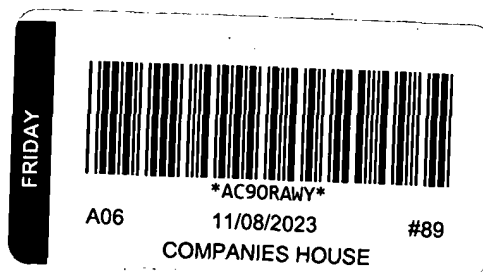


Registration number: 3130330

IHG Hotels Limited

Annual Report and Financial Statements

for the year ended 31 December 2022



IHG Hotels Limited

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IHG Hotels Limited

Company Information

Directors	M Cockcroft N Henfrey D Llewellyn M Renshaw H Wood
Company secretary	M Bennett
Registered office	1 Windsor Dials Arthur Road Windsor Berkshire SL4 1RS
Independent auditors	PricewaterhouseCoopers LLP Donington Court Pegasus Business Park Castle Donington East Midlands DE74 2UZ

IHG Hotels Limited

Strategic Report for the year ended 31 December 2022

Principal activities and stakeholder engagement

IHG Hotels Limited's (the "Company") principal activities comprise acting as regional franchisor for hotels operating under the InterContinental Hotels group's (consisting of InterContinental Hotels Group PLC and its subsidiaries) (the "Group") brand names (InterContinental Hotels and Resorts, Crowne Plaza Hotels and Resorts, Hotel Indigo, Holiday Inn, Holiday Inn Express, Staybridge Suites, Kimpton and voco) in Europe and Africa. In addition, the Company is engaged in the management of a number of hotels operating under these brands in the United Kingdom. The Company also acts as an investment holding company, provides key strategic management and control services, and acts as an administrative support function to fellow revenue-generating subsidiary undertakings of the Group.

The Company's principal activities, as set out above, determine its key stakeholders as the Group, including the Company's own direct subsidiaries; the Group's employees, as well as its own direct employees; the hotel franchisees operating hotels under the Group's brand names in Europe and Africa; and hotel owners for whom the Company manages hotels in the United Kingdom. Whilst the Company autonomously considers the interests and impact of its activities and strategy on its key stakeholders when making relevant decisions, it does not formulate its own policies and principles, rather as part of the Group, the Company is guided by the Group's policies and engagement practices.

Business review

The Company holds the intellectual property of the Group for Europe and Africa. The largest portion of rooms is operated under the franchise business model and consequently the Company generates a significant part of its revenues from franchise fees. The Company also generates revenue from the provision of management and administrative services to other Group companies.

In June 2021, the Company signed an agreement to lease a new Global Headquarters in the UK for a period of 15 years. Employees moved into the new office space in December 2022. During 2022, tangible fixed asset additions of £9,961,000 and right-of-use assets additions of £20,926,000 were incurred relating to the new office space.

During the year, the Company earned total revenue of £229,892,000 (2021: £119,581,000).

Operating profit for the year amounted to £37,245,000 (2021: £3,461,000), after charging operating exceptional items of £35,212,000 (2021: £nil). Operating exceptional items comprise impairment charges, provisions for litigation and the cost of ceasing operations in Russia.

An impairment charge of £39,052,000 (2021: £24,336,000) was recorded against investments in subsidiary companies in the year. Total income from fixed asset investments in 2022 amounted to £nil (2021: £105,000,000).

The loss for the year, after tax, amounted to £7,815,000 (2021: profit of £79,439,000).

As of 31 December 2022, the Company had net assets of £607,064,000 (2021: £613,669,000).

IHG Hotels Limited

Strategic Report for the year ended 31 December 2022 (continued)

Principal risks and uncertainties

An overview of the key business risks that the Group faces is given in the InterContinental Hotels Group PLC Annual Report and Form 20-F 2022 (the "Group Annual Report").

The following summarises the risks and uncertainties set out in the Group Annual Report that most significantly impact the Company:

- The Company is exposed to the risks of political and economic developments and other events that adversely impact domestic and/or international travel, including climate change, actual or threatened acts of terrorism or war and infectious diseases;
- The Company is exposed to the risk of financial market developments such as recession, inflation and commodity prices;
- The Company is reliant on the reputation of the Group's brands and the protection of its intellectual property rights. Any event that materially damages the reputation of one or more of the Group's brands and/or fails to sustain the appeal of the Group's brands to its customers may have an adverse impact on the value of the brand and subsequent revenues from hotel operations;
- The Company is exposed to the risks of overcapacity in the hotel industry;
- The Company is exposed to a variety of risks related to identifying, securing and retaining franchise and management agreements;
- The Company is subject to a competitive and changing industry;
- The Company is exposed to risks relating to cybersecurity and data privacy;
- The Company is exposed to increasing competition from online travel agents and intermediaries;
- The Company is reliant upon the resilience of the Group's reservation system and other key technology platforms;
- The Company is required to comply with existing and changing regulations; and
- The Company is exposed to the risks of failing to build and sustain a resilient corporate structure, failure to recruit or retain key personnel, unexpected loss of key senior employees, failures in the Company's succession planning and incentive plans, or failure to invest in the development of key skills.

Directors' statement of compliance with duty to promote the success of the Company

A director of a Company must act in the way he or she considers, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, and in doing so have regard, (amongst other matters), to:

- likely consequences of any decisions in the long-term;
- interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and environment;
- desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

In discharging their Section 172 duties, the directors of the Company consider that they have had regard in all material respects to the factors set out above.

The key stakeholders of the Company are the Group, including the Company's own direct subsidiaries, the Group's employees, as well as its own direct employees, and the hotel franchisees operating hotels under the Group's brand names in Europe and Africa, and hotel owners for whom the Company manages hotels in the UK.

IHG Hotels Limited

Strategic Report for the year ended 31 December 2022 (continued)

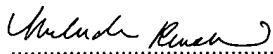
Directors' statement of compliance with duty to promote the success of the Company (continued)

The Company delegates authority for day-to-day management to senior leaders, who set, approve and oversee the execution of the Company's activities. Board meetings are held periodically where the directors consider Company business, including powers of attorney to file tax returns and signing of franchise and management agreements. The Company follows Group policies and procedures, including those relating to standards of business conduct, employees, the environment, the community, and other stakeholders. As part of the Group, stakeholder engagement takes place at a group level and the Company looks to group initiatives for guidance and takes them into account in its decision making. More detail may be found in the Group Annual Report.

In considering items of business the Company makes autonomous decisions on each transaction's own merits, after due consideration of the long-term success of the Company, Section 172 factors, where relevant, and the stakeholders impacted.

During the course of 2022, the Company's board considered and approved the Company's investment in Raison d'Etre Spas, Sweden AB.

Approved by the Board on 8 August 2023 and signed on its behalf by:



M Renshaw
Director

IHG Hotels Limited

Directors' Report for the year ended 31 December 2022

The directors present their report and the audited financial statements for the year ended 31 December 2022.

Results and dividends

The loss for the year, after tax, amounted to £7,815,000 (2021: profit of £79,439,000).

The directors do not propose a dividend for the year ended 31 December 2022 (2021: £nil).

Directors of the Company

The directors of the Company, who held office during the year and up to the date of signing the financial statements were:

M Cockcroft

N Henfrey

D Llewellyn

M Renshaw

H Wood

Engagement with employees

As part of the Group, the Company's employees do not differentiate between their direct employment and their identification as being part of IHG. The Company does not prepare and provide its own employee principals and engagement forums, but instead follows Group-wide policies and engagement platforms, which include workforce engagement surveys, regular employee communications, performance metrics, and career development opportunities.

