

REGISTERED NUMBER: OC392495 (England and Wales)

**REPORT OF THE MEMBERS AND  
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018  
FOR  
Hilton Worldwide Holding LLP**



**Hilton Worldwide Holding LLP (Registered number: OC392495)**

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for the year ended 31 December 2018**

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**Hilton Worldwide Holding LLP**

**GENERAL INFORMATION**  
**for the year ended 31 December 2018**

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**DESIGNATED MEMBERS:** Hilton International Holding Corporation  
Hilton Worldwide Holding 1 LLC

**REGISTERED OFFICE:** Maple Court, Central Park,  
Reeds Crescent  
Watford  
Hertfordshire  
WD24 4QQ

**REGISTERED NUMBER:** OC392495 (England and Wales)

**INDEPENDENT AUDITORS:** Ernst & Young LLP  
Senior Statutory Auditor  
1 More London Place  
London  
SE1 2AF

**REPORT OF THE MEMBERS  
for the year ended 31 December 2018**

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The members present their report with the financial statements of the LLP for the year ended 31 December 2018.

**PRINCIPAL ACTIVITY**

The principal activity of the LLP under review was that of an investment holding LLP.

**REVIEW OF BUSINESS**

The LLP's key financial indicators of performance during the year are considered to be:

	2018	2017
	\$	\$
Turnover	-	-
Gross profit/(loss)	-	-
Carrying value of investments	3,317,436,332	3,317,436,205

During the prior year the LLP contributed its contracts to a subsidiary at net book value. As a result, turnover was only generated for 10 months of 2016 and no turnover generated in 2017. It is not expected the company will trade in the coming year.

**FUTURE DEVELOPMENTS**

The LLP will continue to act as an investment holding LLP.

**DESIGNATED MEMBERS**

The designated members during the year under review were:

Hilton International Holding Corporation  
Hilton Worldwide Holding 1 LLC

**RESULTS FOR THE YEAR AND ALLOCATION TO MEMBERS**

The profit for the year before members' remuneration and profit shares was \$NIL (2017 - \$170,000,000 profit).

**MEMBERS' INTERESTS**

The members may from time to time decide to increase or reduce the total capital of the LLP. Any additional capital will be contributed by the members to the LLP, and any surplus capital will be repaid by the LLP to the members, in each case in proportion to their respective profit share points as at the relevant time. The timing and manner of payment or repayment of any such capital of the LLP will be decided by the members.

None of the members can be required to make any additional contribution to the capital of the LLP at any time when the LLP is unable to pay its debts.

**EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE**

No significant post balance sheet events have occurred.

**REPORT OF THE MEMBERS  
for the year ended 31 December 2018**

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**STATEMENT OF MEMBERS' RESPONSIBILITIES**

The members are responsible for preparing the Report of the Members and the financial statements in accordance with applicable law and regulations.

Legislation applicable to limited liability partnerships requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under legislation applicable to limited liability partnerships the members 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 LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP 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 LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the members are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the LLP's auditors are unaware, and each member has taken all the steps that he ought to have taken as a member in order to make himself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

**AUDITORS**

The auditors, Ernst & Young LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE MEMBERS:**



Hilton International Holding Corporation - Designated member

30 July 2019

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HILTON WORLDWIDE HOLDING LIMITED LIABILITY PARTNERSHIP ('LLP')**

## **Opinion**

We have audited the financial statements of Hilton Worldwide Holding LLP for the year ended 31 December 2018 which comprise the Balance Sheet, the Profit and Loss Account, and the related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2018 and of its profit for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

## **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 below. We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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.

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are

required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships 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
- ▶ we have not received all the information and explanations we require for our audit

### **Responsibilities of members**

As explained more fully in the Members' Responsibilities Statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the partnership'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 the members either intend to liquidate the partnership or to cease operations, or have no realistic alternative but to do so.

