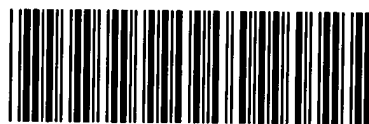


ASIA PACIFIC HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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ASIA PACIFIC HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS

M Cockcroft
M Renshaw
H Wood

COMPANY SECRETARY

F Littlebury-Cuttell

REGISTERED NUMBER

3941780

REGISTERED OFFICE

Broadwater Park
Denham
Buckinghamshire
UB9 5HR

AUDITOR

Ernst & Young LLP
2 St Peter's Square
Manchester
M2 3EY

ASIA PACIFIC HOLDINGS LIMITED

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ASIA PACIFIC HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

PRINCIPAL ACTIVITIES AND STAKEHOLDER ENGAGEMENT

Asia Pacific Holdings Limited's (the "Company") principal activity is that of an investment holding company. It is the intention of the directors that the Company will continue operating in this capacity.

The Company's principal activities, as set out above, determines its key stakeholder as the Group. Whilst the company considers the interests and impact of its activities and strategy on its key stakeholder 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 loss for the year, after tax, amounted to £1,408,000 (2019: £5,878,000 profit). The loss in 2020 was principally generated due to net interest expense of £1,751,000 (2019: £12,201,000) and foreign exchange losses of £158,000 (2019: £15,556,000 foreign exchange gains).

The directors do not propose a dividend for the year ended 31 December 2020 (2019: £nil).

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

PRINCIPAL RISKS AND UNCERTAINTIES

Primarily the Company's transactions are with fellow InterContinental Hotels group (consisting of InterContinental Hotels Group PLC and its subsidiaries) (the "Group") undertakings and as such there are not considered to be any significant risks and uncertainties impacting the Company. Any uncertainties impacting the Company would arise from internal decisions taken within the Group.

ASIA PACIFIC HOLDINGS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

**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 material respects to the factors set out above.

The Company delegates authority for day-to-day management to senior leaders, who set, approve and oversee the running of the Company activities. The Company has no employees, customers or suppliers, and as such the full range of Section 172 factors and stakeholder considerations have not been applied. Board meetings are held periodically where the directors consider Company activities, which were routine during this financial year, including renewals of powers of attorney to file tax returns. The Company follows Group policies and procedures, including those relating to standards of business conduct, the environment, the community, and its interactions with key stakeholders. As part of the Group, stakeholder engagement takes place at a group level and the Company looks to the global position for guidance and takes them into account in its decision making. More detail may be found in the InterContinental Hotels Group PLC 2020 Annual Report and Form 20-F (the "Annual Report").

However, 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 2020 no significant decisions were made by the Company.

This report was approved by the Board and signed on its behalf by:



M Renshaw

Director

Date: 29 June 2021

ASIA PACIFIC HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

RESULTS AND DIVIDENDS

The loss for the year, after tax, amounted to £1,408,000 (2019: £5,878,000 profit). The loss in 2020 was principally generated due to net interest expense of £1,751,000 (2019: £12,201,000) and foreign exchange losses of £158,000 (2019: £15,556,000 foreign exchange gains).

The directors do not propose a dividend for the year ended 31 December 2020 (2019: £nil).

DIRECTORS

The directors who served during the year and since the year end were:

M Cockcroft
N Henfrey (resigned 24 February 2020)
M Renshaw (appointed 24 February 2020)
H Wood

FUTURE DEVELOPMENTS

It is the intention of the directors that the Company will continue to operate as an investment holding company for the foreseeable future.

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

ENGAGEMENT WITH EMPLOYEES

The Company is an investment holding company and has no employees and therefore has nothing to report in respect of employee engagement activity during the 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 1.3 to the financial statements.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

A qualifying third party indemnity provision has been granted in favour of existing and former directors of the Company by InterContinental Hotels Limited, in accordance with Section 232 of the Companies Act 2006. A copy of this indemnity provision is available for inspection by the members of the Company at the Company's registered office at Broadwater Park, Denham, Buckinghamshire, UB9 5HR.

ASIA PACIFIC HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that 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.

AUDITOR

On 26 March 2021 Ernst & Young LLP resigned, and PricewaterhouseCoopers LLP were appointed as the Group's statutory auditor for the financial year ending 31 December 2021. Accordingly, the Company does not expect to reappoint Ernst & Young LLP.

