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Company registration number 97774 - Jersey

Companies House FC031426 ✓

**Aberdeen Hotel Limited** ✓

**Report and financial statements**

**31 December 2013** ✓

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## Aberdeen Hotel Limited

### Profit and loss account for the year ended 31 December 2013

	Note	2013 £	2012 £
Turnover	2	2,609,889	-
Cost of sales		(793,849)	-
<b>Gross profit</b>		<b>1,816,040</b>	<b>-</b>
Administrative expenses		(1,661,464)	(58,838)
<b>Operating profit/(loss)</b>		<b>154,576</b>	<b>(58,838)</b>
Interest payable and similar charges	4	(217,824)	(35,089)
<b>Loss on ordinary activities before taxation</b>		<b>(63,248)</b>	<b>(93,927)</b>
Tax on loss on ordinary activities	3	(446,950)	21,133
<b>Loss for the financial year</b>	15	<b>(510,198)</b>	<b>(72,794)</b>

The company's results all relate to continuing operations

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

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

# Aberdeen Hotel Limited

## Balance sheet as at 31 December 2013

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Tangible assets	8	20,202,544	12,412,719
<b>Current assets</b>			
Stock	9	103,861	-
Debtors	10	727,342	1,166,825
Cash at bank and in hand		313,646	58,173
		1,144,849	1,224,998
<b>Creditors, amounts falling due within one year</b>	11	(1,358,557)	(3,295,804)
Net current liabilities		(213,708)	(2,070,806)
Total assets less current liabilities		19,988,836	10,341,913
<b>Creditors, amounts falling due after more than one year</b>	12	(19,227,607)	(9,485,025)
Provisions for liabilities	13	(414,539)	-
<b>Net assets</b>		<b>346,690</b>	<b>856,888</b>
<b>Capital and reserves</b>			
Called up share capital	14	2	2
Share premium	15	1,199,999	1,199,999
Profit and loss account	15	(853,311)	(343,113)
<b>Total shareholders' funds</b>	15	<b>346,690</b>	<b>856,888</b>

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

9/12/15 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 2013**

### **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 2013 (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	– 5-20 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 2013 (continued)

#### 2. Turnover

Turnover comprises of

	2013	2012
	£	£
Food and beverage	376,426	-
Accommodation	2,206,423	-
Other	27,040	-
	<u>2,609,889</u>	<u>-</u>

All turnover relates to operations performed in the UK

#### 3. Tax on loss on ordinary activities

The tax for the year comprises

	2013	2012
	£	£
UK corporation tax on loss for the year	-	-
<b>Total current tax</b>	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(491,717)	23,012
Changes in tax rates or laws	44,767	(1,879)
<b>Total deferred tax</b>	<u>(446,950)</u>	<u>21,133</u>
<b>Tax on loss on ordinary activities</b>	<u>(446,950)</u>	<u>21,133</u>

The difference between the total current tax shown and the amount calculated by applying the standard rate of UK corporation tax 23 25% (2012 24 5%) to the loss before tax is as follows

<b>Loss on ordinary activities before taxation</b>	<u>(63,248)</u>	<u>(93,927)</u>
Loss on ordinary activities multiplied by the standard rate of tax in the UK at 23 25% (2012 24 5%)	(14,705)	(23,012)
Effects of		
Expenses deductible for tax purposes	(31,438)	(30,897)
Expenses not deductible for tax purposes	5,799	-
Capital allowances in excess of depreciation	(151,301)	-
Other timing differences	191,645	53,909
<b>Total current tax</b>	<u>-</u>	<u>-</u>

Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 was included in the Finance Act 2012. Further reductions to the main rate was announced in the Autumn Statement 2012 to reduce the rate to 21% from 1 April 2014, and in the Budget statement 2013 to reduce the rate to 20% from 1 April 2015. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

## Aberdeen Hotel Limited

### Notes to the financial statements for the year ended 31 December 2013 (continued)

#### 4. Interest payable and similar charges

	2013	2012
	£	£
Interest paid to group undertakings	<u>217,824</u>	<u>35,089</u>

#### 5 Loss on ordinary activities before taxation

	2013	2012
	£	£
Loss on ordinary activities before taxation is stated after charging		
Auditors' remuneration		
Audit fees	19,450	15,000
Depreciation of tangible fixed assets (Note 8)	<u>401,307</u>	<u>18,871</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) during the year were