During 2022, the main communication channels to provide information of concern to employees included weekly newsletters, virtual town halls, CEO and regional leadership calls, podcasts, blogs, email broadcasts, videos and business function team meetings.

Employees have been consulted and given opportunities to express their views and concerns through participation in the employee engagement survey, Voice of the Employee feedback sessions, ERGs, Next events (interactive sessions relating to IHG's strategy and behaviours); quarterly performance, development and wellbeing meetings, team meetings and the Q&A session as part of the CEO quarterly business update call.

Employees have been made aware of the financial and economic factors affecting the performance of the Company through quarterly business update calls with the Group CEO, as well as business function team meetings, and other regional leadership calls.

The Chair and other Directors of the IHG Group have engaged with employees through a number of means, including direct interactions, Voice of the Employee sessions, Next events and a series of opportunities held during the year to meet Executive Directors via video meetings or in person.

Details of other initiatives and the impact on employees are set out in the Group Annual Report.

IHG Hotels Limited

Directors' Report for the year ended 31 December 2022 (continued)

Employment of disabled persons

IHG continues to focus on providing an inclusive environment, in which employees are valued for who they are and what they bring to the Group, and in which talented individuals are retained through all levels of the organisation.

IHG looks to appoint the most appropriate person for the job and are committed to providing equality of opportunity to all employees without discrimination. Every effort is made to ensure that applications for employment from disabled employees are fully and fairly considered and that disabled employees have equal opportunities to training, career development and promotion.

Engagement with suppliers, customers and other relationships

The main customers of the Company are other Group subsidiaries, which includes providing corporate and system fund services, and franchisees and owners of managed hotels. The Group fosters relationships with them in accordance with the Group's policies and engagement practices. More information on the Group's engagement practices can be found in the Group Annual Report.

As part of the Group's strategic growth initiatives, the interests and relationships with a number of third-party suppliers and other business partners, such as lending institutions, are considered important when making commercial decisions, and this is cascaded down through the Group, and is in turn part of the Company's own decision-making considerations and engagement. The Company follows the Group's strategic initiatives, treasury and responsible procurement policies, including a Group-wide Supplier Code of Conduct, and a supply chain risk assurance programme. The policies provide support and leverage procurement platforms for suppliers directly contracted with the Group, including the Company. More information is set out in the Group Annual Report.

The Company, through the Group, complies with its statutory reporting duties on payment practices and performance and is a voluntary signatory of the UK Prompt Payment Code.

Future developments

It is the intention of the directors that the Company will continue to operate as the Europe and Africa regional franchisor and as an investment holding company for the foreseeable future, as well as managing a number of hotels in the United Kingdom. The Company will also continue to provide key strategic management and control services to fellow Group revenue-generating subsidiary undertakings.

The directors view the results as satisfactory for the current year.

Going concern

The financial statements have been prepared on a going concern basis. Further details regarding the adoption of the going concern basis can be found in note 2 to the financial statements.

Directors' liabilities

A qualifying third party indemnity provision in favour of existing and former directors of the Company, granted by InterContinental Hotels Limited in accordance with Section 234 of the Companies Act 2006, was in force during the year and up to the date of the approval of the financial statements. A copy of this indemnity provision is available for inspection by the members of the Company at the Company's registered office at 1 Windsor Dials, Arthur Road, Windsor, Berkshire, SL4 1RS.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The directors confirm that they are not aware of any relevant information of which the auditors are unaware.

IHG Hotels Limited

Directors' Report for the year ended 31 December 2022 (continued)

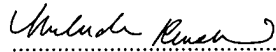
Appointment of auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

Statement of Directors' Responsibilities

The Statement of Directors Responsibilities can be found on page 8.

Approved by the Board on 8 August 2023 and signed on its behalf by:



M Renshaw
Director

IHG Hotels Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law). Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are also 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.

Independent auditors' report to the members of IHG Hotels Limited

Report on the audit of the financial statements

Opinion.

In our opinion, IHG Hotels Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2022; the Income Statement and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditors' report to the members of IHG Hotels Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the members of IHG Hotels Limited (continued)

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and corporate, employee and VAT tax legislation in the United Kingdom, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to manipulate financial results, including the improper creation or inclusion of transactions in revenue, and potential management bias in significant accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inquiries of management throughout the audit, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation and testing of the effectiveness of management's controls designed to prevent and detect irregularities;
- Review legal expense, nominal ledger accounts and board minutes for indications of non-compliance with laws and regulations and fraud;
- Identification and testing of journal entries that meet our defined risk criteria, in particular any journal entries posted with unusual account combinations and which resulted in an impact on revenue;
- Challenging assumptions and judgements made by management in making significant accounting estimates, including validating to supporting evidence and considering possible alternatives; and
- Review financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent auditors' report to the members of IHG Hotels Limited (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- We have not obtained all the information and explanations we require for our audit; or
- Adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- The financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

R Cletheroe

.....
Rachel Cletheroe (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
8 August 2023

IHG Hotels Limited

Income Statement for the year ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Revenue	4	<u>229,892</u>	<u>119,581</u>
Administrative expenses		(157,445)	(116,120)
Operating exceptional items	5	<u>(35,212)</u>	<u>-</u>
Total administrative expenses		(192,657)	(116,120)
Other operating income		<u>10</u>	<u>-</u>
Operating profit	6	37,245	3,461
Income from fixed asset investments	16	-	105,000
Amounts written off investments	16	(39,052)	(24,336)
Interest receivable and similar income	10	2,798	495
Interest payable and similar charges	11	<u>(760)</u>	<u>(193)</u>
Profit before tax		231	84,427
Tax	12	<u>(8,046)</u>	<u>(4,988)</u>
(Loss)/profit for the financial year		<u>(7,815)</u>	<u>79,439</u>

All amounts relate to continuing operations.

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

IHG Hotels Limited

(Registration number: 3130330)

Statement of Financial Position as at 31 December 2022

	Note	2022 £ 000	2021 £ 000
Fixed assets			
Intangible assets	13	276,481	276,587
Tangible assets	14	14,069	3,072
Right-of-use assets	15	19,493	998
Investments	16	90,700	128,831
		<u>400,743</u>	<u>409,488</u>
Current assets			
Debtors: amounts falling due after more than one year	17	76,651	71,681
Debtors: amounts falling due within one year	17	268,374	195,191
Cash at bank and in hand	18	6,144	4,853
		<u>351,169</u>	<u>271,725</u>
Creditors: amounts falling due within one year	19	<u>(78,082)</u>	<u>(49,692)</u>
Net current assets		<u>273,087</u>	<u>222,033</u>
Total assets less current liabilities		673,830	631,521
Creditors: amounts falling due after more than one year	20	(24,173)	(679)
Provisions for liabilities	21	<u>(42,593)</u>	<u>(17,173)</u>
Net assets		<u>607,064</u>	<u>613,669</u>
Capital and reserves			
Called up share capital	25	50,797	50,797
Share premium account	26	306,752	306,752
Profit and loss account		<u>249,515</u>	<u>256,120</u>
Total equity		<u>607,064</u>	<u>613,669</u>

Approved by the Board on 8 August 2023 and signed on its behalf by:



M Renshaw
Director

The notes on pages 16 to 47 form an integral part of these financial statements.