In accordance with the Companies Act 2006 Section 414C (11), the disclosure of principal risks and uncertainties has been included in the Strategic Report.

This report was approved by the Board and signed on its behalf by:



M Renshaw
Director
Date: 29 June 2021

ASIA PACIFIC HOLDINGS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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 ASIA PACIFIC HOLDINGS LIMITED

OPINION

We have audited the financial statements of Asia Pacific Holdings Limited (the 'Company') for the year ended 31 December 2020 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 at least a period up to and including 30 June 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASIA PACIFIC HOLDINGS 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 this 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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 material misstatements in the Strategic Report or the Directors' Report.

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASIA PACIFIC HOLDINGS LIMITED (CONTINUED)

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.

EXPLANATION AS TO WHAT EXTENT 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 irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Due to the simplicity of the Company and the small number of transactions our procedures focussed on:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant direct tax regulations in the United Kingdom.
- We understood how the Company is complying with those frameworks by making enquiries of management, including those charged with governance, to understand how the Company maintains and communicates its policies and procedures in these areas and to understand the controls put in place to reduce the risk of non-compliance. We corroborated our enquiries through our review of board minutes.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, through internal team conversations and inquiry of management, including those charged with governance. We also understood controls put in place by management to reduce the opportunities for fraudulent transactions. We considered the risk of management override by sampling from the entire population of journals, identifying specific transactions which did not meet our expectations based on specific criteria, and investigated these to gain an understanding and then agree them to source documentation.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included those set out above and verifying that material transactions were recorded in compliance with FRS 101 and, where appropriate, the Companies Act 2006.

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

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.

Ernst & Young LLP

Julian Yates (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester

Date: 30/6/24

ASIA PACIFIC HOLDINGS LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<i>Note</i>	<i>2020 £000</i>	<i>2019 £000</i>
Administrative (expense)/income		(158)	15,556
Operating (loss)/profit	2	(158)	15,556
Interest receivable	6	6,645	16,039
Interest payable	7	(8,396)	(28,240)
(Loss)/profit before tax		(1,909)	3,355
Tax	8	501	2,523
(Loss)/profit for the year		(1,408)	5,878

The notes on pages 13 to 22 form part of these financial statements.

All amounts relate to continuing operations.

ASIA PACIFIC HOLDINGS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £000	2019 £000
(Loss)/profit for the year	<u>(1,408)</u>	<u>5,878</u>
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Loss on equity instrument classified as fair value through other comprehensive income	9 <u>(6,877)</u>	<u>-</u>
Total comprehensive (loss)/income for the year	<u><u>(8,285)</u></u>	<u><u>5,878</u></u>

The notes on pages 13 to 22 form part of these financial statements.

ASIA PACIFIC HOLDINGS LIMITED
REGISTERED NUMBER:3941780

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	<i>Note</i>	<i>2020</i> <i>£000</i>	<i>2019</i> <i>£000</i>
Fixed assets			
Fixed asset investments	9	2,106,641	2,113,518
Current assets			
Debtors: amounts falling due after more than one year	10	452	1,437
Debtors: amounts falling due within one year	10	75,638	76,061
Net current assets		<u>76,090</u>	<u>77,498</u>
Net assets		<u><u>2,182,731</u></u>	<u><u>2,191,016</u></u>
Capital and reserves			
Called up share capital	12	6	6
Share premium account	13	2,130,779	2,130,779
Profit and loss account		51,946	60,231
Total equity		<u><u>2,182,731</u></u>	<u><u>2,191,016</u></u>

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



Melinda Renshaw
Director
Date: 29 June 2021

The notes on pages 13 to 22 form part of these financial statements.

ASIA PACIFIC HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<i>Called up share capital</i> £000	<i>Share premium account</i> £000	<i>Profit and loss account</i> £000	<i>Total equity</i> £000
At 1 January 2019	6	2,130,779	54,353	2,185,138
Profit for the year	-	-	5,878	5,878
At 1 January 2020	6	2,130,779	60,231	2,191,016
Loss for the year	-	-	(1,408)	(1,408)
Items that will not be reclassified to profit or loss:				
Loss on equity instrument classified as fair value through other comprehensive income (note 9)	-	-	(6,877)	(6,877)
Total comprehensive loss for the year	-	-	(8,285)	(8,285)
At 31 December 2020	6	2,130,779	51,946	2,182,731

The notes on pages 13 to 22 form part of these financial statements.

