Registered number: 03564855

Hyatt Holdings (UK) Limited

Annual report and financial statements
for the year ended 31 December 2022

Hyatt Holdings (UK) Limited

Company Information

Directors	P M Boeschen D A Peters F J Aguila Llorens
Company secretary	Vistra Company Secretaries Limited
Registered number	03564855
Registered office	First Floor Templeback 10 Templeback Bristol United Kingdom BS1 6FL
Independent auditor	Deloitte LLP Statutory Auditor London United Kingdom
Solicitors	Osborne Clark 2 Temple Back East Temple Quay Bristol United Kingdom BS1 6EG

Hyatt Holdings (UK) Limited

Contents

Strategic report
For the year ended 31 December 2022

Introduction

The directors present their strategic report for the year ended 31 December 2022.

Principal activity

The revenues of the Company are the management fees earned from the two operating hotels with which the Company has management agreements. Management fees primarily consist of a base fee, which is generally calculated as a percentage of gross revenues, and an incentive fee, which is generally computed based on a hotel profitability measure. The Directors analyse various Key Performance Indicators (KPIs) of the hotels, including Revenue Per Available Room (RevPAR) and profitability and work with the hotels to improve these metrics so as to maximise management fees income.

The initial operating term for the agreement for Hyatt Regency London - The Churchill, which started on 1 May 2004 and was extended in 2022 for a successive period of 15 years, shall expire in May 2039. The agreement for the Andaz London started on 13 March 2006 and runs for an initial term of 30 years.

In addition, the chain services costs associated with individuals employed by the Company which are charged to and are fully reimbursable by Hyatt Chain Services Limited. The Company pays various expenses on behalf of hotels and other Group companies, which are then invoiced to the respective entities and reimbursed to the Company.

Network services revenue earned is based on Hyatt Hotels Corporation's global transfer pricing methodology.

Business review

- The Company signed an amendment to the management agreement for Hyatt Regency Churchill on 4 October 2022. The amendment extends the operating term by 15 years to 1 May 2039, and revises management fee rates effective 1 January 2022. Additionally, the Company paid a key money payment in amount of GBP 6,000,000 in 2022 and a second tranche in January 2023 for the same amount.

- Turnover in 2022 significantly improved compared to 2021 as COVID-19 related restrictions were lifted and travel demand increased. The Company recognised an increase in management fees as well as higher Network services revenue than during the pandemic period, representing more than an 80% increase in total turnover.

- Operating profit and EBITDA have also significantly increased versus 2021 due to controlled expenses resulting in a higher flow-through for the Company.

- See key financial and other performance indicators on the next page.

The key financial and other performance indicators during the year ended 31 December 2022 and the corresponding period to 31 December 2021 were as follows:

	2022	2021
	£	£
Turnover	8,131,688	4,442,772
Operating profit	2,916,057	809,356
EBITDA	3,147,997	952,271
Profit after tax	2,918,278	818,479
Shareholders' funds	5,988,139	3,073,735

EBITDA is defined as operating profit adjusted to add back depreciation and amortisation.

Principal risks and uncertainties

Competitive risks
Because we operate in a highly competitive industry, our revenues, profits, or market share could be harmed if we are unable to compete effectively, and new distribution channels, alternatives to traditional hotels, and industry consolidation among our competitors may negatively impact our business.

The segments of the hospitality industry in which we operate are subject to intense competition. Our principal competitors are other operators of full service and select service properties, including other major hospitality chains with well-established and recognized brands. Some of these major hospitality chains are larger than we are based on the number of properties or rooms they manage, franchise, or own or based on the number of geographic locations in which they operate. Some of our competitors also have significantly more members participating in their loyalty programs which may enable them to attract more customers and more effectively retain such guests. Our competitors may also have greater financial and marketing resources than we do, which could allow them to improve their properties and expand and improve their marketing efforts in ways that could adversely affect our ability to compete for guests effectively. In addition to these competitors, we also compete against smaller hotel chains and independent and local hotel owners and operators.

Increasingly, we also face competition from new channels of distribution in the travel industry. Additional sources of competition include large companies that offer online travel services as part of their business model, such as Alibaba, search engines such as Google, and peer-to-peer inventory sources that allow travellers to book stays on website's that facilitate the short-term rental of homes and apartments from their owners, thereby providing an alternative to hotel rooms, such as Airbnb and HomeAway.

