

Registered number: 07676461

Doyle Hotels Holdings (U.K.) Limited

Directors' report and financial statements

For the year ended 31 December 2016



Doyle Hotels Holdings (U.K.) Limited

Directors and other information

Directors	B. Gallagher P. King S. Daly F. Junod (appointed 1 April 2016, resigned 30 November 2016) J. Radcliffe (appointed 1 December 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 Patton Boggs 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 2016

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

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 £0.05 million (2015 £0.166 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

F. Junod (appointed 1 April 2016, resigned 30 November 2016)

J. Radcliffe (appointed 1 December 2016)

The Directors and Secretary had no interest in the shares of the Company at 31 December 2016 (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 11.

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 the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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, KPMG, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415 to 417 of the Companies Act 2006.

This report was approved by the board on 23 May 2017 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 2016

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 the law the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 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 year.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect 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 members of Doyle Hotels Holdings (U.K.) Limited

We have audited the financial statements of Doyle Hotels Holdings (UK) Limited for the year ended 31 December 2016 set out on pages 5 to 14 which comprise the Profit and Loss account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Our audit was conducted in accordance with International Standards on Auditing (ISAs) (UK & Ireland).

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

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 UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

2 Our conclusions on other matters on which we are required to report by the Companies Act 2006 are set out below

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.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

3 We have nothing to report in respect of matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

Under the Companies Act 2006 we are required 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.

We have nothing to report in respect of the above responsibilities.



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

Basis of our report, responsibilities and restrictions on use

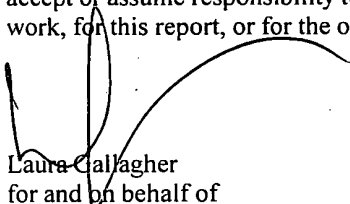
As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with UK 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.

An audit undertaken in accordance with ISAs (UK & Ireland) 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 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.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

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.



Laura Gallagher
for and on behalf of
KPMG
Chartered Accountants
Statutory Audit Firm
1 Stokes Place
St Stephen's Green
Dublin 2
Ireland

23 May 2017

Doyle Hotels Holdings (U.K.) Limited

Profit and loss account and other comprehensive income

For the year ended 31 December 2016

	Note	2016 £000	2015 £000
Interest payable and similar charges	3	<u>(1,720)</u>	<u>(1,942)</u>
Loss on ordinary activities before taxation		(1,720)	(1,942)
Tax credit on loss on ordinary activities	4	<u>1,770</u>	<u>2,108</u>
Profit for the year		<u>50</u>	<u>166</u>

The notes on pages 8 to 14 form part of these financial statements.

There were no other comprehensive income and losses for current or preceding financial years. Accordingly, no statement of other comprehensive income has been presented.

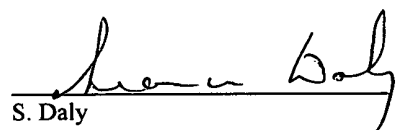
Doyle Hotels Holdings (U.K.) Limited
Registered number: 07676461

Balance sheet

As at 31 December 2016

	Note	2016 £000	2015 £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	3,540	3,527
		<u>3,540</u>	<u>3,527</u>
Creditors: amounts falling due within one year	7	(7,365)	(44,873)
		<u>(7,365)</u>	<u>(44,873)</u>
Net current liabilities		<u>(3,825)</u>	<u>(41,346)</u>
Total assets less current liabilities		<u>84,078</u>	<u>46,557</u>
Creditors: amounts falling due after more than one year	8	(37,471)	-
		<u>(37,471)</u>	<u>-</u>
Net assets		<u><u>46,607</u></u>	<u><u>46,557</u></u>
Capital and reserves			
Called up share capital	10	41,183	41,183
Profit and loss account		5,424	5,374
		<u>46,607</u>	<u>46,557</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 May 2017.


 S. Daly
 Director

The notes on pages 8 to 14 form part of these financial statements.

