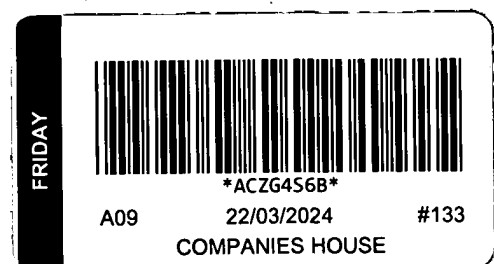


Registration number: FC007668

Holiday Inns (U.K.), Inc.

Unaudited Financial Statements

for the year ended 31 December 2022



Holiday Inns (U.K.), Inc.

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Holiday Inns (U.K.), Inc.

Company Information

Directors D Llewellyn
 M Renshaw
 M Cockcroft

Registered office 205 Powell Place
 37027 Brentwood
 TN 37207, USA

Holiday Inns (U.K.), Inc.

Income Statement for the year ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Administrative expenses		(6)	-
Operating loss		(6)	-
Interest receivable and similar income	5	65	1
Profit before tax		59	1
Tax	6	(11)	-
Profit for the financial year		48	1

All amounts relate to continuing operations.

The Company has no other comprehensive income or loss for the current or prior year other than the results above.

Holiday Inns (U.K.), Inc.

(Registration number: FC007668)

Statement of Financial Position as at 31 December 2022

	Note	2022 £ 000	2021 £ 000
Fixed assets			
Investments	7	1	1
Current assets			
Debtors: amounts falling due within one year	8	4,561	4,495
Creditors: amounts falling due within one year	9	<u>(23)</u>	<u>(5)</u>
Net current assets		<u>4,538</u>	<u>4,490</u>
Net assets		<u>4,539</u>	<u>4,491</u>
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account		<u>4,538</u>	<u>4,490</u>
Total equity		<u>4,539</u>	<u>4,491</u>

Approved by the Board on 25 September 2023 and signed on its behalf by:



M Renshaw
Director

The notes on pages 5 to 12 form an integral part of these financial statements.

Holiday Inns (U.K.), Inc.

Statement of Changes in Equity for the year ended 31 December 2022

	Called up share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2021	1	4,489	4,490
Profit for the financial year	-	1	1
Total comprehensive income	-	1	1
At 31 December 2021	1	4,490	4,491
Profit for the financial year	-	48	48
Total comprehensive income	-	48	48
At 31 December 2022	1	4,538	4,539

The notes on pages 5 to 12 form an integral part of these financial statements.

Holiday Inns (U.K.), Inc.

Notes to the Unaudited Financial Statements for the year ended 31 December 2022

1 General information

The Company is a private company limited by share capital, incorporated and registered in United States of America.

The principal place of business is:

1 Windsor Dials
Arthur Road
Windsor
Berkshire
SL4 1RS

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006.

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

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, which are prepared in accordance with UK-adopted international accounting standards, with applicable law and regulations and with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board, are publicly available and may be obtained from the address given in note 11.

Summary of disclosure exemptions

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 UK-adopted IFRSs. In these financial statements, disclosures required by the following standards have not been provided as permitted by FRS101 or equivalent disclosures have been provided in the consolidated financial statements of InterContinental Hotels Group PLC:

- Disclosures required by IFRS 7 - 'Financial instruments: Disclosures' and paragraphs 91 to 99 of IFRS 13 - 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities), as the consolidated financial statements of InterContinental Hotels Group PLC include the equivalent disclosures.

Holiday Inns (U.K.), Inc.

Notes to the Unaudited Financial Statements for the year ended 31 December 2022 (continued)

2 Accounting policies (continued)

Summary of disclosure exemptions (continued)

- Paragraph 38 of IAS 1 - 'Presentation of financial statements' (comparative information requirements in respect of):
 - paragraph 79(a)(iv) of IAS 1 (reconciliation of number of shares at the beginning and end of the period)
- The following paragraphs of IAS 1 - 'Presentation of financial statements' (removing the requirement to present):
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 111 (cash flow statement information).
- IAS 7 - 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8 - 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24 - 'Related party disclosures' (key management personnel compensation).
- IAS 24 'Related party disclosures' (to disclose related party transactions entered into between two or more members of a group).
- Paragraphs 134 to 136 of IAS 1 'Presentation of financial statements' (disclosures in respect of capital management).