The hospitality industry has experienced and is continuing to experience significant consolidation and we expect this trend may continue as companies attempt to strengthen or hold their market positions in a highly competitive and evolving industry. Consolidation by our competitors will give them increased scale and may enhance their capacity, abilities and resources and lower their cost structure, causing us to be at a competitive disadvantage. If we lose market share or are not able to successfully attract third-party hotel owners to our brands as a result of this consolidation, our results of operations, cash flow, business, and overall financial condition could be materially adversely affected.

The Company mitigates competitive risks through the deployment of global and regional strategies to gain loyal customers and increase brand awareness.

Currency risks
The hotel business is affected by the strength of sterling, with strong sterling increasing the effective room rates to international guests.

Other risks

Economic development

The Company operates in a competitive environment influenced by both the UK and global economy. Adverse economic and financial market developments, including recession and currency fluctuations could lead to lower revenues and reduced income. Experience shows that a recession lessens both leisure and business travel; and negatively affects room rates and/or occupancy levels and other income generating activities such as food and beverage sales.

Events that impact domestic or international travel

Consumer demand for our products and services is closely linked to the performance of the general economy and is sensitive to business and personal discretionary spending levels, and the COVID-19 pandemic resulted in a number of trends that negatively impact consumer demand. Changes in consumer demand and general business cycles can subject, and have subjected, our revenues to significant volatility. Adverse general economic conditions, health and safety concerns, risks or restrictions affecting or reducing travel patterns, lower consumer confidence, high unemployment, or adverse political conditions can result in a decline in consumer demand, which can lower the amount of management fee revenues we are able to generate from our managed properties. In addition, expenses associated with managing hotels are relatively fixed. These costs include mostly personnel costs which may increase at a greater rate than our revenues and/or may not be able to be reduced at the same rate as declining revenues. Where cost-cutting efforts are insufficient to offset declines in revenues, we could experience a material decline in margins and reduced or negative cash flows. If we are unable to decrease costs significantly or rapidly when demand for our hotels and other properties decreases, the decline in our revenues could have a particularly adverse impact on our net cash flows and profits. This effect can be especially pronounced during periods of economic contraction or slow economic growth like the United Kingdom and other economies have experienced due to the COVID-19 pandemic.

Uncertainty regarding the future rate and pace of economic growth makes it difficult to predict future profitability levels. Additionally, if economic weakness were to affect any particular regions of the world, it could have an adverse impact on our revenues and negatively affect our profitability.

In addition to general economic conditions, new hotel room supply is an important factor that can affect the hospitality industry's performance. Increased or excessive growth in lodging supply could further exacerbate the negative impact of the economic downturn and result in returns that are substantially below expectations or result in losses, which could materially and adversely affect our revenues, profitability, and future growth prospects.

See discussion of the impact of the COVID-19 pandemic below.

Technology and systems

The Company is reliant upon certain IT systems for the smooth and efficient running of its business and any disruption to those systems could have a detrimental effect on the running of the business.

The war in the Ukraine

The Company does not believe that the war in the Ukraine has had or will have a significant short or long-term impact on the results of either of the hotels with which the Company has management agreements.

Other risks (continued)

Impact of the COVID-19 pandemic

The COVID-19 pandemic has has a material and adverse impact on the travel industry generally, and, as a result, on our business and results of operations, and, while the recovery accelerated in 2022, the pace and consistency of global recovery remains uncertain, and the impacts of the pandemic may persist or become more pronounced in the future.

The COVID-19 pandemic has been a complex and evolving situation and has resulted in significant disruption and additional risks to our business; the lodging, hospitality, and travel industries; and the global economy. While our business is experiencing continued and accelerated recovery from the COVID-19 pandemic led by robust leisure demand and growing momentum in group and business transient travel, future demand may be varied and uneven as the pace and consistency of the global recovery continues to progress and remains uncertain. The extent, duration, and magnitude of the effects of the COVID-19 pandemic, and its eventual transition to a global endemic, will depend on various factors, all of which are uncertain and difficult to predict, including, but not limited to, the pace and consistency of the ongoing recovery; the impact on global and regional economies, travel demand and economic activity; levels of consumer confidence; the efficacy of vaccines and treatments as new COVID-19 variants emerge; the ability of our third-party owners, franchisees, or hospitality venture partners to successfully navigate the effects of the pandemic; and actions taken by governments, businesses, and individuals in response to the pandemic and any additional COVID-19 resurgence's or variants. In addition, as the COVID-19 pandemic evolves, differing actions taken by governments around the world with respect to travel bans or restrictions or economic activity could result in varying impacts to the results of operations of our reportable segments. For instance, our ASPAC management and franchising segment has lagged in the overall global recovery as certain governments in the region imposed strict COVID-19 restrictions.