	2013	2012
By activity	Number	Number
Hotel operations	23	-
Administration	<u>6</u>	<u>-</u>
	<u>29</u>	<u>-</u>

Their aggregate remuneration comprised

	2013	2012
	£	£
Wages and salaries	582,522	-
Social security costs	30,349	-
Other pension costs	<u>5,914</u>	<u>-</u>
	<u>618,785</u>	<u>-</u>

The pension charge for the year represents contributions payable by the Company to the schemes and amounted to £5,914 (2012 none) 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 (2012 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 2013 (continued)

#### 8. Tangible fixed assets

	Asset under construction	Long leasehold property and improvements	Fixtures, fittings and equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2013	10,134,063	2,358,857	-	12,492,920
Additions	8,191,132	-	-	8,191,132
Transfers	(17,447,307)	15,448,653	1,998,654	-
Disposals	-	-	-	-
<b>At 31 December 2013</b>	<b>877,888</b>	<b>17,807,510</b>	<b>1,998,654</b>	<b>20,684,052</b>
<b>Depreciation</b>				
At 1 January 2013	-	(80,201)	-	(80,201)
Charge for the year	-	(220,328)	(180,979)	(401,307)
Disposals	-	-	-	-
<b>At 31 December 2013</b>	<b>-</b>	<b>(300,529)</b>	<b>(180,979)</b>	<b>(481,508)</b>
<b>Net book value</b>				
<b>At 31 December 2013</b>	<b>877,888</b>	<b>17,506,981</b>	<b>1,817,675</b>	<b>20,202,544</b>
At 31 December 2012	10,134,063	2,278,656	-	12,412,719

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

Cost includes capitalised borrowing costs for 2013 of £135,216 (2012 £126,110). 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

	2013	2012
	£	£
Operating supplies and equipment	103,861	-

#### 10. Debtors

	2013	2012
	£	£
Trade debtors	557,096	-
Other debtors	102,127	1,134,414
Prepayments and accrued income	68,119	-
Deferred tax asset	-	32,411
	<b>727,342</b>	<b>1,166,825</b>

All amounts fall due within one year



## Aberdeen Hotel Limited

### Notes to the financial statements for the year ended 31 December 2013 (continued)

#### 11. Creditors amounts falling due within one year

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

	2013	2012
	£	£
Trade creditors	125,999	1,769,416
Amounts owed to group undertakings	95,412	557,155
Other taxation and social security	235,007	-
Other creditors	411,725	-
Accruals and deferred income	490,414	969,233
	<u>1,358,557</u>	<u>3,295,804</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

	2013	2012
	£	£
Amounts owed to group undertakings	19,227,607	9,485,025
	<u>19,227,607</u>	<u>9,485,025</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 £19,323,019 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

	£
Asset at 1 January 2013	32,411
Charged to the profit and loss account	<u>(446,950)</u>
Liability at 31 December 2013	<u>(414,539)</u>

  

	2013	2012
	£	£
Other timing differences	(694,541)	(85,697)
Trading losses	280,002	118,108
Deferred tax (liability)/asset	<u>(414,539)</u>	<u>32,411</u>

## Aberdeen Hotel Limited

### Notes to the financial statements for the year ended 31 December 2013 (continued)

#### 14 Called up share capital

	2013	2012
	£	£
Authorised, allotted and fully paid		
2 (2012 1) ordinary shares of £1	<u>2</u>	<u>2</u>

#### 15 Reconciliation of movements in shareholders' funds

	Share capital	Share premium	Profit and loss account	Total shareholders' funds
			£	£
At 1 January 2013	2	1,199,999	(343,113)	856,888
Loss for the financial year	-	-	(510,198)	(510,198)
At 31 December 2013	<u>2</u>	<u>1,199,999</u>	<u>(853,311)</u>	<u>346,690</u>

#### 16 Operating lease commitments

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

	2013 Plant and machinery	2013 Other	2012 Plant and machinery	2012 Other
	£	£	£	£
Expiry date				
Within one year	-	-	-	-
Between two and five years	12,913	-	-	-
After five years	-	1	-	1
Total	<u>12,913</u>	<u>1</u>	<u>-</u>	<u>1</u>

## **Aberdeen Hotel Limited**

### **Notes to the financial statements for the year ended 31 December 2013 (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.