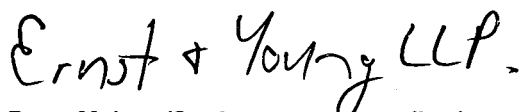
### **Auditor's responsibilities for the audit of the financial statements**

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 further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to Limited Liability Partnerships. Our audit work has been undertaken so that we might state to the 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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Peter McIver (Senior statutory auditor)**

**for and on behalf of Ernst & Young LLP, Statutory Auditor**

**1 More London Place**

**London**

**SE1 2AF**

**Date:**

**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 2018

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	Notes	2018 \$	2017 \$
<b>TURNOVER</b>		<u>-</u>	<u>-</u>
<b>OPERATING PROFIT</b>	4	-	-
Income from shares in group undertakings	5	<u>-</u>	<u>170,000,000</u>
<b>PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b>	9	<u>-</u>	<u>170,000,000</u>

**DISCONTINUED OPERATIONS**

All of the LLP's activities were discontinued during the previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The LLP has no recognised gains or losses other than the profit for the previous year.

The notes form part of these financial statements

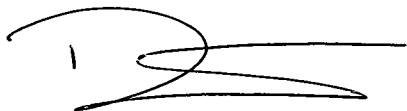


**Hilton Worldwide Holding LLP (Registered number: OC392495)**

**BALANCE SHEET**  
**31 December 2018**

	Notes	2018 \$	2017 \$
<b>FIXED ASSETS</b>			
Investments	7	3,317,436,332	3,317,436,205
<b>CURRENT ASSETS</b>			
Debtors	8	541,013,170	541,013,170
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>(254)</u>	<u>(127)</u>
<b>NET CURRENT LIABILITIES</b>		<u>541,012,916</u>	<u>541,013,043</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES and NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u>3,858,449,248</u>	<u>3,858,449,248</u>
<b>LOANS AND OTHER DEBTS DUE TO MEMBERS</b>		170,000,000	170,000,000
<b>MEMBERS' OTHER INTERESTS</b>			
Capital accounts	10	<u>3,858,449,248</u>	<u>3,858,449,248</u>
		<u>4,028,449,248</u>	<u>4,028,449,248</u>
<b>TOTAL MEMBERS' INTERESTS</b>			
Loans and other debts due to members		170,000,000	170,000,000
Members' other interests	10	<u>3,858,449,248</u>	<u>3,858,449,248</u>
		<u>4,028,449,248</u>	<u>4,028,449,248</u>

The financial statements were approved by the members of the LLP on 30 July 2019 and were signed by:



Hilton International Holding Corporation - Designated member

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2018**

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**1. FUNDAMENTAL ACCOUNTING CONCEPT**

Hilton Worldwide Holding LLP is established and domiciled in England and Wales.

The financial statements have been prepared under the going concern basis because the LLP has net assets and net current assets. Management believe that the LLP has the ability to meet its liabilities as they fall due.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

The financial statements are presented in US Dollar (USD), which is the LLP's functional currency. Amounts have been rounded to the nearest \$.

The LLP has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

**Accounting convention**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards and the requirements of the Statement of Recommended Practice, Accounting by Limited Liability Partnerships.

The LLP was dormant throughout the year ended 31 December 2018. However, reference to information relating to the year ended 31 December 2017 has been made where appropriate.

**Changes in accounting policies**

IFRS 9 Financial Instruments provides a standardised approach for classification, measurement and derecognition of financial assets and liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. There were no material changes identified from adoption of the new standard.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into USD at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into USD at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2018**

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**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

**Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through the profit and loss account. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the LLP has applied the practical expedient, the LLP initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through the profit and loss account, transaction costs.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the profit and loss account when the asset is derecognised, modified or impaired.

**Subsequent measurement**

The LLP measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the profit and loss account when the asset is derecognised, modified or impaired.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e., removed from the LLP's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The LLP has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement? and either (a) the LLP has transferred substantially all the risks and rewards of the asset, or (b) the LLP has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the LLP has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the LLP continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the LLP also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the LLP has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the could LLP be required to repay.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2018**

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**2. ACCOUNTING POLICIES - continued**

**Impairment of financial assets**

The LLP recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through the profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the LLP expects to receive, discounted at an approximation of the original effective interest rate. For trade receivables and some intercompany loans, the LLP applies a simplified approach in calculating ECLs. Therefore, the LLP does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The LLP has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The LLP considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the LLP may also consider a financial asset to be in default when internal or external information indicates that the LLP is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the LLP. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through the profit and loss account, loans and borrowings, or payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**Subsequent measurement - Intercompany loans**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the profit and loss account when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit and loss account.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit and loss account.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2018**

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**2. ACCOUNTING POLICIES - continued**

**Investments**

Investments in subsidiary undertakings 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.

