

Registration number: 6947603

# InterContinental (PB) 3 Limited

Annual Report and Unaudited Financial Statements

for the year ended 31 December 2023

# InterContinental (PB) 3 Limited

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# **InterContinental (PB) 3 Limited**

## **Company Information**

**Directors**                    M Cockcroft  
                                      M Renshaw  
                                      N Watson

**Company secretary**    C Lindsay

**Registered office**        1 Windsor Dials  
                                      Arthur Road  
                                      Windsor  
                                      Berkshire  
                                      SL4 1RS

## **InterContinental (PB) 3 Limited**

### **Strategic Report for the year ended 31 December 2023**

The directors present their report for the year ended 31 December 2023.

#### **Principal activities and stakeholder engagement**

InterContinental (PB) 3 Limited's (the "Company") principal activity is that of an investment holding company.

The Company's principal activities, as set out above, determines its key stakeholder as fellow InterContinental Hotels group (consisting of InterContinental Hotels Group PLC and its subsidiaries) (the "Group") undertakings. Whilst the Company considers the interests and impact of its activities and strategy on its key stakeholder when making relevant decisions, it does not formulate its own policies and principles, rather as part of the Group, the Company is guided by the Group's policies and engagement practices.

#### **Business review**

During the year, the Company made a profit before tax of \$824,071,000 (2022: \$653,658,000) and a profit after tax of \$821,078,000 (2022: \$651,893,000). The profit before tax for the year is a result of dividends received from subsidiary undertakings of \$814,226,000 (2022: \$635,410,000) and net interest receivable of \$9,845,000 (2022: \$18,248,000).

As of 31 December 2023, the Company had net assets of £2,041,731,000 (2022: £1,694,153,000).

#### **Principal risks and uncertainties**

Primarily the Company's transactions are with fellow Group undertakings and as such there are not considered to be any significant risks and uncertainties impacting the Company. Any uncertainties impacting the Company would arise from internal decisions taken within the Group.

#### **Directors' statement of compliance with duty to promote the success of the Company**

A director of a Company must act in the way he or she considers, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, and in doing so have regard, (amongst other matters), to:

- likely consequences of any decisions in the long-term;
- interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and environment;
- desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

In discharging their Section 172 duties, the directors of the Company consider that they have had regard in all material respects to the factors set out above.

The key stakeholders of the Company are other Group companies.

## **InterContinental (PB) 3 Limited**

### **Strategic Report for the year ended 31 December 2023 (continued)**

#### **Directors' statement of compliance with duty to promote the success of the Company (continued)**

The Company delegates authority for day-to-day management to senior leaders, who set, approve and oversee the execution of the Company's activities. The Company has no employees, customers or suppliers, and as such the full range of Section 172 factors and stakeholder considerations have not been applied. Board meetings are held periodically where the directors consider Company activities, including renewals of powers of attorney to file tax returns and intercompany agreements. The Company follows Group policies and procedures, including those relating to standards of business conduct, employees, the environment, the community, and other stakeholders. As part of the Group, stakeholder engagement takes place at a group level and the Company looks to group initiatives for guidance and takes them into account in its decision making. More detail may be found in the InterContinental Hotels Group PLC 2023 Annual Report and Form 20-F (the "Group Annual Report").

In considering items of business the Company makes autonomous decisions on each transaction's own merits, after due consideration of the long-term success of the Company, Section 172 factors, where relevant, and the stakeholders impacted.

During the course of 2023, no significant decisions were made by the Company.

Approved by the Board on 6 August 2024 and signed on its behalf by:



M Renshaw  
Director

## **InterContinental (PB) 3 Limited**

### **Directors' Report for the year ended 31 December 2023**

The directors present their report and the unaudited financial statements for the year ended 31 December 2023.

#### **Results and dividends**

The profit for the year, after tax, amounted to £821,078,000 (2022: £651,893,000).

On 15 December 2023, the Company paid an interim dividend of \$473,500,000 (2022: \$500,000,000) to Six Continents Hotels International Limited. The directors do not propose a final dividend for the year ended 31 December 2023 (2022: \$nil).

#### **Directors of the Company**

The directors of the Company, who held office during the year and up to the date of signing the financial statements were:

M Cockcroft (appointed 1 March 2023)

M Renshaw

N Watson

H Wood (resigned 1 March 2023)

#### **Future developments**

It is the intention of the directors that the Company will continue to operate as an investment holding company for the foreseeable future.

The directors view the results as satisfactory for the current year.

#### **Going concern**

The financial statements have been prepared on a going concern basis. Further details regarding the adoption of the going concern basis can be found in note 2 to the financial statements.

#### **Directors' liabilities**

A qualifying third party indemnity provision in favour of existing and former directors of the Company, granted by InterContinental Hotels Limited in accordance with Section 234 of the Companies Act 2006, was in force during the year and up to the date of the approval of the financial statements. A copy of this indemnity provision is available for inspection by the members of the Company at the Company's registered office at 1 Windsor Dials, Arthur Road, Windsor, Berkshire, SL4 1RS.

#### **Statement of Directors' Responsibilities**

The Statement of Directors' Responsibilities can be found on page 5.

Approved by the Board on 6 August 2024 and signed on its behalf by:



M Renshaw  
Director

## **InterContinental (PB) 3 Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Annual Report and 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law). Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are also 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.