Doyle Hotels Holdings (U.K.) Limited

Statement of changes in equity

For the year ended 31 December 2016

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2016	41,183	5,374	46,557
Profit for the year	-	50	50
At 31 December 2016	41,183	5,424	46,607

Statement of changes in equity

For the year ended 31 December 2015

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£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

The notes on pages 8 to 14 form part of these financial statements.

Doyle Hotels Holdings (U.K.) Limited

Notes to the financial statements

For the year ended 31 December 2016

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 September 2015. The presentation currency of these financial statements is Sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

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 2016

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 2016

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 2016

3. Interest payable and similar charges

	2016 £000	2015 £000
Loans from group undertakings	1,720	1,942
	<u>1,720</u>	<u>1,942</u>

4. Taxation

	2016 £000	2015 £000
Corporation tax		
Current tax credit on loss for the year	(1,837)	(2,108)
Adjustments in respect of previous periods	67	-
Total current tax credit	<u>(1,770)</u>	<u>(2,108)</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation credit on loss on ordinary activities	<u>(1,770)</u>	<u>(2,108)</u>

Factors affecting tax credit for the year

The tax assessed for the year is lower than (2015 -lower than) the standard rate of corporation tax in the UK of 20% (2015 -20.25%). The differences are explained below:

	2016 £000	2015 £000
Loss on ordinary activities before tax	(1,720)	(1,942)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 -20.25%)	(344)	(393)
Effects of:		
Payment receivable for Group relief	(1,837)	(2,108)
Other differences leading to a decrease in the tax charge	(23)	(34)
Group relief	367	427
Adjustment in respect of prior years	67	-
Total tax credit for the year	<u>(1,770)</u>	<u>(2,108)</u>

Doyle Hotels Holdings (U.K.) Limited

Notes to the financial statements

For the year ended 31 December 2016

5. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2016	87,903
At 31 December 2016	87,903
Net book value	
At 31 December 2016	87,903
At 31 December 2015	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

In the opinion of the directors the shares in the Company's subsidiary undertakings are worth at least the amounts they are stated in the balance sheet.

6. Debtors

	2016 £000	2015 £000
Amounts owed by group undertakings	3,540	3,527
	3,540	3,527

7. Creditors: Amounts falling due within one year

	2016 £000	2015 £000
Other loans	-	39,159
Amounts owed to group undertakings	7,365	5,714
	7,365	44,873

Doyle Hotels Holdings (U.K.) Limited

Notes to the financial statements

For the year ended 31 December 2016

8. Creditors: Amounts falling due after more than one year

	2016 £000	2015 £000
Loans from group undertakings	37,471	-
	<u>37,471</u>	<u>-</u>

9. Loans

Analysis of the maturity of loans is given below:

	2016 £000	2015 £000
Amounts falling due within one year		
Loans from group undertakings	-	39,159
	<u>-</u>	<u>39,159</u>
Amounts falling due after more than 5 years		
Loans from group undertakings	37,471	-
	<u>37,471</u>	<u>-</u>

The Company has a Sterling inter group loan facility the substantive amounts of which fall due for repayment in July 2026.

Type	Currency	Interest basis	Due date	Payable	2016 £000	2015 £000
Intergroup-term loan	Sterling	Fixed rate+margin	2026	On maturity	37,471	-

Doyle Hotels Holdings (U.K.) Limited

Notes to the financial statements

For the year ended 31 December 2016

10. Share capital

	2016 £000	2015 £000
Shares classified as equity		
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
	<hr/>	<hr/>

11. 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.

12. Controlling party

At the year end the Company was controlled by Pembase Holdings Limited, a company incorporated in Ireland which prepares consolidated financial statements which are available from 156 Pembroke Road, Ballsbridge, Dublin 4.

13. 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 12.

14. Post balance sheet events

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

15. Approval of financial statements

The financial statements were approved by the directors on 23 May 2017 .