**Group reorganisation**

In accounting for a group reorganisation as a business combination under common control, the following principles have been adopted:

- Where a transfer is effected via transferring trade and assets of a business rather than members' interest of the LLP, the LLP has chosen to adopt the principles of merger accounting under common control as scoped out in IFRS 3 because the transaction is the transfer of a business under common control.
- Where investments were acquired in exchange for members' interest the LLP has chosen to account for these transactions using the previous parent's book value.
- In circumstances where assets, including investments, were transferred in exchange for nil consideration these have been recognised at zero (i.e. the fair value of the consideration received) as the fair value of those assets could not be reliably estimated. This policy choice has been applied consistently to all contributions for nil consideration across the group.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2018**

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**2. ACCOUNTING POLICIES - continued**

**Judgements and key sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

**Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

**Group reorganisation**

- Transfer of trade and assets that represent a business

Where management and franchise contracts have been transferred as part of a group reorganisation transaction, management have considered whether these represent the transfer of a collection of assets and liabilities or whether they represent the transfer of trade and assets that constitute a business. Management concluded that these transfers represent a transfer of a business and therefore have applied the pooling of interest method as described in the basis of preparation. In reaching this conclusion, Management considered the relevant guidance in IFRS 3 where the definition of a business is defined as a set of activities and assets that are capable of being managed for the purpose of providing a return to the business.

In the application of the pooling of interest method, the assets and liabilities transferred are recognised at book value using the carrying values reported at the level of the financial statements of the combining entities (i.e. that entity's own financial statements) and not those reported in the consolidated financial statements of the parent. This is based on the conclusion by management that these values are considered most relevant to the users of the financial statements and ensure consistency of the results reported to group from before and after the group reorganisation was executed.

- Gains or losses on transfers of investments and business through the group

As part of a group reorganisation there are a number of transactions whereby investments and trade and assets which represent a business are transferred through the LLP to other group entities. The LLP only received the business on the condition that it was transferred on to its subsidiary immediately. Management concluded that the LLP acted as an agent in the flow through of the transaction. In these circumstances management did not consider it appropriate to recognise any gains or losses on transfer, because the intermediate entity never meaningfully had 'control' over the business, and it was simply passed through the group in accordance with the legal contractual arrangements.

**Partnership Interest**

The partners have determined that it is most appropriate to treat partnership interests as equity as they represent the controlling interest of all the members and are considered to be equity in nature by the members. This is also consistent with the LLP Agreement which states that "Unless expressly provided for in this Agreement, no decision or action shall be made or taken in relation to the LLP without the prior written consent of all of the Members of the LLP" and that "net Profits which have been allocated among the Members shall be distributed to Members at such times as the Members shall decide." Distributions paid to Partners are classified as administrative expenses, as they relate to non-discretionary amounts becoming due to members in respect of participation rights in the profits of the LLP for the financial year.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2018**

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**2. ACCOUNTING POLICIES - continued**

**Foreign currency**

An entity's functional currency is determined (not chosen). IAS 21 (The Effects of Changes in Foreign Exchange Rates) provide factors, often referred to as indicators, that are considered when identifying the functional currency. In some cases, the indicators will clearly identify a particular currency as the functional currency. In other cases they will not. When the factors provide a varied result and the functional currency is not obvious, management must use judgement based on the entity's individual facts and circumstances to determine its functional currency in a way that gives a fair presentation (ie faithfully represents the economic effects of transactions, events and conditions). As Hilton Worldwide Holding LLP has an array of differing cash flows, economic environments, and lack of autonomy, management has used their judgement in determining the functional currency to be USD.

**Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of resulting in a material adjustment to the carrying amounts of assets within the next financial year.

**Impairment of investments**

Determining whether a investment in subsidiary is impaired requires an estimation of the value in use of the subsidiary. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the subsidiary and a suitable discount rate in order to calculate present value. Each subsidiary is an individual CGU.

**3. EMPLOYEE INFORMATION**

All operations of the LLP during the year ended 31 December 2018 have been undertaken by employees of other companies within Hilton Worldwide Holdings, Inc. A charge of \$- (2017: \$-) has been included in cost of sales in the financial statements in respect of their services.

