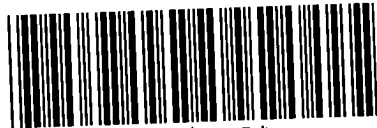


Financial Statements for the Year Ended 31 December 2017

for

**Interstate Hotels UK
Limited**

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COMPANIES HOUSE

**Interstate Hotels UK
Limited (Registered number: SC163523)**

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for the Year Ended 31 December 2017**

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**Interstate Hotels UK
Limited**

**Company Information
for the Year Ended 31 December 2017**

DIRECTORS: Erica Hageman
Darren John Brennen

SECRETARY: Erica Hageman

REGISTERED OFFICE: Albert Chambers
2nd Floor
13 Bath Street
Glasgow
G2 1HY

REGISTERED NUMBER: SC163523 (Scotland)

**SENIOR STATUTORY
AUDITOR:** Mr James R Weir C.A.

AUDITORS: Stevenson & Kyles
Chartered Accountants
Statutory Auditor
25 Sandyford Place
Glasgow
G3 7NG

**Interstate Hotels UK
Limited (Registered number: SC163523)**

**Balance Sheet
31 December 2017**

	Notes	2017 £	2016 £
FIXED ASSETS			
Intangible assets	3	4,641	7,170
Tangible assets	4	92,630	85,707
		<u>97,271</u>	<u>92,877</u>
CURRENT ASSETS			
Debtors	5	527,477	699,325
Cash at bank and in hand		93,572	307,038
		<u>621,049</u>	<u>1,006,363</u>
CREDITORS			
Amounts falling due within one year	6	335,203	463,129
NET CURRENT ASSETS		<u>285,846</u>	<u>543,234</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>383,117</u>	<u>636,111</u>
PROVISIONS FOR LIABILITIES		<u>1,785</u>	<u>4,997</u>
NET ASSETS		<u><u>381,332</u></u>	<u><u>631,114</u></u>
CAPITAL AND RESERVES			
Called up share capital		222,703	222,703
Share premium	8	39,176	39,176
Capital redemption reserve	8	20,299	20,299
Retained earnings	8	99,154	348,936
SHAREHOLDERS' FUNDS		<u><u>381,332</u></u>	<u><u>631,114</u></u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 25 June 2018 and were signed on its behalf by:



Darren John Brennen - Director

The notes form part of these financial statements

**Interstate Hotels UK
Limited (Registered number: SC163523)**

**Notes to the Financial Statements
for the Year Ended 31 December 2017**

1. STATUTORY INFORMATION

Interstate Hotels UK Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Domain name

This balance represents the amount paid in connection with the acquisition of a domain name, and is being amortised over its expected useful life of ten years.

Advance payments on contracts

These are payments in advance of contracts being fully recognised. This asset will be amortised, when the associated revenue streams commence, over the expected term of each contract.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fittings and equipment	- over 5 years
Motor vehicles	- over 4 years
Computer equipment	- over 3 years or over 5 years

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Interstate Hotels UK
Limited (Registered number: SC163523)**

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Loans and borrowings

Loans are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method less impairment. If an arrangement constitutes a financial transaction it is measured at present value.

3. INTANGIBLE FIXED ASSETS

	Domain name £	Advance payments on contracts £	Totals £
COST			
At 1 January 2017	9,170	2,879	12,049
Disposals	-	(1,612)	(1,612)
	<hr/>	<hr/>	<hr/>
At 31 December 2017	9,170	1,267	10,437
	<hr/>	<hr/>	<hr/>
AMORTISATION			
At 1 January 2017	4,879	-	4,879
Amortisation for year	917	-	917
	<hr/>	<hr/>	<hr/>
At 31 December 2017	5,796	-	5,796
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 December 2017	3,374	1,267	4,641
	<hr/>	<hr/>	<hr/>
At 31 December 2016	4,291	2,879	7,170
	<hr/>	<hr/>	<hr/>

Interstate Hotels UK
Limited (Registered number: SC163523)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

4. TANGIBLE FIXED ASSETS

	Fittings and equipment £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2017	13,819	31,115	281,587	326,521
Additions	-	-	64,504	64,504
Disposals	(2,055)	(31,115)	(101,976)	(135,146)
At 31 December 2017	11,764	-	244,115	255,879
DEPRECIATION				
At 1 January 2017	7,128	29,819	203,867	240,814
Charge for year	2,279	1,296	53,467	57,042
Eliminated on disposal	(1,911)	(31,115)	(101,581)	(134,607)
At 31 December 2017	7,496	-	155,753	163,249
NET BOOK VALUE				
At 31 December 2017	4,268	-	88,362	92,630
At 31 December 2016	6,691	1,296	77,720	85,707

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	220,704	158,379
Amounts owed by group undertakings	279,085	516,189
Other debtors	27,688	24,757
	527,477	699,325

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	47,675	53,091
Amounts owed to group undertakings	20,588	-
Social security and other taxes	55,436	71,377
Sundry creditors and accruals	211,504	338,661
	335,203	463,129

7. LEASING AGREEMENTS

The total minimum lease payments under non-cancellable leases amounted to £72,500 (2016 - £144,123).

**Interstate Hotels UK
Limited (Registered number: SC163523)**

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

8. RESERVES

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 January 2017	348,936	39,176	20,299	408,411
Profit for the year	121,135	-	-	121,135
Dividends	(370,917)	-	-	(370,917)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	99,154	39,176	20,299	158,629
	<hr/>	<hr/>	<hr/>	<hr/>

9. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Mr James R Weir C.A. (Senior Statutory Auditor)
for and on behalf of Stevenson & Kyles

10. RELATED PARTY DISCLOSURES

The company is exempt from the requirement to disclose transactions and balances with fellow group members as the results of all relevant parties have been included in the consolidated accounts of Interstate Hotels & Resorts Inc, a Delaware corporation.

11. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

12. ULTIMATE CONTROLLING PARTY

The company is a wholly owned subsidiary of Interstate UK Holdco Limited a company registered in the United Kingdom. The results of the company have been included in the consolidated accounts of a US company, Interstate Hotels & Resorts Inc, a Delaware corporation.

Copies of the group financial statements of Interstate Hotels & Resorts Inc, are available from 4501 North Fairfax Drive, Arlington, VA 22203.

The ultimate controlling party is Kohlberg Management VII, L.P.