Holiday Inns (U.K.), Inc.

Notes to the Unaudited Financial Statements for the year ended 31 December 2022 (continued)

2 Accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis.

The Company operates its activities in conjunction with other companies within the Group and therefore relies on the Group for its continued existence. The directors have confirmed that the ultimate parent company, InterContinental Hotels Group PLC, intends to make funds available to the Company to enable it to meet its liabilities as they fall due for at least a period up to and including 31 December 2024.

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 2022 (the "Group Annual Report"). Information on the Group's liquidity and financial resources, including information on covenants and debt facilities; its capital and financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to liquidity risk and credit risk are also given in the Group Annual Report.

In adopting the going concern basis for preparing the condensed interim financial statements of InterContinental Hotels Group PLC for the six months ended 30 June 2023, the Group directors considered a 'Base Case' scenario which assumes continued growth in RevPAR in 2023 and 2024 boosted by strength in the US and the elimination of Covid-19 related restrictions in China, balanced against wider macro uncertainties.

The Group's bank facilities include a key covenant of net debt:EBITDA of 4.0x. In April 2023, the maturity date of the Group's \$1,350m revolving syndicated bank facility was extended to April 2028. At 30 June 2023 the Group had total liquidity of \$1,970m, comprising the undrawn \$1,350m bank facility and \$620m of cash and cash equivalents (net of overdrafts and restricted cash).

When assessing the Group's going concern status and agreeing to provide continued support to the Company, the directors of InterContinental Hotels Group PLC reviewed Base Case and Severe Downside scenarios. They also reviewed a reverse stress test scenario which showed it was very unlikely a single risk or combination of the risks considered could create the sustained RevPAR impact required to breach the bank covenants except for a significant global event.

With consideration given to the above, the Company's directors have satisfied themselves that InterContinental Hotels Group PLC is capable of providing support to the Company until at least 31 December 2024 and the financial statements have been prepared on a going concern basis.

Exemption from preparing group accounts

The financial statements contain information about Holiday Inns (U.K.), Inc. as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, InterContinental Hotels Group PLC, a company incorporated in England and Wales.

Holiday Inns (U.K.), Inc.

Notes to the Unaudited Financial Statements for the year ended 31 December 2022 (continued)

2 Accounting policies (continued)

New accounting standards

None of the standards, interpretations and amendments effective for the first time from 1 January 2022 have had a material effect on the financial statements.

Interest income

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

Foreign currency transactions

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the Company's functional currency at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Tax

Tax on the profit or loss for the year comprises current and deferred 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. The tax rates and tax laws used to compute the amount are those that are 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.

Deferred tax

Deferred tax assets and liabilities arise and are generally recognised in respect of temporary differences between the tax base and carrying value of assets and liabilities.

Deferred tax is calculated at the tax rates that are expected to apply in the periods in which the asset is released or the liability will be settled, based on tax rates and laws enacted or substantively enacted at the end of the reporting period.

Judgement is used when assessing the extent to which deferred tax assets, particularly in respect of tax losses, should be recognised. Deferred tax assets are only recognised to the extent that it is regarded as probable that there will be sufficient and suitable taxable profits (including the future release of deferred tax liabilities) against which such assets can be utilised in the future. For this purpose, forecasts of future profits are considered by assessing the Group's forecast revenue and profit models, taking into account future growth predictions and operating cost assumptions. Accordingly, changes in assumptions to the Group's forecasts may have an impact on the amount of future taxable profits and therefore the period over which any deferred tax assets might be recovered.

Deferred tax is not provided on temporary differences arising on investments in subsidiaries where the Group is able to control the timing of the reversal and it is probable that the temporary difference will not reverse in the foreseeable future.

Holiday Inns (U.K.), Inc.

Notes to the Unaudited Financial Statements for the year ended 31 December 2022 (continued)

2 Accounting policies (continued)

Investments in equity securities

Investments in subsidiaries are carried at cost less impairment. The carrying amount is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Income Statement.