The COVID-19 pandemic has subjected our business, operations, and financial condition to a number of significant risks, including with respect to:

- reduced revenues and profitability of our managed properties;
- the ability of our managed hotels to meet expenses, including to service, repay or refinance existing indebtedness or similar obligations such as loans or guaranty advances;
- operational challenges, including with respect to enhanced health and safety measures, global care and cleanliness certifications, and our ability to maintain brand standards across our portfolio;
- actions taken, or that we may take in the future, to reduce costs for us or our owners that may cause us to experience operational challenges, and may negatively impact guest loyalty, owner preference, or our ability to attract and retain colleagues

In addition, the COVID-19 pandemic, and the volatile regional and global economic conditions stemming from the COVID-19 pandemic, any additional resurgence, or COVID-19 variants could precipitate, aggravate, or impact the other risk factors included in this annual report, which in turn could further materially adversely affect our business, financial condition, liquidity, results of operations, and profitability, including in ways that are not currently known to us or that we do not currently consider to present significant risks.

Future developments

The sale of the Andaz London hotel by an affiliated company is an anticipated transaction in the foreseeable future. The sale of this hotel would result in a reduction of management fee revenues as the Company will no longer retain the management agreement with the hotel.

Outside of this, the Directors expect the Company's activities to remain consistent with the current activities for the foreseeable future.

This report was approved by the board on 04 October 2023 and signed on its behalf.

P M Boeschen
Director

First Floor Templeback
10 Templeback
Bristol
United Kingdom
BS1 6FL

Directors' report
For the year ended 31 December 2022

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

Results and dividends

The profit for the year, after taxation, amounted to £2,918,278 (2021 - £818,479).

During 2022 the directors did not pay nor declare a dividend (2021: £nil).

Directors

The directors who served during the year and through the date of this report were:

P M Boeschen
D A Peters
F J Aguila Llorens (appointed September 1, 2022)
P Fulton (resigned September 1, 2022)

Going concern

After making enquiries and considering the COVID-19 impact on forecasts in assessing the going concern assumption, the directors have sought and received a letter of support from the Company's ultimate parent, Hyatt Hotels Corporation ("Hyatt"), confirming that Hyatt will provide support as needed for the Company to meet its liabilities as they fall due for a period of at least 12 months from the date of these signed accounts (for further details on parent company, see Note 23). The directors have a reasonable expectation that the Company's ultimate parent has adequate resources to continue in operational existence for at least 12 months from the date of the approval of the financial statements, and fund any operational deficits of the Company during that time, though no support is anticipated to be needed, given the Company's net asset position of £5,988,139 (2021: £3,073,735) and the basis of the Company's business operations.

At June 30, 2023, Hyatt had approximately $906 million (as of 30 September 2022: $960 million) of cash and cash equivalents and short-term investments, and borrowing availability of $1,496 million under Hyatt's revolving credit facility, net of letters of credit outstanding.

Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in note 1.4.

Subsequent events

On 26 January 2023, the Company received a cash contribution in the amount of GBP 10,400,000 from it's immediate parent company HI Holdings Cyprus Limited. In exchange for the cash contribution, the Company issued 1 ordinary share at GBP 1.00 and the remaining sum of GBP 10,399,999 being contributed as global share premium and remaining attached to all the shares of the Company held by the immediate parent company.

On 6 July 2023, Hyatt issued $600 million of 5.750% senior notes due 2027 at an issue price of 99.975%. Hyatt intends to use the net proceeds from the issuance of the 2027 Notes, together with cash on hand, to repay all the 1.300% notes due 2023 at or prior to their maturity on 1 October 2023.

On 20 September 2023, the Company declared and paid a dividend in the amount of GBP 5,000,000 to it's immediate parent company HI Holdings Cyprus Limited.

