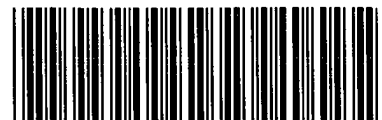


COMPANY REGISTRATION NUMBER: 04406770

Hotel Dynamics Services UK Limited
Annual Report and Financial Statements
For the year ended 31 December 2021

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Hotel Dynamics Services UK Limited

Annual Report and Financial Statements

For the year ended 31 December 2021

Contents	Page
Officers and professional advisers	1
Director's report	2
Independent auditor's report to the members	4
Statement of income and retained earnings	8
Balance sheet	9
Notes to the financial statements	10

**Hotel Dynamics Services UK Limited
Annual Report and Financial Statements
For the year ended 31 December 2021**

Officers and Professional Advisers

Director

Mr P. Mulcahy

Registered office

Haylock House
Kettering Parkway
Kettering
Northamptonshire
England
NN15 6EY
United Kingdom

Auditor

Deloitte LLP
Statutory auditor
3 Rivergate
Temple Quay
Bristol
BS1 6GB
United Kingdom

Hotel Dynamics Services UK Limited Annual Report and Financial Statements For the year ended 31 December 2021

Director's Report

The director presents his annual report and the audited financial statements of the company for the year ended 31 December 2021.

Director

The director who served the company during the year and subsequently were as follows:

Mr P. Mulcahy

The company, via another group undertaking, has made qualifying third party indemnity provisions for the benefit of its director.

Principal activities and future developments

The principal activity of the company was the provision of specialised hotel marketing services. The company has not traded since 2011.

Dividends

The director has not proposed a final dividend and no dividends paid in 2021 (2020: £nil).

Going Concern

It is the intention of the Director to liquidate the Company, as such, the Director has prepared these financial statements on a basis other than going concern. The Board has received confirmation from the ultimate parent company that intergroup debt will continue to be made available at levels sufficient to allow the company to meet its liabilities as they fall due for a period not less than 12 months from the signing of these financial statements. The director have satisfied himself that the ultimate parent company has the necessary financial resources to provide this support during this period, should it be required.

Events after the balance sheet date

Events after the balance sheet date can be found in note 15 to the financial statements.

Director's responsibilities statement

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the director must not approve the financial statements unless he is 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.

Hotel Dynamics Services UK Limited Annual Report and Financial Statements For the year ended 31 December 2021

Director's Report *(continued)*

Director's responsibilities statement (continued)

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 director is 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. He is 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.

Auditor

The director at the date of approval of this report confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all steps that he ought to have taken as a director to make himself 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.

Deloitte LLP have expressed their willingness to continue in office as auditor of the company and a resolution for that reappointment will be proposed at the forthcoming Annual General Meeting.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption and accordingly no Strategic Report has been prepared.

This report was approved by the board of directors on 27th September 2022 and signed on behalf of the board by:



Mr P. Mulcahy
Director
Haylock House
Kettering Parkway
Kettering
Northamptonshire
England
NN15 6EY
United Kingdom

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

For the year ended 31 December 2021

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Hotel Dynamics Services UK Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of income and retained earnings;
- 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, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Financial Statements prepared other than on a going concern basis

We draw attention to note 3 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Hotel Dynamics Services UK Limited

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

For the year ended 31 December 2021

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Hotel Dynamics Services UK Limited

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

For the year ended 31 December 2021

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations.

We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Hotel Dynamics Services UK Limited

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

For the year ended 31 December 2021

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the director's report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 director 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

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.



Edward Bell (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Bristol, UK
27 September 2022

Hotel Dynamics Services UK Limited
Annual Report and Financial Statements
For the year ended 31 December 2021

Statement of Income and Retained Earnings

	Note	2021 £	2020 £
Other operating income		242	4,052
Operating profit		242	4,052
Interest receivable and similar income		956	789
Profit before taxation	4	1,198	4,841
Tax on profit	6	-	-
Profit for the financial year and total comprehensive income		1,198	4,841
 Retained earnings at the start of the year		 161,651	 156,810
Retained earnings at the end of the year		162,849	161,651

All the activities of the company are from continuing operations.

Hotel Dynamics Services UK Limited

Annual Report and Financial Statements

For the year ended 31 December 2021

Balance Sheet

As at 31 December 2021

	Note	2021 £	2020 Restated £
Fixed assets			
Loans to group undertakings	7	<u>358,342</u>	<u>355,124</u>
Current assets			
Debtor: amount falling due within one year	8	2,599	2,599
Creditors: amounts falling due within one year	9	<u>(199,074)</u>	<u>(197,054)</u>
Net current liabilities		<u>(196,475)</u>	<u>(194,455)</u>
Total assets less current liabilities		<u>161,867</u>	<u>160,669</u>
Net assets		<u>161,867</u>	<u>160,669</u>
Capital and reserves			
Called up share capital	11	2	2
Foreign currency translation reserve	12	(984)	(984)
Profit and loss account	12	<u>162,849</u>	<u>161,651</u>
Shareholder funds		<u>161,867</u>	<u>160,669</u>

*See notes 7 & 8 for detail on the restatement of the prior period balance

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 27th September 2022, and are signed on behalf of the board by:



Mr P. Mulcahy
Director
Director
Haylock House
Kettering Parkway
Kettering
Northamptonshire
England
NN15 6EY
United Kingdom

Company registration number: 04406770

Hotel Dynamics Services UK Limited Annual Report and Financial Statements For the year ended 31 December 2021

Notes to the Financial Statements

1. General information

Hotel Dynamics Services UK Limited (the 'company') is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is Haylock House, Kettering Parkway, Kettering, Northamptonshire, NN15 6EY, England.