ASIA PACIFIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

1.1 STATEMENT OF COMPLIANCE WITH FRS 101

The Company is incorporated and registered in England and Wales.

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

These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101').

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements as it is a wholly owned subsidiary of InterContinental Hotels Group PLC, which prepares consolidated financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

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 International Financial Reporting Standards ('IFRSs') as issued by the IASB and with IFRSs adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, are publicly available and may be obtained from the address given in note 14.

1.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with FRS 101, as applied in accordance with the provisions of the Companies Act 2006. 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 adopted International Financial Reporting Standards.

The following disclosures have not been provided as permitted by FRS 101:

- a Cash Flow Statement and related notes as required by IAS 7 'Statement of Cash Flows';
- a comparative period reconciliation for share capital as required by IAS 1 'Presentation of Financial Statements';
- disclosures in respect of transactions with wholly owned subsidiaries as required by IAS 24 'Related Party Disclosures';
- disclosures in respect of capital management as required by paragraphs 134 to 136 of IAS 1 'Presentation of Financial Statements';
- the effects of new but not yet effective IFRSs as required by paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'; and
- disclosures in respect of the compensation of Key Management Personnel as required by paragraph 17 of 'IAS 24 Related Party Disclosures'.

As the consolidated financial statements of InterContinental Hotels Group PLC include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- the requirements of paragraphs 91 to 99 of IFRS 13 'Fair Value Measurement' and the disclosures required by IFRS 7 'Financial Instruments: Disclosures'.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES (CONTINUED)

1.3 GOING CONCERN

As of 31 December 2020, the Company had net current assets of £76,090,000 (2019: £77,498,000).

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 30 June 2022.

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 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 is also given in the Annual Report.

The impact of the Covid-19 pandemic on the hospitality industry has been severe. Through 2020, many of the Group's hotels were temporarily closed, while others experienced historically low levels of occupancy and room rates. The Group's fee-based model and wide geographic spread mean that it is well placed to manage through these uncertain times. The Group has taken various actions to manage cash outflows and strengthen its liquidity during 2020. As at 31 December 2020 the Group had total liquidity of \$2,925m, comprising \$1,350m of undrawn bank facilities and \$1,575m of cash and cash equivalents (net of overdrafts and restricted cash). A £600m UK Government Covid Corporate Financing Facility was repaid, as forecast, in March 2021, which had the effect of reducing liquidity by \$0.8bn.

There remains unusually limited visibility on the pace and scale of market recovery and therefore there are a wide range of possible planning scenarios over the going concern period. The Board of InterContinental Hotels Group PLC, in assessing the Group's going concern status and longer-term viability, considered a number of scenarios including a reverse stress test through to 30 June 2022, which concluded that it was very unlikely bank facilities would need to be drawn and the Group does not need to rely on the additional liquidity provided by the bank facilities to remain a going concern. This means that in the event the covenant tests on the bank facilities were failed, the bank facilities could be cancelled by the lenders but this would not trigger a repayment demand or create a cross-default risk. Further details of the scenarios considered and stress testing performed are disclosed in the Annual Report.

With consideration to the above, the directors have satisfied themselves that InterContinental Hotels Group PLC is capable of providing support to the Company until at least 30 June 2022. Accordingly, these financial statements have been prepared on a going concern basis.

1.4 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the Income Statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (CONTINUED)

1.5 NON DERIVATIVE FINANCIAL INSTRUMENTS

Non derivative financial instruments comprise investments in equity securities, other investments, and amounts owed by Group undertakings.

Investments in equity securities

Investments in equity securities 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.

Other investments

The Company has elected to irrevocably designate other investments as fair value through other comprehensive income when they meet the definition of equity under IAS 32 'Financial Instruments: Presentation' and are not held for trading. Changes in the value of equity are investments classified as fair value through other comprehensive income are recorded directly in equity and are never recycled to the income statement. Equity instruments classified as fair value through other comprehensive income are not subject to impairment assessment.

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.

