results of the Company are consolidated is that headed by InterContinental Hotels Group PLC. Consolidated financial statements of InterContinental Hotels Group PLC are available from the following address

Companies House, Crown Way, Cardiff CF14 3UZ

The immediate parent company is IHC May Fair (Holdings) Limited, a company registered in England and Wales