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Company registration number 97774 - Jersey
Companies House FC031426

Aberdeen Hotel Limited

Report and financial statements

31 December 2014

WEDNESDAY



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17/02/2016
COMPANIES HOUSE

A08 08/02/2016 #155
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Aberdeen Hotel Limited

Profit and loss account for the year ended 31 December 2014

		2014	2013
	Note	£	£
Turnover	2	6,830,773	2,609,889
Cost of sales		(1,564,411)	(793,849)
Gross profit		5,266,362	1,816,040
Administrative expense		(3,268,905)	(1,661,464)
Operating profit		1,997,457	154,576
Interest payable and similar charges	4	(396,630)	(217,824)
Profit / (loss) on ordinary activities before taxation		1,600,827	(63,248)
Tax on profit/(loss) on ordinary activities	3	50,322	(446,950)
Profit /(loss) for the financial year	15	1,651,149	(510,198)

The company's results all relate to continuing operations

There are no recognised gains or losses other than the profit for the current year and the loss for the preceding financial year therefore no statement of total recognised gains and losses has been presented

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

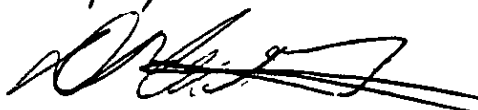
Aberdeen Hotel Limited

Balance sheet as at 31 December 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	8	19,632,339	20,202,544
Current assets			
Stock	9	-	103,861
Debtors	10	595,087	727,342
Cash at bank and in hand		133,414	313,646
		728,501	1,144,849
Creditors, amounts falling due within one year	11	(1,015,097)	(1,358,557)
Net current liabilities		(286,596)	(213,708)
Total assets less current liabilities		19,345,743	19,988,836
Creditors' amounts falling due after more than one year	12	(17,093,876)	(19,227,607)
Provisions for liabilities	13	(254,028)	(414,539)
Net assets		1,997,839	346,690
Capital and reserves			
Called up share capital	14	2	2
Share premium	15	1,199,999	1,199,999
Profit and loss account	15	797,838	(853,311)
Total shareholders' funds	15	1,997,839	346,690

These financial statements on pages 8 to 17 were approved by the board of directors on

18/12/15 and signed on its behalf by



D Murray
Director
Aberdeen Hotel Limited
Company Registration Number 97774

Aberdeen Hotel Limited

Notes to the financial statements for the year ended 31 December 2014

1. Accounting policies

Basis of accounting

The financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies (Jersey) Law 1991 and applicable accounting standards in the United Kingdom

The principal accounting policies which have been applied consistently throughout the year are set out below

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Marriott International Inc. The directors have received confirmation that Marriott International Inc. intends to support the company for at least one year after these financial statements are signed

Cash flow statement

The company is exempt from the requirement of FRS 1 'Cash flow statements (revised 1996)' to include a cash flow statement as part of its financial statements because it is a wholly owned subsidiary of Marriott International Inc. in whose financial statements the company is consolidated. The consolidated financial statements of Marriott International Inc. are publicly available

Taxation

UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are not discounted

Pension costs

The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet. The company participates in a defined contribution pension scheme

Stock

Stock comprises of operating supplies used in the operation of the Courtyard Aberdeen Airport hotel. Stock is stated at the lower of cost and net realisable value. Cost comprises the purchase price of supplies only. Provision is made for obsolete, slow moving or defective items where appropriate

Aberdeen Hotel Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

Borrowing costs

Borrowing costs which are directly attributable to the construction of qualifying assets are capitalised. They are defined as the borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made. All other borrowing costs which are not capitalised are charged to Interest payable and similar charges in the profit and loss account.

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost, less accumulated depreciation and any provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on all tangible fixed assets, except for assets under construction, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

Long leasehold property	– term of the lease
Leasehold improvements	– 5-40 years
Fixtures, fittings and equipment	– 4-10 years

Turnover

Turnover, which excludes value added tax, represents the value of income earned from the letting of rooms, sales of food, beverages and service charges, and for technical, management and marketing services supplied. Turnover is recognised once the performance of the service has been concluded or goods have been delivered.