Employee involvement

Information on matters of concern to employees is given through information bulletins, meetings and reports, the same means are used to help employees achieve a common awareness of the financial and economic factors affecting the performance of the Company. Regular meetings between management and employees allow a free flow of information and ideas.

UK tax policy

The publication of this statement is regarded as complying with Part 2 of Sch. 19 FA 2016.

This UK tax policy applies to Hyatt Hotels Corporation and all UK entities in the Hyatt Hotels Corporation group (referred to here as Hyatt). Hyatt's business activities generate a substantial amount of taxes globally, including corporate income taxes, excise taxes, stamp duties, employment and other taxes. Hyatt also collects and remits employee taxes and indirect taxes such as excise taxes and Value Added Tax (VAT). Hyatt's policy is to properly report and pay tax pursuant to the applicable laws and economic substance of Hyatt's business transactions.

Hyatt is committed to compliance with the tax laws and regulations of the UK, and to maintaining a transparent and constructive relationship with HMRC. It is Hyatt's policy to maintain an internal control process designed to identify, assess and account for tax risks in a manner consistent with all applicable regulatory requirements. Where the complexity of tax laws and regulations create significant uncertainty or risk, particularly in relation to international tax obligations, Hyatt may rely on advice from external tax advisors.

Hyatt engages in efficient tax planning that supports the commercial and economic activity of Hyatt's global business, and which reflects legitimate, non-tax driven business purposes. Hyatt's approach to tax planning is in alignment with Hyatt's Code of Business Conduct and Ethics, and therefore does not involve any tax planning activity that is contrived or artificial. It is Hyatt's policy that transactions between Hyatt group companies are conducted on an arm's-length basis, in accordance with UK tax laws and regulations, as well as current OECD principals.

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Financial risk management objectives and policies

The activities of the Company expose it to a number of financial risks, including credit risk and liquidity risk.

Credit risk
The Company's principal financial assets are bank balances and cash, trade and other receivables. The Company's credit risk is primarily attributable to its trade receivables, which are stated net of allowances for doubtful receivables and, where there is an identifiable loss, impairment.

The Company manages its credit risk attributable to its trade receivables by contracting primarily with related parties which ensures a high probability of collection. Additionally, to minimise credit risk from the third-party owned hotel managed by the Company, due diligence was performed on the owners of the hotel prior to entering into the management agreements to ensure that the Company's counterparty is credit worthy.

Liquidity risk
In order to maintain liquidity the Company maintains sufficient cash balances to eliminate or reduce this risk (See also going concern discussion on page 6).

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 04 October 2023 and signed on its behalf.

P M Boeschen
Director

First Floor Templeback
10 Templeback
Bristol
United Kingdom
BS1 6FL

Directors' responsibilities statement
For the year ended 31 December 2022

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Hyatt Holdings (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Hyatt Holdings (UK) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year end then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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.

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

Independent auditor's report to the members of Hyatt Holdings (UK) Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

- transfer pricing and management fee revenue is correctly recorded: we performed a 100% recalculation of transfer pricing and management fees in line with the terms of the management agreement.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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

DocuSigned by:
Ed Bleakley
349173C09D1F46C...
Ed Bleakley (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
Date:
04 October 2023 | 15:26:34 BST

Statement of comprehensive income
For the year ended 31 December 2022

	Note	2022 £	2021 £
Turnover	2	8,131,688	4,442,772
Gross profit		8,131,688	4,442,772
Administrative expenses		(5,215,631)	(3,633,416)
Operating profit	3	2,916,057	809,356
Interest receivable and similar income	6	19,351	7,947
Interest payable and similar expenses	7	(24,609)	(3,875)
Profit before tax		2,910,799	813,428
Tax credit on profit	8	7,479	5,051
Profit for the financial year attributable to the owners of the Company		2,918,278	818,479

All the activities of the Company are from continuing operations.

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

The notes on pages 18 to 37 form part of these financial statements.