1.6 FOREIGN CURRENCY

Transactions in foreign currencies are translated to the Company's functional currency at the exchange rates ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at the relevant rates of exchange ruling on the last day of the period. Foreign exchange differences arising on translation are recognised in the Income Statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

1.7 INTEREST INCOME AND EXPENSES

Interest receivable and interest payable is recognised in the Income Statement as it accrues, using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (CONTINUED)

1.8 TAX

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Income Statement account 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 tax 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 are recognised in respect of temporary differences between the tax base and carrying value of assets and liabilities.

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

The Company has provided deferred tax in relation to temporary differences associated with post-acquisition undistributed earnings of subsidiaries only to the extent that it is either probable that it will reverse in the foreseeable future or where the Company cannot control the timing of the reversal.

ASIA PACIFIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after (charging)/crediting:

	2020 £000	2019 £000
Foreign exchange (loss)/gain	(158)	15,556

3. AUDITOR'S REMUNERATION

The Company incurred auditor's remuneration of £3,000 (2019: £3,000) which has been borne by a fellow Group undertaking in the current and preceding year.

4. DIRECTORS' REMUNERATION

The directors are also directors of other subsidiary undertakings within the Group and their remuneration, including share-based payment charges, for the year was paid by other undertakings. The directors did not receive any remuneration in relation to the Company as the qualifying services provided to the Company was incidental to the qualifying services provided to other subsidiary undertakings.

5. EMPLOYEES

The Company has no employees (2019: no employees).

6. INTEREST RECEIVABLE

	2020 £000	2019 £000
Interest receivable from Group undertakings	6,645	16,039
	<u>6,645</u>	<u>16,039</u>

7. INTEREST PAYABLE

	2020 £000	2019 £000
Interest payable to Group undertakings	8,396	28,240
	<u>8,396</u>	<u>28,240</u>

ASIA PACIFIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. TAX

	2020 £000	2019 £000
UK corporation tax		
Current tax credit on (loss)/profit for the year	(333)	(2,166)
Adjustments in respect of prior periods	(1,153)	(2,101)
Total current tax	<u>(1,486)</u>	<u>(4,267)</u>
Deferred tax		
Origination and reversal of timing differences	-	(152)
Changes to tax rates	(168)	103
Adjustments in respect of prior periods	1,153	1,793
Total deferred tax	<u>985</u>	<u>1,744</u>
Total tax credit for the year	<u>(501)</u>	<u>(2,523)</u>

FACTORS AFFECTING TAX CREDIT FOR THE YEAR

The tax assessed for the year is lower than (2019: lower than) the effective standard rate of corporation tax in the UK of 19% (2019: 19%) for the year ended 31 December 2020. The differences are explained below:

	2020 £000	2019 £000
(Loss)/profit before tax	(1,909)	3,355
(Loss)/profit multiplied by effective standard rate of corporation tax in the UK of 19% (2019: 19%)	(363)	637
Non-taxable income	-	(2,955)
Non-deductible expenditure	30	-
Adjustments to tax charge in respect of prior periods	-	(308)
Changes in tax rates	(168)	103
Total tax credit for the year	<u>(501)</u>	<u>(2,523)</u>

ASIA PACIFIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. TAX (CONTINUED)**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

Legislation to hold the standard rate of corporation tax at 19%, effective from 1 April 2020, was substantively enacted on 17 March 2020; the impact of any resulting changes to the valuation of deferred tax assets and liabilities is reflected within the financial statements.

In his budget of 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, after the balance sheet date, and therefore does not impact on the carrying value of deferred tax assets and liabilities in the financial statements.

It is estimated that the impact of the change will be to increase the net deferred tax asset by £143,000.

9. FIXED ASSET INVESTMENTS

	<i>Investments in subsidiary companies £000</i>	<i>Other investment £000</i>	<i>Total £000</i>
Cost			
At 1 January 2020 and 31 December 2020	2,193,114	11,786	2,204,900
Impairment and change in fair value			
At 1 January 2020	91,382	-	91,382
Change in fair value	-	6,877	6,877
At 31 December 2020	91,382	6,877	98,259
Net book value			
At 31 December 2020	2,101,732	4,909	2,106,641
At 31 December 2019	2,101,732	11,786	2,113,518

A full list of related undertakings is included in note 15.

