

## London Britannia Hotel Limited

### Directors' report and financial statements

31 December 2009

Registered number 0744379

TUESDAY



\*AMHPNMMX\*

A06 17/08/2010 115  
COMPANIES HOUSE

\*AV6KWM8L\*

A22 03/08/2010 22  
COMPANIES HOUSE

## **Directors' Report and financial statements**

### **Contents**

Directors' Report	1
Statement of Directors' responsibilities	3
Independent auditor's report to the members of London Britannia Hotel Limited	4
Profit and loss account	5
Balance Sheet	6
Reconciliation of movements in equity shareholders' funds	7
Notes	8

## Directors' Report

The Directors present their report and the financial statements of London Britannia Hotel Limited ('the Company') for the year ended 31 December 2009

### Business review and principal activities

The principal activities of the Company are the ownership and operation of the Millennium Hotel London Mayfair

The Company is a subsidiary of Millennium & Copthorne Hotels plc ('the Group') The Directors consider the ultimate holding and controlling company to be Hong Leong Investment Holdings Pte Limited

At the end of the year the Company had net current liabilities of £9,315,000 (2008 £2,448,000) The Directors consider that the Company has access to sufficient funding to meet its needs for the reasons set out in note 1 to the financial statements Accordingly the directors have prepared the financial statements on a going concern basis

Turnover for the year was £18,765,000 (2008 £20,689,000) and the profit on ordinary activities before taxation for the financial year was £6,614,000 (2008 £6,417,000)

A dividend was paid during the year of £4,900,000 (2008 £5,900,000) No final dividend is proposed (2008 £nil)

### Principal risks and uncertainties

The management of the business and execution of the Company's strategy are subject to a number of risks

The key business risks and uncertainties affecting the Company are considered to relate to the competition from hotels in the immediate locality of the Millennium Hotel London Mayfair Further discussion of these risks and uncertainties, in the context of the Group as a whole, is provided on pages 37 and 38 of the Group's annual report for the year ended 31 December 2009 which does not form part of this report

### Key performance indicators (KPIs)

The Directors of the Group manage its operations on a geographical basis and the Company's results are included in the 'London' geographical segment of the Group's consolidated annual report and accounts The KPIs and the development, performance or position of the 'London' geographical segment of Group, which includes the Company, is discussed on pages 23 to 26 of the Group's annual report for the year ended 31 December 2009 which does not form part of this report

In addition to the KPIs analysed on a geographical basis the Directors measure four main KPIs specific to the Company in their evaluation of the performance of the Company These are set out in the table below

	2009	2008	Definition, Method of calculation
RevPAR	<b>£115.87</b>	£119.00	Occupancy multiplied by Average room rate
Average Room Rate	<b>£144.30</b>	£146.91	Room revenue divided by Rooms sold
Occupancy	<b>80.3%</b>	81.0%	Rooms sold divided by Rooms available
Gross Operating Profit Margin	<b>49.7%</b>	44.7%	Hotel gross operating profit divided by Hotel revenue

### Fixed assets

Changes in tangible fixed assets are set out in note 6 to the financial statements

## **Directors' Report** *(continued)*

### **Directors**

The Directors who held office during the year are listed below

A J Bushnell  
Copthorne Hotels Limited

### **Employee consultation**

The Company places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Company

### **Disabled employees**

The Directors confirm that it is their policy to provide fair treatment in relation to the employment, training, career development and promotion of disabled persons and employees who become disabled whilst in the service of the Company

### **Creditor payment policy**

It is the Company's policy to adhere to the payment terms agreed with the supplier. Payments are contingent on the supplier providing goods or services to the required standards. The Company's purchase ledger balances and payments are accounted for within the central group purchase ledger of Copthorne Hotels Limited

### **Political and charitable contributions**

The Company made no political or charitable contributions during the year (2008 £nil)

### **Disclosure of information to auditors**

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

### **Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

By order of the Board

  
For and on Behalf of Copthorne Hotels Limited  
Company Secretary

A J BUSHNELL

Victoria House, Victoria Road  
Horley, Surrey  
RH6 7AF  
30 June 2010

## **Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and 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, and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## KPMG Audit Plc

8 Salisbury Square  
London  
EC4Y 8BB

### Independent Auditors' Report to the Members of London Britannia Hotel Limited

We have audited the financial statements of London Britannia Hotel Limited for the year ended 31 December 2009 set out on pages 5 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditors' 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 Directors' Responsibilities Statement set out on page 3, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

#### 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 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### 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.