## InterContinental (PB) 3 Limited

### Income Statement for the year ended 31 December 2023

	<b>Note</b>	<b>2023</b> <b>\$ 000</b>	<b>2022</b> <b>\$ 000</b>
Income from fixed asset investments	8	814,226	635,410
Interest receivable and similar income	5	14,499	20,404
Interest payable and similar charges	6	<u>(4,654)</u>	<u>(2,156)</u>
<b>Profit before tax</b>		824,071	653,658
Tax	7	<u>(2,993)</u>	<u>(1,765)</u>
<b>Profit for the financial year</b>		<u><u>821,078</u></u>	<u><u>651,893</u></u>

All amounts relate to continuing operations.

The Company has no other comprehensive income or loss for the current or prior year other than the results above.

## InterContinental (PB) 3 Limited

(Registration number: 6947603)

### Statement of Financial Position as at 31 December 2023

	Note	2023 \$ 000	2022 \$ 000
<b>Fixed assets</b>			
Investments	8	1,534,189	1,534,103
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	558,041	218,800
Cash at bank and in hand		95	173
		<u>558,136</u>	<u>218,973</u>
Creditors: amounts falling due within one year	10	<u>(20,547)</u>	<u>(18,483)</u>
<b>Net current assets</b>		<u>537,589</u>	<u>200,490</u>
<b>Total assets less current liabilities</b>		2,071,778	1,734,593
Creditors: amounts falling due after more than one year	11	<u>(30,047)</u>	<u>(40,440)</u>
<b>Net assets</b>		<u>2,041,731</u>	<u>1,694,153</u>
<b>Capital and reserves</b>			
Called up share capital	13	2	2
Share premium account	14	1,082,090	1,082,090
Profit and loss account		<u>959,639</u>	<u>612,061</u>
<b>Total equity</b>		<u>2,041,731</u>	<u>1,694,153</u>

For the financial year ending 31 December 2023 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board on 6 August 2024 and signed on its behalf by:



M Renshaw  
Director

The notes on pages 9 to 25 form an integral part of these financial statements.

## InterContinental (PB) 3 Limited

### Statement of Changes in Equity for the year ended 31 December 2023

	Note	Called up share capital \$ 000	Share premium account \$ 000	Profit and loss account \$ 000	Total \$ 000
At 1 January 2022		2	1,082,090	460,168	1,542,260
Profit for the financial year		-	-	651,893	651,893
Total comprehensive income		-	-	651,893	651,893
Dividends	12	-	-	(500,000)	(500,000)
<b>At 31 December 2022</b>		<u>2</u>	<u>1,082,090</u>	<u>612,061</u>	<u>1,694,153</u>
Profit for the financial year		-	-	821,078	821,078
Total comprehensive income		-	-	821,078	821,078
Dividends	12	-	-	(473,500)	(473,500)
<b>At 31 December 2023</b>		<u>2</u>	<u>1,082,090</u>	<u>959,639</u>	<u>2,041,731</u>

The notes on pages 9 to 25 form an integral part of these financial statements.

## **InterContinental (PB) 3 Limited**

### **Notes to the Unaudited Financial Statements for the year ended 31 December 2023**

#### **1 General information**

The Company is a private company limited by share capital, incorporated and registered in England and Wales.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006.

The Company's financial statements are presented in United States dollars and all values are rounded to the nearest thousand dollars (\$'000), except where otherwise indicated.

The Company's ultimate parent undertaking, InterContinental Hotels Group PLC, includes the Company in its consolidated financial statements. The consolidated financial statements of InterContinental Hotels Group PLC, which are prepared in accordance with UK-adopted international accounting standards, with applicable law and regulations and with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board, are publicly available and may be obtained from the address given in note 15.

##### **Summary of disclosure exemptions**

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of UK-adopted IFRSs. In these financial statements, disclosures required by the following standards have not been provided as permitted by FRS 101 or equivalent disclosures have been provided in the consolidated financial statements of InterContinental Hotels Group PLC:

- Disclosures required by IFRS 7 - 'Financial instruments: Disclosures' and paragraphs 91 to 99 of IFRS 13 - 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities), as the consolidated financial statements of InterContinental Hotels Group PLC include the equivalent disclosures.
- Paragraphs 88c and 88d of IAS 12 - 'Income Taxes', as the consolidated financial statements of InterContinental Hotels Group PLC include the equivalent disclosures.
- Paragraph 38 of IAS 1 - 'Presentation of financial statements' (comparative information requirements in respect of):
  - paragraph 79(a)(iv) of IAS 1 (reconciliation of number of shares at the beginning and end of the period)

## InterContinental (PB) 3 Limited

### Notes to the Unaudited Financial Statements for the year ended 31 December 2023 (continued)

#### 2 Accounting policies (continued)

##### Summary of disclosure exemptions (continued)

- The following paragraphs of IAS 1 - 'Presentation of financial statements' (removing the requirement to present):
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 111 (cash flow statement information).
- IAS 7 - 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8 - 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24 - 'Related party disclosures' (key management personnel compensation).
- IAS 24 'Related party disclosures' (to disclose related party transactions entered into between two or more members of a group).
- Paragraphs 134 to 136 of IAS 1 'Presentation of financial statements' (disclosures in respect of capital management).

