

International Hoteliers (UK) Limited

Report and Financial Statements

Year Ended

31 December 2014

Company Number 01698769

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International Hoteliers (UK) Limited

Report and financial statements
for the year ended 31 December 2014

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Directors

M A Cairns
K Cooper
F Bakhos
J Al Thani
Z Guiziri

Secretary and registered office

K Cooper, 30 Portman Square, London, W1A 4ZX

Company number

01698769

Auditor

BDO LLP, 55 Baker Street, London, W1U 7EU

International Hoteliers (UK) Limited

Strategic report
for the year ended 31 December 2014

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2014.

Principal activities

The company continues to trade as an investment holding company. The company holds 100% share capital Churchill Group Limited, which operates the Hyatt Regency London - The Churchill Hotel, Portman Square, London. There have been no changes in the company's activities in the year under review.

Business review

The strategy will be to continue to develop its existing investments.

The profit and loss account is set out on page 5 and shows a profit for the year of £3,889,000 (2013 - £2,936,000).

Detailed business review of the group has been presented in the financial statements of Havana Holdings (UK) Limited.

There have been no events since the balance sheet date which materially affect the position of the company.

Principal risks and uncertainties

The company's principal risks and uncertainties are same as that of its subsidiary.

The hospitality industry in London remains highly competitive and the hotel seeks to manage the risk of losing customers to key competitors by focusing on anticipating, meeting and exceeding the expectations of its customers, encouraging client loyalty and extending retention.

The ongoing refurbishment of all public areas and guest-room facilities demonstrates our commitment to re-establishing and re-positioning Hyatt Regency London – The Churchill as one of the leading hotels in London. We believe The Churchill is well placed to re-gain and sustain a definable advantage in its market place.

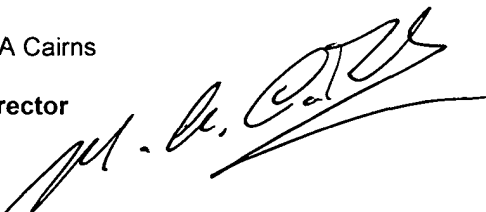
The hotel's credit risk is primarily attributable to its trade debtors. Credit risk is well managed by running credit checks on new and existing customers and by monitoring payments against contractual agreements.

Approval

This strategic report was approved by order of the Board on **30 SEP 2015**

M A Cairns

Director



International Hoteliers (UK) Limited

Report of the directors for the year ended 31 December 2014

The directors present their report together with the audited financial statements for the year ended 31 December 2014.

Results and dividends

The results of the company for the year are set out on page 6 and show a profit for the year on ordinary activities after taxation of £3,889,000 (2013 - £2,936,000).

Dividends of £3,920,000 have been paid during the year (2013 - £3,550,000). The directors do not recommend the payment of a final dividend.

Principal activities and review of the business

The principal activity of the company consists of the ownership of the headlease for the Hyatt Regency London - The Churchill Hotel, Portman Square, London. The company then subleases the property to its subsidiary, Churchill Group Limited.

During 2013, both the headlease and the sublease for the hotel were extended. This transaction involved the company transferring the full economic benefits of the long lease to Churchill Group Limited.

Directors

The directors of the company during the year were:

M A Cairns
K Cooper
F Bakhos
J Al Thani
Z Guiziri

No director had any beneficial interest in the shares of the company at any time during the year.

International Hoteliers (UK) Limited

Report of the directors for the year ended 31 December 2014 (*continued*)

Directors' responsibilities

The directors are responsible for preparing the strategic report, 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 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;
- state whether applicable UK 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the auditor is unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

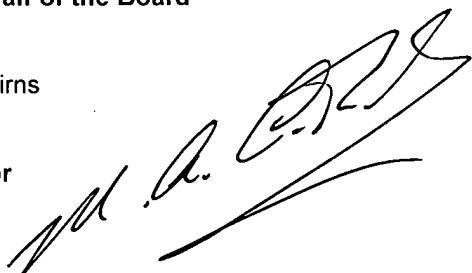
On behalf of the Board

M A Cairns

Director

Date

30 SEP 2015



International Hoteliers (UK) Limited

Independent auditor's report

TO THE MEMBERS OF INTERNATIONAL HOTELIERS (UK) LIMITED

We have audited the financial statements of International Hoteliers (UK) Limited for the year ended 31 December 2014 which comprise the profit and loss account, the note of historical cost profits and losses, the balance sheet and the related notes. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

International Hoteliers (UK) Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



*Mark RA Edwards (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom*

30 SEP 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

International Hoteliers (UK) Limited

Profit and loss account for the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Turnover	2	-	154
Other operating charges		(31)	(768)
Operating loss	3	(31)	(614)
Income from shares in group undertakings		3,920	3,550
Profit on ordinary activities before taxation		3,889	2,936
Tax charge for the year	5	-	-
Profit on ordinary activities after taxation	11	3,889	2,936

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

The notes on pages 9 to 14 form part of these financial statements.

