

Registration number: 01295183
(England and Wales)

Ribbon Holdings No.2 Limited

Annual report and financial statements

For the year ended 31 December 2016

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Ribbon Holdings No.2 Limited

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Ribbon Holdings No.2 Limited

Company information

Directors

PT Mabry
JB Robinson
SM Teasdale

Company secretary

Haysmacintyre Company Secretaries Limited
26 Red Lion Square
London
United Kingdom
WC1R 4AG

Company registration number

01295183

Registered office

26 Red Lion Square
London
United Kingdom
WC1R 4AG

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Ribbon Holdings No.2 Limited

Directors' report

For the year ended 31 December 2016

The directors present their annual report and the audited financial statements for the year ended 31 December 2016.

Principal activity

The principal activity of the company is that of a dormant company.

There has been no trading or other activities during the current or prior year and therefore no Income Statement, Statement of other comprehensive income and Statement of changes in equity have been presented.

On 1 December 2015, the company was acquired by Ribbon Holdco Limited and its subsidiaries (together the "group"). The group owns and operates hotels in the UK.

Directors of the company

The directors who held office during the year and until the date of the financial statements were as follows:

PT Mabry
JB Robinson
SM Teasdale

Going concern

The directors' assessment of the company's ability to adopt the going concern basis of accounting is set out in note 1 to the financial statements.

Small companies exemptions statement

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order 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 section 418 of the Companies Act 2006.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

Approved by the Board and signed on its behalf by:



JB Robinson
Director

Date: 7 July 2017

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 such financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Ribbon Holdings No.2 Limited

We have audited the financial statements of Ribbon Holdings No.2 Limited for the year ended 31 December 2016 which comprise the Statement of financial position and the related notes 1 to 4. 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 101 "Reduced Disclosure Framework".

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 Statement of Directors' responsibilities, 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 2016 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' 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 Directors' Report.

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 take advantage of the small companies' exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report.

Helen Burridge

Helen Burridge (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
13 July 2017

Ribbon Holdings No.2 Limited

Statement of financial position

As at 31 December 2016

	Notes	2016 £'000	2015 £'000
Current assets			
Other receivables	3	2,282	2,282
Net assets		<u>2,282</u>	<u>2,282</u>
Capital and reserves			
Called up share capital	4		
Retained earnings	4	2,282	2,282
Shareholders' funds		<u>2,282</u>	<u>2,282</u>

The company did not trade or conducted any other activities during the current or prior year and has neither made a profit nor a loss, nor any other comprehensive income.

The notes on pages 6 to 8 are an integral part of these financial statements.

These financial statements were approved by the Board of directors on 7 July 2017 and were signed on its behalf by:



JB Robinson
Director

Company registered number: 01295183

Notes to the financial statements

For the year ended 31 December 2016

1. Accounting policies

a) General information

Ribbon Holdings No.2 Limited (the company) is a private company limited by shares, incorporated and domiciled in the United Kingdom and registered in England. The address of its registered office is disclosed in the company information. The principal activity of the company is described in the Directors' report on page 2.

b) Basis of preparation

The company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

The following exemptions from the requirements of IFRS have been applied in preparation of these financial statements, in accordance with FRS 101:

- IFRS 7 Financial instruments: Disclosures,
- The following paragraphs of IAS 1 Presentation of financial statements:
 - 10(d) statement of cash flows,
 - 16 statement of compliance with all IFRS,
 - 134-136 capital management disclosures,
- Paragraph 30 and 31 of IAS 8, disclosure and impact of new IFRSs that has been issued but not yet effective, and
- The requirements in IAS 24 of Related party disclosures, to disclose related party transactions entered between two or more members of a group.

Where relevant equivalent disclosures have been given in the consolidated financial statements of Ribbon Midco Limited. The consolidated financial statements of Ribbon Midco Limited are available to the public and can be obtained from 26 Red Lion Square, London, WC1R 4AG.

The financial statements have been prepared on the historical cost basis and in accordance with the Companies Act 2006.

The presentation and functional currency of the company is pounds sterling. The financial statements are presented in thousands of pounds (£'000) unless stated otherwise.

c) Going concern

On 1 December 2015, the company was acquired by Ribbon Holdco Limited and its subsidiaries (together the "group"). The group owns and operates hotels in the UK.

The group meets its day to day working capital requirements from normal trading activities through its portfolio of hotels. The group's existing debt facility is secured until December 2018. The group's financial forecasts, taking account of the existing loan terms and current trading performance, show that the group will be able to operate within the level of its current and future facilities and remain in compliance with the terms of its loan agreements.

After making enquiries, the directors have a reasonable expectation that the Group and the company has adequate resources to continue in operational existence for at least the twelve months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Notes to the financial statements *(continued)*
For the year ended 31 December 2016

d) Financial instruments

Financial assets are recognised when the company becomes a party to the contractual provisions of the instruments.

The company's non-derivative financial instruments include loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments. These include:

Other receivables

Other receivables, including amounts owed by group undertakings, are initially recognised at fair value, based upon discounted cash flows at prevailing interest rates for similar instruments, or at their nominal amount less impairment losses if due in less than 12 months. Subsequent to initial recognition, other receivables are valued at amortised cost less impairment losses.

Impairment of financial assets

Financial assets, other than those at fair value, are assessed for indicators of impairment at the end of each reporting period. These financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. Objective evidence of impairment could include:

- Default by a debtor; and/or
- significant financial difficulty of the debtors or counterparty.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only 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.

Derecognition of financial assets

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. Any interest in such transferred financial assets that is created or retained by the company is recognised as a separate asset or liability.

e) Critical accounting judgements and sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, 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.

The Directors do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

Notes to the financial statements *(continued)*
For the year ended 31 December 2016

2. Costs and overheads

Auditor's remuneration of £2,000 (2015: £2,000) has been borne by a fellow group undertaking in both the current and prior year.

There were no staff employed by the company in either the current or prior year.

The directors received no emoluments or benefits from the company for their services in the current or prior year.

3. Other receivables

	2016 £'000	2015 £'000
Amounts owed by fellow group undertakings	<u>2,282</u>	<u>2,282</u>

Amounts owed by fellow group undertakings are repayable on demand and no interest is charged on the balance.

4. Parent and ultimate controlling party

The immediate parent of the company is Ribbon Hotels Group (UK) Limited, a company incorporated in the United Kingdom. The ultimate controlling party is Apollo Global Management LLC, a company incorporated in Delaware, United States of America.

The largest group to consolidate these financial statements is that of Apollo Global Management LLC. The consolidated financial statements of Apollo Global Management LLC for the year ended 31 December 2016 are available to the public and may be obtained from the principal place of business, 9 West 57th Street, 43rd Floor, New York, New York 10019, United States of America.

The smallest group to consolidate these financial statements is that of Ribbon Midco Limited. The consolidated financial statements of Ribbon Midco Limited for the year ended 31 December 2016 are available to the public and may be obtained from the principal place of business 26 Red Lion Square, London, WC1R 4AG.