##### Going concern

The financial statements have been prepared on a going concern basis.

The Company operates its activities in conjunction with other companies within the Group and therefore relies on the Group for its continued existence. The directors have confirmed that the ultimate parent company, InterContinental Hotels Group PLC, intends to make funds available to the Company to enable it to meet its liabilities as they fall due for at least a period up to and including 31 December 2025.

An overview of the business activities of the Group, including a review of the key business risks that the Group faces, is given in the Strategic Report in the InterContinental Hotels Group PLC Annual Report and Form 20-F 2023 (the "Group Annual Report"). Information on the Group's liquidity and financial resources, including information on covenants and debt facilities; its capital and financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to liquidity risk and credit risk are also given in the Group Annual Report.

The Group's bank facilities include a key covenant of net debt:EBITDA of 4.0x. In April 2024, the maturity date of the Group's \$1,350m revolving syndicated bank facility was extended to 2029. There are two bond maturities prior to 31 December 2025, being the €500m 1.625% bond in October 2024 and the £300m 3.75% bond in August 2025. At 30 June 2024 the Group had total liquidity of \$2,127m, comprising the undrawn \$1,350m bank facility and \$777m of cash and cash equivalents (net of overdrafts and restricted cash).

## **InterContinental (PB) 3 Limited**

### **Notes to the Unaudited Financial Statements for the year ended 31 December 2023 (continued)**

#### **2 Accounting policies (continued)**

##### **Going concern (continued)**

In adopting the going concern basis for preparing the condensed interim financial statements of InterContinental Hotels Group PLC for the six months ended 30 June 2024 and in agreeing to provide continued support to the Company, the Group directors reviewed Base Case and Severe Downside scenarios (detailed in the Group condensed interim financial statements to 30 June 2024). Additional funding is not required and there is significant headroom to the bank covenants to absorb multiple additional risks and uncertainties in both scenarios.

With consideration given to the above, the Company's directors have satisfied themselves that InterContinental Hotels Group PLC is capable of providing support to the Company until at least 31 December 2025 and the financial statements have been prepared on a going concern basis.

##### **Exemption from preparing group accounts**

The financial statements contain information about InterContinental (PB) 3 Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, InterContinental Hotels Group PLC, a company incorporated in England and Wales.

##### **New accounting standards**

With effect from 1 January 2023, the Company has adopted the Amendments to IAS 12: International Tax Reform - Pillar Two Model Rules.

None of the other standards, interpretations and amendments effective for the first time from 1 January 2023 have had a material effect on the financial statements.

##### **Interest income and expenses**

Interest receivable and interest payable are recognised in the Income Statement as they accrue, using the effective interest rate method.

Dividend income is recognised in the Income Statement on the date the Company's right to receive payments is established.

##### **Foreign currency transactions**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the Company's functional currency at the rates prevailing on the reporting period date.

##### **Tax**

Tax on the profit or loss 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 directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

## **InterContinental (PB) 3 Limited**

### **Notes to the Unaudited Financial Statements for the year ended 31 December 2023 (continued)**

#### **2 Accounting policies (continued)**

##### **Tax (continued)**

###### *Current tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

The taxation liabilities of certain Group entities are reduced wholly or in part by the surrender of losses by fellow Group undertakings, with these losses normally being paid for at the effective standard UK tax rate applying for the period in question. The impacts of such surrenders are recognised in the financial statements of both the surrendering and recipient companies.

###### *Deferred tax*

Deferred tax assets and liabilities arise and are generally recognised in respect of temporary differences between the tax base and carrying value of assets and liabilities.

Deferred tax is calculated at the tax rates that are expected to apply in the periods in which the asset is released or the liability will be settled, based on tax rates and laws enacted or substantively enacted at the end of the reporting period.

Judgement is used when assessing the extent to which deferred tax assets, particularly in respect of tax losses, should be recognised. Deferred tax assets are only recognised to the extent that it is regarded as probable that there will be sufficient and suitable taxable profits (including the future release of deferred tax liabilities) against which such assets can be utilised in the future. For this purpose, forecasts of future profits are considered by assessing the Group's forecast revenue and profit models, taking into account future growth predictions and operating cost assumptions. Accordingly, changes in assumptions to the Group's forecasts may have an impact on the amount of future taxable profits and therefore the period over which any deferred tax assets might be recovered.

Deferred tax is not provided on temporary differences arising on investments in subsidiaries where the Group is able to control the timing of the reversal and it is probable that the temporary difference will not reverse in the foreseeable future. The Company has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

##### **Investments in equity securities**

Investments in subsidiaries are carried at cost less impairment. The carrying amount is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Income Statement.

##### **Amounts owed by Group undertakings**

Amounts owed by Group undertakings are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method less provision for expected credit losses. Allowances for expected credit losses are made based on the risk of non-payment, taking into account ageing, previous experience, economic conditions and forward-looking data. Such allowances are measured as either 12-month expected credit losses or lifetime expected credit losses depending on changes in the credit quality of the counterparty.

Movements in provisions for amounts owed by Group undertakings are recognised in the Income Statement within administrative expenses.

## **InterContinental (PB) 3 Limited**

### **Notes to the Unaudited Financial Statements for the year ended 31 December 2023 (continued)**

#### **2 Accounting policies (continued)**

##### **Amounts owed to Group undertakings**

Amounts owed to Group undertakings are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Amounts owed to Group undertakings are unsecured, interest bearing and are repayable on demand.

