

IHC MAY FAIR HOTEL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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COMPANIES HOUSE

IHC MAY FAIR HOTEL LIMITED

COMPANY INFORMATION

DIRECTORS

M Cockcroft
N Henfrey
R Wheeler

COMPANY SECRETARY

P Patel

COMPANY NUMBER

2323039

REGISTERED OFFICE

Broadwater Park
Denham
Buckinghamshire
UB9 5HR

AUDITOR

Ernst & Young LLP
One Colmore Square
Birmingham
B4 6HQ

IHC MAY FAIR HOTEL LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Statement of directors' responsibilities	3
Independent auditor's report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 10

IHC MAY FAIR HOTEL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

IHC May Fair Hotel Limited's (the "Company") principal activity is that of a financing company. 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 future prospects of the Company.

Primarily the Company's transactions are with fellow InterContinental Hotels group (consisting of InterContinental Hotels Group PLC and its subsidiaries) (the "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 Group.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £122,000 (2013: £146,000).

During the year, the Company declared and paid an interim dividend of £nil (2013: £10,600,000).

The directors do not propose a final dividend for the year ended 31 December 2014 (2013: £nil).

DIRECTORS

The directors during 2014 and since the year end were as follows:

M Cockcroft (appointed 28 August 2014)
P Edgecliffe-Johnson (resigned 1 January 2014)
N Gallagher (appointed 30 January 2014 and resigned 28 August 2014)
N Henfrey
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.

An overview of the business activities of the Group, including a review of the key business risks that the Group faces is given in the Strategic Report in the InterContinental Hotels Group PLC Annual Report and Form 20-F 2014. Information on the Group's treasury management, including information on covenants and debt facilities; 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 is also given in the Annual Report and Form 20-F 2014. In December 2009, the Group issued a seven-year £250m sterling bond and, in November 2012, a 10-year £400m sterling bond. Subsequent to the year end the Group refinanced its bank debt in March 2015 and put in place a five-year \$1.275bn facility with the option of a further two annual extension periods. In addition, the Group raised a \$400m term loan in January 2015 to help finance the acquisition of Kimpton Hotel & Restaurant Group, LLC; the term loan expires in July 2016.

At the end of 2014, the Group was trading significantly within its banking covenants and debt facilities.

The Group's fee-based model and wide geographic spread means that it is well placed to manage through uncertain times and our 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 facilities.

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 and, accordingly, they continue to adopt the going concern basis in preparing the financial statements.

IHC MAY FAIR HOTEL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

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 AUDITOR

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 auditor is 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 auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

AUDITOR

The auditor, 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:



Pritti Patel

Signed by

, Secretary/~~Director~~

Date:

IHC MAY FAIR HOTEL LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2014**

The directors are responsible for preparing the Director's 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 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 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.

INDEPENDENT AUDITOR'S 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 2014, 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 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 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 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 and financial statements 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 2014 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.

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 not preparing the Strategic Report and take advantage of the small companies' exemption in preparing the Directors' Report.

Ernst & Young LLP

Lorna McNeil (Senior statutory auditor)
for and behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

Date: 8 June 2015

IHC MAY FAIR HOTEL LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	<i>Note</i>	<i>2014 £000</i>	<i>2013 £000</i>
Interest receivable	5	156	190
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		156	190
Tax on profit on ordinary activities	6	(34)	(44)
PROFIT FOR THE FINANCIAL YEAR	10,11	122	146

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

The notes on pages 7 to 10 form part of these financial statements.

IHC MAY FAIR HOTEL LIMITED
REGISTERED NUMBER: 2323039

BALANCE SHEET
AS AT 31 DECEMBER 2014

	<i>Note</i>	<i>£000</i>	<i>2014</i> <i>£000</i>	<i>2013</i> <i>£000</i>
CURRENT ASSETS				
Debtors	7	42,267	42,177	
CREDITORS: amounts falling due within one year	8	(78)	(110)	
NET CURRENT ASSETS			42,189	42,067
NET ASSETS			42,189	42,067
CAPITAL AND RESERVES				
Called up share capital	9		1	1
Share premium account	10		41,988	41,988
Profit and loss account	10		200	78
SHAREHOLDERS' FUNDS	11		42,189	42,067

Approved by the Board:

Signed by


Nicolette Henfrey

, Director

Date: **04 JUN 2015**

The notes on pages 7 to 10 form part of these financial statements.

