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REGISTERED NUMBER: FC011365 (England and Wales)

**REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011
FOR
HIC First Corporation**

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HIC First Corporation (Registered number FC011365)

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for the year ended 31 December 2011

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HIC First Corporation

COMPANY INFORMATION
for the year ended 31 December 2011

DIRECTORS.

Mr M J Way
Mrs E J Rabin
Mr S R Vincent

SECRETARY:

Mr B Wilson

REGISTERED OFFICE:

C/O Corporation Service Company
2711 Centerville Road
Suite 400
Wilmington
Delaware
DE19808

REGISTERED NUMBER

FC011365 (England and Wales)

ACCOUNTANTS:

Hilton Worldwide
Maple Court
Reeds Crescent
Watford
Hertfordshire
WD24 4QQ

REPORT OF THE DIRECTORS
for the year ended 31 December 2011

The directors present their report with the financial statements of the company for the year ended 31 December 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of an investment holding company

REVIEW OF BUSINESS

There was no profit or loss for the year after taxation (2010: £nil)

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2011

FIXED ASSETS

Movements in respect of fixed asset investments during the year are detailed in the notes to the financial statements

FUTURE DEVELOPMENTS

The directors aim to maintain the management policies and strategies which have resulted in the company's performance in recent years. It is not expected that there will be any change in the business activities of the company during the coming year

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2011 to the date of this report

Mr M J Way
Mrs E J Rabin
Mr S R Vincent

PRINCIPAL RISKS AND UNCERTAINTIES

The company's principal activity is that of an investment holding company. As such the principal risks and uncertainties facing the company relate to the recoverability of the value of those investments. The company is also subject to exchange rate risk on the value of its investments. The company's treasury department monitors exchange rates.

EVENTS SINCE THE BALANCE SHEET DATE

There have been no significant events since the balance sheet date

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the year Hilton Worldwide, Inc. purchased and maintained on behalf of the company, liability insurance for its directors and officers as permitted by section 236 of the Companies Act 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

REPORT OF THE DIRECTORS
for the year ended 31 December 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'E J Rabin', followed by a period.

Mrs E J Rabin - Director

14 November 2012

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2011

	Notes	2011 £	2010 £
TURNOVER		<u>-</u>	<u>-</u>
OPERATING PROFIT and PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	-	-
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u>-</u>	<u>-</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

The notes form part of these financial statements

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2011

	2011 £	2010 £
Currency translation on foreign currency net investments	<u>926,435</u>	<u>17,694,204</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>926,435</u></u>	<u><u>17,694,204</u></u>

The notes form part of these financial statements

BALANCE SHEET
31 December 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Investments	6	<u>456,828,831</u>	<u>455,902,043</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		456,828,831	455,902,043
CREDITORS			
Amounts falling due after more than one year	7	<u>(174,096)</u>	<u>(173,743)</u>
NET ASSETS		<u>456,654,735</u>	<u>455,728,300</u>
CAPITAL AND RESERVES			
Called up share capital	8	150,065,661	149,761,216
Share premium	9	322,756,351	322,101,562
Profit and loss account	9	<u>(16,167,277)</u>	<u>(16,134,478)</u>
SHAREHOLDERS' FUNDS	11	<u>456,654,735</u>	<u>455,728,300</u>

The financial statements were approved by the Board of Directors on 14 November 2012 and were signed on its behalf by



Mrs E J Rabin - Director

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

1 AUDIT EXEMPTION

No audit was performed on the accounts of this company as it is not required to produce, or audit its accounts, under the corporation law of the jurisdiction in which it, or its parent company, were incorporated

2 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards

The accounting policies adopted by the company are set out below and are consistent with those of the previous year

Foreign currencies

Assets, liabilities, share capital and reserves denominated in a foreign currency, are translated into sterling at period end rates and exchange movements arising on translation are recorded as movements on capital and reserves

Investments

Investments are stated at cost The carrying value of investments is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

3 OPERATING PROFIT

All administrative costs of the company are borne entirely by Hilton Worldwide Limited

4 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2011 nor for the year ended 31 December 2010

5 DIRECTORS' REMUNERATION

The directors of the company were also directors of other undertakings within Hilton Worldwide, Inc group The directors' service contracts are held by Hilton UK Hotels Limited, and their remuneration for the year is disclosed in the accounts of Hilton UK Hotels Limited The directors do not believe it is practicable to apportion this amount between their qualifying services as directors of the company and their qualifying services as directors of other undertakings within Hilton Worldwide, Inc group

