

Hotels London Limited

**Directors' report and financial statements
for the year ended 30 September 2011**

Company number 3734526

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Hotels London Limited
Report of the Directors for the year ended 30 September 2011

The Directors present their report and the audited financial statements of Hotels London Limited ("the Company") for the year ended 30 September 2011

Principal activity

The Company has not traded in the current year and the only transaction has been the payment of a dividend to its immediate parent company Late Rooms Limited of £4,763,079. It is the intention of the directors that the Company will be dormant in the future.

Results and dividends

The Company did not trade during the year. An interim dividend of £4,763,079 was paid on 28 September 2011 (2010: Nil). The Directors do not recommend the payment of a final dividend. In 2010 the Company made a profit of £4,528,818.

Funding and liquidity

As the Company has ceased to trade, the financial statements are not prepared on the going concern basis. Please also refer to note 1.

Directors

The Directors of the Company at the date of this report are:

A L John
C P Morris
J Pogson
J Vila

Independent auditors

During the year KPMG Audit Plc resigned as auditors and PricewaterhouseCoopers LLP were appointed by the Directors in their place. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and PricewaterhouseCoopers LLP will therefore continue in office.

Directors' insurance

Throughout the financial year, and at the date of approval of these financial statements, the intermediate parent company, TUI Travel PLC, maintained Directors' & Officers' Liability insurance policies on behalf of the Directors of the Company. These policies meet the 2006 Companies Act definition of a qualifying third party indemnity provision.

Policy and practice of payment of creditors

The Company did not trade with external suppliers and therefore no trade creditors existed at any time during the year.

Statement as to disclosure of information to auditors

The Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Statement of 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). 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 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 (see note 1)

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.

By Order of the Board



J Pogson
Director

Company Number 3734526

Dated 23 May 2012

Hotels London Limited

Report of the independent auditors to the members of Hotels London Limited

We have audited the financial statements of Hotels London Limited for the year ended 30 September 2011 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2 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.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Directors' report and financial statements to identify material inconsistencies with the audited financial statements. 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 30 September 2011 and of its result 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.

Emphasis of Matter – going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 of the financial statements, "Basis of preparation" concerning the company's ability to continue as a going concern. The company has ceased trading and accordingly the financial statements are not prepared on a going concern basis.


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.



Owen Mackney (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
Dated 19 June 2012

Hotels London Limited
Profit and loss account for the year ended 30 September 2011

| | Note | Year ended 30 September 2011 £ | Year ended 30 September 2010 £ |
|--|------|---|---|
| Profit on sale of trade and assets | 4 | - | 4,528,818 |
| Profit on ordinary activities before and after taxation and profit for the financial year | 2 | - | 4,528,818 |

The results stated above are all derived from discontinued operations

A note on historical cost profit and loss has not been included as part of these financial statements as the results disclosed in the profit and loss account are prepared on an unmodified historical cost basis


There are no recognised gains and losses other than those included in the profit and loss account. Accordingly, no statement of total recognised gains and losses is presented

Hotels London Limited
Balance sheet as at 30 September 2011

| | | 30 September 2011 £ | 30 September 2010 £ |
|----------------------------------|---|------------------------------------|------------------------------------|
| Current assets | | | |
| Debtors | 5 | 100 | 4,763,179 |
| Net current assets | | 100 | 4,763,179 |
| Net assets | | 100 | 4,763,179 |
| Capital and reserves | | | |
| Called up share capital | 6 | 100 | 100 |
| Profit and loss account | 8 | - | 4,763,079 |
| Total shareholders' funds | 9 | 100 | 4,763,179 |

The notes from pages 6 to 8 form part of these financial statements

The financial statements were approved by the Board on **23 May** 2012 and signed on their behalf by


J Pogson
Director

Company Number 3734526

1 Accounting policies

The following accounting policies have been consistently applied in dealing with items which are considered material in relation to the Company's financial statements, except as noted below