##### **Deferred consideration**

Deferred consideration is measured at amortised cost and the effect of unwinding the discount is recorded in interest payable and similar charges.

##### **Derivative financial instruments**

Derivative financial instruments are initially recognised and subsequently re-measured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the Income Statement.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value is measured by reference to the principal market for the asset or liability assuming that market participants act in their economic best interests. The Company uses valuation techniques that maximise the use of relevant observable inputs using the following valuation hierarchy:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities measured at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Further disclosures on the particular valuation techniques used by the Company are provided in note 11.

##### **Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously. To meet these criteria, the right of set-off must not be contingent on a future event and must be legally enforceable in all the following circumstances: the normal course of business, the event of default and the event of insolvency or bankruptcy of the Company and all of the counterparties.

##### **Dividends**

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

## InterContinental (PB) 3 Limited

### Notes to the Unaudited Financial Statements for the year ended 31 December 2023 (continued)

#### 3 Employees

The Company has no employees (2022: no employees).

#### 4 Directors' remuneration

The directors are also directors of other subsidiary undertakings within the Group and their remuneration, including share-based payment charges, for the year was paid by other undertakings. The directors did not receive any remuneration in relation to the Company as the qualifying services provided to the Company were incidental to the qualifying services provided to other subsidiary undertakings.

#### 5 Interest receivable and similar income

	<b>2023</b>	<b>2022</b>
	<b>\$ 000</b>	<b>\$ 000</b>
Gain on derivative financial instruments (note 11)	-	8,550
Interest receivable from Group undertakings	14,499	11,854
	<u>14,499</u>	<u>20,404</u>

#### 6 Interest payable and similar charges

	<b>2023</b>	<b>2022</b>
	<b>\$ 000</b>	<b>\$ 000</b>
Interest payable to Group undertakings	1,994	1,620
Loss on derivative financial instruments (note 11)	2,100	-
Unwind of discount on deferred consideration (note 11)	560	536
	<u>4,654</u>	<u>2,156</u>

## InterContinental (PB) 3 Limited

### Notes to the Unaudited Financial Statements for the year ended 31 December 2023 (continued)

#### 7 Tax

Tax charged in the income statement

	<b>2023</b>	<b>2022</b>
	<b>\$ 000</b>	<b>\$ 000</b>
<b>Current tax</b>		
UK corporation tax	3,001	1,947
Adjustments in respect of prior periods	<u>(8)</u>	<u>(182)</u>
Total current tax	<u>2,993</u>	<u>1,765</u>

The tax on profit before tax for the year is lower than (2022: lower than) the effective standard rate of corporation tax in the UK of 23.5% (2022: 19%).

The differences are reconciled below:

	<b>2023</b>	<b>2022</b>
	<b>\$ 000</b>	<b>\$ 000</b>
Profit before tax	<u>824,071</u>	<u>653,658</u>
Corporation tax at effective standard rate	193,657	124,195
<b>Effects of:</b>		
Adjustments in respect of prior periods	(8)	(182)
Permanent differences	625	(1,523)
Non-deductible foreign exchange differences on Group relief payment	62	3
Income received from fixed asset investments	<u>(191,343)</u>	<u>(120,728)</u>
<b>Tax charge for the year</b>	<u>2,993</u>	<u>1,765</u>

In his budget of 2021, the Chancellor of the Exchequer proposed to increase the standard rate of corporation tax from the current rate of 19%, to 25%, effective from 1 April 2023. The rate increase was substantively enacted on 24 May 2021.

There is no provided or unprovided deferred tax.

## InterContinental (PB) 3 Limited

### Notes to the Unaudited Financial Statements for the year ended 31 December 2023 (continued)

#### 8 Investments

	<b>Investments in subsidiary companies \$ 000</b>
<b>Cost</b>	
At 1 January 2022	1,534,048
Additions	55
At 31 December 2022	<u>1,534,103</u>
Additions	86
<b>At 31 December 2023</b>	<u><b>1,534,189</b></u>
<b>Net book value</b>	
At 31 December 2023	<u><u>1,534,189</u></u>
At 31 December 2022	<u><u>1,534,103</u></u>

The Company's direct investments include a 100% holding in InterContinental Hotels Group Operating Corp. ('IHGOP') and 51% of the issued share capital of Regent Hospitality Worldwide, Inc. ('RHW').

A full list of related undertakings is included in note 16.

Total income from fixed asset investments in 2023 amounted to \$814,226,000 (2022: \$635,410,000).

The Company pays UK corporation tax on behalf of its subsidiary undertaking, RHW, amounting to \$86,000 (2022: \$55,000), as part of a group payment arrangement. These payments are made for \$nil consideration and have been included in the investment value of the subsidiary undertaking.