IHG Hotels Limited

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

	Note	Called up share capital £ 000	Share premium account £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2021		50,797	306,752	175,995	533,544
Profit for the financial year		-	-	79,439	79,439
Total comprehensive income		-	-	79,439	79,439
Tax effect of share based payment transactions		-	-	98	98
Equity-settled share based payment cost	24	-	-	588	588
At 31 December 2021		50,797	306,752	256,120	613,669
Loss for the financial year		-	-	(7,815)	(7,815)
Total comprehensive loss		-	-	(7,815)	(7,815)
Tax effect of share based payment transactions		-	-	129	129
Equity-settled share based payment cost	24	-	-	1,081	1,081
At 31 December 2022		50,797	306,752	249,515	607,064

The notes on pages 16 to 47 form an integral part of these financial statements.

IHG Hotels Limited

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

1 General information

The Company is a private company limited by share capital, incorporated and registered in England and Wales.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Basis of preparation

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

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

The Company's ultimate parent undertaking, InterContinental Hotels Group PLC, includes the Company in its consolidated financial statements. The consolidated financial statements of InterContinental Hotels Group PLC, which are prepared in accordance with UK-adopted international accounting standards, with applicable law and regulations and with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board, are publicly available and may be obtained from the address given in note 29.

Prior period restatement

We have re-presented the directors remuneration disclosure to reflect amounts paid by Six Continents Limited. For further details see note 9.

Summary of disclosure exemptions

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of UK-adopted IFRSs. In these financial statements, disclosures required by the following standards have not been provided as permitted by FRS 101 or equivalent disclosures have been provided in the consolidated financial statements of InterContinental Hotels Group PLC:

- Paragraphs 45(b) and 46 to 52 of IFRS 2 - 'Share-based Payment' (how the fair value of goods/services received or equity instruments granted was determined and details of the number and weighted average exercise prices of share options), as the consolidated financial statements of InterContinental Hotels Group PLC include the equivalent disclosures.
- Disclosures required by IFRS 7 - 'Financial Instruments: Disclosures' and paragraphs 91 to 99 of IFRS 13 - 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities), as the consolidated financial statements of InterContinental Hotels Group PLC include the equivalent disclosures.
- Second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 - 'Revenue from Contracts with Customers' (disaggregation of revenue, significant changes in contract assets and liabilities, details on transaction price allocation, timing of the satisfaction of performance obligations and significant judgements made in the application of IFRS 15).

IHG Hotels Limited

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

2 Accounting policies (continued)

Summary of disclosure exemptions (continued)

- Paragraph 52 of IFRS 16 - 'Leases'.
- Paragraph 38 of IAS 1 - 'Presentation of financial statements' (comparative information requirements in respect of):
 - paragraph 79(a)(iv) of IAS 1 (reconciliation of number of shares at the beginning and end of the period)
 - paragraph 73(e) of IAS 16, 'Property, plant and equipment' (reconciliations between the carrying amount at the beginning and end of the period)
 - paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1 - 'Presentation of financial statements' (removing the requirement to present):
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 111 (cash flow statement information).
- IAS 7 - 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8 - 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24 - 'Related party disclosures' (key management personnel compensation).
- IAS 24 'Related party disclosures' (to disclose related party transactions entered into between two or more members of a group).
- Paragraphs 134 to 136 of IAS 1 'Presentation of financial statements' (disclosures in respect of capital management).

IHG Hotels Limited

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

2 Accounting policies (continued)

Going concern

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

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

An overview of the business activities of the Group, including a review of the key business risks that the Group faces, is given in the Strategic Report in the InterContinental Hotels Group PLC Annual Report and Form 20-F 2022 (the "Group Annual Report"). Information on the Group's liquidity and financial resources, including information on covenants and debt facilities; its capital and financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to liquidity risk and credit risk are also given in the Group Annual Report.

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

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

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

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

Exemption from preparing group accounts

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

New accounting standards

With effect from 1 January 2022, the Company has adopted the Amendments to IAS 12: International Tax Reform - Pillar Two Model Rules.

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

IHG Hotels Limited

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

2 Accounting policies (continued)

Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer.

Fee business revenue

Under franchise agreements, the Company's performance obligation is to provide a licence to use IHG's trademarks and other intellectual property. Franchise royalty fees are typically charged as a percentage of hotel gross rooms revenues and are treated as variable consideration, recognised as the underlying hotel revenues occur.

Under management agreements, the Company's performance obligation is to provide hotel management services and a licence to use IHG's trademarks and other intellectual property. Base and incentive management fees are typically charged. Base management fees are typically a percentage of total hotel revenues and incentive management fees are generally based on the hotel's profitability or cash flows. Both are treated as variable consideration. Like franchise fees, base management fees are recognised as the underlying hotel revenues occur. Incentive management fees are recognised over time when it is considered highly probable that the related performance criteria for each annual period will be met, provided there is no expectation of a subsequent reversal of the revenue.

Contract assets

Amounts paid to hotel owners to secure management and franchise agreements ('key money') are treated as consideration payable to a customer. A contract asset is recorded which is recognised as a deduction to revenue over the initial term of the contract. Where loans are provided to an owner the difference, if any, between the face and market value of the loan on inception is recognised as a contract asset.

Typically, contract assets are not financial assets as they represent amounts paid by the Company at the beginning of a contract, and so are tested for impairment based on value in use rather than with reference to expected credit losses. Contract assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If carrying values exceed the recoverable amount, determined by reference to estimated future cash flows discounted to their present value using a pre-tax discount rate, the contract assets are written down to the recoverable amount.

Contract costs

Certain costs incurred to secure management and franchise agreements, typically developer commissions, are capitalised and amortised as an expense over the initial term of the related contract. These costs are presented as contract costs in the statement of financial position.

Contract costs are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If carrying values exceed the recoverable amount determined by reference to estimated future cash flows discounted to their present value using a pre-tax discount rate, the contract costs are written down to the recoverable amount.

IHG Hotels Limited

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

2 Accounting policies (continued)

Revenue recognition (continued)

Cost reimbursements

In a managed property, the Company typically acts as employer of the general manager of the hotel and is entitled to reimbursement of these costs. The performance obligation is satisfied over time as the employees perform their duties, consistent with when reimbursement is received. Reimbursements for these services are shown as revenue with an equal matching employee cost, with no profit impact.

Certain other costs relating to both managed and franchised hotels are also contractually reimbursable to the Company and, where the Company is deemed to be acting as principal in the provision of the related services, the revenue and cost are shown on a gross basis.

Service charges

Revenue comprises amounts charged to fellow Group undertakings for the provision of management and administrative services to the franchise, management and broader business activities of the Group and is recorded net of discounts. The amount charged to Group European management companies is based on the revenue of those companies (a resale minus approach). The Company is deemed to be principal in the provision of these services and revenue is therefore recorded gross in the Income Statement.

The amount charged for the provision of all other management and administrative services is equal to the cost to the Company of providing the goods and services plus a mark-up, except to the extent that these costs include recharges of services originally incurred by other Group undertakings, which are charged with no markup. The management and administrative services are provided on an integrated basis and so the Company is deemed to be the principal in the provision of these services, with revenue recorded on a gross basis in the Income Statement.

The Company also acts as agent for certain services provided by other Group undertakings. Revenue is only recognised to the extent of any commission earned.

Exceptional items

Exceptional items are identified by virtue of either their size, nature or incidence so as to facilitate an understanding of the underlying financial performance of the Company.

Interest income and expenses

Interest receivable and interest payable are recognised in the Income Statement as they accrue, using the effective interest rate method.

Dividend income is recognised in the Income Statement on the date the Company's right to receive payments is established.

