

Hotel Dynamics Services UK Limited
Financial Statements
31 December 2015

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Hotel Dynamics Services UK Limited

Financial Statements

Year ended 31 December 2015

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Hotel Dynamics Services UK Limited

Officers and Professional Advisers

The board of directors

Mr A Liggins
Mr S Lowe

Registered office

The Triangle
5-17 Hammersmith Grove
London
England
W6 0LG

Auditor

Deloitte LLP
Chartered Accountants & Statutory Auditor
1 Woodborough Road
Nottingham
NG1 3FG

Hotel Dynamics Services UK Limited

Directors' Report

Year ended 31 December 2015

The directors present their report and the financial statements of the company for the year ended 31 December 2015.

Directors

The directors who served the company during the year were as follows:

Mr A Liggins
Mr S Lowe

Principal activities and future developments

The principal activity of the company was the provision of specialised hotel marketing services. The company ceased to trade during 2011. The company has not traded during the year. The directors intention is to wind the company up.

Going Concern

During 2011, the directors made the decision to terminate all of the contracts and to cease trading. It is the intention of the directors to wind the company up. It is for these reasons that the financial statements have been prepared on a basis other than going concern. There have been no material adjustments as a result of adopting this approach.

In addition, the directors note that there are positive net assets. The Board has also received confirmation from Wyndham Exchange and Rentals, Inc that they intend to provide funding to any of their group undertakings should they not be in a position to meet their intercompany obligations to Hotel Dynamics Services UK Limited.

Directors' responsibilities statement

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), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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; 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.

Hotel Dynamics Services UK Limited

Directors' Report *(continued)*

Year ended 31 December 2015

Auditor

In accordance with Section 418 of the Companies Act 2006, in the case of each director in office at the date the Directors' report is approved, the following applies:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The company has not prepared a strategic report in accordance with the provisions applicable to companies entitled to the small companies' exemption.

This report was approved by the board of directors on ^{29th} September 2016 and signed on behalf of the board by:



Mr A Liggins
Director

Hotel Dynamics Services UK Limited

Independent Auditor's Report to the Members of Hotel Dynamics Services UK Limited

Year ended 31 December 2015

We have audited the financial statements of Hotel Dynamics Services UK Limited for the year ended 31 December 2015 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position and the related notes 1 to 13. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 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.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Hotel Dynamics Services UK Limited

Independent Auditor's Report to the Members of Hotel Dynamics Services UK Limited (continued)

Year ended 31 December 2015

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Alistair Pritchard FCA

Alistair Pritchard FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Nottingham

30 September 2016

Hotel Dynamics Services UK Limited
Statement of Income and Retained Earnings
Year ended 31 December 2015

	Note	2015 £	2014 £
Other operating (expense)/income	4	(24,800)	11,544
Operating (loss)/profit		(24,800)	11,544
Other interest receivable and similar income		<u>531</u>	<u>187</u>
(Loss)/profit on ordinary activities before taxation		(24,269)	11,731
Tax on (loss)/profit on ordinary activities	5	<u>—</u>	<u>—</u>
(Loss)/profit for the financial year and total comprehensive income		<u>(24,269)</u>	<u>11,731</u>
Retained earnings at the start of the year		359,773	348,042
Retained earnings at the end of the year		<u>335,504</u>	<u>359,773</u>

All amounts in the current and prior year relate to discontinued activities.

The notes on pages 8 to 10 form part of these financial statements.

Hotel Dynamics Services UK Limited

Statement of Financial Position

31 December 2015

	Note	2015 £	2014 £
Current assets			
Debtors	6	537,264	546,109
Cash at bank and in hand		—	5,519
		<u>537,264</u>	<u>551,628</u>
Creditors: amounts falling due within one year	7	<u>(202,742)</u>	<u>(192,837)</u>
Net current assets		<u>334,522</u>	<u>358,791</u>
Total assets less current liabilities		<u>334,522</u>	<u>358,791</u>
Net assets		<u>334,522</u>	<u>358,791</u>
Capital and reserves			
Called up share capital	8	2	2
Foreign currency translation reserve	9	(984)	(984)
Profit and loss account	9	<u>335,504</u>	<u>359,773</u>
Members funds		<u>334,522</u>	<u>358,791</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors and authorised for issue on 2nd September 2016, and are signed on behalf of the board by:



Mr A Liggins
Director

Company registration number: 4406770

The notes on pages 8 to 10 form part of these financial statements.