Richard Hathaway  
(Senior Statutory Auditor) for and on behalf of  
KPMG Audit Plc, Statutory Auditor  
Chartered Accountants

15 July 2010

## Profit and loss account

for the year ended 31 December 2009

	Note	2009 £000	2008 £000
Turnover	1	18,765	20,689
Cost of sales		(6,350)	(7,735)
<b>Gross profit</b>		<b>12,415</b>	<b>12,954</b>
Administrative expenses		(5,787)	(6,536)
<b>Operating profit</b>		<b>6,628</b>	<b>6,418</b>
Interest payable and similar charges	4	(14)	(1)
<b>Profit on ordinary activities before taxation</b>	2	<b>6,614</b>	<b>6,417</b>
Tax on profit on ordinary activities	5	(1,848)	(1,734)
<b>Profit for the financial year</b>		<b>4,766</b>	<b>4,683</b>

All activities relate to continuing operations

There have been no other recognised gains or losses for the financial year nor the preceding financial year. Accordingly no statement of total recognised gains and losses have been presented in these financial statements.

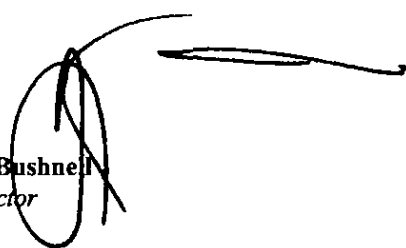
## Balance sheet

at 31 December 2009

	Note	2009 £000	2009 £000	2008 £000	2008 £000
<b>Fixed assets</b>					
Tangible assets	6		87,915		89,031
<b>Current assets</b>					
Stocks	7	61		67	
Debtors	8	430		916	
Cash at bank and in hand		270		431	
		<u>761</u>		<u>1,414</u>	
<b>Creditors</b> amounts falling due within one year	9	(10,076)		(3,862)	
<b>Net current liabilities</b>			(9,315)		(2,448)
<b>Total assets less current liabilities</b>			<u>78,600</u>		<u>86,583</u>
<b>Creditors:</b> amounts falling due after more than one year	10		-		(7,696)
<b>Provisions for liabilities</b>	11		(2,693)		(2,846)
<b>Net assets</b>			<u>75,907</u>		<u>76,041</u>
<b>Capital and reserves</b>					
Called up share capital	12		1		1
Share premium account	13		62,629		62,629
Other reserves	13		12,244		12,244
Profit and loss account	13		1,033		1,167
<b>Equity shareholders' funds</b>			<u>75,907</u>		<u>76,041</u>

The notes on pages 8 to 16 form part of these financial statements

These financial statements were approved by the Board of Directors on 30 June 2010 and were signed on its behalf by

  
A J Bushnell  
Director



## **Reconciliation of movements in equity shareholders' funds**

*for the year ended 31 December 2009*

	2009	2008
	£000	£000
Profit for the financial year	4,766	4,683
Dividends paid	(4,900)	(5,900)
	<hr/>	<hr/>
Net reduction in shareholders' funds	(134)	(1,217)
Opening equity shareholders' funds	76,041	77,258
	<hr/>	<hr/>
Closing equity shareholders' funds	75,907	76,041
	<hr/> <hr/>	<hr/> <hr/>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following principal accounting policies have been applied consistently in dealing with items which are considered material to the Company's financial statements

#### *Basis of preparation*

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

The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £9,315,000 (2008 £2,448,000) which the Directors believe to be appropriate for the following reasons. The Company is dependent for its working capital on funds provided to it by Millennium & Copthorne Hotels plc, the Company's intermediate holding undertaking. Millennium & Copthorne Hotels plc has indicated to the Company that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available.

Based on this undertaking the Directors believe that it remains appropriate to prepare the financial statements on the going concern basis.

Under FRS 1 'Cash flow statements', the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

#### *Fixed assets and depreciation*

Tangible fixed assets are stated at cost less depreciation and any provision for impairment. Assets are depreciated to their residual values on a straight-line basis over their estimated useful lives as follows:

Building core	-	50 years or lease term if shorter
Building surface, finishes and services	-	30 years or lease term if shorter
Plant and machinery	-	20 years
Furniture and equipment	-	10 years
Soft furnishings	-	7 years
Computer equipment	-	5 years
Motor vehicles	-	4 years

No residual values are ascribed to building surface finishes and services. The residual values ascribed to building core depend on the nature, location and tenure of the hotel property.