The principal activities of the company are set out in the director's report on pages 2 to 3.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

Basis of preparation

The financial statements have been prepared on the historical cost basis.

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

Going concern

It is the intention of the Director to liquidate the Company, as such, the Director has prepared these financial statements on a basis other than going concern. The Board has received confirmation from the ultimate parent company that intergroup debt will continue to be made available at levels sufficient to allow the company to meet its liabilities as they fall due for a period not less than 12 month from the signing of these financial statements. The directors have satisfied themselves that the ultimate parent company has the necessary financial resources to provide this support during this period, should it be required.

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 Travel + Leisure Co. (formerly Wyndham Destinations, Inc) which is incorporated in the USA. Copies of its group financial statements, which include the company, are available from its registered office 6277 Sea Harbor Drive, Orlando, Florida, 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 FRS 102 section 33 "Related Party Disclosures", transactions with other wholly owned group undertakings have not been disclosed in these financial statements.

Hotel Dynamics Services UK Limited
Annual Report and Financial Statements
For the year ended 31 December 2021

Notes to the Financial Statements *(continued)*

3. Accounting policies *(continued)*

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.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not at market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Hotel Dynamics Services UK Limited

Annual Report and Financial Statements

For the year ended 31 December 2021

Notes to the Financial Statements (continued)

Interest Income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Interest Expense

An interest expense is the cost incurred by an entity for borrowed funds and represents interest accrued during the period covered by the financial statements.

4. Profit before taxation

Profit before taxation is stated after crediting:

	2021 £	2020 £
Foreign exchange differences	<u>242</u>	<u>4,052</u>

5. Staff costs

The average number of persons employed by the company during the year, excluding the director, amounted to Nil (2020: £nil).

The director does not receive any remuneration in respect of his directorship of this company (2020: £nil). The director is fully remunerated through RCI Europe, a fellow group subsidiary within the UK, and it is not practical to allocate the cost of their separate responsibilities as a director of this company.

6. Tax on profit

Reconciliation of tax income

The tax assessed on the profit for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021 £	2020 £
Profit before taxation	<u>1,198</u>	<u>4,841</u>
Profit by rate of tax	228	920
Transfer pricing adjustment	1,091	41
Short term timing differences	-	(961)
Adjustments in respect of prior year	-	-
Group relief surrendered for nil consideration	<u>(1,319)</u>	<u>-</u>
Tax on profit	<u>-</u>	<u>-</u>

Hotel Dynamics Services UK Limited

Annual Report and Financial Statements

For the year ended 31 December 2021

Notes to the Financial Statements *(continued)*

7. Loans to group undertakings

	2021	2020 Restated
	£	£
Loans to group undertakings *	<u>358,342</u>	<u>355,124</u>

*Amounts due from group companies are unsecured, repayable on demand and accrue no interest. In the previous year intercompany balances have all been treated as current assets due to the balances being repayable on demand. During the year Management have re-assessed the classification of amounts owned by fellow subsidiaries of Travel + Leisure Co, the group. Through this process Management have determined that such amounts should have always been classified as fixed assets given there is no intention for these balances to be repaid in the short term and they are held for ongoing use in the business. As such this error has been corrected and the comparative has been restated resulting in a reclassification of £355,124 from current assets to fixed assets.

8. Debtors: amount falling due within one year

	2021	2020 Restated
	£	£
Debtors: amount falling due within one year *	<u>2,599</u>	<u>2,599</u>

Amounts due from fellow group subsidiaries are unsecured, repayable on demand and accrue no interest.

9. Creditors: amounts falling due within one year

	2021	2020 Restated
	£	£
Amounts owed to fellow group subsidiaries	<u>199,074</u>	<u>197,054</u>

Amounts due to fellow group subsidiaries are unsecured, repayable.

10. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the director is 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. The director does not consider there to be any key sources of estimation in the year.

Hotel Dynamics Services UK Limited

Annual Report and Financial Statements

For the year ended 31 December 2021

Notes to the Financial Statements *(continued)*

10. Critical accounting judgements and key sources of estimation uncertainty *(continued)*

Critical judgements in applying the company's accounting policies

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

11. Called up share capital

Issued, called up and fully paid

	2021		2020	
	Number	£	Number	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

12. 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.

13. Audit fees

Audit fees for the audit of the company's annual financial statements of £4,748 (2020: £4,610) were borne by RCI Europe. There were no non-audit fees in the year (2020: £nil).

14. Controlling party

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

In the director's opinion, the company's ultimate parent undertaking and controlling party is Travel + Leisure Co. which is incorporated in the USA. Copies of its group financial statements, which include the company, are available from its registered office, 6277 Sea Harbor Drive, Orlando, Florida, USA.

The parent of the smallest and largest group of which the company is a part, for which group financial statement are prepared is Hotel Dynamics International Limited which is registered in Hong Kong at the address below. Copies of its financial statements are available from Paul Hastings, Janofsky & Walker, 22/F Bank of China Tower, 1 Garden Road, Hong Kong and the company's ultimate parent undertaking and controlling party is Travel + Leisure Co. (formerly Wyndham Destinations, Inc.) which is incorporated in the USA. Copies of its group financial statements which include the company, are available from the company's registered office, 6277 Sea Harbor Drive, Orlando, Florida, USA.

15. Events after the balance sheet date

Since the end of the Company's Financial Year, the impacts of Covid 19 on the business has continued to lessen. The director believes that the long-term impact of this virus will not be of material significance to the Travel + Leisure Co. group, but some short to medium term issues may still need to be addressed.