Deferred income

Deferred income relates to deposits for future events which is recognised in turnover when the event occurs.

Leases

Costs in respect of operating leases are charged to the profit and loss account on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shortest period is used.

Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit. Assets held under finance leases are depreciated over the shorter of the lease term and the useful life of equivalent owned assets.

Foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the date of the balance sheet. Transactions in foreign currency are converted to sterling at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account.

Aberdeen Hotel Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

2. Turnover

Turnover comprises of

	2014	2013
	£	£
Food and beverage	936,728	376,426
Accommodation	5,820,491	2,206,423
Other	73,554	27,040
	<u>6,830,773</u>	<u>2,609,889</u>

All turnover relates to operations performed in the UK

3. Tax on profit/(loss) on ordinary activities

The tax for the year comprises

	2014	2013
	£	£
UK corporation tax on profit/(loss) for the year	110,189	-
Total current tax	<u>110,189</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(151,280)	491,717
Changes in tax rates or laws	(9,231)	(44,767)
Total deferred tax	<u>(160,511)</u>	<u>446,950</u>
Tax on profit/(loss) on ordinary activities	<u>(50,322)</u>	<u>446,950</u>

The difference between the total current tax shown and the amount calculated by applying the standard rate of UK corporation tax 21.49% (2013: 23.25%) to the profit/(loss) before tax is as follows

Profit/(loss) on ordinary activities before taxation	<u>1,600,827</u>	<u>(63,248)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of tax in the UK at 21.49% (2013: 23.25%)	344,018	(14,705)
Effects of		
Expenses not deductible for tax purposes	932	5,799
Capital allowances in excess of depreciation	(33,432)	(151,301)
Other timing differences	(201,329)	160,207
Total current tax	<u>110,189</u>	<u>-</u>

The main rate of corporation tax was reduced to 21% from 1 April 2014. The rate will further reduce to 20% from 1 April 2015, which was substantively enacted on 2 July 2013.

Aberdeen Hotel Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

4. Interest payable and similar charges

	2014	2013
	£	£
Intercompany interest charge	<u>396,630</u>	<u>217,824</u>

5. Profit/(loss) on ordinary activities before taxation

	2014	2013
	£	£
Profit/(loss) on ordinary activities before taxation is stated after charging		
Auditors' remuneration		
Audit fees	31,500	19,450
Depreciation of tangible fixed assets (Note 8)	<u>810,696</u>	<u>401,308</u>

6. Staff costs

All employees are employed by Marriott Hotels Limited and the payroll costs are recharged to the company

The average monthly number of persons (including executive directors) employed by the company during the year were

	2014	2013
By activity	Number	Number
Hotel operations	23	23
Administration	<u>6</u>	<u>6</u>
	<u>29</u>	<u>29</u>

Their aggregate remuneration comprised

	2014	2013
	£	£
Wages and salaries	1,067,040	582,522
Social security costs	57,322	30,349
Other pension costs	<u>11,857</u>	<u>5,914</u>
	<u>1,136,219</u>	<u>618,785</u>

The pension charge for the year represents contributions payable by the Company to the schemes and amounted to £11,857 (2013 £5,914). There were no outstanding or prepaid contributions at the beginning or end of the financial year.

7. Directors' remuneration

No remuneration was received by any of the directors for their services to the company during the year (2013 nil). The directors did not have any interests in long term incentive schemes or in any interests in pension schemes. The charges for the directors' remuneration have been borne by other group undertakings, Marriott Hotels International Limited and Marriott International Incorporated.

Aberdeen Hotel Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

8. Tangible fixed assets

	Asset under construction	Long leasehold property and improvements	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 January 2014	877,888	17,807,510	1,998,654	20,684,052
Additions	104,508	129,450	6,533	240,491
Transfers	(877,888)	798,178	79,710	-
Disposals	-	-	-	-
At 31 December 2014	104,508	18,735,138	2,084,897	20,924,543
Depreciation				
At 1 January 2014	-	(300,529)	(180,979)	(481,508)
Charge for the year	-	(413,119)	(397,577)	(810,696)
Disposals	-	-	-	-
At 31 December 2014	-	(713,648)	(578,556)	(1,292,204)
Net book value				
At 31 December 2014	104,508	18,021,490	1,506,341	19,632,339
At 31 December 2013	877,888	17,506,981	1,817,675	20,202,544

The company has entered into a 125 year lease agreement for the land

Cost includes capitalised borrowing costs for 2014 of £nil (2013 £135,216). The capitalisation rate for both periods is at LIBOR + 125 basis points. Borrowing costs are specific borrowings which are wholly attributable to the qualifying asset.