Foreign currency transactions and balances

Transactions in foreign currencies are translated to the Company's functional currency at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the Company's functional currency at the rates prevailing on the reporting period date.

Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions and not retranslated.

IHG Hotels Limited

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

2 Accounting policies (continued)

Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

The taxation liabilities of certain Group entities are reduced wholly or in part by the surrender of losses by fellow Group undertakings, with these losses normally being paid for at the effective standard UK tax rate applying for the period in question. The impacts of such surrenders are recognised in the financial statements of both the surrendering and recipient companies.

Deferred tax

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

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

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

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

Share-based payments

The Company rewards certain employees of the Company by awarding InterContinental Hotels Group PLC shares as part of their remuneration.

Where the Company's ultimate parent grants rights to its equity instruments to the Company's employees, which are accounted for as equity-settled in the consolidated financial statements of the ultimate parent, the Company also accounts for these share-based payments as equity-settled.

The cost of equity-settled share-based payment transactions with employees is measured by reference to fair value at the date at which the right to the shares is granted. Fair value is determined by an external valuer using option pricing models.

The cost of equity-settled share-based payment transactions is recognised, together with a corresponding increase in equity, over the period in which any performance or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date).

IHG Hotels Limited

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

2 Accounting policies (continued)

The Income Statement charge for a period represents the movement in cumulative expense recognised at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Investments in equity securities

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

Intangible assets

Software

Software acquired by the Company is stated at cost less accumulated amortisation and less accumulated impairment losses.

Intellectual property

Acquired brands are capitalised at cost and, in the absence of any evidence to the contrary, deemed to have an indefinite life, as the brands are protected by trademarks and there are not believed to be any legal, regulatory or contractual provisions that limit their useful lives. Such assets are not amortised but are reviewed for impairment on an annual basis. As disclosed in note 13 to the financial statements, the recoverable amount of intellectual property has been determined based on value in use calculations, which represent the value of the estimated future cash flows expected to arise from continuing operations at a cash-generating unit level, which is deemed to be the individual hotel brands.

The UK Companies Act requires that intangible assets must be written off on a systematic basis over the useful economic life of the intangible asset. However, under IAS 38 'Intangible assets', intangible assets with an indefinite life are not amortised. Consequently, the Company does not amortise its intellectual property intangible asset, but reviews it for impairment on an annual basis or whenever there are indicators of impairment. The Company is therefore invoking a 'true and fair override'. The Company is not able to determine the financial effect of non-amortisation of its intellectual property, which has a carrying amount of £275,593,000 at 31 December 2022 and 31 December 2021.

Other

Other costs relate to other internally generated intangible assets. These assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to the Income Statement on a straight-line basis over the estimated useful lives of the assets, which are estimated to be between three and five years.

IHG Hotels Limited

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

2 Accounting policies (continued)

Intangible assets (continued)

Amortisation

Amortisation is provided on intangible assets in the Income Statement in order to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Intellectual property	Indefinite life
Software	Straight line over 3 - 5 years
Other	Straight line over 3 - 5 years

Amortisation methods, useful lives and residual values are re-assessed annually.

Tangible assets

Property, plant and equipment is stated at cost, less any subsequent accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred relating to the acquisition and installation.

Repairs and maintenance costs are expensed as incurred.

Depreciation

Depreciation is charged on a straight-line basis to the Income Statement in order to write off the cost of assets, over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures, fittings and equipment	Straight line over 3-15 years
Right-of-use assets	Straight line over the lives of the related leases

Leases

On inception of a contract, the Company assesses whether it contains a lease. A contract contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to use the asset and the obligation under the lease to make payments are recognised in the statement of financial position as a right-of-use asset and a lease liability.

Lease contracts may contain both lease and non-lease components. The Company allocates payments in the contract to the lease and non-lease components based on their relative stand-alone prices and applies the lease accounting model only to lease components.

The right-of-use asset recognised at lease commencement includes the amount of lease liability recognised, initial direct costs incurred and lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated to a residual value over the shorter of the asset's estimated useful life and the lease term. Right-of-use assets are also adjusted for any re-measurement of lease liabilities and are subject to impairment testing. Residual value is reassessed annually.

IHG Hotels Limited

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

2 Accounting policies (continued)

Leases (continued)

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including 'in-substance fixed' payments) and variable lease payments that depend on an index or a rate (initially measured using the index or rate at commencement), less any lease incentives receivable. 'In-substance fixed' payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which the Company is reasonably certain to exercise and excludes the effect of early termination options where the Company is reasonably certain that it will not exercise the option. Minimum lease payments include the cost of a purchase option if the Company is reasonably certain it will purchase the underlying asset after the lease term.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the 'in-substance fixed' lease payments or as a result of a rent review or change in the relevant index or rate.

The Company has opted not to apply the lease accounting model to intangible assets, leases of low-value assets or leases which have a term of less than 12 months. Costs associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Impairment

Tangible and intangible assets and right-of-use assets are tested for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If carrying values exceed their estimated recoverable amount, the assets are written down to the recoverable amount. Recoverable amount is the greater of fair value less costs of disposal and value in use. Value in use is assessed based on estimated future cash flows, including the effect of inflation, discounted to their present value using a pre-tax nominal discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. A previously recognised impairment loss is reversed only if there has been a significant change in the assumptions used to determine the asset's recoverable amount since the impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years.

Impairment losses, and any subsequent reversals, are recognised in the Income Statement.

IHG Hotels Limited

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

2 Accounting policies (continued)

Trade receivables

A trade debtor is recorded when the Company has an unconditional right to receive payment. The invoice is typically issued as the related performance obligations are satisfied. Trade debtors typically do not bear interest and are generally on payment terms of up to 30 days.

Trade debtors are initially recognised at fair value and subsequently measured at amortised cost less provision for expected credit losses. The Company has elected to apply the simplified version of the expected credit loss model permitted by IFRS 9 in respect of trade debtors, which involves assessing lifetime expected credit losses on all balances. The Company uses a provision matrix that is based on its historical credit loss experience and number of days past due. Adjustments are made where management's expectations of credit losses change.

Trade debtors are written off once determined to be uncollectable.

Movements in provisions for trade debtors are recognised in the Income Statement within administrative expenses.

Amounts owed by Group undertakings

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

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

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer).

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Amounts owed to Group undertakings

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

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that a payment will be made and a reliable estimate of the amount payable can be made. If the effect of the time value of money is material, the provision is discounted using a current pre-tax discount rate that reflects the risks specific to the liability. No amounts are currently discounted.

In respect of litigation and commercial disputes, a provision is made when management consider it probable that payment may occur and the amount can be reliably estimated even though the defence of the related claim may still be ongoing through the court process.

IHG Hotels Limited

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

2 Accounting policies (continued)

Defined contribution pension plan

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and for which it has no legal or constructive obligation to pay further amounts.

Payments to defined contribution pension schemes are charged to the Income Statement as they fall due.

Share capital

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

IHG Hotels Limited

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

3 Critical accounting judgements and key sources of estimation uncertainty

In determining and applying the Company's accounting policies, management are required to make judgements, estimates and assumptions. An accounting policy is considered to be critical if its selection or application could materially affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements or the reported amounts of revenues and expenses during the reporting period.

Estimates and assumptions are evaluated by management using historical experience and other factors believed to be reasonable based on current circumstances. Actual results could differ under different policies, judgements, estimates and assumptions or due to unforeseen circumstances.

Management consider that critical estimates and assumptions are used in impairment testing, as discussed in further detail below.