Capital expenditure on major projects is recorded separately within fixed assets as capital work in progress. Once the project is complete the balance is transferred to the appropriate fixed asset categories. Capital work in progress is not depreciated.

Operating supplies, which include china, linen, glass and silverware, are stated at their deemed cost as at 1 January 2008 and subsumed into the cost of the hotel buildings. Subsequent renewals and replacements of such stocks are written off to the profit and loss account as incurred.

Interest attributable to funds used to finance the construction or major extension to the hotel is capitalised gross of tax relief and added to the cost of the hotel core.

#### *Operating leases*

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

## **Notes (continued)**

### ***Stocks***

Stocks are valued at the lower of cost and net realisable value

### ***Turnover***

Turnover represents amounts derived in the United Kingdom from the ownership and operation of the hotel. Turnover is stated net of value added tax and is recognised on an accruals basis to match the provision of the related goods and services.

### ***Taxation***

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 'Deferred tax'.

### ***Dividends***

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved for payment.

### ***Foreign exchange***

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of a transaction is included as an exchange gain or loss in the profit and loss account.

### ***Pension costs***

The Company participates in a group pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company. The Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

## **2 Profit on ordinary activities before taxation**

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
<b><i>Profit on ordinary activities before taxation is stated after charging:</i></b>		
Auditor's remuneration		
Audit services	<b>22</b>	<b>20</b>
Depreciation of tangible fixed assets	<b>1,364</b>	<b>1,443</b>
Rentals under operating leases		
Plant and machinery	<b>93</b>	<b>90</b>
	<hr/> <hr/>	<hr/> <hr/>

## Notes (continued)

### 3 Staff numbers and costs

The average number of persons (excluding Directors) employed by the Company during the year, analysed by category, was as follows

	2009 Number	2008 Number
Operating staff	176	219
Administration staff	13	17
Repairs and maintenance staff	12	17
Sales and marketing staff	6	7
	<hr/> 207 <hr/>	<hr/> 260 <hr/>

The aggregate payroll costs of these persons were as follows

	2009 £000	2008 £000
Wages and salaries	4,361	5,198
Social security costs	343	409
Other pension costs (see note 15)	170	305
	<hr/> 4,874 <hr/>	<hr/> 5,912 <hr/>

Other pension costs include £141,000 (2008 £102,000) in respect of the Company's proportion of enhanced contributions to the defined benefit pension scheme to remove the plan's deficit

No emoluments were paid to any Director for services to the Company during the year (2008 £nil)

### 4 Interest payable and similar charges

	2009 £000	2008 £000
Other external interest payable	14	1
	<hr/> 14 <hr/>	<hr/> 1 <hr/>

## Notes (continued)

### 5 Tax on profit on ordinary activities

#### (i) Analysis of tax charge in the year

	2009 £000	2008 £000
UK corporation tax		
Payment for group relief	1,872	1,693
Tax charge relating to prior years	129	23
	<hr/>	<hr/>
Total current tax charge	2,001	1,716
	<hr/>	<hr/>
Deferred tax		
Origination and reversal of timing differences		
- Current year	(63)	(4)
- Adjustment relating to prior years	(90)	22
	<hr/>	<hr/>
Total deferred tax (credit)/charge	(153)	18
	<hr/>	<hr/>
Total tax charge on profit on ordinary activities	1,848	1,734
	<hr/>	<hr/>

#### (ii) Factors affecting the current tax charge for year

The current tax charge for the year is different to the standard rate of tax in the UK of 28.0% (2008 28.5%), the differences being explained below

	2009 £000	2008 £000
Profit on ordinary activities before tax	6,614	6,417
	<hr/>	<hr/>
Current tax at 28.0% (2008 28.5%)	1,852	1,829
Effect of		
Capital allowances for year less than depreciation	98	31
Other timing differences	(35)	(27)
Permanent differences relating to depreciation of building assets	53	54
Permanent differences relating to hotel building allowances	(80)	(120)
Other permanent taxation differences	11	(2)
Transfer pricing imputed credit	(27)	(72)
Tax charge relating to prior years	129	23
	<hr/>	<hr/>
Total current tax charge	2,001	1,716
	<hr/>	<hr/>