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2011

6 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2011	455,902,043
Foreign exchange on retranslation of investment held	<u>926,788</u>
At 31 December 2011	<u>456,828,831</u>
NET BOOK VALUE	
At 31 December 2011	<u>456,828,831</u>
At 31 December 2010	<u>455,902,043</u>

Details of the investments held on 31 December 2011 are as follows

	Country of registration and operation	Principal activities	Proportion of voting rights and shares held
HIC Second Corporation	United States of America	Investment Holding Company	100%

In the opinion of the directors the aggregate value of the investment in subsidiary undertakings is not less than the amounts at which they are stated in these financial statements

7 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011 £	2010 £
Amounts owed to group undertakings	<u>174,096</u>	<u>173,743</u>

Amounts owed to group undertakings are included in amounts due within one year where there are no specified repayment terms. While amounts owed to group undertakings are technically repayable on demand, and hence are included in amounts due within one year, the directors are of the opinion that in the ordinary course of business, repayment within such a timescale would not be required.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2011

8 CALLED UP SHARE CAPITAL

Issued, allotted, called up and fully paid shares of all classes of capital stock

	No of shares	2011 £	Exchange Rate Movement £	2010 £
Common Stock of US\$1	161,515	104,293	211	104,082
Preferred Stock 1982				
Series A	4,729	9,404,778	6,357,363	3,047,415
Series B	100	198,875	134,434	64,441
Series C	650	1,292,685	873,818	418,867
Series D	7,500	14,915,593	10,082,518	4,833,075
Series E	45,000	89,493,555	60,495,105	28,998,450
Series F	17,426	34,655,882	(77,639,005)	112,294,887
	<u>236,920</u>	<u>150,065,661</u>	<u>304,444</u>	<u>149,761,217</u>

	2011 £	Exchange Rate Movement £	2010 £
Share premium	<u>322,756,351</u>	<u>654,789</u>	<u>322,101,562</u>

The preferred stock ranks pari passu with the company's common stock

9 RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 January 2011	(16,134,478)	322,101,562	305,967,084
Profit for the year	-	-	-
Foreign exchange	<u>(32,799)</u>	<u>654,789</u>	<u>621,990</u>
At 31 December 2011	<u>(16,167,277)</u>	<u>322,756,351</u>	<u>306,589,074</u>

10 RELATED PARTY DISCLOSURES

The company has taken advantage of provisions in FRS 8 which exempt wholly owned subsidiary undertakings within the Hilton Worldwide, Inc group, from disclosing transactions with other entities within the group. The ultimate parent undertaking at 31 December 2011, Hilton Worldwide, Inc has included the required related party disclosures within its group financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2011

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit for the financial year	-	-
Other recognised gains and losses relating to the year (net)	<u>926,435</u>	<u>17,694,204</u>
Net addition to shareholders' funds	926,435	17,694,204
Opening shareholders' funds	<u>455,728,300</u>	<u>438,034,096</u>
Closing shareholders' funds	<u><u>456,654,735</u></u>	<u><u>455,728,300</u></u>

12 PARENT UNDERTAKING, CONTROLLING PARTY AND CONSOLIDATING ENTITY

The company's immediate parent undertaking is HIC Hotels USA Corporation, a company incorporated in the United States of America

The ultimate parent undertaking and controlling party at 31 December 2011 is BH Hotels Holdco LLC, a company controlled by certain investment funds affiliated with the Blackstone Group L P, a publicly owned entity registered in the United States of America

The only undertaking for which group financial statements were prepared and into which the company is consolidated for 31 December 2011, was Hilton Worldwide, Inc (formerly known as Hilton Hotels Corporation), a Delaware company incorporated in the United States of America. These group financial statements are available from the company secretary, Hilton Worldwide, Inc, 7930 Jones Branch Drive, McLean, Fairfax County, Virginia VA 22102-3302, United States of America

13 CASH FLOW STATEMENT

The company has taken advantage of the provision within FRS 1 which exempts subsidiary undertakings, 90% or more whose voting rights are controlled within Hilton Worldwide, Inc, from preparing a cash flow statement as consolidated financial statements in which the company is included are publicly available