

Company Registration No. 3564855

23/09/2013

HYATT HOLDINGS (UK) LIMITED

Report and Financial Statements

31 December 2012

MONDAY



L2HZQZ5T

L15

30/09/2013

#81

COMPANIES HOUSE

HYATT HOLDINGS (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

CONTENTS

Page

Officers and professional advisers

1

Directors' report

2

Statement of directors' responsibilities

4

Independent auditor's report

5

Profit and loss account

6

Balance sheet

7

Notes to the accounts

8

HYATT HOLDINGS (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A Morales
R Sarna
G Rainer

SECRETARY

Jordans Limited
21 St Thomas Street
Bristol
BS1 6JS

REGISTERED OFFICE

21 St Thomas Street
Bristol
BS1 6JS

BANKERS

Bank of America
P O Box 407
London
E1 8DE

Bank Mendes Gans
PO Box 198
1000 AD Amsterdam
Herengracht 619
The Netherlands

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

HYATT HOLDINGS (UK) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2012

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The Company has entered into management agreements to provide assistance, management and marketing services to three hotels located in the United Kingdom, as follows

Property Name	Start Date	Initial Term
Hyatt Regency Birmingham	16 07 1990	30 years
Hyatt Regency London - The Churchill	01 05 2004	10 years
Andaz London	13 03 2006	30 years

The directors expect these activities to continue in 2013. It is to be noted that on 24 June 2011 Hyatt Regency Birmingham entered into Administration, without affecting the operation of the hotel. On 2 November 2012, HRB Hotel Company Limited, an indirect subsidiary of Hyatt Hotel Corporation, entered into a sale and purchase agreement and other attendant documents to purchase the hotel from HR Birmingham Limited (in administration). On the same date, HR Birmingham Limited transferred all its rights and obligations under the management agreement to HRB Hotel Company Limited.

As shown in the Company's profit and loss account on page 6, the overall turnover has increased by £1,163,157, or 23.7%, to £6,075,589 (2011 £4,912,432). This increase results from the increased management fee revenue from Hyatt Regency London - The Churchill.

The operating expenses increased only by £184,574, or 4.4%, to £4,397,812 (2011 £4,213,238), resulting from the adjusted service fees billed by an affiliated company.

The operating profit for the year is £1,677,777 (2011 £699,194). The 2012 profit on ordinary activities before taxation is £1,687,622 compared to £732,992 in 2011.

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in note 1.

PRINCIPAL RISKS AND UNCERTAINTIES

It should be noted that the Company's activity depends on the results of the properties it manages and related underlying general economic factors. After a year 2012 positively impacted by the Olympic games in London, the current economic climate returned to its usual volatility and remains hard to predict.

A significant portion of the Company's administrative expenses are incurred in US Dollars and Swiss Francs and the Company is therefore exposed to the movement of both US Dollar and Swiss Franc to Sterling exchange rate.

The Company has no related party or third party debt. It therefore has no interest rate exposure.

RESULTS AND DIVIDENDS

The audited accounts for the year ended 31 December 2012 are set out on pages 6 to 15. The profit after taxation for the financial year was £1,271,071 (2011 £522,363).

The Company declared and paid a dividend of £nil (2011 £2,750,000).

HYATT HOLDINGS (UK) LIMITED

DIRECTORS' REPORT

DIRECTORS

The directors who served throughout the year except as noted were as follows

Name	Citizenship
A Morales	- Swiss citizen
R Sarna	- US citizen
G Rainer	- Austrian citizen

Qualifying third party indemnity provisions were in place for all directors of the company for the current and preceding year

AUDITOR

The company reappointed Deloitte LLP on 25 September 2012, during the Annual General Meeting

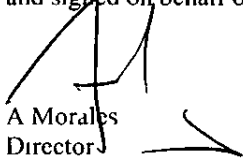
Provision of information to the auditor

Each of the persons who is a director at the date of approval of this report confirms that

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Approved by the Board of Directors
and signed on behalf of the Board


A Morales
Director

25 September, 2013

HYATT HOLDINGS (UK) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 HYATT HOLDINGS (UK) LIMITED

We have audited the financial statements of Hyatt Holdings (UK) Limited for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. 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, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

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 2012 and of its profit 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.

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.

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.