Impairment of investments in subsidiary companies

The Company assesses whether there are any indications of impairment for investment in subsidiary companies at each reporting date to ensure that the carrying values of the investment in subsidiary companies does not exceed their recoverable amounts. The recoverable amount represents the value of the estimated future cash flow expected to arise from continuing operations. In determining the recoverable amount, judgement is exercised in estimating the future cash flow, terminal growth rate and discount rate as detailed further in note 16.

At 31 December 2022, the Company had investments in subsidiary companies of £90,700,000 (2021: £128,831,000). For the financial year ended 31 December 2022, impairment losses of £39,052,000 (2021: £24,336,000) were recognised against investments in subsidiaries in the income statement.

Impairment of intangible assets - intellectual property

Intellectual property with an indefinite useful life is not amortised, but is tested for impairment on annual basis as detailed in note 13. Other intangible assets are tested for impairment when events or circumstances indicate that their carrying value may not be recoverable.

The impairment testing of individual asset or cash-generating units requires an assessment of the recoverable amount of the asset or cash-generating unit. If the carrying value of the asset or cash-generating unit exceeds its estimated recoverable amount, the asset or cash-generating unit is written down to its recoverable amount. Recoverable amount is the greater of fair value less costs of disposal and value in use. Value in use is assessed based on estimated future cash flows discounted to their present value using a pre-tax discount rate that is based on the Company's weighted average cost of capital adjusted to reflect the risks specific to the business model and territory of the cash-generating unit or asset being tested. The outcome of such an assessment is subjective, and the result sensitive to the future cash flows estimated to be generated by the cash-generating units or assets and discount rates applied in calculating the value in use.

At 31 December 2022, the Company had intangible assets of £276,481,000 (2021: £276,587,000). Impairment of intellectual property was not required at either 31 December 2022 or 31 December 2021.

IHG Hotels Limited

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

4 Revenue

The analysis of the Company's revenue for the year by class of business is as follows:

	2022	2021
	£ 000	£ 000
Franchise and base management fees	119,267	59,599
Provision of management and administrative services	109,594	58,609
Cost reimbursements	852	1,307
Incentive management fees	179	66
	<u>229,892</u>	<u>119,581</u>

The analysis of the Company's revenue for the year by market is as follows:

	2022	2021
	£ 000	£ 000
United Kingdom and Ireland	82,376	44,609
Europe	62,368	30,814
Rest of the world	85,148	44,158
	<u>229,892</u>	<u>119,581</u>

The Company has recognised the following assets and liabilities related to contracts with customers

	2022	2021
	£ 000	£ 000
Trade debtors (note 17)	40,872	30,584
Amounts owed by Group undertakings	39,207	16,265
Contract assets (note 17)	79,305	77,554
Contract costs (note 17)	633	225
Contract liabilities (note 19)	<u>(1,169)</u>	<u>(1,462)</u>

IHG Hotels Limited

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

4 Revenue (continued)

Contract liabilities

Revenue of £817,000 (2021: £1,699,000) has been recognised in the current reporting year that was included in the contract liabilities balance at the beginning of the year.

5 Operating exceptional items

	2022 £ 000	2021 £ 000
Commercial litigation and disputes	23,018	-
Costs of ceasing operations in Russia	9,212	-
Impairment of contract assets	3,529	-
Reversal of impairment of contract assets	(547)	-
	<u>35,212</u>	<u>-</u>

Costs of commercial litigation and disputes were provided for during the year ended 31 December 2022 and include the following uncertainties: timing of resolution, quantum of legal costs, quantum of interest and the likelihood of the Group's appeal against an adverse opinion. In July 2023, the provision was utilised following settlement of the disputed matters.

The Company incurred a total cost of £9,212,000 as a part of the group wide process of ceasing all operations in Russia consistent with evolving UK, US and EU sanction regimes and the ongoing and increasing challenges of operating there. The costs associated with the cessation of corporate operations in Moscow and long-term management and franchise contracts are presented as exceptional due to the nature of the war in Ukraine which has driven the Group's response. Impairment charges of £3,529,000 relate to key money pertaining to managed and franchised hotels in Russia.

Reversal of impairment of contract assets of £547,000 relates to an impairment originally recorded in 2020 and arises as a result of the improved financial position of the owner.

6 Operating profit

Operating profit is stated after charging/(crediting)

	Note	2022 £ 000	2021 £ 000
Amortisation of intangible assets	13	394	747
Depreciation of tangible assets	14	1,053	2,413
Depreciation of right-of-use assets	15	2,446	3,093
Bad debt expense/(written back)		2,097	(371)
Foreign exchange (gains)/losses		(2,880)	1,094
Operating exceptional items	5	35,212	-
Other operating income		<u>(10)</u>	<u>-</u>

IHG Hotels Limited

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

7 Auditors' remuneration

The Company incurred auditors' remuneration in respect of audit of the financial statements of £14,000 (2021: £11,000) which has been borne by a fellow Group undertaking in the current and preceding year.

8 Employees

The aggregate payroll costs were as follows:

	2022	2021
	£ 000	£ 000
Wages and salaries	39,098	35,608
Social security costs	5,014	3,689
Defined contribution pension costs	3,661	679
	<u>47,773</u>	<u>39,976</u>

The average monthly number of persons employed by the Company during the year was as follows:

	2022	2021
	No.	No.
Administration and support	452	425
Managed hotel operations	4	4
	<u>456</u>	<u>429</u>

IHG Hotels Limited

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

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	(As restated)	
	2022	2021
	£ 000	£ 000
Directors' emoluments	755	723
Amounts receivable under long-term incentive schemes in respect of qualifying services	234	147
Contributions paid to defined contribution pension scheme	5	8
	<u>994</u>	<u>878</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2022	2021
	No.	No.
Directors in respect of whose qualifying services shares were received or receivable under long-term incentive schemes	2	2
Directors accruing benefits under defined contribution pension scheme	<u>2</u>	<u>2</u>

In respect of the highest paid director:

	2022	2021
	£ 000	£ 000
Basic salary, performance payment and benefits	482	478

Directors' remuneration disclosed above for the year ended 31 December 2022 represents payments to 2 directors (2021: 2). The directors are also directors of subsidiary undertakings within the Group and do not believe that it is practicable to apportion amounts between qualifying services as directors of the Company and their qualifying services as directors of other Group undertakings.

Directors' remuneration for 3 directors (2021: 3) are paid by fellow group company Six Continents Limited and no amounts are recharged to the Company (2021: £nil). The amount attributable to the qualifying services provided by the directors to the Company cannot be reliably estimated.

The comparatives have been re-presented to reflect directors remuneration incurred by the Company and those incurred by other group companies in 2021.

10 Interest receivable and similar income

	2022	2021
	£ 000	£ 000
Interest receivable from Group undertakings	2,037	11
Other interest receivable	<u>761</u>	<u>484</u>
	<u>2,798</u>	<u>495</u>

IHG Hotels Limited

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

11 Interest payable and similar charges

	2022 £ 000	2021 £ 000
On facilities, bank loans and overdrafts	43	-
Interest expense on leases	717	101
Other interest payable	-	92
	<u>760</u>	<u>193</u>

12 Tax

Tax charged in the income statement

	2022 £ 000	2021 £ 000
Current tax		
UK corporation tax	5,915	(485)
Adjustments in respect of prior periods	118	448
Foreign tax	<u>406</u>	<u>626</u>
Total current tax	<u>6,439</u>	<u>589</u>
Deferred tax		
Origination and reversal of temporary differences	1,519	1,163
Changes to tax rate	(32)	3,735
Adjustments in respect of prior periods	<u>120</u>	<u>(499)</u>
Total deferred tax	<u>1,607</u>	<u>4,399</u>
Tax charge for the year	<u>8,046</u>	<u>4,988</u>

IHG Hotels Limited

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

12 Tax (continued)

The tax on profit before tax for the year is higher than (2021: lower than) the effective standard rate of corporation tax in the UK of 19% (2021: 19%).