Hotel Dynamics Services UK Limited

Notes to the Financial Statements

Year ended 31 December 2015

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

During 2011, the directors made the decision to terminate all of the contracts and to cease trading. It is the intention of the directors to wind the company up. It is for these reasons that the financial statements have been prepared on a basis other than going concern. There have been no material adjustments as a result of adopting this approach.

In addition, the directors note that there are positive net assets. The Board has also received confirmation from Wyndham Exchange and Rentals, Inc that they intend to provide funding to any of their group undertakings should they not be in a position to meet their intercompany obligations to Hotel Dynamics Services UK Limited.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 13.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Wyndham Worldwide Corporation which is incorporated in the USA. Copies of its group financial statements, which include the company, are available from 22 Sylvan Way, Parsippany, New Jersey, USA. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.

Related Party Transactions

In accordance with FRS102 section 33 "Related Party Disclosures", transactions with other wholly owned group undertakings have not been disclosed in these financial statements.

Income tax

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Hotel Dynamics Services UK Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the company's accounting policies

The directors have made no critical judgements in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

4. Other operating income

	2015 £	2014 £
Other operating (expense)/income	(24,800)	11,544

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

The tax charge in the year amounted to £nil (FY14: £nil).

Reconciliation of tax

The tax assessed on the loss on ordinary activities for the year is higher than (2014: lower than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.49%).

	2015 £	2014 £
(Loss)/profit on ordinary activities before taxation	(24,269)	11,731
(Loss)/profit on ordinary activities by rate of tax	(4,914)	2,521
Transfer pricing adjustment	879	824
Expenses not deductible for tax purposes	–	810
Changes in tax rate	448	(179)
Short term timing differences	3,587	(2,401)
Group relief surrendered for nil consideration	–	(1,575)
Tax on (loss)/profit on ordinary activities	–	–

6. Debtors

	2015 £	2014 £
Amounts owed by group undertakings and undertakings in which the company has a participating interest	537,264	546,109

Hotel Dynamics Services UK Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

7. Creditors: amounts falling due within one year

	2015 £	2014 £
Amounts owed to group undertakings and undertakings in which the company has a participating interest	182,729	172,823
Other creditors	20,013	20,014
	<u>202,742</u>	<u>192,837</u>

8. Called up share capital

Issued, called up and fully paid

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	2	2	2	2

9. Reserves

Foreign currency translation reserve - comprises translation differences arising from the translation of the overseas branch accounts into Sterling.

Profit and loss account - This reserve records retained earnings and accumulated losses.

10. Directors emoluments

The directors do not receive any remuneration in respect of their directorship of this company (2014: £nil). There were no employees of the company (2014: nil).

11. Audit fees

Audit fees for the audit of the company's annual financial statements of £4,000 (2014: £4,000) were borne by RCI Europe.

12. Controlling party

The company's immediate parent undertaking is Hotel Dynamics International Limited incorporated in Hong Kong.

In the directors' opinion, the company's ultimate parent undertaking and controlling party is Wyndham Worldwide Corporation which is incorporated in the USA. Copies of its group financial statements, which include the company, are available from 22 Sylvan Way, Parsippany, New Jersey, USA.

The smallest such group of undertakings, including the Company, is that headed by Hotel Dynamics International Limited which is registered in Hong Kong. Copies of its financial statements are available from Paul Hastings, Janofsky & Walker, 22/F Bank of China Tower, 1 Garden Road, Hong Kong.

13. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2014.

No transitional adjustments were required in equity or profit or loss for the year.