#### 9 Debtors

	<b>2023</b>	<b>2022</b>
	<b>\$ 000</b>	<b>\$ 000</b>
Amounts owed by Group undertakings	<u><u>558,041</u></u>	<u><u>218,800</u></u>

## InterContinental (PB) 3 Limited

### Notes to the Unaudited Financial Statements for the year ended 31 December 2023 (continued)

#### 10 Creditors: amounts falling due within one year

	2023 \$ 000	2022 \$ 000
Deferred consideration (note 11)	13,053	-
Amounts owed to Group undertakings	4,554	16,555
Current tax	2,940	1,928
	<u>20,547</u>	<u>18,483</u>

#### 11 Creditors: amounts falling due after more than one year

	2023 \$ 000	2022 \$ 000
Deferred consideration	-	12,493
Derivative financial instruments	30,047	27,947
	<u>30,047</u>	<u>40,440</u>

At 31 December 2023, the deferred consideration was \$13,053,000 (2022: \$12,493,000), resulting in a loss from the unwind of discount of \$560,000 (2022: \$536,000) in the Income Statement. The remaining deferred consideration was paid in January 2024 and is classified as current.

Derivative financial instruments relate to the put and call options on the remaining 49% shareholding in RHW, exercisable in a phased manner. The amount payable on exercise of the options is based on the annual trailing revenue of RHW in the year preceding exercise, with floor applied. The options are measured at fair value through profit or loss, subject to an annual reassessment using a Black-Scholes option pricing model. Observable inputs include risk free rate, and unobservable inputs include RHW revenue expectations, equity value and dividend yield. The most significant assumption is RHW revenue expectations and as such the options are classified as Level 3 in the fair value hierarchy. There have been no transfers between any of the fair value hierarchy classifications during the year.

At 31 December 2023, the fair value of the options had increased to \$30,047,000 (2022: \$27,947,000), resulting in a loss of \$2,100,000 (2022: gain of \$8,550,000) in the Income Statement within interest payable and similar charges (2022: recorded in interest receivable and similar income). It is assumed that the options will be exercised simultaneously and at the earliest permissible date, which is consistent with the assumptions made on acquisition.

The combined fair value of the 2026 call benefit and hypothetical put liability to acquire an additional 25% of RHW is \$13,886,000 (2022: \$12,860,000). The call benefit and hypothetical put liability have a fair value of \$433,000 (2022: \$1,330,000) and \$14,319,000 (2022: \$14,190,000) respectively.

The combined fair value of the 2028 call benefit and hypothetical put liability to acquire the remaining 24% of RHW is \$16,161,000 (2022: \$15,089,000). The call benefit and hypothetical put liability have a fair value of \$860,000 (2022: \$1,803,000) and \$17,021,000 (2022: \$16,892,000) respectively as at 31 December 2023.

## InterContinental (PB) 3 Limited

### Notes to the Unaudited Financial Statements for the year ended 31 December 2023 (continued)

#### 11 Creditors: amounts falling due after more than one year (continued)

The key assumptions used in the pricing model are as follows:

	2023	2022
Risk-free rate 2026 option	4.33%	4.27%
Risk-free rate 2028 option	4.02%	4.04%
Expected dividend yield	1.90%	1.90%
Volatility	25.89%	29.70%

The risk-free rate applied is based on observable US government bond yields for the maturity date specific to the instrument at the valuation date. A one percentage point increase in the risk-free rate would decrease the value of the options by \$2,180,000 (2022: \$2,754,000).

The significant unobservable input used to determine the fair value of the options is the projected trailing revenues and equity value of RHW. If the annual trailing revenue of RHW were to exceed the floor by 10%, the fair value of the option liability would increase by \$6,090,000 (2022: \$6,800,000). If the equity value of RHW were to increase/decrease by \$20m, the fair value of the option liability would decrease/increase by \$9,250,000 (2022: \$9,100,000). The impact of other inputs are not considered to be significant.

#### 12 Dividends

	2023 \$ 000	2022 \$ 000
Interim dividend of \$281,845.24 (2022 - \$297,619.05) per ordinary share	<u>473,500</u>	<u>500,000</u>

On 15 December 2023, the Company paid an interim dividend of \$473,500,000 to Six Continents Hotels International Limited. The directors do not propose a final dividend for the year ended 31 December 2023 (2022: \$nil).

## InterContinental (PB) 3 Limited

### Notes to the Unaudited Financial Statements for the year ended 31 December 2023 (continued)

#### 13 Share capital

##### Allotted, called up and fully paid shares

	2023		2022	
	No.	\$ 000	No.	\$ 000
Ordinary shares of \$1 each	<u>1,680</u>	<u>2</u>	<u>1,680</u>	<u>2</u>

##### Rights, preferences and restrictions

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. There are no restrictions attached to the ordinary shares.

#### 14 Reserves

##### Share premium account

The balance classified as share premium represents the amount of proceeds received for shares in excess of their nominal value.

#### 15 Parent and ultimate parent undertaking

As at 31 December 2023, InterContinental Hotels Group PLC, a company incorporated and registered in England and Wales, was the ultimate parent undertaking and controlling party of the Company. The registered address of the ultimate parent undertaking is 1 Windsor Dials, Arthur Road, Windsor, Berkshire, SL4 1RS.

The largest and smallest group in which the results of the Company are consolidated is that headed by InterContinental Hotels Group PLC, a company incorporated and registered in England and Wales. Consolidated financial statements of InterContinental Hotels Group PLC are available from the following address:

Companies House, Crown Way, Cardiff, CF14 3UZ.

The immediate parent undertaking is Six Continents Hotels International Limited, a company registered in England and Wales. The registered office of the immediate parent undertaking is 1 Windsor Dials, Arthur Road, Windsor, Berkshire, SL4 1RS.

