

**Radisson Hotel Stansted Airport Ltd
(formerly Rezidor Hotel Stansted
Airport Limited)**

Annual Report and Financial Statements

Year Ended

31 December 2017

Company Number 04939075

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Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited)

Company Information

Directors	S G A Fondell K J Greenwood K J Kleiven R J Moore E M Erauw
Company secretary	K J Greenwood
Registered number	04939075
Registered office	Chicago Avenue Manchester M90 3RA
Independent auditors	PricewaterhouseCoopers LLP No 1 Spinningfields Hardman Square Manchester M3 3EB

Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited)

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Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited)

Strategic Report For The Year Ended 31 December 2017

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2017.

Business review

The principal activity of the company is that of an hotelier.

The company's turnover has increased by 1.9% from £17,168,276 to £17,493,376 in 2017. RevPAR (Rooms revenue per available room) increased by 4.1% from £62.77 to £65.36 over the previous year.

The company has a profit for the financial year of £96,715 (2016 - £1,257,914).

On 16 February 2018, the company changed its name from Rezidor Hotels Stansted Airport Limited to Radisson Hotel Stansted Airport Ltd.

Principal risks and uncertainties

The company operates in the travel and leisure market which can be affected by the cost of travel and by world external events including terrorism and restrictions caused by epidemics on a global scale. The company manages this risk by forecasting business trends in line with United Kingdom and world market trends.

The company only trades in the United Kingdom and therefore has no foreign exchange risk exposure.

The company holds no third party loans and therefore has no interest rate exposure.

Financial key performance indicators

The company monitors key performance indicators like RevPAR (i.e. Rooms revenue in relation to the number of rooms available), average rate and occupancy (i.e. number of rooms sold in relation to the numbers of rooms available).

The company also monitors turnover and profit for the year.

The table below summarises the key performance indicators for the year:

	2017	2016
Turnover	£17,493,376	£17,168,276
Profit after tax	£96,715	1,257,914
RevPAR	£65.36	£62.77
Average Rate	£86.0	£78.82
Occupancy	76.0%	79.6%

Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited)

Strategic Report For The Year Ended 31 December 2017 (*continued*)

Financial risk management

Rezidor's financial risk management is governed by a finance policy approved by the ultimate parent company, Rezidor Hotel Group AB. According to the finance policy, the corporate treasury function of the ultimate parent company systematically monitors and evaluates the financial risks, such as foreign exchange, interest rate, credit and liquidity risks.

Credit risk

The company has limited exposure to credit risk, as the accounts regularly are settled in cash or by accepted credit cards. Credits are only offered to customers under a contract and only to companies or registered organisations with a legal structure. Credit terms must be described in the contract and comply with the guidelines as described in the finance manual. The credit term is normally 30 days for both local hotel customers and for fees. The financial guidelines set strict rules for the follow-up of overdue receivables and for credit meetings. As sales are dispersed among many different customers, the company has little credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Foreign exchange risk exposure

The company only trades in the United Kingdom and therefore has no foreign exchange risk exposure.

Interest rate risk

The company holds no third party loans and therefore has no interest rate exposure.

Liquidity risk

Cash not necessary for the normal course of business is deposited in a bank. The central treasury function at the ultimate parent company is responsible to coordinate the handling of surplus liquidity and liquidity reserves, and only central treasury or persons authorised by central treasury may engage in external investment transactions. When the company has excess liquidity which cannot be held on accounts within the cash pool structure it can invest externally only with the prior consent of central treasury and in accordance with the finance policy. According to the finance policy, the investments of surplus liquidity can only be made in creditworthy interest-bearing securities, in securities with high liquidity, in investments/securities/deposits with short-term maturity, and, as regards deposits, normally with financial institutions as the cash and cash equivalents at the beginning and at the end of the financial period.

This report was approved by the board on 27 September 2018 and signed on its behalf.



K J Greenwood
Director

Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited)

Directors' Report For The Year Ended 31 December 2017

The directors present their report together with the audited financial statements for the year ended 31 December 2017.