Hyatt Holdings (UK) Limited
Registered number:03564855

Statement of financial position
As at 31 December 2022

	Note		2022 £		2021 £
Fixed assets					
Intangible assets	9		5,909,548		-
Tangible fixed assets	10		35,512		35,918
Right-of-use asset	11		116,113		234,436
Deferred taxation	18		31,627		28,022
			6,092,800		298,376
Current assets					
Debtors: amounts falling due within one year	12	2,931,180		641,134	
Cash and cash equivalents	13	1,007,037		2,860,304	
		3,938,217		3,501,438	
Creditors: amounts falling due within one year	14	(4,042,878)		(633,976)	
Net current (liabilities)/assets			(104,661)		2,867,462
Total assets less current liabilities			5,988,139		3,165,838
Creditors: amounts falling due after more than one year	15		-		(92,103)
Net assets			5,988,139		3,073,735
Capital and reserves					
Share capital	19		1,014,200		1,014,200
Profit and loss account			4,973,939		2,059,535
Total shareholders' funds			5,988,139		3,073,735

The financial statements of Hyatt Holdings (UK) Limited (registered number 03564855) were approved and authorised for issue by the board and were signed on its behalf on 04 October 2023.

P M Boeschen
Director

The notes on pages 18 to 37 form part of these financial statements.

Statement of changes in equity
For the year ended 31 December 2022

	Share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2022	1,014,200	2,059,535	3,073,735
Comprehensive income for the year			
Profit for the year	-	2,918,278	2,918,278
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	2,918,278	2,918,278
Deferred tax - current year (IFRS 16)	-	(3,874)	(3,874)
At 31 December 2022	1,014,200	4,973,939	5,988,139

The notes on pages 18 to 37 form part of these financial statements.

Statement of changes in equity
For the year ended 31 December 2021

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2021	1,014,200	1,241,621	2,255,821
Comprehensive income for the year			
Profit for the year	-	818,479	818,479
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	818,479	818,479
Deferred tax - current year (IFRS 16)	-	(565)	(565)
At 31 December 2021	1,014,200	2,059,535	3,073,735

The notes on pages 18 to 37 form part of these financial statements.

1. Accounting policies

1.1 Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Hyatt Holdings (UK) Limited (the "Company") for the year ended 31 December 2022 were authorised for issue by the board of directors on 04 October 2023 and the statement of financial position was signed on the board's behalf by P M Boeschen.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards and the Companies Act 2006. The results of Hyatt Holdings (UK) Limited are included in the consolidated financial statements of Hyatt Hotels Corporation which are available from 150 N. Riverside Plaza,14th Floor, Chicago, Illinois 60606, United States of America.

Hyatt Holdings (UK) Limited is a private company limited by shares and is incorporated in the United Kingdom under the Companies Act 2006 and domiciled in England and Wales.

The Company's financial statements are presented in Sterling.

The accounts are prepared under the historical cost convention.

The principal accounting policies adopted by the Company are set out below, and have been applied consistently in the prior and current year.

1.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the 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;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

1. Accounting policies (continued)

1.3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 101 requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

During this period the directors do not believe there are any critical judgments that the directors have made in the process of applying the Company's accounting policies.

During this period the directors do not believe there are any key sources of estimation uncertainty impacting the financial statements.

The following principal accounting policies were applied:

1.4 Going concern

The Company continues to adopt the going concern basis in preparing the financial statements.

See discussion of the Company's business activities, together with the factors likely to affect its future development, performance, and position in the Strategic report and the Directors' report. See discussion of the impact of the COVID-19 pandemic in the Strategic report.

1.5 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from providing services is recognised in the accounting period in which the services are rendered.

For fixed-price contracts, turnover is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

1. Accounting policies (continued)

1.5 Revenue (continued)

The Company recognises revenue from the following major sources:

- Management fees from 2 operating hotels with which the Company has management agreements; management fees primarily consist of a base fee, which is generally calculated as a percentage of gross revenues, and an incentive fee, which is generally computed based on a hotel profitability measure.
- Costs associated with individuals employed by the Company are charged to and fully reimbursable by Hyatt Chain Services Limited and Hyatt International Corporation
- Expenses paid on behalf of hotels and other Group companies which are then invoiced to the respective entities and reimbursed to the Company
- Network Services revenue which is based on Hyatt Hotels Corporation's global transfer pricing methodology

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

For each performance obligation satisfied over time, we recognize revenue using an output method based on the value transferred to the customer. Revenue is recognized based on the transaction price and the observable outputs related to each performance obligation. We deem the following to be a faithful depiction of our progress in satisfying these performance obligations:

- revenues and operating profits earned by the hotels during the reporting period for access to Hyatt Hotel Corporation's intellectual property, as it is indicative of the value third-party owners derive;
- revenues and operating profits of the hotels for the promise to provide management agreement services to the hotels;

Within the Company's management agreements, there are two performance obligations: providing a license to Hyatt's IP and providing management agreement services. Although these constitute two separate performance obligations, both obligations represent services that are satisfied over time, and the Company recognizes revenue using an output method based on the performance of the hotel. Therefore, we have not allocated the transaction price between these two performance obligations as the allocation would result in the same pattern of revenue recognition.