9 Stock

	2014	2013
	£	£
Operating supplies and equipment	-	103,861

10 Debtors

	2014	2013
	£	£
Trade debtors	479,186	557,096
Other taxes	44,237	102,127
Prepayments and accrued income	71,664	68,119
	<u>595,087</u>	<u>727,342</u>

All amounts fall due within one year

Aberdeen Hotel Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

11. Creditors: amounts falling due within one year

The following amounts are included in creditors falling due within one year:

	2014	2013
	£	£
Trade creditors	125,416	125,999
Amounts owed to group undertakings	103,991	95,412
Taxation and social security	229,913	235,007
Other creditors	88,842	411,725
Accruals and deferred income	356,746	490,414
Corporation tax	110,189	-
	<u>1,015,097</u>	<u>1,358,557</u>

Amounts owed to group undertakings relates to the interest due on the loan facility described in Note 12

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

	2014	2013
	£	£
Amounts owed to group undertakings	17,093,876	19,227,607
	<u>17,093,876</u>	<u>19,227,607</u>

The company has a loan facility with International Hotel Licensing Company S a r l, a fellow group undertaking, of up to £30,000,000 of which they have utilised £17,197,867 at the year-end date. The capital element of the loan under this agreement is due and payable on 1 June 2022, including interest at LIBOR plus 125 basis points per annum.

13. Provisions for liabilities

Deferred tax is provided as follows:

	£
Liability at 1 January 2014	(414,539)
Credited to profit and loss account	<u>160,511</u>
Liability at 31 December 2014	<u>(254,028)</u>

	2014	2013
	£	£
Other timing differences	(254,028)	(694,541)
Losses	-	<u>280,002</u>
Deferred tax liability	<u>(254,028)</u>	<u>(414,539)</u>

Aberdeen Hotel Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

14 Called up share capital

	2014	2013
	£	£
Authorised, allotted and fully paid		
2 (2013 2) ordinary shares of £1	<u>2</u>	<u>2</u>

15. Reconciliation of movements in shareholders' funds and movements in reserves

	Share capital	Share premium	Profit and loss account	Total shareholders' funds
	£	£	£	£
At 1 January 2014	2	1,199,999	(853,311)	346,690
Profit for financial year	-	-	1,651,149	1,651,149
At 31 December 2014	<u>2</u>	<u>1,199,999</u>	<u>797,838</u>	<u>1,997,839</u>

16. Operating lease commitments

Future annual commitments under non-cancellable operating leases are as follows

	2014 Plant and machinery	2014 Other	2013 Plant and machinery	2013 Other
	£	£	£	£
Expiry date				
Within one year	-	-	-	-
Between two and five years	7,043	-	12,913	-
After five years	-	1	-	1
Total	<u>7,043</u>	<u>1</u>	<u>12,913</u>	<u>1</u>

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Notes to the financial statements for the year ended 31 December 2014 (continued)

17. Related party transactions

As a wholly owned subsidiary of Marriott International Inc, the company has taken advantage of the exemption in FRS8 'Related party disclosures' not to disclose transactions with other owned members of the group headed by Marriott International Inc

18 Ultimate parent company and ultimate controlling party

The company is a direct subsidiary of Luxury Switzerland Holding Company GmbH, incorporated and registered in Switzerland. The ultimate parent company and controlling party is Marriott International Inc, incorporated in the state of Delaware, USA.

The largest and smallest group in which the results of the company are consolidated is that headed by Marriott International Inc.

The consolidated financial statements of Marriott International Inc are available to the public and may be obtained from Marriott International Inc, 10400 Fernwood Road, Bethesda, MD 20817, USA.