A credit of £27,000 (2008 £72,000) has been recorded for taxation imputed on intra-group interest for the period, in accordance with UK transfer pricing regulations

## Notes (continued)

### 6 Tangible fixed assets

	Long leasehold land and buildings £000	Capital work in progress £000	Plant and machinery £000	Fixtures, fittings and equipment £000	Total £000
<i>Cost</i>					
At beginning of year	83,586	97	9,604	9,622	102,909
Additions	24	153	22	49	248
Transfers	71	(97)	7	19	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At the end of the year	83,681	153	9,633	9,690	103,157
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At beginning of year	2,229	-	4,592	7,057	13,878
Charge for the year	338	-	396	630	1,364
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At the end of the year	2,567	-	4,988	7,687	15,242
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 31 December 2009	<b>81,114</b>	<b>153</b>	<b>4,645</b>	<b>2,003</b>	<b>87,915</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008	81,357	97	5,012	2,565	89,031
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

A total of £192,000 of interest has been capitalised within land and buildings (2008 £192,000)

### 7 Stocks

	2009 £000	2008 £000
Consumables and supplies	<b>61</b>	67
	<hr/>	<hr/>

The replacement cost of stocks is not significantly different from their balance sheet values

## Notes (continued)

### 8 Debtors

	2009 £000	2008 £000
Trade debtors	90	170
Amounts owed by parent undertaking	-	241
Other debtors	5	164
Prepayments and accrued income	335	341
	<u>430</u>	<u>916</u>

The amounts owed by the parent undertaking are non-interest bearing. The Company's trade debtors at the current and prior year end were principally accounted for within the central sales ledger of Copthorne Hotels Limited.

### 9 Creditors: amounts falling due within one year

	2009 £000	2008 £000
Amounts due to fellow subsidiary undertakings	8,650	2,503
Other creditors	1	-
Accruals and deferred income	1,425	1,359
	<u>10,076</u>	<u>3,862</u>

The amounts due to fellow subsidiary undertakings are non-interest bearing. Included within amounts due to fellow subsidiary undertakings is £7,290,000 which are non-interest bearing and due for repayment on 31 December 2010. A process is in place to extend repayment to 31 December 2015. The Company's trade creditors at the current and prior year end were accounted for within the central purchase ledger of Copthorne Hotels Limited.

### 10 Creditors: amounts falling due after more than one year

	2009 £000	2008 £000
Amounts due to fellow subsidiary undertakings	-	7,696
	<u>-</u>	<u>7,696</u>

The amounts owed to fellow subsidiary undertakings are non-interest bearing.

## Notes (continued)

### 11 Provision for liabilities

	2009 £000	2008 £000
Deferred taxation provision		
At beginning of year	2,846	2,828
(Credit)/charge to the profit and loss for the year	(153)	18
At end of year	<u>2,693</u>	<u>2,846</u>

The amounts provided for deferred taxation in respect of timing differences are analysed below. All timing differences have been provided for.

	2009 £000	2008 £000
Difference between accumulated depreciation and capital allowances	2,733	2,862
Other timing differences	(40)	(16)
	<u>2,693</u>	<u>2,846</u>

### 12 Called up share capital

	2009 £	2008 £
<i>Authorised, allotted, called up, and fully paid</i> 1,000 ordinary shares of £1 each	1,000	1,000

All of the share capital is equity share capital.

### 13 Capital and reserves

	Share capital £000	Share premium account £000	Other Reserves £000	Profit and loss account £000	Total £000
At beginning of year	1	62,629	12,244	1,167	76,041
Profit for the financial year	-	-	-	4,766	4,766
Dividends paid	-	-	-	(4,900)	(4,900)
At end of year	<u>1</u>	<u>62,629</u>	<u>12,244</u>	<u>1,033</u>	<u>75,907</u>



## Notes (continued)

### 14 Commitments

Capital commitments at the end of the year for which no provision has been made were £nil (2008 £nil)

Annual commitments under non-cancellable operating leases for plant and machinery are as follows

	2009 £000	2008 £000
Operating leases which expire		
In the first year	6	67
In the second to fifth year inclusive	22	3
	<hr/> 28	<hr/> 70
	<hr/> <hr/>	<hr/> <hr/>