1. **Accounting policies (continued)**

1.6 Leases

Identifying leases

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

a) There is an identified asset;
b) The Company obtains substantially all the economic benefits from use of the asset; and
c) The Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights the contract is not identified as giving rise to a lease. In determining whether the Company obtains substantially all the economic benefits from use of the asset, the Company considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonable certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right- of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

1. Accounting policies (continued)

1.6 Leases (continued)

Identifying leases (continued)

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of use asset being adjusted by the same amount;
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

1. Accounting policies (continued)

1.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged on a straight-line basis so as to allocate the cost of assets less their residual value over their estimated useful lives as follows:

Fixtures and fittings	-	7 years
Computer equipment	-	3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

1.8 Intangible assets

Intangible assets are Key Money Payments - management and franchise agreement assets constituting payments to customers. Consideration provided to customers is recognized in intangible assets and straight-line amortised over the expected customer life, which is typically the initial term of the management or franchise agreement.

1.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.11 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets
The Company recognises its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

The Company's accounting policy for each category is as follows:

1. **Accounting policies (continued)**

1.11 Financial instruments (continued)

Financial assets (continued)

Accounts receivables

Our accounts receivables primarily consist of trade receivables due from hotel owners with whom we have management agreements for services rendered and for reimbursements of costs incurred on behalf of managed properties. We assess all accounts receivable for credit losses quarterly and establish a reserve to reflect the net amount expected to be collected. The credit loss reserve is based on an assessment of historical collection activity, the nature of the receivable, and the current business environment. The allowance for credit losses, if any, is recognized in selling, general, and administrative expenses in administrative expenses. Recovery of £54,000 (2021: credit losses of £54,000) is recorded in Debtors: Amounts falling due within one year for 2022 and in administrative expenses in 2021.

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost. Financial liabilities at amortised cost are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of financial position.

1.12 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within administrative expenses.

1. Accounting policies (continued)

1.14 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

1.16 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

1.17 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

1.18 Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date.

2. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Management fees	2,884,328	600,920
Reimbursed costs plus mark-up	3,817,338	2,795,409
Reimbursed costs no mark up	2,454	-
Network services	1,427,568	1,046,443
	8,131,688	4,442,772

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	3,449,917	1,054,944
Rest of Europe	1,430,023	1,046,443
Rest of the world	3,251,748	2,341,385
	8,131,688	4,442,772

3. Operating profit

The operating profit is stated after charging/(recovering):

	2022 £	2021 £
Depreciation of tangible fixed assets	23,165	26,322
Amortisation of right-of-use asset	118,323	116,593
Amortisation of management agreement assets constituting payments to customers	90,452	-
Exchange differences	22,595	(53)
Defined contribution pension cost	160,853	154,569
Management service and royalty fees payable to an affiliated company	271,818	76,411
Loss on sale of asset	694	118

4. Auditor remuneration

The Company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	2022 £	2021 £
Fees for the audit of the Company	35,000	29,250

Amounts payable to Deloitte LLP by the Company in respect of non-audit services were £nil (2021 - £nil).

5. Employees

Staff costs were as follows:

		2022 £	2021 £
Wages and salaries		2,973,181	2,344,001
Social security costs		437,557	324,957
Cost of defined contribution scheme	21	160,853	154,569
		3,571,591	2,823,527

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Sales and general management	22	20

The directors discharge their duties mainly outside the UK and received no emoluments in respect of services to the Company in the year (2021 - £nil). (See also Note 21)

6. Interest receivable and similar income

	2022 £	2021 £
Interest income	19,351	7,947

7. Interest payable and similar expenses

	2022	2021
Period interest on the lease liability	2,144	3,875
Bank interest	22,465	-
	24,609	3,875