Timothy Steel (Senior Statutory Auditor)
for and on behalf of Deloitte LLP, Chartered Accountants and Statutory Auditor
London, United Kingdom

25th September 2013

HYATT HOLDINGS (UK) LIMITED

PROFIT AND LOSS ACCOUNT **Year ended 31 December 2012**

	Note	2012 £	2011 £
TURNOVER	2	6,075,589	4,912,432
Administrative expenses		(4,397,812)	(4,213,238)
OPERATING PROFIT		1,677,777	699,194
Net interest receivable	3	9,845	33,798
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	1,687,622	732,992
Tax on profit on ordinary activities	6	(416,551)	(210,629)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	11	1,271,071	522,363

All results in the current and preceding year have been derived from continuing operations

There are no recognised gains or losses other than stated above for the current or preceding financial year and accordingly no separate statement of total recognised gains and losses is presented

HYATT HOLDINGS (UK) LIMITED

BALANCE SHEET 31 December 2012

	Note	2012 £	2011 £
CURRENT ASSETS			
Debtors due within one year	7	901,593	738,337
Cash at bank and in hand		4,101,248	2,690,662
		<u>5,002,841</u>	<u>3,428,999</u>
CREDITORS amounts falling due within one year	8	(1,088,732)	(785,961)
NET CURRENT ASSETS		<u>3,914,109</u>	<u>2,643,038</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,914,109</u>	<u>2,643,038</u>
NET ASSETS		<u>3,914,109</u>	<u>2,643,038</u>
CAPITAL AND RESERVES			
Called up share capital	10	2,114,200	2,114,200
Profit and loss account	11	1,799,909	528,838
TOTAL SHAREHOLDERS' FUNDS	9	<u>3,914,109</u>	<u>2,643,038</u>

The financial statements of Hyatt Holdings (UK) Limited, registered number 3564855, were approved by the Board of Directors and authorised for issue on 25 September 2013

Signed on behalf of the Board of Directors


A Morales
Director

HYATT HOLDINGS (UK) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2012

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The particular accounting policies adopted are described below. They have all been applied consistently throughout the year and preceding year.

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Going concern basis

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report on page 2.

The current economic conditions create uncertainty particularly over (a) the level of demand for hotels, and (b) the exchange rate between sterling and US dollars and Swiss Francs and thus the consequence for the cost of the company's administrative expenses.

However, the company has several years' track record of profitable trading and is cash generative. The directors have also been able to adjust to the current climate and reduce the negative effect on profitability through actively managing costs.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Foreign currencies

Transactions denominated in foreign currencies are recorded in sterling at actual exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is reported as an exchange gain or loss in the profit and loss account.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable 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 shorter period is used.

Cash flow

The company has taken advantage of the exemption permitted by Financial Reporting Standard No. 1 (revised) whereby a cash flow statement need not be prepared by a wholly owned subsidiary of an ultimate parent undertaking which itself prepares a consolidated cash flow statement.

HYATT HOLDINGS (UK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2012

1 ACCOUNTING POLICIES (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax 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 years different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pension costs

The Company participates in a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs 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.

Turnover

Turnover represents fee income earned under the hotels and residence management agreements plus the reimbursement of costs incurred in providing services to the Hyatt chain of hotels.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over five years, which is not considered to be materially different to useful economic life.

HYATT HOLDINGS (UK) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2012

2. SEGMENT INFORMATION

Turnover, which is all derived in the UK, which includes management fees earned in providing technical, management and marketing services is derived as follows

	2012 £	2011 £
Management fees		
Great Eastern Hotel	712,469	706,138
Hyatt Regency London - The Churchill	2,702,757	1,816,730
Hyatt Regency Birmingham	628,590	585,574
	4,043,816	3,108,442
Hyatt Chain Services	1,267,399	1,153,662
Hyatt Chain Services Markup Income	63,292	57,683
Reimbursement Hyatt Regency London - The Churchill	360,231	297,928
Other Income	340,851	294,717
	6,075,589	4,912,432

3. NET INTEREST RECEIVABLE

	2012 £	2011 £
Interest receivable and similar income	9,311	33,798
Exchange gains on foreign currency balance	534	0
	9,845	33,798

HYATT HOLDINGS (UK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2012

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging

	2012 £	2011 £
Amortization - Key Money (see note 7)	110,000	110,000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	18,100	17,750
Operating lease rentals	60,500	53,734
Management service and royalty fees payable to an affiliated company	2,004,189	1,972,541

Amounts payable to Deloitte LLP by the Company in respect of non-audit services were £ nil (2011 - £ nil)

5. STAFF COSTS

The average monthly number of persons employed by the Company was 10 (2011 – 11)

Employee cost during the year amounted to

	2012 £	2011 £
Wages and salaries	742,835	711,137
Social security costs	122,650	127,229
Other pension costs	48,399	(50,416)
	913,884	787,950