### 15 Pension scheme

The Company, in conjunction with other Group members, operates a multi-employer defined benefit pension scheme designed to provide retirement benefits for employees based upon final pensionable earnings. The assets of the scheme are held separately from those of the Company in a trustee administered fund. The pension cost is assessed in accordance with the advice of a qualified actuary using the projected unit method. The expected cost of pensions is charged to the profit and loss account, so as to spread the cost of pensions over the remaining service lives of the employees in the scheme. In accordance with FRS 17, the Company accounts for its contributions to the scheme as if it were a defined contribution scheme because it is not possible to identify the Company's share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

The latest actuarial valuation of the scheme was at 6 April 2008. Relevant details are as follows:

Main assumptions	
- investment return	6.2% per annum
- future salary increases	4.2% per annum
- retail price index increase	3.7% per annum
Value of scheme's assets	£21,579m
Value of scheme's liabilities	£29,579m
Deficit	£8,000m
Funding level	73%
Contribution rate, including cost of insured benefits, to meet cost of benefits to be earned in future, applicable from April 2009	21.6% per annum

The contributions of the Group during the year were 21.6% (2008 20.5%) of pensionable salary, plus enhanced contribution of £1.4m (2008 £1.1m) per annum to remove the plan's deficit. The contributions of the employees were from 3% to 5% (2008 3% to 5%) of pensionable earnings.

Discussions between the Company, other Group employers and the trustees took place in the early part of 2009 to finalise the changes to the schedule of contributions with effect from 1 April 2008. Employer contributions have increased from this date and Group employers made the first revised enhanced contribution of £1.4m per annum to remove the plan's deficit (enhanced contributions commenced 1 April 2006 at a rate of £1.1m per annum) for a period of 7 years from April 2008.

The next triennial valuation of the scheme will be as at 6 April 2011. The actuarial valuation described above has been updated at 31 December 2009 by an independent qualified actuary using revised assumptions that are consistent with the requirements of FRS 17. Investments have been valued, for this purpose, at fair value.

## Notes (continued)

### 15 Pension scheme (continued)

The major assumptions used for this actuarial valuation were

	2009 % per annum	2008 % per annum	2007 % per annum	2006 % per annum
Rate of increase in salaries	4.2	3.6	3.7	3.6
Rate of increase in pensions in payment	3.7	3.1	3.2	3.1
Discount rate	5.7	6.5	5.9	5.23
Inflation assumption	3.7	3.1	3.2	3.1

The expected rate of return at the balance sheet date was 6.7% (2008 7.5%, 2007 7.24%, 2006 6.17%) per annum. The fair value of the assets in the scheme and the present value of the liabilities in the scheme at 31 December were

	2009 £m	2008 £m	2007 £m	2006 £m
Total fair value of assets	22.2	19.3	22.8	21.3
Present value of scheme liabilities	(34.7)	(26.6)	(31.5)	(31.5)
Deficit in the scheme	(12.5)	(7.3)	(8.7)	(10.2)
Related deferred tax asset	3.5	2.1	2.4	3.1
Net pension liability	(9.0)	(5.2)	(6.3)	(7.1)

The Company contribution rate was 21.6% (2008 20.5%) of pensionable earnings. The pension cost for all group members for the year was £1.9m (2008 £1.6m) of which the Company's proportion was £0.1m (2008 £0.1m).

This scheme was closed to new employees with effect from 31 March 2002. Employees starting service after this date are offered membership of a group personal pension scheme to which the Company makes contributions.

### 16 Related party transactions

As the Company is a wholly owned subsidiary of Millennium & Copthorne Hotels plc, the Company has taken advantage of the exemption contained in FRS 8 'Related party disclosures' and has therefore not disclosed transactions or balances with entities which form part of the group headed by Millennium & Copthorne Hotels plc.

### 17 Ultimate parent and controlling company and parent undertaking of the smallest and largest group of which the Company is a member

The Directors consider the ultimate holding and controlling company to be Hong Leong Investment Holdings Pte Limited incorporated in the Republic of Singapore. The accounts of the ultimate holding company, which heads the largest group in which the results of the Company are consolidated, are available to the public at The Accounting and Corporate Regulatory Authority, 10 Anson Road # 05 - 10/15, International Plaza, Singapore 079903.

The immediate holding and controlling company is Millennium Hotels Limited, a company registered in England and Wales. The smallest group in which the results of the Company are consolidated is that headed by Millennium & Copthorne Hotels plc, a company registered in England and Wales. The consolidated accounts are available to the public and may be obtained from Victoria House, Victoria Road, Horley, Surrey, RH6 7AF.