8. Taxation

	2022 £	2021 £
Corporation tax		
Adjustments in respect of previous periods	-	2,247
Total current tax	-	2,247
Deferred tax		
Current year	3,722	(4,390)
Adjustments in respect of previous periods	(12,376)	434
Effect of changes in tax rates	1,175	(3,342)
Total deferred tax	(7,479)	(7,298)
Taxation credit on profit	(7,479)	(5,051)

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit before tax	2,910,799	813,428
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	553,052	154,551
Effects of:		
Expenses not deductible for tax purposes	6,808	1,393
Income not taxable	-	(207)
Tax rate changes	1,175	(3,342)
Adjustments in respect of previous periods	(12,376)	2,681
Effects of group relief / other reliefs	(556,477)	(158,633)
Transitional adjustments	(258)	(1,494)
Non qualifying assets	597	-
Total tax credit for the year	(7,479)	(5,051)

Factors that may affect future tax charges

An increase in the UK's main corporate tax rate was announced in the budget on 3 March 2021. The rate change was subsequently enacted on 24 May 2021 and it received Royal Assent on 10 June 2021. As this new law was enacted within the reporting date, the effects are included in this tax provision, where applicable. From 1 April 2023 the main corporation tax rate for the Company has increased from 19% to 25%. Hence, closing deferred tax balances on permanent differences (i.e., fixed assets) (2021: 25%) and temporary differences (2021: 19%) have been recognized at 25% on the assumption that these differences will unwind only after 1 April 2023.

9. Intangible assets

	Key money payments
Cost	
At 1 January 2022	-
Additions	6,000,000
At 31 December 2022	6,000,000
Amortisation	
At 1 January 2022	-
Charge for the year	90,452
At 31 December 2022	90,452
Net book value	
At 31 December 2022	5,909,548
At 31 December 2021	-

10. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2022	176,585	39,505	216,090
Additions	-	24,403	24,403
Disposals	-	(16,854)	(16,854)
At 31 December 2022	176,585	47,054	223,639
Depreciation			
At 1 January 2022	147,245	32,927	180,172
Charge for the year on owned assets	15,308	7,857	23,165
Disposals	-	(15,210)	(15,210)
At 31 December 2022	162,553	25,574	188,127
Net book value			
At 31 December 2022	14,032	21,480	35,512
At 31 December 2021	29,340	6,578	35,918

11. Right-of-use asset

	Office building £
Cost	
At 1 January 2022	579,109
At 31 December 2022	579,109
Amortisation	
At 1 January 2022	344,673
Charge for the year	118,323
At 31 December 2022	462,996
Net book value	
At 31 December 2022	116,113
At 31 December 2021	234,436

The Company has only one office lease which is accounted for as a right-of-use asset.

12. Debtors

	2022 £	2021 £
Trade debtors	774,430	172,579
Amounts owed by group undertakings	943,221	386,976
Other debtors	8,817	2,416
VAT recoverable	1,134,451	-
Prepayments and accrued income	14,279	23,235
Corporation tax asset	55,982	55,928
	2,931,180	641,134

The amounts owed by group undertakings are owed to the Company by entities that are also wholly owned by the Company's ultimate parent company and controlling party, Hyatt Hotels Corporation. The payment terms of amounts owed by group undertakings is 30 Days and are not subject to interest. All amounts are transactions entered into in the normal course of the Company's business.

13. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	1,007,037	2,860,304

14. Creditors: amounts falling due within one year

	2022 £	2021 £
Bank overdrafts	3,130,425	-
Trade creditors	28,784	3,565
Amounts owed to group undertakings	70,957	28,318
Other taxation and social security	113,468	152,206
Lease liabilities	126,165	134,105
Accruals and deferred income	573,079	315,782
	4,042,878	633,976

The amount owed to group undertakings are owed by the Company to Hyatt International Corporation and Hyatt International EAME LLC which are entities that are wholly owned by the Company's ultimate parent company and controlling party, Hyatt Hotels Corporation. The payment terms of amounts owed to group undertakings is 30 Days. All amounts are transactions entered into in the normal course of the Company's business. The payables were not secured and they were settled in cash subsequent to 31 December 2022.

The amount owed to Hyatt International Corporation are sublicense fees payable on a percentage of the revenues from Hyatt Regency London - The Churchill and Andaz London.