A total expense of \$- (2017: \$-) has been recognised in profit and loss which relates to contributions to the defined contribution plan.

**4. OPERATING PROFIT**

The remuneration of the auditors of £9,945 (2017: £9,563) is borne entirely by Hilton Worldwide Limited.

**5. INCOME FROM SHARES IN GROUP UNDERTAKINGS**

	2018	2017
	\$	\$
Shares in group undertakings	-	170,000,000

The amount relates to dividend income.

**6. INFORMATION IN RELATION TO MEMBERS**

	2018	2017
The average number of members during the year was	2	2

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2018**

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**7. FIXED ASSET INVESTMENTS**

	Shares in group undertakings \$
<b>COST</b>	
At 1 January 2018	3,317,436,205
Additions	3,317,436,332
Disposals	(3,317,436,205)
At 31 December 2018	<u>3,317,436,332</u>
<b>NET BOOK VALUE</b>	
At 31 December 2018	<u>3,317,436,332</u>
At 31 December 2017	<u>3,317,436,205</u>

During the year the company implemented a corporate realignment which resulted in an addition and disposal of equal value of investments held to the value of \$3,317,436,205. This addition was purchased from the company's subsidiary and subsequently distributed to its immediate parent.



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2018**

**7. FIXED ASSET INVESTMENTS - continued**

Details of the investments in which the LLP holds nominal value of any class of share capital are as follows:

Investments in directly held subsidiary undertakings are denoted below with an asterisk; all other investments in subsidiary undertakings are indirectly held.

	Country of registration and operation	Principal activities	Proportion of voting rights and shares held
Hilton International Master Holding Limited*	United Kingdom	Investment holding company	100%
Hilton International Entities Holding Limited	United Kingdom	Investment holding company	100%
Hilton International IP Holding 2 Limited	United Kingdom	Investment holding company	100%
Hilton International IP Holding Limited	United Kingdom	Investment holding company	100%
Hilton International Hotels (U.K.) Limited	United Kingdom	Hotel operator	100%
Hilton Worldwide Manage Limited	United Kingdom	Investment holding company	100%
Mayaguez Hilton LLC	Puerto Rico	Dormant	100%
Hilton International Trinidad Limited	Trinidad and Tobago	Hotel operator	100%
Hilton Tobago Unlimited	Trinidad and Tobago	Hotel operator	100%
Hilton International Manage (Argentina) SRL	Argentina	Hotel manager	100%
Hilton International Barbados Limited	Barbados	Hotel manager	100%
Livingwell Australia Pty Limited	Australia	Investment holding company	100%
Conrad International (Thailand) Limited	Thailand	Hotel manager	100%
Conrad International Hotels (HK) Limited	Hong Kong	Hotel manager	100%
Conrad International (Egypt) LLC	United States	Hotel manager	100%
Hilton Hotel Management Services Private Limited	India	Hotel manager	100%
Hilton International GAMMA	France	Dormant	100%
Hilton Argentina SRL	Argentina	Dormant	100%
Hilton (Maldives) PVT Ltd	Maldives	Dormant	100%
HIRO Verwaltungs GmbH	Germany	Dormant	100%
HIRO Hotel GmbH & Co KG	Germany	Dormant	100%
Hiro Grundstücks GmbH & Co KG	Germany	Dormant	100%
Hilton Hotel Management (Shanghai) Co. Ltd.	China	Hotel manager	100%
HLT German Manage GmbH	Germany	Investment holding company	100%
HLT German Services GmbH	Germany	Investment holding company	100%
Hilton Service Center GmbH	Germany	Investment holding company	100%
Grand Hotel Imperial DD (JV)	Croatia	Investment holding company	17.54%