IHC MAY FAIR HOTEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES**1.1 BASIS OF PREPARATION**

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

The financial statements have been prepared on the going concern basis as the ultimate parent company, InterContinental Hotels Group PLC, and its subsidiaries intend to make funds available to the Company to enable it to meet its debts as they fall due.

1.2 INTEREST INCOME

Interest receivable is recognised as interest accrues using the effective interest rate method.

1.3 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 impacts arising from the surrender of tax losses 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.

1.4 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. AUDITOR'S REMUNERATION

The Company incurred auditor's remuneration of £3,000 (2013: £3,000) which 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 Group and their remuneration, including share-based payment charges, for the year was paid by other undertakings. The directors did not receive any remuneration in relation to the Company as the qualifying services provided to the Company were incidental to the qualifying services provided to other subsidiary undertakings.

4. STAFF COSTS

The Company did not employ any persons during the year (2013: £nil).

IHC MAY FAIR HOTEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

5. INTEREST RECEIVABLE

	<i>2014</i>	<i>2013</i>
	<i>£000</i>	<i>£000</i>
Interest receivable from Group undertakings	156	190

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<i>2014</i>	<i>2013</i>
	<i>£000</i>	<i>£000</i>
UK corporation tax charge on profit for the year	34	44

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 21.50% (2013: 23.25%) for the year ended 31 December 2014.

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The one percentage point decrease in the rate of UK corporation tax to 20%, effective from 1 April 2015, was substantively enacted during 2013.

There is no provided or unprovided deferred tax.

7. DEBTORS

	<i>2014</i>	<i>2013</i>
	<i>£000</i>	<i>£000</i>
Amounts owed by Group undertakings	42,267	42,177

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>2014</i>	<i>2013</i>
	<i>£000</i>	<i>£000</i>
Amounts owed to Group undertakings	44	66
Corporation tax	34	44
	78	110

9. SHARE CAPITAL

	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>
ALLOTTED, CALLED UP AND FULLY PAID		
1,093 ordinary shares of £1 each	1,093	1,093

IHC MAY FAIR HOTEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10. RECONCILIATION OF MOVEMENT IN RESERVES

	<i>Share premium account £000</i>	<i>Profit and loss account £000</i>
At 1 January 2014	41,988	78
Profit for the year	-	122
	<hr/>	<hr/>
At 31 December 2014	41,988	200
	<hr/>	<hr/>

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<i>2014 £000</i>	<i>2013 £000</i>
Opening shareholders' funds	42,067	52,521
Profit for the year	122	146
Dividends (see note 12)	-	(10,600)
	<hr/>	<hr/>
Closing shareholders' funds	42,189	42,067
	<hr/>	<hr/>

12. DIVIDENDS

	<i>2014 £000</i>	<i>2013 £000</i>
Dividends paid on equity capital	-	10,600
	<hr/>	<hr/>

The directors do not propose a final dividend for the year ended 31 December 2014 (2013: £nil).

13. RELATED PARTY TRANSACTIONS

As the Company was a wholly owned subsidiary of InterContinental Hotels Group PLC at 31 December 2014, the Company has taken advantage of the exemption contained in FRS 8 "Related Party Disclosures" and has therefore not disclosed transactions or balances with wholly owned entities which form part of the Group, headed by InterContinental Hotels Group PLC.

IHC MAY FAIR HOTEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

14. PARENT UNDERTAKING AND CONTROLLING PARTY

As at 31 December 2014, InterContinental Hotels Group PLC, a company incorporated and registered in England and Wales, was the ultimate parent undertaking and controlling party of the Company.

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 undertaking is IHC May Fair (Holdings) Limited, a company registered in England and Wales.