

4 Research and Development

In the hotel industry, research and development takes various forms, but is mostly confined to individual hotel operations. For example, the development of new menus, the research into, and the development of new markets by the sales and marketing personnel. The costs of these items are treated as expenses in the profit and loss account as they are incurred and are reviewed as part of the ongoing accounts review discipline of the Company.

In the case of new developments for the Company, fees are charged to each project which is accounted for as stand-alone cost centre until the project is combined into the appropriate operating business unit.