15. Creditors: amounts falling due after more than one year

	2022 £	2021 £
Lease liabilities	-	92,103

16. Leases

Set out below are the carrying amounts of lease liabilities and the movement during the year:

	Liabilities £
Lease liability	
Right of use liability (as at 1 January 2022)	226,208
Period interest	2,144
Quarterly lease payments	(102,187)
	126,165
Current lease liability	126,165
Non-current lease liability	-
Right of use liability (as at 31 December 2022)	126,165

The above lease liability relates to Equipment.

The maturity of the lease liability at 31 December is as follows:

	2022 £	2021 £
Year 1	126,165	136,248
Year 2	-	92,572
Year 3	-	-
Effect of discounting	-	(2,612)
Lease liability as at 31 December	126,165	226,208

17. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at amortised cost	1,726,468	561,971
Financial liabilities		
Financial liabilities measured at amortised cost	(4,042,878)	(726,079)

Financial assets measured at amortised cost comprise of trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and deferred income, amounts owed to group undertakings, bank overdrafts, other taxation and social security and lease liabilities.

18. Deferred taxation

	2022 £	2021 £
At beginning of year	28,022	21,289
Charged to profit or loss	(4,897)	7,732
Deferred tax charge in equity for the period	(3,874)	(565)
Adjustment in respect of prior years	12,376	(434)
At end of year	31,627	28,022

The deferred tax asset is made up as follows:

	2022 £	2021 £
Fixed assets	13,837	13,927
IFRS 16 transitional adjustment	1,907	3,874
Holiday pay accrual	15,883	10,221
	31,627	28,022

19. Share capital

	2022 £	2021 £
Authorised		
1,000,000 (2021 - 1,000,000) Ordinary shares of £100.00 each	100,000,000	100,000,000
Allotted, called up and fully paid		
10,142 (2021 - 10,142) Ordinary shares of £100.00 each	1,014,200	1,014,200

20. Capital commitments

At the year end, the Company had a capital commitment related to the second tranche of a Key Money Payment for Hyatt Regency London - The Churchill totalling GBP 6,000,000.

The Company had no other capital commitments at 31 December 2022 (2021 - £nil).

21. Pension commitments

The Company makes pension contributions for certain employees to the Hyatt International Hotels Retirement Plan, a defined contribution scheme. The assets of the scheme are held separately from those of the Company in an independently administered trust. The pension cost charge for the year is disclosed in Note 3 and represents contributions due by the Company for the year. The amount of pension contributions outstanding as at 31 December 2022 was £nil (2021 - £nil).

22. Related party transactions

In accordance with Financial Reporting Standard 101, transactions with related parties that are eliminated on consolidation within the group headed by Hyatt Hotels Corporation are not reported, as the consolidated financial statements of Hyatt Hotels Corporation are publicly available and all parties to the transactions are wholly owned within the group.

23. Controlling party

The Company's ultimate parent company and controlling party is Hyatt Hotels Corporation, incorporated in the United States of America. The immediate parent company is HI Holding Cyprus Limited, incorporated in Cyprus. Hyatt Hotels Corporation is both the largest and smallest group at which the consolidated financial statements are prepared.

The results of Hyatt Holdings (UK) Limited are consolidated into Hyatt Hotels Corporation, a New York Stock Exchange public listed company. The consolidated accounts of Hyatt Hotels Corporation are available to the public at its registered address, being 150 N. Riverside Plaza, 14th Floor, Chicago, Illinois, 60606, United States of America.

24. Subsequent events

On 26 January 2023, the Company received a cash contribution in the amount of GBP 10,400,000 from it's immediate parent company HI Holdings Cyprus Limited. In exchange for the cash contribution, the Company issued 1 ordinary share at GBP 1.00 and the remaining sum of GBP 10,399,999 being contributed as global share premium and remaining attached to all the shares of the Company held by the immediate parent company.

On 6 July 2023, Hyatt issued $600 million of 5.750% senior notes due 2027 at an issue price of 99.975%. Hyatt intends to use the net proceeds from the issuance of the 2027 Notes, together with cash on hand, to repay all the 1.300% notes due 2023 at or prior to their maturity on 1 October 2023.

On 20 September 2023, the Company declared and paid a dividend in the amount of GBP 5,000,000 to it's immediate parent company HI Holdings Cyprus Limited.

The Company has evaluated subsequent events through the date of filing and no other significant events that would impact the current presentation of the Company's financial statements have occurred.