

Registered number: 07676461

Doyle Hotels Holdings (U.K.) Limited

Directors' report and financial statements

For the year ended 31 December 2015

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Doyle Hotels Holdings (U.K.) Limited

Directors and other information

Directors	B. Gallagher P. King S. Daly F. Junod (appointed 1 April 2016)
Company secretary	S. Daly
Registered number	07676461
Registered office	47 Welbeck Street London W1G 8DN
Independent auditor	KPMG Chartered Accountants, & Statutory Audit Firm 1 Stokes Place St Stephen's Green Dublin 2 Ireland
Bankers	National Westminster Bank 14 Blytheswood Square Glasgow G2 4AQ
Solicitors	Squire Sanders Rutland House 148 Edmund Street Birmingham West Midlands B3 2JR

Doyle Hotels Holdings (U.K.) Limited

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Doyle Hotels Holdings (U.K.) Limited

Directors' report

For the year ended 31 December 2015

The Directors present their report and the financial statements for the year ended 31 December 2015.

Business review

The Company is confident that trading for the coming year in its subsidiaries will perform at or above market levels. The key risk facing the Company is the impact of trading on the valuation of its subsidiaries.

Results and dividends

The profit for the year, after taxation, amounted to £0.166 million (2014 -£0.116 million).

The Directors do not recommend the payment of a dividend.

Directors

The Directors who served during the year were:

B. Gallagher
P. King
S. Daly

The Directors and Secretary had no interest in the shares of the Company at 31 December 2015 (or on the date of appointment). Details of interests are set out in the consolidated financial statements of Pembase Holdings Limited. Details of where the financial statements of Pembase Holdings Limited are available are set out in note 10.

Political contributions

The Company made no donations to UK charities and no political donations during the year.

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.

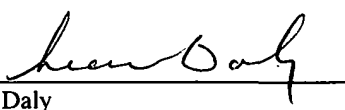
Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditor, KPMG, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20 July 2016 and signed on its behalf.


S. Daly
Director

Doyle Hotels Holdings (U.K.) Limited

Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements

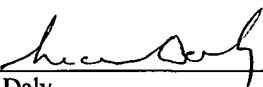
For the year ended 31 December 2015

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company financial statements 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.



S. Daly
Director



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent auditor's report to the shareholders of Doyle Hotels Holdings (U.K.) Limited

We have audited the financial statements of Doyle Hotels Holdings (U.K.) Limited for the year ended 31 December 2015, set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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, 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 Financial Reporting Council'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 Directors' report 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 2015 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 and the directors' report has been prepared in accordance with applicable legal requirements.

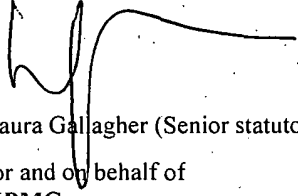


Independent auditor's report to the shareholders of Doyle Hotels Holdings (U.K.) Limited

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; or
- the Directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Laura Gallagher (Senior statutory auditor)

for and on behalf of
KPMG

Chartered Accountants,
Statutory Audit Firm

1 Stokes Place
St Stephen's Green
Dublin 2
Ireland

20 July 2016

Doyle Hotels Holdings (U.K.) Limited

Profit and loss account

For the year ended 31 December 2015

	Note	2015 £000	2014 £000
Interest payable and similar charges	3	(1,942)	(1,942)
Profit on ordinary activities before taxation		(1,942)	(1,942)
Taxation on loss on ordinary activities	4	2,108	2,058
Profit for the year		166	116

There are no other comprehensive income and losses for the year or preceeding financial year. Accordingly no statement of other comprehensive income has been prepared.

The notes on pages 8 to 13 form part of these financial statements.

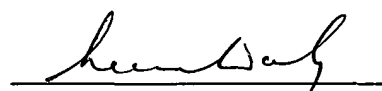
Doyle Hotels Holdings (U.K.) Limited

Balance sheet

As at 31 December 2015

	Note	2015 £000	2014 £000
Fixed assets			
Investments	5	87,903	87,903
		<u>87,903</u>	<u>87,903</u>
Current assets			
Debtors: amounts falling due within one year	6	3,527	3,361
		<u>3,527</u>	<u>3,361</u>
Creditors: amounts falling due within one year	7	(44,873)	(44,873)
		<u>(41,346)</u>	<u>(41,512)</u>
Net current liabilities			
		<u>(41,346)</u>	<u>(41,512)</u>
Total assets less current liabilities		<u>46,557</u>	<u>46,391</u>
Net assets		<u>46,557</u>	<u>46,391</u>
Capital and reserves			
Called up share capital	8	41,183	41,183
Profit and loss account		5,374	5,208
		<u>46,557</u>	<u>46,391</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 July 2016.



S. Daly
Director

The notes on pages 8 to 13 form part of these financial statements.

Doyle Hotels Holdings (U.K.) Limited

Statement of changes in equity

For the year ended 31 December 2015

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2015	41,183	5,208	46,391
Profit for the year	-	166	166
At 31 December 2015	41,183	5,374	46,557

Statement of changes in equity

For the year ended 31 December 2014

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2014	41,183	5,092	46,275
Profit for the year	-	116	116
At 31 December 2014	41,183	5,208	46,391

The notes on pages 8 to 13 form part of these financial statements.