Amounts owed by Group undertakings

Amounts owed by Group undertakings are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method less provision for expected credit losses. Allowances for expected credit losses are made based on the risk of non-payment, taking into account ageing, previous experience, economic conditions and forward-looking data. Such allowances are measured as either 12-month expected credit losses or lifetime expected credit losses depending on changes in the credit quality of the counterparty.

Movements in provisions for amounts owed by Group undertakings are recognised in the Income Statement within administrative expenses.

Amounts owed to Group undertakings

Amounts owed to Group undertakings are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Amounts owed to Group undertakings are unsecured, interest bearing and are repayable on demand.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

3 Employees

The Company has no employees (2021: no employees).

4 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 were incidental to the qualifying services provided to other subsidiary undertakings.

Holiday Inns (U.K.), Inc.

**Notes to the Unaudited Financial Statements for the year ended 31 December 2022
(continued)**

5 Interest receivable and similar income

	2022	2021
	£ 000	£ 000
Interest receivable from Group undertakings	<u>65</u>	<u>1</u>

6 Tax

Tax charged in the income statement

	2022	2021
	£ 000	£ 000
Current tax		
UK corporation tax	<u>11</u>	<u>-</u>

There were no factors that affected the tax charge for the year which has been calculated on the profit before tax of £59,000 (2021: £1,000) at the effective standard rate of corporation tax in the UK of 19% (2021: 19%).

In his budget of 2021, the Chancellor of the Exchequer proposed to increase the standard rate of corporation tax from the current rate of 19%, to 25%, effective from 1 April 2023. The rate increase was substantively enacted on 24 May 2021.

There is no provided or unprovided deferred tax.

Holiday Inns (U.K.), Inc.

Notes to the Unaudited Financial Statements for the year ended 31 December 2022 (continued)

7 Investments

Subsidiaries	Investments in subsidiary companies £ 000
Cost	
At 1 January 2021, 31 December 2021 and 31 December 2022	<u>1,460</u>
Impairment	
At 1 January 2021, 31 December 2021 and 31 December 2022	<u>1,459</u>
Net book value	
At 1 January 2021, 31 December 2021 and at 31 December 2022	<u>1</u>

At 31 December 2022, the Company was the beneficial owner of all (unless specified) of the ordinary share capital, either itself or through subsidiary undertakings, of the following companies:

Directly held

Holiday Inns of America (UK) Limited (a)

Holiday Inns (England) Limited (b)

(a) Incorporated and registered in England and Wales. The registered office is Two Snowhill, Snow Hill, Queensway, Birmingham, B4 6GA.

(b) Incorporated and registered in England and Wales. The registered office is 5 Temple Square Temple Street, Liverpool, L2 5RH.

On 2 February 2023, Holiday Inns (England) Limited was dissolved.

8 Debtors

	2022	2021
Due within one year	£ 000	£ 000
Amounts owed by Group undertakings	<u>4,561</u>	<u>4,495</u>

Holiday Inns (U.K.), Inc.

Notes to the Unaudited Financial Statements for the year ended 31 December 2022 (continued)

9 Creditors: amounts falling due within one year

	2022 £ 000	2021 £ 000
Amounts owed to Group undertakings	12	5
Current tax	11	-
	<u>23</u>	<u>5</u>

10 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of \$1 each	<u>2,685</u>	<u>1,140</u>	<u>2,685</u>	<u>1,140</u>

Rights, preferences and restrictions

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. There are no restrictions attached to the ordinary shares.

11 Parent and ultimate parent undertaking

As at 31 December 2022, 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 address of the ultimate parent undertaking is 1 Windsor Dials, Arthur Road, Windsor, Berkshire, SL4 1RS.

The largest and smallest group in which the results of the Company are consolidated is that headed by InterContinental Hotels Group PLC, a company incorporated and registered in England and Wales. Consolidated financial statements of InterContinental Hotels Group PLC are available from the following address:

Companies House, Crown Way, Cardiff, CF14 3UZ.

The immediate parent undertaking is InterContinental Hotels Group Operating Corp., a company registered in United States of America. The registered office of the immediate parent undertaking is 3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810, USA.