Results and dividends

The profit for the financial year amounted to £96,715 (2016 - £1,257,914).

The directors are unable to recommend payment of a dividend (2016 - £Nil).

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

S G A Fondell	
K J Greenwood	
K J Kleiven	
R J Moore	
J I Winkler	(resigned 31 October 2017)
E M Erauw	(appointed 01 January 2018)

Future developments

The directors consider the future prospects of the Company to be satisfactory. Whilst the cost of imported goods from the weak pound has increased, prices to consumers are continually reviewed at hotel level to ensure that profit is protected, this will continue whilst the uncertainty around Brexit remains.

Matters covered in the strategic report

A review of the business, its principal risks and uncertainties, and financial and other key performance indicators is set out in the Strategic Report on page 1 of these financial statements.

Going concern

Based on the relationship between the company and the parent company (Rezidor Hotel ApS Danmark via Radisson Hotels UK Ltd (formerly Rezidor Hotels UK Limited) the directors of the company have sought and received an expression of the parent company's intention to continue to support the company for not less than 12 months from the date of signing of these financial statements. Based on this, the directors have continued to adopt the going concern basis in preparing these financial statements as explained more fully in note 2.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Post statement of financial position events

There have been no significant events affecting the company since the year end.

Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited)

Directors' Report For The Year Ended 31 December 2017 (*continued*)

Independent auditors

Deloitte LLP resigned as auditors during the year and PricewaterhouseCoopers LLP were appointed in their place. PricewaterhouseCoopers LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 27 September 2018 and signed on its behalf.



K J Greenwood
Director

Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited)

Directors' Responsibilities Statement For The Year Ended 31 December 2017

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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;
- 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 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.

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.

Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited)

Independent Auditor's Report to the Members of Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited)

Report on the audit of the financial statements

Opinion

In our opinion, Radisson Hotel Stansted Airport Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2017; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited)

Independent Auditor's Report to the Members of Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited) (continued)

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Edward Moss (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

27 September 2018

Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited)

Statement of Comprehensive Income For The Year Ended 31 December 2017

	Note	2017 £	As restated 2016 £
Turnover	4	17,493,376	17,168,276
Cost of sales		(1,758,439)	(1,958,178)
Gross profit		15,734,937	15,210,098
Administrative expenses		(15,481,132)	(14,938,556)
Operating profit	5	253,805	271,542
Interest payable and similar expenses	9	(69,090)	(65,628)
Profit before taxation		184,715	205,914
Tax on profit	10	(88,000)	1,052,000
Profit and total comprehensive income for the financial year		96,715	1,257,914

There was no other comprehensive income for 2017 (2016 - £Nil).

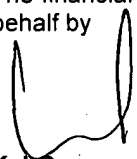
The notes on pages 11 to 22 form part of these financial statements.

Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited)

Statement of Financial Position As At 31 December 2017

<i>Company number 04939075</i>	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	11		4,019,731		1,164,393
Current assets					
Stocks	12	59,262		58,616	
Debtors: amounts falling due within one year	13	7,038,515		6,878,271	
Cash at bank and in hand		10,400		69,772	
		<u>7,108,177</u>		<u>7,006,859</u>	
Creditors: amounts falling due within one year	14	<u>(11,809,412)</u>		<u>(8,949,471)</u>	
Net current liabilities			<u>(4,701,235)</u>		<u>(1,942,612)</u>
Net liabilities			<u>(681,504)</u>		<u>(778,219)</u>
Capital and reserves					
Called up share capital	16		1		1
Profit and loss account	17		<u>(681,505)</u>		<u>(778,220)</u>
Total equity			<u>(681,504)</u>		<u>(778,219)</u>

The financial statements on pages 8 to 22 were approved by the Board of Directors on ~~xxx xxx~~ and signed on its behalf by


K J Greenwood
Director

27 September
2018

The notes on pages 11 to 22 form part of these financial statements.

Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited)

Statement of Changes in Equity For The Year Ended 31 December 2017

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2016	1	(2,036,134)	(2,036,133)
Comprehensive income for the year			
Profit for the financial year	-	1,257,914	1,257,914
Total comprehensive income for the year	-	1,257,914	1,257,914
At 31 December 2016 and 1 January 2017	1	(778,220)	(778,219)
Comprehensive income for the year			
Profit for the financial year	-	96,715	96,715
Total comprehensive income for the year	-	96,715	96,715
At 31 December 2017	1	(681,505)	(681,504)

The notes on pages 11 to 22 form part of these financial statements.

Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited)

Notes forming part of the Financial Statements For The Year Ended 31 December 2017

1 General information

Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited) is a private company, limited by shares, and incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the company's operations and its principal activities are set out in the Strategic Report.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The company's functional and presentational currency is GBP.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

This information is included in the consolidated financial statements of Rezidor Hotel Group AB as at 31 December 2017 and these financial statements may be obtained from Rezidor Hotel Group corporate office, Avenue de Bourget 44, 3-1 130 Brussels, Belgium.

Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited)

Notes forming part of the Financial Statements For The Year Ended 31 December 2017 (*continued*)

2 Accounting policies (*continued*)

2.3 Going concern

The company meets its day to day working capital requirements through an intragroup pooling arrangement controlled by its parent company, Rezidor Hotels UK Limited. The current economic conditions create uncertainty particularly over the level of demand for the Hotel.

The company's forecasts and projections taking account of reasonably possible changes in trading performance, together with assurances of available funds from Radisson Hotels UK Ltd (formerly Rezidor Hotels UK Limited), show that the company can continue in operational existence for a minimum of 12 months following approval of the financial statements.

After making enquiries the directors have a reasonable expectation that the company has adequate resources available to it to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.4 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of services in the United Kingdom to customers during the year. Turnover in respect of accommodation is recognised overnight during each night the customer stays. Other sales, including restaurant and bar revenue, are recognised at the point of purchase by the customer.

2.5 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Leasehold improvements	- over the remaining life of the lease
Fixtures and fittings	- 15 - 20% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited)

Notes forming part of the Financial Statements For The Year Ended 31 December 2017 (continued)

2 Accounting policies (continued)

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the cost of materials and net realisable value is based on estimated selling price less costs to complete and sell. Provision is made for obsolete, slow moving or defective items where appropriate.

2.8 Financial instruments

Financial assets

The company classifies its financial assets into loans and receivables as discussed below. The company has not classified any of its financial assets as held to maturity.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (eg trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and - for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the Statement of Financial Position.

Financial liabilities

The company classifies its financial liabilities into other financial liabilities.

Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited)

Notes forming part of the Financial Statements For The Year Ended 31 December 2017 (continued)

2 Accounting policies (continued)

2.8 Financial instruments (continued)

Other financial liabilities

Other financial liabilities include the following items:

- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.
- Loans from group companies are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method. The difference between the fair value of the loan on initial recognition and the amount of the proceeds is credited directly to equity as a capital contribution.

2.9 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.10 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited)

Notes forming part of the Financial Statements For The Year Ended 31 December 2017 (*continued*)

2 Accounting policies (*continued*)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Critical judgements in applying the company's accounting policies

There were no critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have had a significant effect on the amounts recognised in financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited)

Notes forming part of the Financial Statements
For The Year Ended 31 December 2017 (*continued*)

3 Judgements in applying accounting policies and key sources of estimation uncertainty (*continued*)

Impairment of fixed assets

Determining whether fixed assets are impaired requires an estimation of the value in use of the cash-generating units to which the fixed assets have been grouped. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. In order to maintain the overall quality of the hotel and the ultimate guest experience, the company regularly invests in refurbishment projects as well as the purchase of new fixed assets for rooms, reception areas and in kitchens and other operational areas of the hotel. Given the historic loss making position of the company, the directors deem there to be a significant estimation around the impairment of these assets. In assessing their position, the directors consider the performance of the hotel as well as changes in the marketplace that may motivate a reassessment of previous taken conclusions.