Basis of preparation

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

Under Financial Reporting Standard 1 (revised 1996) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

The financial statements are not prepared on the going concern basis in accordance with Financial Reporting Standard 18 as the company has ceased trading. No amendments were made to the financial statements as a result of the change in going concern basis

Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved for payment

2 Profit on ordinary activities before taxation

In 2011 and 2010 the auditors' remuneration was borne by another Group company. The audit fee relating to the Company was as follows

| | Year ended 30 September 2011 £ | Year ended 30 September 2010 £ |
|-----------------------------------|---|---|
| Fees for the audit of the Company | <u>1,000</u> | <u>4,000</u> |

3 Employee remuneration (including Directors' remuneration)

There were no employees during the year (2010: nil)

The Directors received no remuneration for their services to the Company during the year (2010: £nil). The Directors are also Directors of a number of Group subsidiaries. It is therefore not possible to make an accurate apportionment of their remuneration in respect of the Company and each of the fellow Group subsidiaries of which they are a Director.

4 Profit on sale of trade and assets

| | Year ended 30 September 2011 £ | Year ended 30 September 2010 £ |
|------------------------------------|---|---|
| Profit on sale of trade and assets | <u>-</u> | <u>4,528,818</u> |

On 1 October 2009, the trade and assets of the Company were transferred to Late Rooms Limited at fair value of £4,720,000 generating a profit on the transfer of £4,528,818.

Hotels London Limited
Notes to the financial statements for the year ended 30 September 2011

| | | |
|---|---|---|
| 5. Debtors | 30 September 2011 £ | 30 September 2010 £ |
| Amounts owed by Group undertakings | <u>100</u> | <u>4,763,179</u> |
| 6. Called up share capital | 30 September 2011 £ | 30 September 2010 £ |
| Issued and fully paid 100 ordinary shares of £1 each | <u>100</u> | <u>100</u> |
| 7. Dividends | 30 September 2011 £ | 30 September 2010 £ |
| Equity - ordinary Dividend paid £47,630 79 per £1 ordinary share | <u>4,763,079</u> | <u>-</u> |
| 8 Profit and loss account | | £ |
| At 1 October 2010 | | 4,763,079 |
| Dividend paid | | <u>(4,763,079)</u> |
| At 30 September 2011 | | <u>-</u> |
| 9. Reconciliation of movement in shareholders' funds | Year ended 30 September 2011 £ | Year ended 30 September 2010 £ |
| Opening shareholders' funds | 4,763,179 | 234,361 |
| Dividend paid | <u>(4,763,079)</u> | <u>4,528,818</u> |
| Closing shareholders' funds | <u>100</u> | <u>4,763,179</u> |
| All shareholder funds relate to equity interests | | |

11. Related party transactions

The Company has taken advantage of the exemption contained in Financial Reporting Standard 8 "Related Party Disclosure" as it is a wholly-owned subsidiary of TUI Travel PLC. Therefore the Company has not disclosed transactions or balances with wholly-owned entities that form part of the Group headed by TUI Travel PLC.

12 Ultimate parent company

The Company is a subsidiary undertaking of TUI AG – a company registered in Berlin and Hanover (Federal Republic of Germany) which is the ultimate parent company. The intermediate holding company is TUI Travel PLC. The immediate parent company is Late Rooms Limited.

The largest group in which the results of the Company are consolidated is that headed by TUI AG. The smallest group in which the results of the Company are consolidated is that headed by TUI Travel PLC, incorporated in the United Kingdom. No other group financial statements include the results of the Company.

Copies of the TUI Travel PLC financial statements are available from the Company Secretary TUI Travel House, Crawley Business Quarter, Fleming Way, Crawley, West Sussex RH10 9QL or from the website www.tuitavelplc.com. Copies of the TUI AG financial statements are available from Investor Relations, TUI AG, Karl-Wiechert-Allee 4, D-30625, Hanover or from the website www.tui-group.com.