ASIA PACIFIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. DEBTORS

	2020 £000	2019 £000
Due after more than one year		
Deferred tax asset (note 11)	452	1,437
	<u>452</u>	<u>1,437</u>
Due within one year		
Amounts owed by Group undertakings	75,295	73,882
Other debtors	10	12
Corporation tax	333	2,167
	<u>75,638</u>	<u>76,061</u>

11. DEFERRED TAX

The deferred tax asset is comprised as follows:

	<i>Tax losses carried forward £000</i>
At 1 January 2020	1,437
Income Statement	(985)
At 31 December 2020	<u>452</u>

Capital losses with a tax value of £5,448,000 (2019: £4,874,000) have not been recognised as their use is uncertain or not currently anticipated. The unrecognised deferred tax assets would be recognised if the Company realised capital gains against which these capital losses could be offset.

No deferred tax asset has been recognised in respect of £39,000,000 (2019: £40,000,000) of deductible temporary differences relating to subsidiaries because the Company is in a position to control the timing of the reversal of these temporary differences and it is probable that such differences will not reverse in the foreseeable future.

ASIA PACIFIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. SHARE CAPITAL

	2020 £000	2019 £000
Allotted, called up and fully paid		
6,000 Ordinary shares of £1 each	6	6

The Company no longer has an authorised share capital.

13. RESERVES**Share premium**

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

14. CONTROLLING PARTY

As at 31 December 2020, 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 office of the ultimate parent undertaking is Broadwater Park, Denham, Buckinghamshire, UB9 5HR.

The largest and smallest group in which the results of the Company are consolidated is that headed by InterContinental Hotels Group PLC. 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 Limited, a company incorporated and registered in England and Wales. The registered office of the immediate parent undertaking is Broadwater Park, Denham, Buckinghamshire, UB9 5HR.

ASIA PACIFIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

15. 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 2020 are disclosed below. Unless otherwise stated the Company is the indirect beneficial owner of 40% of the ordinary share capital with 60% owned by another Group subsidiary undertaking.

BHR Holdings B.V. (h)
Blue Blood (Tianjin) Equity Investment Management Co., Limited (30.05%) (ab)
China Hotel Investment Limited (30.05%) (a) (e) (r)
HH France Holdings SAS (j)
Holiday Inns (Courtalin) Holdings SAS (j)
Holiday Inns (Courtalin) SAS (j)
Holiday Inns Holdings (Australia) Pty Ltd (k)
Hotel InterContinental London (Holdings) Limited (g)
IC Hotelbetriebsführungs GmbH (m)
IC Hotels Management (Portugal) Unipessoal, Lda (n)
IHC London (Holdings) (g)
IHG Amsterdam Management BV (h)
IHG ANA Hotels Group Japan LLC (29.9%) (w)
IHG ANA Hotels Holdings Co., Ltd. (26.4%) (w)
IHG (Marseille) SAS (j)
IHG Hotels Limited (g)
IHG Hotels Management (Australia) Pty Limited (b) (k)
IHG Hotels Nigeria Limited (t)
IHG Hotels South Africa (Pty) Limited (u)
IHG Istanbul Otel Yönetim Limited Sirketi (af)
IHG Japan (Management) LLC (w)
IHG Japan (Osaka) LLC (w)
IHG Management d.o.o. Beograd (aj)
IHG Management (Netherlands) B.V. (h)
IHG Management SL d.o.o. (ac)
IHG Systems Pty Ltd (b) (k)
IHG Szalloda Budapest Szolgaltato Kft. (x)
InterContinental (Branston) 1 Limited (100%) (c) (g)
InterContinental (PB) 1 (100%) (a) (g)
InterContinental Gestion Hotelera S.L. (ag)
InterContinental Hotels Group (Australia) Pty Limited (k)
InterContinental Hotels Group Customer Services Limited (g)
InterContinental Hotels Group Services Company (g)
InterContinental Hotels Italia, S.r.l. (z)
InterContinental Hotels Management Montenegro d.o.o. (ak)
InterContinental Management AM LLC (ah)
InterContinental Management Bulgaria EOOD (ad)
InterContinental Management France SAS (j)
InterContinental Management Poland sp. z o.o. (ai)
Luxury Resorts and Spas (France) SAS (i)
Six Continents Holdings Limited (a) (g)
SLC Sustainable Luxury Cyprus Limited (l)
Sustainable Luxury Gravity Global Private Limited (20.4%) (d) (o)
Sustainable Luxury Holding (Thailand) Limited (20%) (c) (f) (aa)
Sustainable Luxury Hospitality (Thailand) Limited (29.6%) (c) (f) (aa)
Sustainable Luxury Maldives Private Limited (p)
Sustainable Luxury Management (Thailand) Limited (29.6%) (c) (f) (aa)
Sustainable Luxury Mauritius Limited (q)
Sustainable Luxury Operations (Thailand) Ltd (f) (aa)
Sustainable Luxury Singapore Private Limited (s)
Sustainable Luxury UK Limited (v)
Sustainable Luxury USA Limited (y)
Tianjin ICBCI IHG Equity Investment Fund Management Co., Limited (21.04%) (ae)