Deferred tax assets

Accounting standards require that a deferred tax asset is only recognised to the extent that it is probable that taxable profits will be generated in future in order to utilise said asset. In performing their assessment the directors take into account the future forecasts for the hotel as well as change in legislation and applicable local tax rates to ensure that deferred tax assets are only recognised where there is reasonable certainty they can be utilised.

4 Turnover

All turnover arose within the United Kingdom.

5 Operating profit

	2017 £	2016 £
The operating profit is stated after charging:		
Depreciation of tangible fixed assets	437,049	326,213
Operating lease rentals – land and buildings	3,967,578	5,774,000
Cost of stocks recognised as an expense	1,150,097	1,209,940
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Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited)

Notes forming part of the Financial Statements For The Year Ended 31 December 2017 *(continued)*

6 Auditors' remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	2017 £	2016 £
Fees for the audit of the company	21,026	14,219

Fees paid to the company's auditors, PricewaterhouseCoopers LLP, and their associates for services other than the statutory audit of the company are not disclosed in the company's financial statements since the consolidated financial statements of Rezidor Hotel Group AB, are required to disclose non-audit fees on a consolidated basis. The prior year fees were payable to the previous auditors, Deloitte LLP.

7 Employees

	2017 £	2016 £
Staff costs were as follows:		
Wages and salaries	3,175,232	2,677,653
Social security costs	216,396	207,068
Other pension costs	58,860	61,397
	<u>3,450,488</u>	<u>2,946,118</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2017 Number	2016 Number
Employees	147	131

8 Directors' remuneration

The directors were remunerated by another group company during the current and prior periods but these were not recharged to the individual entities.

Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited)

Notes forming part of the Financial Statements
For The Year Ended 31 December 2017 (*continued*)

9 Interest payable and similar expenses

	2017 £	2016 £
Bank interest payable	69,090	65,628
	<u> </u>	<u> </u>

10 Tax on profit

	2017 £	2016 £
Current tax on profits for the financial year	-	-
	<u> </u>	<u> </u>
Total current tax	-	-
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	88,000	13,453
Previously unrecognised deferred tax	-	(1,065,453)
	<u> </u>	<u> </u>
Total deferred tax	88,000	(1,052,000)
	<u> </u>	<u> </u>
Tax on profit	88,000	(1,052,000)
	<u> </u>	<u> </u>

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is higher than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit before taxation	184,715	205,914
	<u> </u>	<u> </u>
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.25% (2016 – 20%)	35,558	41,183
Effects of:		
Expenses not deductible for tax purposes	18,000	(26,235)
Effect of change in tax rate	-	(1,495)
Unrelieved tax losses carried forward	(10,000)	-
Previously unrecognised deferred tax	27,000	(1,065,453)
Other differences leading to an increase in the tax charge	17,442	-
	<u> </u>	<u> </u>
Total tax charge/(credit) for the year	88,000	(1,052,000)
	<u> </u>	<u> </u>

Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited)

Notes forming part of the Financial Statements For The Year Ended 31 December 2017 *(continued)*

10 Tax on profit *(continued)*

Factors that may affect future tax charges

Reductions in the UK Corporation tax rate from 20% to 17% (19% effective from 1 April 2017 and 17% effective from 1 April 2020) have been substantively enacted. This will impact the company's future tax charge accordingly. The deferred tax asset at 31 December 2017 has been calculated based on the rates substantively enacted at the date of the statement of financial position.

11 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Total £
Cost			
At 1 January 2017	72,109	2,813,570	2,885,679
Additions	-	3,292,387	3,292,387
	<hr/>	<hr/>	<hr/>
At 31 December 2017	72,109	6,105,957	6,178,066
	<hr/>	<hr/>	<hr/>
Accumulated depreciation			
At 1 January 2017	24,416	1,696,870	1,721,286
Charge for the year	3,003	434,046	437,049
	<hr/>	<hr/>	<hr/>
At 31 December 2017	27,419	2,130,916	2,158,335
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2017	44,690	3,975,041	4,019,731
	<hr/>	<hr/>	<hr/>
At 31 December 2016	47,693	1,116,700	1,164,393
	<hr/>	<hr/>	<hr/>

12 Stocks

	2017 £	2016 £
Goods for resale	59,262	58,816
	<hr/>	<hr/>

There is no material difference between the statement of financial position value of stocks and their replacement cost.

Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited)

Notes forming part of the Financial Statements
For The Year Ended 31 December 2017 *(continued)*

13 Debtors: amounts falling due within one year

	2017 £	2016 £
Trade debtors	533,604	704,217
Amounts owed by group undertakings	4,596,206	4,792,000
VAT recoverable	156,146	-
Prepayments and accrued income	788,559	330,054
Deferred taxation	964,000	1,052,000
	<u>7,038,515</u>	<u>6,878,271</u>

With the exception of the deferred tax asset, all amounts are due within one year.

Amounts owed by group undertakings are non-interest bearing and repayable on demand.

14 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	9,173,591	6,934,510
Trade creditors	739,920	1,132,313
Amounts owed to group undertakings	341	-
Other taxation and social security	-	25,215
Other creditors	23,781	-
Accruals and deferred income	1,871,779	857,433
	<u>11,809,412</u>	<u>8,949,471</u>

Amounts due to group undertakings are non-interest bearings and repayable on demand.

15 Deferred taxation

	2017 £	2016 £
At beginning of year	1,052,000	-
Charged/(credited) to profit or loss	(88,000)	1,052,000
	<u>964,000</u>	<u>1,052,000</u>
At end of year	964,000	1,052,000

Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited)

Notes forming part of the Financial Statements For The Year Ended 31 December 2017 *(continued)*

15 Deferred taxation *(continued)*

The deferred tax asset is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	158,000	155,000
Tax losses carried forward	804,000	895,000
Short term timing differences	2,000	2,000
	<hr/> 964,000	<hr/> 1,052,000

16 Called up share capital

	2017 £	2016 £
Allotted, called up and fully paid		
1 (2016 – 1) ordinary share of £1	1	1
	<hr/>	<hr/>

There is one class of ordinary shares and they do not carry a right to fixed income.

17 Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of any dividends paid and other adjustments.

18 Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £58,860 (2016 - £61,397). Contributions totalling £Nil (2016 - £Nil) were payable to the fund at the reporting date and are included in creditors.

Radisson Hotel Stansted Airport Ltd (formerly Rezidor Hotel Stansted Airport Limited)

Notes forming part of the Financial Statements
For The Year Ended 31 December 2017 *(continued)*

19 Commitments under operating leases

At 31 December the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	As restated 2016 £
Land and buildings		
Not later than 1 year	5,850,000	5,850,000
Later than 1 year and not later than 5 years	23,400,000	23,400,000
Later than 5 years	44,363,000	50,213,000
	<hr/>	<hr/>
	73,613,000	79,463,000
	<hr/>	<hr/>

Details of the prior year restatement are given in note 20.

20 Prior year adjustments

Allocation of COS and administrative expenses

Upon review the directors have aligned the allocation of COS and administrative expenses to other group companies. COS has been reduced from £2,061,319 to £1,958,178, administrative expenses have increased from £14,901,043 to £14,938,556 and an interest expense of £65,628 has been recognised. There is no impact on either profit for the year or equity.

Operating leases

The prior year figures for commitments under operating leases have been restated to reflect the total future minimum lease payments. There is no impact on either profit for the year or equity.

20 Ultimate parent and controlling company

The company's immediate parent company is Radisson Hotels UK Ltd (formerly Rezidor Hotels UK Limited) which is registered in the United Kingdom. The ultimate parent company and controlling party is Rezidor Hotel Group AB, which is incorporated in Sweden.

The largest and smallest group in which the results of the company are consolidated is that headed by Rezidor Hotel Group AB. The consolidated financial statements of Rezidor Hotel Group AB are available to the public and may be obtained from Rezidor Hotel Group Corporate office, Avenue de Bourget 44, B-1130 Brussels, Belgium.