## InterContinental (PB) 3 Limited

### Notes to the Unaudited Financial Statements for the year ended 31 December 2023 (continued)

#### 16 Related undertakings

In accordance with Section 409 of the Companies Act 2006 a full list of entities in which the Company has an interest of greater than or equal to 20%, the registered office and effective percentage of equity owned as at 31 December 2023 are disclosed below. Unless otherwise stated the share capital disclosed comprises ordinary shares which are indirectly held by InterContinental (PB) 3 Limited.

10000 Champion Acquisition LLC (h)  
2250 Blake Street Hotel, LLC (h)  
24th Street Operator Sub, LLC (h)  
36th Street IHG Sub, LLC (h)  
426 Main Ave, LLC. (h)  
46 Nevins Street Associates, LLC (h)  
Alkoer, Sociedad de Responsabilidad Limitada de Capital Variable (50.00%) (f) (al)  
Alpha Kimball Hotel, LLC (h)  
Barclay Operating Corp. (h)  
BHMC Canada Inc. (k)  
BHR Pacific Holdings, Inc. (99.00%) (h)  
BHTC Canada Inc. (k)  
BOC Barclay Sub LLC (h)  
Bristol Oakbrook Tenant Company (h)  
Cambridge Lodging LLC (h)  
Capital Lodging LLC (h)  
Carr Clark SWW Subventure, LLC (26.67%) (e) (ak)  
CECNY Land Holdings LLC (h)  
CF Irving Owner, LLC (h)  
CF McKinney Owner, LLC (h)  
Compañía Inter-Continental De Hoteles El Salvador SA (j)  
Crowne Plaza, LLC (h)  
Cumberland Akers Hotel, LLC (h)  
Desarrollo Alkoer Irapuato S. de R.L. de C.V. (50.00%) (al)  
Desarrollo Alkoer Saltillo S. de R.L. de C.V. (50.00%) (al)  
Desarrollo Alkoer Silao S. de R.L. de C.V. (50.00%) (al)  
Dunwoody Operations, LLC (h)  
EVEN Real Estate Holding LLC (h)  
General Innkeeping Acceptance Corporation (b) (h)  
Gestion Hotelera Gestel, C.A. (50.00%) (c) (f) (z)  
Hawthorne Land Holdings LLC (h)  
HC International Holdings, Inc. (h)  
Hoft Properties LLC (h)  
Holiday Hospitality Franchising, LLC (h)  
Holiday Inn Mexicana S.A. (n)  
Holiday Inns (China) Limited (89.78%) (o)  
Holiday Inns (Jamaica), Inc. (h)

## InterContinental (PB) 3 Limited

### Notes to the Unaudited Financial Statements for the year ended 31 December 2023 (continued)

#### 16 Related undertakings (continued)

Holiday Inns (Middle East) Limited (89.78%) (o)  
Holiday Inns (Philippines), Inc. (h)  
Holiday Inns (Saudi Arabia), Inc. (h)  
Holiday Inns (U.K.), Inc. (h)  
Holiday Inns Crowne Plaza (Hong Kong), Inc. (h)  
Holiday Inns, Inc. (h)  
Holiday Pacific Equity Corporation (h)  
Holiday Pacific Limited Liability Company (h)  
Holiday Pacific Partners Limited Partnership (99.99%) (h)  
Hoteles Y Turismo HIH SRL (j)  
IC International Hotels Limited Liability Company (p)  
IHC Buckhead, LLC (h)  
IHC Hopkins (Holdings) Corp. (h)  
IHC Inter-Continental (Holdings) Corp. (h)  
IHC M-H (Holdings) Corp. (h)  
IHC United States (Holdings) Corp. (b) (h)  
IHC Willard (Holdings) Corp. (h)  
IHG (Myanmar) Limited (89.77%) (q)  
IHG (Thailand) Limited (89.78%) (aj)  
IHG 24th Street JV LLC (h)  
IHG Bangkok Ltd. (89.78%) (m)  
IHG Brasil Administracao de Hoteis e Servicos Ltda (s)  
IHG Capital Lending LLC (h)  
IHG Commissions Services SRL (ap)  
IHG ECS (Barbados) SRL (ap)  
IHG Finance LLC- Incorporated 19/06/2023 (h)  
IHG Franchising Brasil Ltda. (ac)  
IHG Franchising DR Corporation (h)  
IHG Franchising, LLC (h)  
IHG Hotels (New Zealand) Limited (89.78%) (t)  
IHG International Partnership (89.78%) (j)  
IHG Management (Maryland), LLC (h)  
IHG Management MD Barclay Sub, LLC (h)  
IHG Middle East Management Consultancies LLC (89.78%) (ag)  
IHG PS Nominees Limited (89.78%) (j)  
IHG Technology Solutions, LLC (h)  
Intercontinental D.C. Operating Corp. (h)  
Inter-Continental Florida Partner Corp. (h)  
Intercontinental Hospitality Corporation (h)  
Inter-Continental Hoteleira Limitada (99.90%) (w)  
Inter-Continental Hotels (Montreal) Operating Corp. (x)  
Inter-Continental Hotels Corporation (h)  
Intercontinental Hotels Corporation de Venezuela C.A. (z)  
Intercontinental Hotels Corporation Limited (89.78%) (b) (i)  
InterContinental Hotels Group (Asia Pacific) Pte Ltd. (89.78%) (r)