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 31 December 2018

**7. FIXED ASSET INVESTMENTS - continued**

Hilton Worldwide Services Limited	United Kingdom	Investment holding company	100%
Hilton of Panama Limited	Panama	Hotel operator	100%
Hilton International (Thailand) Limited	Thailand	Hotel operator	100%
HI Hotel Management (Guam), Inc	Guam	Hotel manager	100%
Hilton Hotels of Australia Pty Limited	Australia	Hotel manager	100%
Hilton of Malaysia LLC	Malaysia	Hotel manager and operator	100%
Hilton Hotels of Australia (Melbourne) Pty Ltd	Australia	Hotel manager	100%
Nagoya Hilton Co Limited (JV)	Japan	Hotel operator	24%
Osaka Hilton Co Limited (JV)	Japan	Hotel owner	71.50%
Tokyo Bay Hilton Co Limited (JV)	Japan	Hotel operator	24%
Odawara Hilton Co Limited	Japan	Hotel operator	100%
Sunrise Resources (Australia) Pty Limited	Australia	Hotel owner	100%
259 Pitt Street Pty Limited	Australia	Dormant	100%
Addis Ababa Hilton Private Limited Company	Ethiopia	Hotel operator	100%
African American Investment Corporation (PTY) Limited	South Africa	Dormant	100%
Madagascar Hilton SARL	Madagascar	Hotel operator	100%
International Hotels (Kenya) Limited (JV)	Kenya	Hotel owner	59.42%
Hilton Nairobi Limited	Nairobi	Hotel owner	100%
Hilton International South Africa (PTY) Limited	South Africa	Hotel operator	100%
Societe Tunis Hilton SARL	Tunisia	Dormant	100%
Hilton International (Nederland) BV	Netherlands	Hotel operator	100%
Hilton (Hellas) Monoprosopi EPE	Greece	Hotel operator	100%
Hilton International (Germany) GmbH	Germany	Hotel operator	100%
Hilton Cyprus Limited	Cyprus	Hotel manager	100%
Hilton Enternasyonal Otelcilik AS	Turkey	Hotel operator	100%
Societe d'Exploitation Hoteliere d'Orly EURL	France	Hotel operator	100%
Hilton International (France) SAS	France	Investment holding company	100%
Hilton Italiana SRL	Italy	Hotel operator	100%
Tel Aviv Hilton Limited	Israel	Hotel operator	100%
Hilton International (Switzerland) GmbH	Switzerland	Hotel operator	100%
Hotelbetriebsgesellschaft Hochstrasse GmbH	Germany	Hotel operator	100%
Grundstücksgesellschaft Belvederer Allee Weimar GmbH	Germany	Dormant	100%
Hilton Malta Limited	Malta	Hotel operator and manager	100%
Hilton International (Bulgaria) EAD	Bulgaria	Hotel operator	100%
Societe d'Exploitation Hoteliere La Defense SAS	France	Hotel operator	100%
Hilton of Spain SL	Spain	Hotel operator	100%
Hilton Israel Limited	Israel	Hotel manager	99%
Kayseri Hilton Enternasyonal Otelcilik AS	Turkey	Hotel manager	100%
HLT Bradford Limited	United Kingdom	Hotel manager	100%
Hilton International Holdings LLC	United States	Investment holding company	100%
Comfort Inns BV	Netherlands	Investment holding company	100%
HIC Roissy Netherlands BV	Netherlands	Investment holding company	100%

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2018**

**7. FIXED ASSET INVESTMENTS - continued**

World Hotels BV	Netherlands	Investment holding company	100%
UK Leasing Watford Limited	United Kingdom	Dormant	100%
UK Leasing Leicester Limited	United Kingdom	Hotel operator	100%
Hilton Worldwide Franchising LP	United Kingdom	Franchisor entity	100%
Comfort Hotels International Limited	United Kingdom	Dormant	100%
Adda Properties Limited	United Kingdom	Hotel proprietor	100%
Hilton International Australia Holding Pty Limited	Australia	Investment holding company	100%
Hilton Worldwide Manage Branchco Limited	United Kingdom	Investment holding company	100%
Hilton Worldwide Holding 1 Limited	United Kingdom	Investment holding company	100%
Comfort Hotels Limited	United Kingdom	Investment holding company	100%
Hotel Maatschappij Schiphol BV	Netherlands	Hotel operator	100%
Hilton Worldwide International Myanmar Company Limited	Myanmar	Hotel manager	100%
Adda Hotels	United Kingdom	Hotel operator	100%
International Brand Hospitality Austria GmbH	Austria	Hotel operator	100%
International Brand Hospitality GmbH (Germany)	Germany	Hotel operator	100%
Hilton Copenhagen ApS	Denmark	Hotel manager	100%
Maple Hotels Management Company Limited	United Kingdom	Hotel manager	100%
Dunkeld Lodges (Management) Limited	United Kingdom	Dormant	100%
Puckrup Hall Hotel Limited	United Kingdom	Hotel operator	100%
Hilton Worldwide Limited	United Kingdom	Investment holding company	100%
HIC Holdings BV	Netherlands	Investment holding company	100%
HLT London Manage Limited	United Kingdom	Hotel manager	100%
HLT Aro Manage Limited	United Kingdom	Hotel manager	100%
Hilton UK Manage Limited	United Kingdom	Hotel manager	100%
HLT Stakis Operator Limited	United Kingdom	Hotel operator	100%
HLT Owned Mezz V-A Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz V-B Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz V-C Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz V-D Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz V-E Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz V-F Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz V-G Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz V-H Limited	United Kingdom	Investment holding company	100%