International Hoteliers (UK) Limited

Note of historical cost profits and losses for the year ended 31 December 2014

	2014 £'000	2013 £'000
Reported profit on ordinary activities before taxation	3,889	2,936
Difference between actual and historical cost depreciation	-	658
Historical cost profit on ordinary activities before taxation	3,889	3,594

The notes on pages 9 to 14 form part of these financial statements.

International Hoteliers (UK) Limited

Balance sheet
at 31 December 2014

<i>Company number 01698769</i>	Note	2014 £'000	2014 £'000	2013 £'000	2013 £'000
Fixed assets					
Investments	7		125,494		125,494
Current assets					
Debtors	8	47		47	
Creditors: amounts falling due within one year	9	1,275		1,244	
		<u> </u>		<u> </u>	
Net current liabilities			(1,228)		(1,197)
Total assets less current liabilities			<u>124,266</u>		<u>124,297</u>
Capital and reserves					
Called up share capital	10		2,000		2,000
Revaluation reserve	11		98,625		98,625
Profit and loss account	11		23,641		23,672
			<u> </u>		<u> </u>
Shareholders' funds	12		<u>124,266</u>		<u>124,297</u>

The financial statements were approved by the Board of Directors and authorised for issue on **30 SEP 2015**

M A Cairns
Director



The notes on pages 9 to 14 form part of these financial statements.

International Hoteliers (UK) Limited

Notes forming part of the financial statements
for the year ended 31 December 2014

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention, except for long leasehold land and buildings which are stated at directors' valuation, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied.

Going concern

The balance sheet at the end of the year showed net current liabilities of £1,228,000 (2013 - net liabilities £1,197,000).

The company's subsidiary undertaking, Churchill Group Limited, has confirmed that it will provide such financial support as the company may require in order to meet its liabilities as they fall due. As a result, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Basis of consolidation

The company has taken advantage of the exemption not to submit group accounts as the company is itself a wholly owned subsidiary of an EC parent company incorporated in Great Britain (see note 15). The financial statements present information about the company as an individual undertaking and not about its group.

Turnover

Turnover represents rental income charged to the company's subsidiary Churchill Group Limited. Turnover is recognised on a straight line basis over the period to which the rent relates. The company holds the head lease to the Churchill Hotel which it sublets to its subsidiary, Churchill Group Limited. During the prior year the beneficial interest in the lease was transferred to Churchill Hotel Group and from this date the rental income from the sublease is shown in other operating charges to offset with the headlease rental charge as it is considered that the company now acts as an agent in this transaction.

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for diminution in value.

Operating leases

Annual rentals paid on operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise.

Financial instruments

Working capital requirements and operations are financed by group companies.

Statement of cash flows

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 not to produce a statement of cash flows since its parent company publishes consolidated financial statements, including a statement of cash flows.

International Hoteliers (UK) Limited

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

2 Turnover

Turnover represents rental income, exclusive of value added tax, under the sub-lease with the company's subsidiary undertaking, Churchill Group Limited.

All revenue is generated in the United Kingdom.

The directors consider the whole of the activities of the company to constitute a single class of business.

3 Operating loss

	2014 £'000	2013 £'000
This is arrived at after charging:		
Depreciation	-	717
Operating lease rentals - land and buildings	200	184
Operating lease income - land and buildings	(200)	(133)
	<u> </u>	<u> </u>

The fees for the company's annual statutory audit are borne by another group company.

4 Directors and employees

The company has no employees (2013 - Nil).

No directors received any remuneration during the year (2013 - £Nil).