The differences are reconciled below:

	2022 £ 000	2021 £ 000
Profit before tax	231	84,427
Corporation tax at effective standard rate	44	16,041
Effects of:		
Expenses not deductible for tax purposes	376	82
Changes to tax rate	(32)	3,735
Foreign taxes net of associated reliefs	-	507
Adjustments in respect of prior periods	238	(51)
Income received from fixed asset investments	-	(19,950)
Impairment of fixed asset investments	7,420	4,624
Tax charge for the year	8,046	4,988

The tax charge comprises a tax charge on profit before exceptional items of £13,206,000 (2021: £4,988,000) and a tax credit on exceptional items of £5,160,000 (2021: £nil).

In his budget for 2021, the Chancellor of the Exchequer proposed to increase the standard rate of corporation tax from the current rate of 19%, to 25%, effective from 1 April 2023. The change was substantively enacted on 24 May 2021; the impact of any resulting changes to the valuation of deferred tax assets and liabilities is reflected within the financial statements.

On 20 June 2023, Finance (No. 2) Act 2023 was substantively enacted. The legislation introduces a domestic minimum tax, effective for accounting periods commencing on or after 31 December 2023. The Company has applied the exception within IAS 12 to recognising and disclosing information about deferred tax assets and liabilities related to this minimum tax.

IHG Hotels Limited

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

13 Intangible assets

	Intellectual property £ 000	Software £ 000	Other intangible assets £ 000	Total £ 000
Cost				
At 1 January 2022	275,593	1,482	1,710	278,785
Additions	-	288	-	288
At 31 December 2022	275,593	1,770	1,710	279,073
Amortisation and impairment				
At 1 January 2022	-	754	1,444	2,198
Amortisation charge	-	267	127	394
At 31 December 2022	-	1,021	1,571	2,592
Net book value				
At 31 December 2022	275,593	749	139	276,481
At 31 December 2021	275,593	728	266	276,587

Intellectual property relates to the rights to use brand licenses including InterContinental, Crowne Plaza, Hotel Indigo, Holiday Inn, Staybridge Suites, Holiday Inn Express and Kimpton licenses in United Kingdom, Europe and Africa.

Intellectual property with a net book value of £275,593,000 (2021: £275,593,000) has an indefinite life, as having considered all relevant factors there is not considered to be a foreseeable limit to the period over which the brand licences are expected to generate net cash flows to the Company. On this basis the asset is not amortised and is reviewed for impairment on an annual basis.

For impairment testing purposes, the recoverable amount of the intellectual property is determined from value in use calculations. These calculations use pre-tax cash flow forecasts derived from the most recent financial budgets and strategic plans approved by management covering a five-year period and using growth rates based on management's past experience and industry growth forecasts. Cash flow projections beyond the next five year period have been extrapolated using a terminal growth rate of 1.68% (2021: 1.52%). These rates do not exceed the average long-term growth rates for the relevant markets. Cash flow projections are discounted using a pre-tax rate of 14.20% (2021: 10.30%). Impairment of intellectual property was not required at either 31 December 2022 or 31 December 2021.

IHG Hotels Limited

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

14 Tangible assets

	Fixtures, fittings and equipment £ 000
Cost	
At 1 January 2022	8,738
Additions	12,050
Disposals	<u>(4,338)</u>
At 31 December 2022	<u>16,450</u>
Depreciation and impairment	
At 1 January 2022	5,666
Charge for the year	1,053
Eliminated on disposal	<u>(4,338)</u>
At 31 December 2022	<u>2,381</u>
Net book value	
At 31 December 2022	<u><u>14,069</u></u>
At 31 December 2021	<u><u>3,072</u></u>

During 2022, additions of £9,961,000 related to the new global head office in the UK, see note 23.

IHG Hotels Limited

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

15 Right-of-use assets

	Total £ 000
Cost	
At 1 January 2022	7,503
Additions	20,950
Disposals	<u>(54)</u>
At 31 December 2022	<u>28,399</u>
Depreciation and impairment	
At 1 January 2022	6,505
Charge for the year	2,446
Eliminated on disposal	<u>(45)</u>
At 31 December 2022	<u>8,906</u>
Net book value	
At 31 December 2022	<u>19,493</u>
At 31 December 2021	<u>998</u>

During 2022, additions of £20,926,000 related to the lease of the new global head office in the UK, see note 23.

IHG Hotels Limited

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

16 Investments

	Investments in subsidiary companies £ 000
Cost	
At 1 January 2021	366,690
Additions	37,532
At 31 December 2021	404,222
Additions	921
At 31 December 2022	405,143
Impairment	
At 1 January 2021	251,055
Provision	24,336
At 31 December 2021	275,391
Provision	39,052
At 31 December 2022	314,443
Net book value	
At 31 December 2022	90,700
At 31 December 2021	128,831
At 1 January 2021	115,635

In May 2022, the Company acquired 100% of the issued share capital of Raison d'Etre Spas, Sweden AB, a company incorporated in Sweden for a consideration of £921,000.

In April 2021, the Company acquired a further 10,000 newly issued shares in Sustainable Luxury Mauritius Limited, a company incorporated in Mauritius, for consideration of £17,972,000. In 2021, the investment was impaired by £17,720,000, with a further impairment recorded in 2022 of £26,108,000. For impairment testing purposes, the recoverable amount of the intellectual property has been determined based on a value in use calculation. The calculation used post-tax cash flow forecasts derived from the most recent financial budgets and strategic plans approved by management covering a five-year period (2021: four-year period), incorporating revenue per available room ("RevPAR") growth rates based on management's experience and industry growth forecasts. Cash flows have been discounted using a post-tax discount rate of 11.4% (2021: 9.1%). Cash flows have been extrapolated using a terminal growth rate of 3.1% (2021: 1.5%); this does not exceed the average long-term growth rate for the relevant market. A 5% increase/decrease in RevPAR would reduce/increase the impairment by £2.5m (2021: £2.5m) and a 1% increase/decrease in discount rate would increase/reduce the impairment by £7.0m/£9.0m respectively (2021: £8.7m/£11.4m). A 1% increase/decrease in terminal growth rate would reduce/increase the impairment by £7.3m/£5.7m respectively (2021: £9.0m/£6.8m).

IHG Hotels Limited

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

16 Investments (continued)

In December 2021, the Company acquired 100% of the issued share capital of InterContinental Hotels Management GmbH, a company incorporated in Germany, for consideration of €1. In 2021, the company was subsequently recapitalised by £19,560,000 and the investment was impaired by £6,616,000, with a further impairment recorded in 2022 of £12,944,000.

Total income from fixed asset investments in 2022 amounted to £nil (2021: £105,000,000).

A full list of related undertakings is disclosed in note 30.