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2018**

**7. FIXED ASSET INVESTMENTS - continued**

HLT Owned Mezz V-I Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz V-J Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz V-K Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz IX-A Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz IX-B Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz IX-C Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz IX-D Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz IX-E Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz IX-F Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz IX-G Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz IX-H Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz IX-I Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz IX-J Limited	United Kingdom	Investment holding company	100%
HLT Owned Mezz IX-K Limited	United Kingdom	Investment holding company	100%
HLT Managed Mezz XI-A GmbH	Germany	Investment holding company	100%
HLT Managed Mezz XI-B GmbH	Germany	Investment holding company	100%
HLT Managed Mezz XI-C GmbH	Germany	Investment holding company	100%
HLT Managed Mezz XI-D GmbH	Germany	Investment holding company	100%
HLT Managed Mezz XI-E GmbH	Germany	Investment holding company	100%
HLT Managed Mezz XI-F GmbH	Germany	Investment holding company	100%
HLT Managed Mezz XI-G GmbH	Germany	Investment holding company	100%
HLT Managed Mezz XI-H GmbH	Germany	Investment holding company	100%
HLT Managed Mezz XI-I GmbH	Germany	Investment holding company	100%
HLT Managed Mezz XI-J GmbH	Germany	Investment holding company	100%
HLT Managed Mezz XI-K GmbH	Germany	Investment holding company	100%

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 31 December 2018

**7. FIXED ASSET INVESTMENTS - continued**

HLT Managed Mezz VI-A LLC	United States	Investment holding company	100%
HLT Managed Mezz VI-B LLC	United States	Investment holding company	100%
HLT Managed Mezz VI-C LLC	United States	Investment holding company	100%
HLT Managed Mezz VI-D LLC	United States	Investment holding company	100%
HLT Managed Mezz VI-E LLC	United States	Investment holding company	100%
HLT Managed Mezz VI-F LLC	United States	Investment holding company	100%
HLT Managed Mezz VI-G LLC	United States	Investment holding company	100%
HLT Managed Mezz VI-H LLC	United States	Investment holding company	100%
HLT Managed Mezz VI-I LLC	United States	Investment holding company	100%
HLT Managed Mezz VI-J LLC	United States	Investment holding company	100%
HLT Managed Mezz VI-K LLC	United States	Investment holding company	100%
HLT Operating Mezz III-K Limited	United Kingdom	Investment holding company	100%
HLT Operating Mezz V-K Limited	United Kingdom	Investment holding company	100%
HLT Operating Mezz VII-A Limited	United Kingdom	Investment holding company	100%
HLT Operating Mezz VII-B Limited	United Kingdom	Investment holding company	100%
HLT Operating Mezz VII-C Limited	United Kingdom	Investment holding company	100%
HLT Operating Mezz VII-D Limited	United Kingdom	Investment holding company	100%
HLT Operating Mezz VII-E Limited	United Kingdom	Investment holding company	100%
HLT Operating Mezz VII-F Limited	United Kingdom	Investment holding company	100%
HLT Operating Mezz VII-G Limited	United Kingdom	Investment holding company	100%
HLT Operating Mezz VII-H Limited	United Kingdom	Investment holding company	100%
HLT Operating Mezz VII-I Limited	United Kingdom	Investment holding company	100%
HLT Operating Mezz VII-J Limited	United Kingdom	Investment holding company	100%
HLT Operating Mezz VII-K Limited	United Kingdom	Investment holding company	100%
HLT Operating VII-A Borrower GmbH	Germany	Investment holding company	100%