International Hoteliers (UK) Limited

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

5	Taxation on ordinary activities	2014	2013
		£'000	£'000
	Taxation on profit on ordinary activities	-	-

The tax assessed for the year is different from the standard rate of corporation tax in the UK. The differences are explained below:

	2014	2013
	£'000	£'000
Profit on ordinary activities before tax	3,889	2,936
Profit on ordinary activities at the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	836	683
Effects of:		
Depreciation for year in excess of capital allowances	-	168
Non taxable income - dividend	(843)	(825)
Group relief surrendered	7	(1,072)
Transfer pricing adjustments	-	1,046
Current tax charge for year	-	-

6	Dividends	2014	2013
		£'000	£'000
	Ordinary dividend paid of 196.0p (2013 - 178.0p) per share	3,920	3,550

7	Fixed asset investments	£'000
	<i>Cost and net book value</i>	
	At 1 January 2014	125,494
	Movement during year	-
	At 31 December 2014	125,494

Further details of the subsidiary undertaking are given below:

Name	Principal activity	Description and proportion of shares held	Country of registration
Churchill Group Limited	Hotelier	100% ordinary shares 100% deferred shares	England

International Hoteliers (UK) Limited

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

8	Debtors	2014 £'000	2013 £'000
	Other debtors	47	47
		47	47
	All debtors fall due within one year.		
9	Creditors: amounts falling due within one year	2014 £'000	2013 £'000
	Amounts owed to subsidiary undertaking	1,275	1,244
		1,275	1,244
10	Share capital	Authorised, allotted, called up and fully paid	
		2014	2013
		Number	Number
		2014	2013
		£'000	£'000
	Ordinary shares of £1 each	2,000,000	2,000,000
		2,000,000	2,000,000
11	Reserves	Revaluation reserve £'000	Profit and loss account £'000
	At 1 January 2014	98,625	23,672
	Profit for the year	-	3,889
	Dividend paid (note 6)	-	(3,920)
		98,625	23,641
	At 31 December 2014	98,625	23,641

International Hoteliers (UK) Limited

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

12 Reconciliation of movement in shareholders' funds

	2014 £'000	2013 £'000
Profit for the year	3,889	2,936
Dividends paid (note 6)	(3,920)	(3,550)
Issue of shares	-	-
	(31)	(614)
Net movement in shareholders' funds		
Opening shareholders' funds	124,297	124,911
Closing shareholders' funds	124,266	124,297

13 Operating lease commitments

Company acts as a lessee:

At 31 December 2014, the company had future minimum commitments under non-cancellable operating leases in respect of land and buildings as set out below:

	2014 £'000	2013 £'000
Operating leases which expire:		
Not later than one year	-	-
Later than one year but not later than five years	-	-
Not later than five years	200	200
	200	200
	200	200

International Hoteliers (UK) Limited

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

13 Operating lease commitments (continued)

Company acts as a lessor:

The company acts as a lessor in connection with an operating lease for the Churchill Hotel to its subsidiary company, Churchill Group Limited. The company holds the headlease to the hotel, however, subleases the hotel to its subsidiary. The company does not recognise a leasehold asset for the premium paid for the headlease as the future economic benefits of the lease will be obtained by Churchill Group Limited. Therefore the company recognises the premium paid as an investment in subsidiary to reflect the substance of the situation. However, legally the company is entitled to receive rentals under the underlease. The future minimum lease payments arising from non-cancellable operating leases are shown in the following table:

	2014 £'000	2013 £'000
Operating leases which expire:		
Not later than one year	-	-
Later than one year but not later than five years	-	-
Not later than five years	200	200
	<hr/>	<hr/>
	200	200
	<hr/>	<hr/>

14 Contingent liabilities

Barclays Bank plc has a charge over the assets and leasehold property held by the company in relation to The Churchill Hotel. This charge is in place in relation to the bank loan held by one of the company's parent undertakings, Havana Holdings (UK) Limited. At 31 December 2014, the balance due from Havana Holdings (UK) Limited to Barclays Bank plc was £86,555,000 (2013 - £90,475,000).

15 Ultimate parent company

After the balance sheet date, the company's ultimate parent company changed to Prime Capital, SA, a company registered in Luxembourg. The parent company of the smallest group of which the company is a member and for which group accounts are prepared is Havana Holdings (UK) Limited, a company registered in the England and Wales. Copies of the consolidated accounts may be obtained from 30 Portman Square, London, W1A 4ZX.

The beneficial owner remains Sheikh Hamad bin Jassim bin Jaber Al Thani.

16 Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, Related Party Disclosures, not to disclose transactions with group companies, on the basis that it is 100% controlled within the group and its parent undertaking, Havana Holdings (UK) Limited, prepares consolidated financial statements which are publicly available.