(a) Directly owned by Asia Pacific Holdings Limited
(b) Ordinary shares and preference shares
(c) Ordinary A and ordinary B shares
(d) Accounted for as associates and joint ventures due to IHG's decision-making rights contained in the partnership agreement
(e) Accounted for as an other investment due to IHG being unable to exercise significant influence over the financial and operating policy decisions of the entity
(f) Minority interest in the Group relates to one or more individual shareholders who are employed or were previously employed by the entity

Registered addresses:

(g) Broadwater Park, Denham, Buckinghamshire, UB9 5HR, UK
(h) Kingsfordweg 151, 1043 GR Amsterdam, The Netherlands
(i) 95 Blvd. Berthier, 75017 Paris, France
(j) 31-33 rue Mogador - 75009 Paris, France
(k) Level 11, 20 Bond Street, Sydney NSW 2000, Australia
(l) ATS Services Limited, Capital Center, 9th Floor, 2-4 Arch. Makarios III Ave., 1065 Nicosia, Cyprus
(m) QBC 4 - Am Belvedere 4, 1100, Vienna, Austria
(n) Avenida da Republica, no 52 - 9, 1069 - 211, Lisbon, Portugal
(o) B-11515 Bhikaj Cama Place, New Delhi, South Delhi, India, 110066
(p) Premier Chambers, M.Lux Lodge, 1st Floor, Orchid Magu, Male, Republic of Maldives
(q) Venture Corporate Services (Mauritius) Ltd, Level 3, Tower 1, Nexteracom Towers, Cybercity, Ebene, Mauritius
(r) The Phoenix Centre, George Street, Belleville St. Michael, Barbados
(s) 230 Victoria Street, #13-00 Bugis Junction Towers, 188024, Singapore
(t) 1, Murtala Muhammed Drive, Ikoyi, Lagos, Nigeria
(u) Central Office Park Unit 4, 257 Jean Avenue, Centurion 0157, South Africa
(v) Berg Kaprow Lewis LLP, 35 Ballards Lane, DX 57284 Finchley 2, London, N3 1XW, UK
(w) 20th Floor, Toranomon Kotohira Tower, 2-8, Toranomon 1-chome, Minato-ku, Tokyo, Japan
(x) 1052 Budapest, Apaczai Csere Janos u. 12-14, Hungary
(y) 251 Little Falls Drive, Wilmington, DE19808, USA
(z) Viale Monte Nero n.84, 20135 Milano, Italy
(aa) 57, 9th Floor, Park Ventures Ecoplex, Unit 902-904, Wireless Road, Limpini, Pathum Wan Bangkok 10330, Thailand
(ab) Room N306, 3rd Floor, Building 6, Binhai Financial Street, No. 52 West Xincheng Road, Tianjin Economy and Technology Development Zone, Tianjin, P.R. China
(ac) Cesta v Mestni log 1, 1000 Ljubljana, Slovenia
(ad) 37A Professor Fridtjof Nansen Street, 5th Floor, District Sredets, Sofia, 1142, Bulgaria
(ae) Room R316, 3rd Floor, Building 6, Binhai Financial Street, No. 52 West Xincheng Road, Tianjin Economy and Technology Development Zone, Tianjin, P.R. China
(af) Eski Buyukdere Cd. Park Plaza No:14 K:4 Maslak - Sariyer, Istanbul, Turkey
(ag) Paseo de Recoletos 37 - 41, 28004 Madrid, Spain
(ah) 23/6 D. Anghaght Str., Yerevan, 0069, Armenia
(ai) Generation Park Z - ul. Towarowa 28, 00-839 Warsaw, Poland
(aj) Krunska 73, Beograd, 11000, Serbia
(ak) Bulevar Svetog Petra Cetinjskog 149 - 81000 Podgorica, Montenegro