17 Debtors

	2022 £ 000	2021 £ 000
Due after more than one year		
Other debtors	2,412	-
Contract assets	73,629	71,464
Contract costs	610	217
	<u>76,651</u>	<u>71,681</u>
Due within one year		
Trade debtors	40,872	30,584
Amounts owed by Group undertakings	216,460	153,117
Other debtors	2,772	2,758
Other prepayments	2,571	355
Current tax	-	2,279
Contract assets	5,676	6,090
Contract costs	23	8
	<u>268,374</u>	<u>195,191</u>

Trade debtors are stated after provisions for impairment of £3,694,000 (2021: £2,721,000).

Other debtors are stated after provisions for impairment of £nil (2021: £420,000).

IHG Hotels Limited

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

17 Debtors (continued)

	2022 £ 000	2021 £ 000
Changes in contract assets balance		
Balance at 1 January	77,554	80,120
Key money paid	11,549	3,640
Recognised as a deduction to revenue	(5,579)	(6,011)
Transfer from a Group undertaking	-	2,150
Disposals	(1,237)	(2,345)
Impairment charge	(3,529)	-
Reversal of impairment charge	547	-
Balance at 31 December	<u>79,305</u>	<u>77,554</u>

	2022 £ 000	2021 £ 000
Changes in contract costs balance		
Balance at 1 January	225	212
Costs incurred	417	20
Costs amortised	(9)	(7)
Balance at 31 December	<u>633</u>	<u>225</u>

18 Cash at bank and in hand

	2022 £ 000	2021 £ 000
Cash at bank and in hand	<u>6,144</u>	<u>4,853</u>

IHG Hotels Limited

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

19 Creditors: amounts falling due within one year

	2022	2021
	£ 000	£ 000
Trade creditors	7,275	2,741
Amounts owed to Group undertakings	42,803	23,570
Current tax	4,119	-
Other tax and social security	1,178	4,944
Lease liabilities (note 23)	829	2,365
Other creditors	6,756	2,890
Accrued expenses	14,508	12,393
Contract liabilities	614	789
	<u>78,082</u>	<u>49,692</u>

	2022	2021
	£ 000	£ 000
Changes in contract liabilities balance		
Balance at 1 January	1,462	2,647
Amounts invoiced	1,797	1,650
Recognised as revenue	<u>(2,090)</u>	<u>(2,835)</u>
Balance at 31 December	<u>1,169</u>	<u>1,462</u>

IHG Hotels Limited

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

20 Creditors: amounts falling due after more than one year

	2022 £ 000	2021 £ 000
Lease liabilities (note 23)	23,618	6
Contract liabilities (note 19)	555	673
	<u>24,173</u>	<u>679</u>

21 Provisions for liabilities

	Commercial litigation and disputes £ 000	Deferred tax £ 000	Dilapidations £ 000	Total £ 000
At 1 January 2022	-	13,965	3,208	17,173
Charged to Income Statement	23,018	1,607	-	24,625
Credited to Statement of changes in equity	-	(67)	-	(67)
Recognised on capitalisation of tangible assets	-	-	862	862
At 31 December 2022	<u>23,018</u>	<u>15,505</u>	<u>4,070</u>	<u>42,593</u>

Commercial litigation and disputes

A provision of £23,018,000 has been recognised, see note 5. In July 2023, the provision was utilised following settlement of the disputed matters.

Dilapidations

The opening provision of £3,208,000 which was charged to operating profit in December 2020 is expected to be utilised during 2023.

A provision of £862,000 recognised during the year is expected to be utilised in over five years.

Deferred tax

The movements in the deferred tax balance are summarised in note 22.

IHG Hotels Limited

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

22 Deferred tax

Deferred tax movement during the year:

	At 1 January 2022 £ 000	Recognised in income statement £ 000	Recognised in equity £ 000	At 31 December 2022 £ 000
Intangible assets	21,732	1,724	-	23,456
Fixed assets	(6,511)	(262)	-	(6,773)
Share-based payment	(861)	(176)	(67)	(1,104)
Leases	(80)	80	-	-
Other items	(315)	241	-	(74)
Deferred tax liabilities	<u>13,965</u>	<u>1,607</u>	<u>(67)</u>	<u>15,505</u>

Deferred tax movement during the prior year:

	At 1 January 2021 £ 000	Recognised in income statement £ 000	Recognised in equity £ 000	At 31 December 2021 £ 000
Intangible assets	15,112	6,620	-	21,732
Fixed assets	(4,149)	(2,362)	-	(6,511)
Share-based payment	(925)	99	(35)	(861)
Leases	(226)	146	-	(80)
Other items	(211)	(104)	-	(315)
Deferred tax liabilities	<u>9,601</u>	<u>4,399</u>	<u>(35)</u>	<u>13,965</u>

The deferred tax liability principally relates to intangible fixed assets which are deemed to have an indefinite life for accounting purposes. For the purposes of corporation tax the Company is entitled to tax amortisation on a proportion of these assets.

A deferred tax asset arising in respect of gross capital losses of £1,039,000 (2021: £1,039,000) has not been recognised as use of the loss is uncertain or not currently anticipated. The unrecognised deferred tax asset would be recognised if the Company realised gains against which these capital losses could be offset.

IHG Hotels Limited

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

23 Leases

Leases included in creditors

	2022 £ 000	2021 £ 000
Falling due within one year	829	2,365
Falling due after more than one year	23,618	6
	<u>24,447</u>	<u>2,371</u>

The following amounts have been recognised in profit or loss:

	2022 £ 000	2021 £ 000
Depreciation of right-of-use assets	2,446	3,093
Low value lease expense	3	-
Interest expense on leases	717	101
Short-term lease expense	9	29
	<u>3,175</u>	<u>3,223</u>

In 2021, the Group signed an agreement to lease a new global head office in the UK for a period of 15 years at an average annual rental of approximately £2m. The lease was signed and commenced in January 2022.

24 Share-based payments

The Company rewards certain of its employees by awarding InterContinental Hotels Group PLC ("IHG") shares as part of their remuneration. The Company recognised a cost of £1,081,000 (2021: £588,000) in operating profit/loss related to these equity-settled share-based payment transactions during the year.

The Group operates the Annual Performance Plan ("APP"), Long Term Incentive Plan (including performance-related awards and restricted stock units) and the Colleague Share Plan.

Under the IHG APP, eligible employees can receive all or part of their bonus in the form of deferred shares and/or receive one-off awards of shares. Deferred shares in relation to bonus plans are released on the third anniversary of the award date. Awards under the APP are conditional on the participants remaining in the employment of the Company or leaving for a qualifying reason as per the plan rules. The grant of deferred shares is at the discretion of the Remuneration Committee.

The Long Term Incentive Plan, consisting of performance-related awards and restricted stock units, allows eligible employees to receive conditional share awards, which normally have a vesting period of three years. Awards are normally made annually and, except in exceptional circumstances, will not exceed 3.5 times salary under the current plan rules. Performance-related awards granted to eligible employees contain performance-based vesting conditions set by the Remuneration Committee, which are normally measured over the vesting period. Restricted stock unit awards are granted to eligible employees subject to continued employment.

IHG Hotels Limited

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

24 Share-based payments (continued)

The Colleague Share Plan gives eligible employees the opportunity to purchase shares up to an annual limit of \$1,000. After the end of the plan year, the participant will be awarded the right to receive one matching share for every purchased share (subject to continued employment). If the participant holds the purchased shares until the second anniversary of the end of the plan year, the conditional right to matching shares vests.

The weighted average share price at the date of exercise of share awards vested during the year was £49.43 (2021: £51.26). The closing share price on 31 December 2022 was £47.44 and the range during the year was £41.93 to £53.38.

The share awards outstanding do not vest until the performance and service conditions have been met.