Doyle Hotels Holdings (U.K.) Limited

Notes to the financial statements

For the year ended 31 December 2015

1. Accounting policies

1.1 Basis of preparation of financial statements

Doyle Hotels Holdings (UK) Limited is a company limited by shares and incorporated and domiciled in UK. The address of its registered office is 47 Welbeck Street, London, W1G 8DN.

These financial statements were prepared in accordance with Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The presentation currency of these financial statements is Sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In the transition to FRS 102 from old Generally Accepted Accounting Principles ("GAAP"), the Company has made no measurement, recognition and presentation adjustments.

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

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

1.2 Measurement convention

The financial statements are prepared on the historical cost basis.

1.3 Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 1. The directors believe that the company is well placed to manage its business risks successfully.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Doyle Hotels Holdings (U.K.) Limited

Notes to the financial statements

For the year ended 31 December 2015

1. Accounting policies (continued)

1.4 Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at cost less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in preference and ordinary shares

Investments in preference and ordinary shares are measured initially at transaction price less attributable transaction costs. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in profit or loss. Other investments are measured at cost less impairment in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.5 Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the holding undertaking enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the company will be required to make a payment under the guarantee.

Doyle Hotels Holdings (U.K.) Limited

Notes to the financial statements

For the year ended 31 December 2015

1. Accounting policies (continued)

1.6 Expenses

Interest receivable and Interest payable

Interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method and unwinding of the discount on provisions. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest rate method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.7 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account 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 is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates and judgements that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgements are based on historical experience and on other factors that are reasonable under current circumstances. Actual results may differ from these estimates if these assumptions prove to be incorrect or if conditions develop other than as assumed for the purpose of such estimates.

The critical area requiring estimates and judgement by management is the valuation of investments in subsidiaries. The directors have assessed that the value of investments in subsidiaries is at least equal to its carrying value.

Doyle Hotels Holdings (U.K.) Limited

Notes to the financial statements

For the year ended 31 December 2015

3. Interest payable and similar charges

	2015 £000	2014 £000
Loans from group undertakings	1,942	1,942
	<u>1,942</u>	<u>1,942</u>

4. Taxation

	2015 £000	2014 £000
Corporation tax		
Current tax credit on profits for the year	(2,108)	(2,114)
Adjustments in respect of previous periods	-	56
Total current tax credit	<u>(2,108)</u>	<u>(2,058)</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation credit on loss on ordinary activities	<u>(2,108)</u>	<u>(2,058)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 -lower than) the standard rate of corporation tax in the UK of 20.25% (2014 -21.49%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before tax	<u>(1,942)</u>	<u>(1,942)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 -21.49%)	(393)	(417)
Effects of:		
Adjustments to tax charge in respect of prior periods	-	56
Payment receivable for Group relief	(2,108)	(2,114)
Other differences leading to a decrease in the tax charge	(34)	(37)
Group relief	427	454
Total tax charge for the year	<u>(2,108)</u>	<u>(2,058)</u>

Doyle Hotels Holdings (U.K.) Limited

Notes to the financial statements

For the year ended 31 December 2015

5. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2015	87,903
At 31 December 2015	87,903
Net book value	
At 31 December 2015	87,903
At 31 December 2014	87,903
Subsidiary undertakings	

The following were subsidiary undertakings of the Company:

Name	Country of Incorporation	Class of shares	Holding	Principal Activity
Doyle Bloomsbury Hotel Limited	UK	Ordinary	100%	Operates a hotel
Doyle London Hotels Limited	UK	Ordinary	100%	Operates a hotel
Doyle Kensington Hotel Limited	UK	Ordinary	100%	Operates a hotel

6. Debtors

	2015 £000	2014 £000
Amounts owed by group undertakings	3,527	3,361
	3,527	3,361

7. Creditors: Amounts falling due within one year

	2015 £000	2014 £000
Amounts owed to group undertakings	44,873	44,873
	44,873	44,873

Doyle Hotels Holdings (U.K.) Limited

Notes to the financial statements

For the year ended 31 December 2015

8. Share capital

	2015 £000	2014 £000
Authorised, allotted, called up and fully paid		
100 Ordinary Shares shares of £1 each	-	-
41,183,000 Redeemable ordinary Shares shares of £1 each	41,183	41,183
	<hr/>	<hr/>
	41,183	41,183
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9. Contingent liabilities

The Company has extended a composite guarantee and indemnity incorporating cross guarantees and indemnities and a composite debenture incorporating first floating charges over all assets as security against group borrowings. It has also issued a negative pledge in respect of other bank borrowings of group undertakings.

10. Controlling party

The ultimate controlling party was Pembase Holdings Limited. This Company, which is incorporated in Ireland, prepares consolidated financial statements which include the results of this Company and are available from 156 Pembroke Road, Dublin 4, Ireland.

11. Related party transactions

The Company has availed of the exemption available in FRS 102 - Related Party Disclosures from disclosing transactions with Group undertakings. Details on the availability of Group consolidated financial statements are given in Note 10.

12. Post balance sheet events

There have been no significant events since the balance sheet date.

13. First time adoption of FRS 102

As stated in Note 1, these are the Company's first financial statements prepared in accordance with FRS 102. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015 and the comparative information presented in these financial statements for the year ended 31 December 2014. In transitioning to FRS 102 from UK GAAP the Company has made no measurement and recognition adjustments and as such transition tables the profit and loss account and balance sheet are not presented.

14. Approval of financial statements

The financial statements were approved by the directors on 20 July 2016.