

Registered number: 4508373

**SCIH BRANSTON 3**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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COMPANIES HOUSE

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**SCIH BRANSTON 3**

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**COMPANY INFORMATION**

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**DIRECTORS**

M Cockcroft  
M Glover  
N Henfrey  
N P Stocks

**COMPANY SECRETARY**

F Cuttell

**REGISTERED NUMBER**

4508373

**REGISTERED OFFICE**

Broadwater Park  
Denham  
Buckinghamshire  
UB9 5HR

**AUDITOR**

Ernst & Young LLP  
One Colmore Square  
Birmingham  
B4 6HQ

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**SCIH BRANSTON 3**

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## **SCIH BRANSTON 3**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

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The directors present their report and the financial statements for the year ended 31 December 2016.

#### **PRINCIPAL ACTIVITY**

SCIH Branston 3'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 Company is unlimited.

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 £3,670,000 (2015: £4,671,000). The decrease in profit is due to lower interest receivable of £4,588,000 compared with £5,857,000 in 2015.

The directors do not propose a final dividend for the year ended 31 December 2016 (2015: £nil).

#### **DIRECTORS**

The directors who served during the year and since the year end were:

M Cockcroft  
M Glover (appointed 5 September 2016)  
N Henfrey  
N P Stocks  
R Wheeler (resigned 27 February 2017)

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**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 2016. Information on the Group's treasury management policies, 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 liquidity risk and credit risk is also given in the Annual Report and Form 20-F 2016. In August 2016, the Group issued a ten-year £350m bond which replaces the £250m bond that matured in December 2016. In February 2017, the Group extended the maturity of its \$1.275bn facility to March 2022.

At the end of 2016, the Group was trading significantly within its banking covenants and debt facilities.

The Group's fee-based model and wide geographic spread mean 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.

**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 that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information 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.

This report was approved by the Board and signed on its behalf by:



Secretary/Director

**Fiona Cuttill**

Date:

**10 JUL 2017**

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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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 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.

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCIH BRANSTON 3**

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We have audited the financial statements of SCIH Branston 3 for the year ended 31 December 2016, which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 11. 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 Directors' Responsibilities Statement 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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; 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, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCIH BRANSTON 3

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### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Directors' Report.

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 on behalf of Ernst & Young LLP, Statutory Auditor  
Birmingham

Date: *10 July 2017*



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**SCIH BRANSTON 3**

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**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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	<i>Note</i>	<i>2016 £000</i>	<i>2015 £000</i>
Interest receivable	5	4,588	5,857
<b>Profit before taxation</b>		<b>4,588</b>	<b>5,857</b>
Taxation	6	(918)	(1,186)
<b>Profit for the year</b>		<b>3,670</b>	<b>4,671</b>

The notes on pages 9 to 13 form part of these financial statements.

There were no recognised gains and losses for the current and prior year other than those included in the Income Statement.

All amounts relate to continuing operations.

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SCIH BRANSTON 3  
REGISTERED NUMBER:4508373

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STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016

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	<i>Note</i>	<i>2016 £000</i>	<i>2015 £000</i>
<b>Current assets</b>			
Debtors	7	1,544,266	1,540,274
Creditors: Amounts falling due within one year	8	(2,104)	(1,782)
<b>Net assets</b>		<u>1,542,162</u>	<u>1,538,492</u>
<b>Capital and reserves</b>			
Called up share capital	9	23	23
Share premium	10	1,509,188	1,509,188
Profit and loss account		32,951	29,281
<b>Total equity</b>		<u>1,542,162</u>	<u>1,538,492</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:

Director  
Date:

  
**Nicolette Henfrey**

10 JUL 2017

The notes on pages 9 to 13 form part of these financial statements.

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**SCIH BRANSTON 3**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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	<i>Called up share capital</i> £000	<i>Share premium</i> £000	<i>Profit and loss account</i> £000	<i>Total equity</i> £000
<b>At 1 January 2015</b>	23	1,509,188	24,610	1,533,821
Profit for the year	-	-	4,671	4,671
<b>At 1 January 2016</b>	23	1,509,188	29,281	1,538,492
Profit for the year	-	-	3,670	3,670
<b>At 31 December 2016</b>	23	1,509,188	32,951	1,542,162

The notes on pages 9 to 13 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**1. ACCOUNTING POLICIES**

**1.1 STATEMENT OF COMPLIANCE WITH FRS 101**

The Company is incorporated and domiciled in England and Wales.

The Company's financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£000), except where otherwise indicated.

These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

The Company's ultimate parent undertaking, InterContinental Hotels Group PLC includes the Company in its consolidated financial statements. The consolidated financial statements of InterContinental Hotels Group PLC are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are publicly available and may be obtained from the address given in note 11.

