
M & C (CB) LIMITED

Directors' report and financial statements

for the year ended 31 December 2011

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M & C (CB) LIMITED

Company Information

DIRECTORS	A J Bushnell Copthorne Hotels Limited C Harrington (appointed 13 January 2011)
COMPANY SECRETARY	Copthorne Hotels Limited
COMPANY NUMBER	3846711
REGISTERED OFFICE	Victoria House Victoria Road Horley Surrey RH6 7AF
AUDITORS	KPMG Audit Plc 15 Canada Square London E14 5GL

M & C (CB) LIMITED

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M & C (CB) LIMITED

Directors' report for the year ended 31 December 2011

The directors present their report and the financial statements for the year ended 31 December 2011

PRINCIPAL ACTIVITIES

The principal activity of M & C (CB) Limited ('the Company') is that of an investment holding company

BUSINESS REVIEW

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

The Directors consider that the Company has access to sufficient funding to meet its needs for the reasons set out in note 1 to the financial statements. Accordingly the directors have prepared the financial statements on a going concern basis

The results on ordinary activities before taxation for the year was \$Nil (2010 \$2,060,000). No dividend was paid during the year (2010 \$Nil). No final dividend is proposed (2010 \$Nil).

RESULTS

The profit for the financial year amounted to \$4,000 (2010 loss \$1,395,000)

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and execution of the Company's strategy are subject to a number of risks which impacts the recoverable value of the Company's investments

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Further discussion of these risks and uncertainties, in context of the Group as a whole, is provided on pages 35-38 of the Group's annual report for the year ended 31 December 2011 which does not form part of this report

DIRECTORS

The directors who served during the year and up to the date of this report were

A J Bushnell
Copthorne Hotels Limited
C Harrington (appointed 13 January 2011)

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Company made no political or charitable donations during the year (2010 \$Nil)

M & C (CB) LIMITED

**Directors' report
for the year ended 31 December 2011**

DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that each 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 auditors are aware of that information

AUDITORS

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

This report was approved by the board and signed on its behalf



A J Bushnell

For and on behalf of Copthorne Hotels Limited, Company Secretary

Date: 13 September 2012

M & C (CB) LIMITED

Statement of directors' responsibilities for the year ended 31 December 2011 in respect of the directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the Members of M & C (CB) Limited

We have audited the financial statements of M & C (CB) Limited for the year ended 31 December 2011, set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement, set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

M & C (CB) LIMITED

Independent auditor's report to the Members of M & C (CB) Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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



Sarah Styant (Senior statutory auditor)

for and on behalf of
KPMG Audit Plc, Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL

17 September 2012

M & C (CB) LIMITED

**Profit and loss account
for the year ended 31 December 2011**

	Note	2011 \$000	2010 \$000
Interest payable and similar charges	4	-	(2,060)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(2,060)
Tax on profit/(loss) on ordinary activities	5	4	665
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	9	4	(1,395)

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the profit and loss account

The notes on pages 8 to 13 form part of these financial statements

M & C (CB) LIMITED
Registered number 3846711

Balance sheet
as at 31 December 2011

	Note	2011 \$000	2010 \$000
FIXED ASSETS			
Investments	6	442,357	442,357
CREDITORS amounts falling due within one year	7	(1,391)	(1,395)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>440,966</u>	<u>440,962</u>
CAPITAL AND RESERVES			
Called up share capital	8	450,325	450,325
Profit and loss account	9	(9,359)	(9,363)
SHAREHOLDERS' FUNDS	10	<u>440,966</u>	<u>440,962</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



A J Bushnell
Director

Date 13 September 2012

The notes on pages 8 to 13 form part of these financial statements

M & C (CB) LIMITED

Notes to the financial statements for the year ended 31 December 2011

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

The following amendments to Financial Reporting Standards have been adopted in these financial statements for the first time

Improvements to FRSs (mandatory for periods starting on/after 1 January 2011) FRS 8 Related Party Disclosures is amended to replace the definition of a related party with that set out in UK law. There is no financial effect on the results and financial position of the Company for the current and previous financial years

The financial statements have been prepared in accordance with UK GAAP and under the historical cost convention

The financial statements have been prepared on the going concern basis. The Company is dependent for its working capital on funds provided to it by Millennium & Copthorne Hotels plc, the Company's intermediate parent undertaking. Millennium & Copthorne Hotels plc has indicated to the Company that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available. Based on this undertaking the Directors believe that it remains appropriate to prepare the financial statements on the going concern basis.

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

As the Company is a wholly owned subsidiary of Millennium & Copthorne Hotels plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned entities which form part of the group (or investees of the group qualifying as related parties).