## InterContinental (PB) 3 Limited

### Notes to the Unaudited Financial Statements for the year ended 31 December 2023 (continued)

#### 16 Related undertakings (continued)

InterContinental Hotels Group (India) Private Limited (89.78%) (u)  
InterContinental Hotels Group (Japan), Inc. (h)  
InterContinental Hotels Group (New Zealand) Limited (89.78%) (t)  
InterContinental Hotels Group (Shanghai) Ltd. (89.78%) (aa)  
InterContinental Hotels Group do Brasil Limitada (ab)  
InterContinental Hotels Group Operating Corp. (a) (d) (h)  
InterContinental Hotels Group Resources, LLC (b) (h)  
InterContinental Hotels Nevada Corporation (h)  
InterContinental Hotels of San Francisco, Inc. (h)  
Inter-Continental Hotels Saudi Arabia Ltd. (35.91%) (ah)  
Intercontinental IOHC (Mauritius) Limited (ad)  
InterContinental Overseas Holdings, LLC (h)  
KG Benefits, LLC (h)  
KG Gift Card Inc. (h)  
KG Liability LLC (h)  
KG Technology, LLC (h)  
KHRG 851 LLC (h)  
KHRG Aertson LLC (h)  
KHRG Allegro, LLC (h)  
KHRG Argyle, LLC (h)  
KHRG Atlanta Midtown LLC (h)  
KHRG Austin Beverage Company, LLC (h)  
KHRG Baltimore, LLC (h)  
KHRG Born, LLC (h)  
KHRG Boston Hotel, LLC (h)  
KHRG Bozeman LLC (h)  
KHRG Buckhead LLC (h)  
KHRG Canary LLC (h)  
KHRG Cayman Employer Ltd. (ao)  
KHRG Cayman, LLC (h)  
KHRG Charlottesville LLC (h)  
KHRG Dallas Beverage Company, LLC (h)  
KHRG Dallas LLC (h)  
KHRG Employer, LLC (h)  
KHRG Gray LLC (h)  
KHRG Gray U2 LLC (h)  
KHRG Huntington Beach LLC (h)  
KHRG Key West LLC (h)  
KHRG King Street, LLC (h)  
KHRG La Peer LLC (h)  
KHRG Miami Beach LLC (h)  
KHRG Muse LLC (h)  
KHRG New Orleans LLC (h)  
KHRG NPC LLC (h)  
KHRG Palladian LLC (h)

## InterContinental (PB) 3 Limited

### Notes to the Unaudited Financial Statements for the year ended 31 December 2023 (continued)

#### 16 Related undertakings (continued)

KHRG Palomar Phoenix LLC (h)  
KHRG Philly Monaco LLC (h)  
KHRG Pittsburgh LLC (h)  
KHRG Porsche Drive LLC (h)  
KHRG Reynolds LLC (h)  
KHRG Riverplace LLC (h)  
KHRG Sacramento LLC (h)  
KHRG Schofield LLC (h)  
KHRG SF Wharf LLC (h)  
KHRG SF Wharf U2 LLC (h)  
KHRG SFD LLC (h)  
KHRG South Beach LLC (h)  
KHRG State Street LLC (h)  
KHRG Sutter LLC (h)  
KHRG Sutter Union LLC (h)  
KHRG Taconic LLC (h)  
KHRG Tariff LLC (h)  
KHRG Texas Hospitality, LLC (h)  
KHRG Texas Operations, LLC (h)  
KHRG Tryon LLC (h)  
KHRG Vero Beach, LLC (h)  
KHRG Vintage Park LLC (h)  
KHRG VZ Austin LLC (h)  
KHRG Wabash LLC (h)  
KHRG Westwood, LLC (h)  
KHRG Wilshire LLC (h)  
Kimpton Hollywood Licenses LLC (h)  
Kimpton Hotel & Restaurant Group, LLC (h)  
Kimpton Phoenix Licenses Holdings LLC (h)  
Louisiana Acquisitions Corp. (h)  
Mercer Fairview Holdings LLC (h)  
MH Lodging LLC (h)  
NF III Seattle Op Co, LLC (25.00%) (e) (l)  
NF III Seattle, LLC (25.00%) (e) (l)  
PML Services LLC (h)  
Powell Pine, Inc. (h)  
President Hotel & Tower Co Ltd. (26.93%) (aj)  
Priscilla Holiday of Texas, Inc. (h)  
Raison d'Etire Holdings (BVI) Limited (m)  
Raison d'Etire Spas, Sweden AB (v)  
Regent Hospitality Worldwide, Inc. (51.00%) (a) (ai)  
SBS Maryland Beverage Company LLC (h)  
SC Hotels International Services, Inc. (h)  
SC Reservations (Philippines) Inc. (h)  
SCH Insurance Company (75.00%) (ae)