**1.2 BASIS OF PREPARATION**

These financial statements have been prepared in accordance with FRS 101, as applied in accordance with the provisions of the Companies Act 2006. FRS 101 sets out a reduced disclosure framework for a "qualifying entity" as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU.

The following disclosures have not been provided as permitted by FRS 101:

- a Cash Flow Statement and related notes as required by IAS 7 'Statement of Cash Flows';
- a comparative period reconciliation for share capital as required by IAS 1 'Presentation of Financial Statements';
- disclosures in respect of transactions with wholly owned subsidiaries as required by IAS 24 'Related Party Disclosures';
- disclosures in respect of capital management as required by paragraphs 134 to 136 of IAS 1 'Presentation of Financial Statements';
- the effects of new but not yet effective IFRSs as required by paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'; and
- disclosures in respect of the compensation of Key Management Personnel as required by paragraph 17 of IAS 24 'Related Party Disclosures'.

As the consolidated financial statements of InterContinental Hotels Group PLC include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- the requirements of paragraphs 91 to 99 of IFRS 13 'Fair Value Measurement' and the disclosures required by IFRS 7 'Financial Instruments: Disclosures'.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.3 GOING CONCERN**

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.

**1.4 NON DERIVATIVE FINANCIAL INSTRUMENTS**

Non derivative financial instruments comprise amounts due from and amounts due to Group undertakings.

**Amounts due from and amounts due to Group undertakings**

Amounts due from and amounts due to Group undertakings are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. The carrying value is assessed at each reporting date to determine whether there is objective evidence that it is impaired. An impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

**1.5 INCOME**

Interest receivable is recognised in the Income Statement as it accrues, using the effective interest rate method.

**1.6 TAXATION**

Tax on the profit or loss for the year comprises current tax. Tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

**Current tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities including interest. The tax rates and tax laws used to compute the amount are those enacted or substantively enacted at the end of the reporting period.

The taxation liabilities of certain Group entities are reduced wholly or in part by the surrender of losses by fellow Group undertakings, with these losses normally being paid for at the effective standard UK tax rate applying for the period in question. The impacts of such surrenders are recognised in the financial statements of both the surrendering and recipient companies.

**2. AUDITOR'S REMUNERATION**

The Company incurred auditor's remuneration of £3,000 (2015: £3,000) which has been borne by a fellow Group undertaking in the current and preceding year.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**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 was incidental to the qualifying services provided to other subsidiary undertakings.

**4. STAFF COSTS**

The Company has no employees (2015: no employees).

**5. INTEREST RECEIVABLE**

	2016 £000	2015 £000
Interest receivable from Group undertakings	4,588	5,857

**6. TAXATION**

	2016 £000	2015 £000
<b>UK corporation tax</b>		
Current tax on profit for the year	918	1,186

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

There were no factors that affected the tax charge for the year which has been calculated on the profit before tax at the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

Reductions to the rate of corporation tax to 19% (effective 1 April 2017) and 17% (effective 1 April 2020) have now been enacted.

As part of the 2016 budget, the Chancellor of the Exchequer proposed wide-ranging reform in regard to the use of brought forward tax losses and the tax deductibility of corporate interest. The proposed changes to existing legislation have not yet been enacted however it is expected that the new rules will not have a material impact on the Company.

There is no provided or unprovided deferred tax.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**7. DEBTORS**

	<i>2016</i> <i>£000</i>	<i>2015</i> <i>£000</i>
<b>Due within one year</b>		
Amounts owed by Group undertakings	<u>1,544,266</u>	<u>1,540,274</u>

**8. CREDITORS: Amounts falling due within one year**

	<i>2016</i> <i>£000</i>	<i>2015</i> <i>£000</i>
Amounts owed to Group undertakings	1,186	596
Corporation tax	918	1,186
	<u>2,104</u>	<u>1,782</u>

**9. SHARE CAPITAL**

	<i>2016</i> <i>£000</i>	<i>2015</i> <i>£000</i>
<b>Allotted, called up and fully paid</b>		
22,962 Ordinary shares of £1 each	<u>23</u>	<u>23</u>

The Company no longer has an authorised share capital.

**10. RESERVES**

**Share premium**

The balance classified as share premium represents the amount of proceeds received for shares in excess of their nominal value.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**11. CONTROLLING PARTY**

As at 31 December 2016, 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 registered office of the ultimate parent undertaking is Broadwater Park, Denham, Buckinghamshire, UB9 5HR.

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 companies are Six Continents International Holdings B.V., a company registered in the Netherlands and Six Continents Limited, a company registered in England and Wales. The registered office of Six Continents International Holdings B.V. is Kingsfordweg 151 - 1043 GR Amsterdam - The Netherlands and the registered office of Six Continents Limited is Broadwater Park, Denham, Buckinghamshire, UB9 5HR.