The consolidated financial statements of Millennium & Copthorne Hotels plc, within which this Company is included, can be obtained from the address given in note 11.

1.2 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Investments

Investments in subsidiary undertakings are stated at cost less provision for impairment.

M & C (CB) LIMITED

Notes to the financial statements for the year ended 31 December 2011

1 ACCOUNTING POLICIES (continued)

1.4 Functional currency and foreign currencies

The consideration for the Company's issued share capital is in US dollars and the economic operating environment of its investments is the United States. These financial statements are therefore presented in US dollars, which is the Company's functional currency.

Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into US dollars at the rate of exchange ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

1.5 Taxation

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

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

1.6 Impairment of fixed assets

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

Calculation of recoverable amount

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment.

Reversals of impairment

Where the recoverable amount increases as a result of a change in economic conditions or in the expected use of the asset, then the resultant reversal of the impairment loss should be recognised in the current period. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.7 Interest payable on borrowings

Interest payable on borrowings is recognised in the profit and loss account using the effective interest method.

M & C (CB) LIMITED

**Notes to the financial statements
for the year ended 31 December 2011**

2. AUDITORS' REMUNERATION

The auditor's remuneration of \$2,000 (2010 \$2,000) for the current and preceding year has been borne by a parent undertaking

3. STAFF COSTS

The Company has no employees other than the directors, who did not receive any remuneration (2010 \$ NIL)

4 INTEREST PAYABLE

	2011	2010
	\$000	\$000
On loans from group undertakings	<u>-</u>	<u>2,060</u>

5 TAXATION

Analysis of tax credit in the year

	2011	2010
	\$000	\$000
Group relief surrendered in the year	<u>(4)</u>	<u>(665)</u>

UK corporation tax credit on profit / (loss) for the year	<u>(4)</u>	<u>(665)</u>
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M & C (CB) LIMITED

Notes to the financial statements for the year ended 31 December 2011

(continued)

Factors affecting current tax charge for the year

The current tax credit for the year is higher than the standard rate of corporation tax in the UK of 26.5% (2010 28%). The differences are explained below

	2011 \$000	2010 \$000
Loss on ordinary activities before tax	-	(2,060)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 28%)	-	(577)
Effects of		
Transfer pricing imputed credit	(4)	(88)
Current tax credit for the year	(4)	(665)

A credit of \$4,000 (2010 \$88,000) has been recorded for taxation imputed on intra-group interest for the period, in accordance with UK transfer pricing regulations

Factors that may affect future tax charges

A reduction in the tax rate from 26% to 25% with effect from 1 April 2012 was substantively enacted on 19 July 2011, and a further 1% reduction in rate from 25% to 24% effective from 1 April 2012 was substantively enacted on 26 March 2012. A subsequent reduction to 23% in the rate applicable from 1 April 2013 was substantively enacted on 17 July 2012. This will reduce the Company's future current tax charge.

6 FIXED ASSET INVESTMENTS

	Investments in subsidiary companies \$000
Cost	
At 1 January 2011 and 31 December 2011	442,357
Net book value	
At 31 December 2011	442,357
At 31 December 2010	442,357

M & C (CB) LIMITED

**Notes to the financial statements
for the year ended 31 December 2011**

6 FIXED ASSET INVESTMENTS (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
M & C Holdings Delaware Partnership	Ordinary	49.998%

The principal activity of M & C Delaware Partnership is investment holding

**7 CREDITORS:
Amounts falling due within one year**

	2011	2010
	\$000	\$000
Amounts owed to group undertakings	1,391	1,395

8 SHARE CAPITAL

	2011	2010
	\$000	\$000
Allotted, called up and fully paid		
282,788,131 (2010: 282,788,131) ordinary shares of £1 each	450,325	450,325

9 RESERVES

	Profit and loss account \$000
At 1 January 2011	(9,363)
Profit for the year	4
At 31 December 2011	(9,359)

M & C (CB) LIMITED

**Notes to the financial statements
for the year ended 31 December 2011**

10 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011	2010
	\$000	\$000
Opening shareholders' funds	440,962	220,032
Profit/(loss) for the year	4	(1,395)
Shares issued during the year	-	222,325
Closing shareholders' funds	440,966	440,962

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Directors consider the ultimate holding and controlling company to be Hong Leong Investment Holdings Pte Limited incorporated in the Republic of Singapore. The accounts of the ultimate holding company, which heads the largest group in which the results of the Company are consolidated, are available to the public at The Accounting and Corporate Regulatory Authority, 10 Anson Road # 05 - 01/15, International Plaza, Singapore 079903.

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