The share awards outstanding at the year end have a weighted average contractual life of 0.8 years (2021: 0.5 years) for the APP scheme, 1.1 years (2021: 1.2 years) for performance-related awards and 1.2 years (2021: 1.1 years) for restricted stock units.

25 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£ 000	No.	£ 000
Ordinary shares of £1 each	50,797,204	50,797	50,797,204	50,797

Rights, preferences and restrictions

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

26 Reserves

Share premium account

The balance classified as share premium represents the amount of proceeds received for shares in excess of their nominal value.

27 Other financial commitments

The Company has entered into a composite guarantee with Citibank NA to guarantee amounts due on overdrafts of other companies in the Group to the extent of any credit balance of the Company held by Citibank NA. At 31 December 2022, the maximum liability under the guarantee amounted to £36,810,000 (2021: £36,044,000).

28 Capital commitments

The total amount contracted for but not provided in the financial statements was £443,000 (2021: £1,158,000).

IHG Hotels Limited

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

29 Parent and ultimate parent undertaking

As at 31 December 2022, InterContinental Hotels Group PLC, a company incorporated and registered in England and Wales, was the ultimate parent undertaking and controlling party of the Company. The registered address of the ultimate parent undertaking is 1 Windsor Dials, Arthur Road, Windsor, Berkshire, SL4 1RS.

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

Companies House, Crown Way, Cardiff, CF14 3UZ

The immediate parent undertaking is Six Continents Holdings Limited, a company registered in England and Wales. The registered office of the immediate parent undertaking is 1 Windsor Dials, Arthur Road, Windsor, Berkshire, SL4 1RS.

IHG Hotels Limited

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

30 Related undertakings

In accordance with Section 409 of the Companies Act 2006 a full list of entities in which the Company has an interest of greater than or equal to 20%, the registered office and effective percentage of equity owned as at 31 December 2022 are disclosed below. Unless otherwise stated the share capital disclosed comprises ordinary shares which are indirectly held by IHG Hotels Limited.

Name of Entity

BHR Holdings B.V. (70%) (a) (b)
Holiday Inns Holdings (Australia) Pty Limited (a) (c)
IC Hotelbetriebsführungs GmbH (70%) (d)
IC Hotels Management (Portugal) Unipessoal, Lda (a) (e)
IHC London (Holdings) (70%) (f)
IHG Amsterdam Management BV (70%) (b)
IHG ANA Hotels Group Japan LLC (75%) (g)
IHG ANA Hotels Holdings Co., Limited (66%) (g)
IHG Hotels Management (Australia) Pty Limited (c)
IHG Hotels Nigeria Limited (a) (h)
IHG Hotels South Africa (Pty) Limited (a) (i)
IHG Istanbul Otel Yönetim Limited Sirketi (a) (j)
IHG Japan (Management) LLC (a) (g)
IHG Japan (Osaka) LLC (g)
IHG Management (Netherlands) B.V. (70%) (b)
IHG Management d.o.o. Beograd (70%) (k)
IHG Management SL d.o.o (a) (l)
IHG Szalloda Budapest Szolgaltato Kft. (a) (m)
IHG Systems Pty Ltd. (c)
InterContinental Gestion Hotelera S.L. (70%) (n)
InterContinental Hotel Berlin GmbH (o)
InterContinental Hotels Group (Australia) Pty Limited (c)
InterContinental Hotels Group Services Company (a) (f)
InterContinental Hotels Italia, S.r.L. (a) (q)
InterContinental Hotels Management GmbH (a) (r)
InterContinental Hotels Management Montenegro d.o.o. (a) (s)
InterContinental Management AM LLC (a) (t)
InterContinental Management Bulgaria EOOD (a) (u)
InterContinental Management Poland sp. z.o.o (a) (v)
Kimpton Hotel Frankfurt GmbH (r)
Luxury Resorts and Spas (France) SAS (w)
Raison d'Etre Spas, Sweden AB (a) (p)
Regent Berlin GmbH (x)

IHG Hotels Limited

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

Name of Entity (continued)

SLC Sustainable Luxury Cyprus Limited (y)
Sustainable Luxury Gravity Global Private Limited (51%) (z)
Sustainable Luxury Holding (Thailand) Limited (49%) (aa)
Sustainable Luxury Hospitality (Thailand) Limited (74%) (aa)
Sustainable Luxury Maldives Private Limited (99%) (ab)
Sustainable Luxury Management (Thailand) Limited (74%) (aa)
Sustainable Luxury Mauritius Limited (a) (ac)
Sustainable Luxury Operations (Thailand) Limited (aa)
Sustainable Luxury Singapore Private Limited (ad)
Sustainable Luxury UK Limited (f)

(a) Directly owned by IHG Hotels Limited

Registered addresses

(b) Kingsfordweg 151, 1043 GR Amsterdam, The Netherlands
(c) Level 11, 20 Bond Street, Sydney, NSW 2000, Australia
(d) QBC 4 - Am Belvedere 4, 1100, Vienna, Austria
(e) Avenida da Republica, no 52-9, 1069-211, Lisbon, Portugal
(f) 1 Windsor Dials, Arthur Road, Windsor, Berkshire, SL4 1RS, UK
(g) 20th Floor, Toranomon Kotoshira Tower, 2-8, Toranomon 1-chom, Minato-ku, 105-0001, Tokyo, Japan
(h) 1, Murtala Muhammed Drive, Ikoyi, Lagos, Nigeria
(i) Central Office Park Unit 4, 257 Jean Avenue, Centurion 0157, South Africa
(j) Eski Buyukdere Cd. Park Plaza No:14 K:4 MaslakSariyer, 34398, Istanbul, Turkey
(k) Krunska 73, Beograd, 11000, Serbia
(l) Cesta v Mestni log 1, 1000 Ljubljana, Slovenia
(m) 1052 Budapest, Apaczai Csere Janus u. 12-14A, Hungary
(n) Paseo de Recoletos 37-41, 28004 Madrid, Spain
(o) Budapester Str., 10787 Berlin, Germany
(p) Grevgatan 13, 11453 Stockholm, Sweden
(q) Viale Monte Nero n.84, 20135 Milano, Italy
(r) Thurn-und-Taxis-Platz 6 - 60313 Frankfurt am Main, Germany
(s) Bulevar Svetog Petra Cetinjskog 149-81000 Podgorica, Montenegro
(t) 23/6 D, Anahgt Str., Yerevan, 0069, Armenia
(u) 37A Professor Fridtjof Nansen Street, 5th Floor, District Sredets, Sofia, 1142, Bulgaria
(v) Generation Park Z - ul. Towarowa 28, 00-839 Warsaw, Poland
(w) 95 Blvd. Berthier, 75017 Paris, France
(x) Charlottenstrasse 49, 10117 Berlin, Germany
(y) ATS Services Limited, Capital Center, 9th Floor, 2- 4 Arch. Makarios III Ave., 1065 Nicosia, Cyprus
(z) B-11515 Bhikaj Cama Place, New Delhi, South Delhi, 110066 India
(aa) 57, 9th Floor, Park Ventures Ecoplex, Unit 902- 904, Wireless Road, Limpini, Pathum Wan Bangkok 103330, Thailand
(ab) Premier Chambers, M.Lux Lodge, 1st Floor, Orchid Magu, Male, Republic of Maldives
(ac) Venture Corporate Services (Mauritius) Limited, Level 3, Tower 1, Nexteracom Towers, Cyberville, Ebene, Mauritius
(ad) 230 Victoria Street, #13-00 Bugis Junction Towers, 188024, Singapore