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2018**

**7. FIXED ASSET INVESTMENTS - continued**

HLT Stakis IP Limited	United Kingdom	IP owner	100%
Hilton UK Corporate Director Limited	United Kingdom	Dormant	100%
HLT Managed XI-A Borrower GmbH	Germany	Investment holding company	100%
HLT Owned V Holding Limited	United Kingdom	Investment holding company	100%
HLT Owned V-A Holding Limited	United Kingdom	Investment holding company	100%
HLT Owned IX Holding Limited	United Kingdom	Investment holding company	100%
HLT Owned IX-A Holding Limited	United Kingdom	Investment holding company	100%
HLT Brazil LLC	United States	Investment holding company	100%
HLT Secretary Limited	United Kingdom	Investment holding company	100%
HLT Managed VI Holding LLC	United States	Investment holding company	100%
Hotel Corporation of Europe	United States	Hotel manager	100%
Hilton International Canada CRA ULC (HC ULC)	Canada	Dormant	100%
Hapeville Investors LLC	United States	Dormant	100%
Servicios y Recursos Administrativos Hoteleros S. de R.L. de C.V.	Mexico	Hotel manager	100%
Operadora de Hoteles Loreto, S. de R.L. de C.V	Mexico	Hotel manager	100%
HLT Mexico LLC	United States	Investment holding company	100%
HLT Managed XII-A Holding LLC	United States	Investment holding company	100%
Hilton International Manage LLC	United States	Hotel manager	100%
HLT Waldorf Astoria International Manage LLC	United States	Investment holding company	100%
Hilton Internacional de Venezuela CA	Venezuela	Hotel manager	100%
Hilton Russia LLC	United States	Hotel manager	100%
HLT International Manage LLC	United States	Investment holding company	100%
PT Hilton International Manage Indonesia	Indonesia	Hotel manager	100%
Nippon Hilton Co Limited (JV)	Japan	Hotel operator	68.76%
Ankara Enternasyonel Otelcilik AS	Turkey	Hotel operator	10.03%
Izmir Hilton Enternasyonal Otelcilik AS	Turkey	Hotel operator	100%
Mersin Hilton Enternasyonal Otelcilik AS	Turkey	Hotel operator	100%
Adana Hilton Enternasyonal Otelcilik Limited Sirketi	Turkey	Hotel operator	100%
Istanbul Park Hilton Enternasyonal Otelcilik Limited Sirketi	Turkey	Hotel operator	100%
Hilton Worldwide International Italy SRL	Italy	Hotel manager	100%
Hilton International Wien GmbH	Austria	Hotel operator	100%
Hilton Hotel Service Co Limited	Japan	Hotel manager	63.49%
Hilton Munich Airport Hotel Manage GmbH	Germany	Catering operator	100%