The directors discharged their duties mainly outside the UK and received no emoluments in respect of services to the Company in the year (2011 - £nil)

HYATT HOLDINGS (UK) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2012

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge for the year comprises

	2012 £	2011 £
UK corporation tax	415,339	211,704
Under provision in respect of prior periods	0	276
Deferred UK corporation tax	1,212	(1,084)
Deferred UK corporation tax in respect of prior periods	0	(267)
	<u>416,551</u>	<u>210,629</u>

The difference between the total current tax shown and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	2012 £	2011 £
Profit on ordinary activities before taxation	1,687,622	732,992
	<u></u>	<u></u>
Tax on profit on ordinary activities at 24.5% / 26.5%	(413,467)	(194,243)

Factors affecting the tax charge

Capital allowance in excess of depreciation	1,574	1,888
Expenses not deductible for tax purposes	(3,446)	(19,349)
Prior period adjustments	0	(276)
	<u>(415,339)</u>	<u>(211,980)</u>

Movement on deferred tax asset in the year

	2012 £	2011 £
At 1 January	7,123	5,772
Transfer to profit and loss account	(1,212)	1,351
	<u></u>	<u></u>
At 31 December	5,911	7,123

HYATT HOLDINGS (UK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2012

7. DEBTORS

	2012	2011
	£	£
<u>Amounts falling due within one year</u>		
Trade debtors	450,346	240,553
Amounts owed by other group undertakings	279,213	214,069
Deposits	8,736	8,736
Prepayments and accrued income	157,387	267,856
Deferred Tax Asset	5,911	7,123
	901,593	738,337

Prepayments include pre-contract costs of £146,667 (2011 £256,667) Total key money of £1,100,000 was incurred in connection with entering into the Management Agreement for a London hotel, Hyatt Regency London - The Churchill Hotel, and is being amortised over the ten years of the initial term of the agreement

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade creditors	15,017	3,562
Amounts owed to other group undertakings < 1 year	458,843	328,368
UK corporation tax payable	165,339	12,088
Social security and PAYE	47,661	32,535
VAT payable	185,763	180,756
Accruals	216,109	228,652
	1,088,732	785,961

HYATT HOLDINGS (UK) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2012

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit for the financial year	1,271,071	522,363
Payment of Dividend to sole Shareholder	0	(2,750,000)
Opening shareholders' funds	2,643,038	4,870,676
Closing shareholders' funds	3,914,109	2,643,038

10. CALLED UP SHARE CAPITAL

	2012 £	2011 £
Authorised: 1,000,000 ordinary shares of £100 each	100,000,000	100,000,000
Called up, allotted and fully paid: 21,142 ordinary shares of £100 each (2011 – 21,142 ordinary shares)	2,114,200	2,114,200

11. RESERVES

	Profit & Loss £
At 1 January 2012	528,838
Profit for the year	1,271,071
At 31 December 2012	1,799,909

HYATT HOLDINGS (UK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2012

12. OTHER FINANCIAL COMMITMENTS

Capital commitments

The Company had no capital commitments at 31 December 2012 (2011 £nil)

Lease commitments

As at 31 December 2012 the Company was committed to making the following payments during the next year in respect of operating leases

	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Expiry Date				
- between two and five years	30,393	29,956	2,747	2,404
	30,393	29,956	2,747	2,404

The lease of the office premises is subject to rent reviews at specified intervals. It provides for the lessee to pay all insurance, maintenance and repair costs.

13. PENSION OBLIGATIONS

The Company makes pension contributions for certain employees to the Hyatt International Hotels Retirement Plan, a defined contribution scheme. The assets of the scheme are held separately from those of the Company in an independently administered trust. The pension cost charge represents contributions payable by the Company to the fund and any potential tax payable on the contributions, which amounted to £69,953 (2011 £61,076).

14. RELATED PARTY TRANSACTIONS

In accordance with Financial Reporting Standard 8, transactions with related parties that are eliminated on consolidation within the group headed by Hyatt Hotels Corporation are not reported as the consolidated financial statements of Hyatt Hotels Corporation are publicly available and all parties to the transactions are wholly owned within the group.

15. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The Company's ultimate parent Company and controlling party is Hyatt Hotels Corporation, incorporated in the United States of America. The immediate parent company is HI Holdings Cyprus Limited, incorporated in Cyprus.

The results of Hyatt Holdings (UK) Limited are consolidated into Hyatt Hotels Corporation, a New York Stock Exchange listed public company. The consolidated accounts of Hyatt Hotels Corporation are available to the public at its registered address, being 71 South Wacker Drive, Chicago, Illinois 60606, United States of America.