## **InterContinental (PB) 3 Limited**

### **Notes to the Unaudited Financial Statements for the year ended 31 December 2023 (continued)**

#### **16 Related undertakings (continued)**

Semiramis for training of Hotel Personnel and Hotels Management SAE (99.95%) (am)  
Six Continents Hotels de Colombia SA (99.88%) (af)  
Six Continents Hotels, Inc. (h)  
Six Senses Americas IP, LLC (h)  
Six Senses North America Management, LLC (h)  
SixCo North America, Inc (h)  
SS Aetna Acquisition, LLC fka KHRG Goleta, LLC (h)  
SURF-Samui Pte. Ltd. (49.00%) (y)  
Sustainable Luxury Holdings (BVI) Limited (m)  
Sustainable Luxury Lanka Private Ltd (an)  
Sustainable Luxury Services (BVI) Limited (m)  
Universal de Hoteles SA (90.29%) (g) (af)  
WY BLL Owner, LLC (h)

#### **Key:**

- (a) Directly owned by InterContinental (PB) 3 Limited
- (b) Ordinary shares and preference shares
- (c) Ordinary A and ordinary B shares
- (d) ¼ vote ordinary shares and ordinary shares
- (e) The entities do not have share capital and are governed by an operating agreement
- (f) Accounted for as associates and joint ventures due to IHG's decision-making rights contained in the partnership agreement
- (g) Minority interest relates to one or more individual shareholders who are employed or were previously employed by the entity

## InterContinental (PB) 3 Limited

### Notes to the Unaudited Financial Statements for the year ended 31 December 2023 (continued)

#### 16 Related undertakings (continued)

##### Registered addresses:

- (h) Three Ravinia Drive, Suite 100, Atlanta, GA 30346, USA
- (i) Clarendon House, 2 Church Street, Hamilton HM11, Bermuda
- (j) 1 Windsor Dials, Arthur Road, Windsor, Berkshire, SL4 1RS, UK
- (k) 333 Bay Street, Suite 400, Toronto M5H 2R2, Ontario, Canada
- (l) The Corporation Trust Centre, 1209 Orange Street, Wilmington, DE 19801, USA
- (m) Flemming House, Wickhams Cay, P.O. Box 662, Road Town, Tortola VG1110, British Virgin Islands
- (n) Ontario # 1050, Col. Providencia, Guadalajara, Jalisco CP44630, Mexico
- (o) 5/F, Manulife Place, 348 Kwung Tong Road, Kowloon, Hong Kong
- (p) Room 60, Section 11 Floor 3 Premises I, Building 1, House 125, Varshavskoye shosse Str, Vn.Ter.G. Municipal District Severnoye Chertanovo, Moscow City, 117587, Russia
- (q) No. 84, Pan Haliain Street, Unit #1, Level 8, Uniteam Marine Office Building, Sanchuang Township, Yangon, Myanmar
- (r) 230 Victoria Street, #13-00 Bugis Junction Towers, 188024, Singapore
- (s) Alameda Jau 536, Suite 3S-B, 01420-000 São Paulo, Brazil
- (t) Level 10, 55 Shortland Street, Auckland Central, Auckland 1010, New Zealand
- (u) 11th Floor, Building No. 10, Tower C, DLF Phase-II, DLF Cyber City, Gurgaon, Haryana-122002, India
- (v) Grevgatan 13, 11453 Stockholm, Sweden
- (w) Alameda Jau 536, Suite 3S-E, 01420-000 São Paulo, Brazil
- (x) 1980 Pérodeau Street, Vaudreuil-Dorion, J7V 8P7, Quebec, Canada
- (y) 168 Robinson Road, #16-01 SIF Building, 068899, Singapore
- (z) Hotel Tamanaco Inter-Continental, Final Av. Ppal, Mercedes, Caracas, Venezuela
- (aa) 22/F Citigroup Tower, No. 33 Huayanshiqiao Road, Lujiazui, Pudong New Area, 200120, Shanghai, P.R. China
- (ab) Alameda Jau 536, Suite 3S-C, 01420-000 São Paulo, Brazil
- (ac) Alameda Jau 536, Suite 3S-D, 01420-000 São Paulo, Brazil
- (ad) Juris Tax Services Ltd. Level 12, NeX Teracom Tower II, Ebene, Mauritius
- (ae) Primmer Piper Eggleston & Cramer PC, 30 Main St., Suite 500, P.O. Box 1489, Burlington, VT 05402-1489, USA
- (af) Calle 49, Sur 45 A 300, Oficina 1102, 055422 Envigado, Antioquia, Colombia
- (ag) Suite 2201, Festival Tower, Dubai Festival City, Al Rebbat St., P.O. Box 58191, Dubai, United Arab Emirates
- (ah) Madinah Road, Jeddah, P.O Box 9456, Post Code 21413, Jeddah, Saudi Arabia
- (ai) Maples Corporate Services Ltd. - PO Box 309, Ugland House, Grand Cayman - KY-1104, Cayman Islands
- (aj) 971, 973 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330, Thailand
- (ak) Carr Hospitality, LLC, 1455 Pennsylvania Avenue, NW, Suite 200, Washington, DC 20004, USA
- (al) Avenida Ejercito Nacional Mexicano No. 769, Torre B Piso 8, Granada, Miguel Hidalgo, Ciudad de Mexico, CP11520, Mexico
- (am) Ground Floor, Al Kamel Law Building, Plot 52-b, Banks Area, Six of October City, Egypt
- (an) Shop No. L3-6, Amity Building, No. 125 High Level Road, Maharagama, Colombo, Sri Lanka
- (ao) PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
- (ap) Suite 1, Ground Floor, The Financial Services Centre, Bishops Court Hill, St. Michael, BB14004, Barbados