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 31 December 2018

**7. FIXED ASSET INVESTMENTS - continued**

Hilton International Vermögensverwaltung GmbH	Germany	Investment holding company	100%
Societe de Developpement Hotel Pointe des Blagueurs B.V. (JV)	Netherlands	Dormant	25%
ATM Hotels Pty Limited	Australia	Hotel business nameowner	100%
Morning Light Co Limited (JV)	Mauritius	Hotel manager	19.48%
HI Investment (Colombia) EU	Colombia	Hotel manager	100%
Vista Real Estate Management Company (JV)	Egypt	Dormant	55%
Hilton Egypt Trading Company	Egypt	Alcohol license holder	100%
Hilton International Jamaica Limited	Jamaica	Hotel operator	100%
Hilton International Management LLC	United States	Investment holding company	100%
Doubletree International Franchise LLC	United States	Franchisor entity	100%
HLT Managed VI-A Borrower LLC	United States	Investment holding company	100%
HLT Managed VI-A Holding LLC	United States	Investment holding company	100%
HLT Owned VI-A Holding LLC	United States	Investment holding company	100%
Hilton International LLC	United States	Investment holding company	100%
Hilton Worldwide Domestic FS Treasury LLC	United States	Finance company	100%
Hilton Brazil Opercoes E Participacoes Ltda	Brazil	Non trading	100%
Hilmex Holdings S.de.R.L. de CV	Mexico	Non trading	100%
Hilton Worldwide International Puerto Rico LLC	Puerto Rico	Hotel operator	100%
Hilton International Manage (Maldives) PVT Ltd	Maldives	Hotel manager	100%
Hilton Hotels (Ireland) Ltd	Ireland	Hotel operator	100%
Conrad Osaka Godo Kaisha	Japan	Hotel operator	100%
Hilton International DEMPE Holding Limited	United Kingdom	Dormant	100%
Hilton Worldwide International do Brasil Ltda	Brazil	Hotel manager	100%
Hilton Worldwide International Japan Godo-Kaisha	Japan	Hotel operator	100%
Hilton Worldwide International Singapore Pte. Ltd	Singapore	Hotel manager	100%
HLT English Operator Ltd	United Kingdom	Hotel operator	100%
PT. Conrad Management Indonesia	Indonesia	Hotel manager	100%
Hilton International Franchisor LLC	United States	Franchisor entity	100%
HLT International Existing Franchise Holding LLC	United States	Franchisor entity	100%
Splendid Property Company Limited	United Kingdom	Hotel operator	100%
Hilton International Trocadero	France	Hotel operator	100%
Hilton International New Zealand Limited	New Zealand	Non trading	100%
Hilton Hotels Management India Private Limited	India	Hotel manager	100%
Conrad International Management Services (Singapore) PTE	Singapore	Non trading	100%
Hilton International Asia Pacific Pte Ltd	Singapore	Non trading	100%

Consolidated financial statements have not been prepared as the LLP is consolidated into the financial statements of a larger group, for which the consolidated financial statements are publicly available, as disclosed in the below note "Parent undertaking, controlling party and consolidating entity".

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2018**

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**7. FIXED ASSET INVESTMENTS - continued**

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.

**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 \$	2017 \$
Amounts due from members	541,013,170	541,013,170
	<u>541,013,170</u>	<u>541,013,170</u>

Amounts owed by group undertakings are included in amounts due within one year where there are no specified repayment terms and there is no fixed repayment schedule in place. While amounts owed by group undertakings are technically repayable on demand, and hence are included in amounts due within one year, the members are of the opinion that in the ordinary course of business, repayment within such a timescale would not be required. Certain loans bear interest at LIBOR.

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 \$	2017 \$
Amounts owed to group undertakings	<u>254</u>	<u>127</u>

Amounts owed to group undertakings are included in amounts due within one year where there are no specified repayment terms and there is no fixed repayment schedule in place. While amounts owed to group undertakings are technically repayable on demand, and hence are included in amounts due within one year, the members are of the opinion (as a result of their group role in relation to the group undertakings amounts are owed to) that in the ordinary course of business, repayment within such a timescale would not be required. Certain loans bear interest at LIBOR.



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2018**

**10. MEMBERS' INTERESTS**

	Members' capital (classified as equity) \$	Members' other interests		Loans and other debts due to members \$	Total \$
		Reserves \$	Total \$		
Balance at 1 January 2018	3,858,449,248	-	3,858,449,248	170,000,000	4,028,449,248
Profit for the financial year available for discretionary division among members	-	-	-	-	-
Members' interests after profit for the year	3,858,449,248	-	3,858,449,248	170,000,000	4,028,449,248
Balance at 31 December 2018	<u>3,858,449,248</u>	<u>-</u>	<u>3,858,449,248</u>	<u>170,000,000</u>	<u>4,028,449,248</u>

**11. PARENT UNDERTAKING, CONTROLLING PARTY AND CONSOLIDATING CAPITAL COMMITMENTS**

The LLP's members are Hilton International Holding LLC (90%) and Hilton Worldwide Holding 1 LLC (10%), both investment holding companies.

The ultimate parent the only undertaking for which group financial statements were prepared and into which the company is consolidated for 31 December 2018, was Hilton Worldwide Holdings Inc., a Delaware company incorporated in the United States of America. These group financial statements are available from the company secretary, Hilton Worldwide Holdings Inc., 7930 Jones Branch Drive, McLean, Fairfax County, Virginia VA 22102-3302, United States of America.

**12. CAPITAL COMMITMENTS**

The LLP has not entered into any capital commitments contracted for but not provided in the financial statements at period end.