

Registered number: 07676461

Doyle Hotels Holdings (U.K.) Limited

Directors' report and financial statements

For the year ended 31 December 2018



Doyle Hotels Holdings (U.K.) Limited

Directors and other information

Directors	B. Gallagher P. King S. Daly (resigned 4 July 2019) J. Radcliffe D. Reape (appointed 4 July 2019)
Company secretary	D. Reape
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

Contents

	Page
Directors' report	1 - 2
Statement of Directors' responsibilities in respect of the Directors report and the financial statements	3
Independent auditor's report	4 - 6
Profit and loss account and other comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 16

Doyle Hotels Holdings (U.K.) Limited

Directors' report

For the year ended 31 December 2018

The Directors present their report and the financial statements for the year ended 31 December 2018.

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 £0.102 million (*2017 £0.110 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 (resigned 4 July 2019)

J. Radcliffe

On the 4 July 2019, Mr. Declan Reape was appointed as a Director and Secretary of the Company and Mr Seamus Daly resigned as a Director and Secretary of the Company.

The Directors and Secretary had no interest in the shares of the Company at 31 December 2018 (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 12.

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

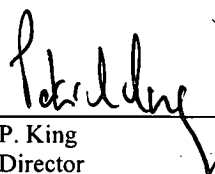
In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Doyle Hotels Holdings (U.K.) Limited

Directors' report (continued)

For the year ended 31 December 2018

This report was approved by the board on 4 September 2019 and signed on its behalf.



P. King
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 2018

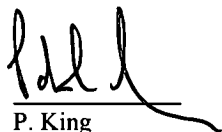
The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

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 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 that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that year. In preparing the 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 Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative to do so.

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 are responsible for such internal controls as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



P. King



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

1 Report on the audit of the financial statements

Opinion

We have audited the financial statements of Doyle Hotels Holdings (U.K.) Limited ("the Company") for the year ended 31

December 2018 set out on pages 5 to 15, which comprise the profit and loss account, the balance sheet, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

We have nothing to report on going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.



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

1 Report on the audit of the financial statements (continued)

Other information

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

The directors are responsible for the other information presented in the financial statements. The other information comprises the information included in the strategic and directors' reports. The financial statements and our auditors report do not comprise part of other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information;

- we have not identified material misstatements in the directors' report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under 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.

We have nothing to report on these matters/in regard to these matters.

2 Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



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

2 Respective responsibilities and restrictions on use *(continued)*

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with the 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.

Paul O'Brien

Paul O'Brien
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St Stephen's Green
Dublin 2
Date: 04 September 2019

Doyle Hotels Holdings (U.K.) Limited

Profit and loss account and other comprehensive income

For the year ended 31 December 2018

	Note	2018 £000	2017 £000
Interest payable and similar charges	3	(1,388)	(1,389)
Profit on ordinary activities before taxation		(1,388)	(1,389)
Taxation on loss on ordinary activities	4	1,490	1,499
Profit for the year		102	110

The notes on pages 10 to 16 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

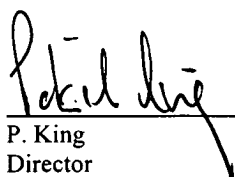
Balance sheet

As at 31 December 2018

	Note	2018 £000	2017 £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	-	29
		<u>-</u>	<u>29</u>
Creditors: amounts falling due within one year	7	(3,230)	(3,552)
		<u>(3,230)</u>	<u>(3,552)</u>
Net current liabilities		<u>(3,230)</u>	<u>(3,523)</u>
Total assets less current liabilities		<u>84,673</u>	<u>84,380</u>
Creditors: amounts falling due after more than one year	8	(37,854)	(37,663)
		<u>(37,854)</u>	<u>(37,663)</u>
Net assets		<u><u>46,819</u></u>	<u><u>46,717</u></u>
Capital and reserves			
Called up share capital	10	41,183	41,183
Profit and loss account		5,636	5,534
		<u>46,819</u>	<u>46,717</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 September 2019.


P. King
Director

The notes on pages 10 to 16 form part of these financial statements.

Doyle Hotels Holdings (U.K.) Limited

Statement of changes in equity

For the year ended 31 December 2018

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2018	41,183	5,534	46,717
Comprehensive income for the year			
Profit for the year	-	102	102
Total comprehensive income for the year	-	102	102
Total transactions with owners	-	-	-
At 31 December 2018	41,183	5,636	46,819

The notes on pages 10 to 16 form part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2017

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2017	41,183	5,424	46,607
Comprehensive income for the year			
Profit for the year	-	110	110
Total comprehensive income for the year	-	110	110
Total transactions with owners	-	-	-
At 31 December 2017	41,183	5,534	46,717

The notes on pages 10 to 16 form part of these financial statements.

Doyle Hotels Holdings (U.K.) Limited

Notes to the financial statements

For the year ended 31 December 2018

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 2018

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 2018

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 2018

3. Interest payable and similar expenses

	2018 £000	2017 £000
On loans from group undertakings	1,388	1,389
	<u>1,388</u>	<u>1,389</u>

4. Taxation

	2018 £000	2017 £000
Corporation tax		
Current tax credit on loss for the year	(1,490)	(1,499)
Total current tax	<u>(1,490)</u>	<u>(1,499)</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on loss on ordinary activities	<u>(1,490)</u>	<u>(1,499)</u>

Factors affecting tax credit for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £000	2017 £000
Loss on ordinary activities before tax	(1,388)	(1,389)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	(264)	(267)
Effects of:		
Payment receivable for Group relief	(1,490)	(1,499)
Other differences leading to a decrease in the tax charge	-	(21)
Group relief	264	288
Total tax credit for the year	<u>(1,490)</u>	<u>(1,499)</u>

Doyle Hotels Holdings (U.K.) Limited

Notes to the financial statements

For the year ended 31 December 2018

5. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2018	87,903
At 31 December 2018	<u>87,903</u>

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

	2018 £000	2017 £000
Amounts owed by group undertakings	-	29
	<u>-</u>	<u>29</u>

7. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Amounts owed to group undertakings	3,230	3,552
	<u>3,230</u>	<u>3,552</u>

Doyle Hotels Holdings (U.K.) Limited

Notes to the financial statements

For the year ended 31 December 2018

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

	2018 £000	2017 £000
Other loans	37,854	37,663
	<u>37,854</u>	<u>37,663</u>

9. Loans

Analysis of the maturity of loans is given below:

	2018 £000	2017 £000
Amounts falling due after more than 5 years		
Loans from group undertakings	37,854	37,663
	<u>37,854</u>	<u>37,663</u>

The Company has a Sterling inter group loan facility the substantive amounts of which fall due for repayment in July 2026. Offset against the intercompany loans are arrangement fees of £1.305 million (2017: £1.496 million) which in line with the Company's policies are amortised over the period of the loan using the effective interest method.

Type	Currency	Interest basis	Due date	Payable	2018 £000	2017 £000
Intergroup-term loan	Sterling	Fixed rate+margin	2026	On maturity	39,159	39,159

Doyle Hotels Holdings (U.K.) Limited

Notes to the financial statements

For the year ended 31 December 2018

10. Share capital

	2018 £000	2017 £000
Authorised, allotted, called up and fully paid		
100 (2017 -100) Ordinary Shares shares of £1.00 each	-	-
41,183,000 (2017 -41,183,000) Redeemable ordinary Shares shares of £1.00 each	41,183	41,183
	<u>41,183</u>	<u>41,183</u>

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 4th September 2019.