

Registered number: 05308137

NOVOTEL HOTEL EDINBURGH LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016



E3Y2BWFM

EDX 15/9/17. #319
COMPANIES HOUSE

R6EEZC2Z

RC2 06/09/2017 #54
COMPANIES HOUSE

LD4 06/09/2017 #10
COMPANIES HOUSE

WED
W

NOVOTEL HOTEL EDINBURGH LIMITED

COMPANY INFORMATION

Directors	O M P Daguzan (appointed 6 February 2017) A S B Bernard (appointed 30 June 2017) E M G B De La Ronciere (appointed 30 June 2017) T A M Dubaere (resigned 30 June 2017) H A O Deligny (resigned 31 August 2016)
Company Secretary	C M M Verstraete (appointed 30 June 2017) A J Whitehead (appointed 22 February 2016, resigned 30 June 2017) J J M Schmitt (resigned 8 January 2016)
Registered number	05308137
Registered office	1 Shortlands Hammersmith London W6 8DR
Independent auditor	Deloitte LLP Statutory Auditor London
Bankers	HSBC Bank plc PO Box 61004 2nd Floor London SE1 9RX

CONTENTS

DIRECTOR'S REPORT.....	3
DIRECTORS' RESPONSIBILITIES STATEMENT	5
INDEPENDENT AUDITOR'S REPORT	6
INCOME STATEMENT.....	8
BALANCE SHEET	9
STATEMENT OF CHANGES IN EQUITY.....	10
NOTES TO THE FINANCIAL STATEMENTS	11

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

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

This report is prepared in accordance with the special provisions relating to small companies under s415(a) of the Companies Act 2006. As Novotel Hotel Edinburgh Limited is entitled to the small companies exemption, no Strategic Report has been prepared.

Principal activity

The company's main activity is that of hotel leasing in the United Kingdom. The directors expect this position to continue for the foreseeable future.

Results and dividends

The profit for the year, after taxation, amounted to £2,763 (2015 - £2,325).

Going concern

The company's income is derived entirely from its immediate parent company, who have guaranteed that they will ensure that this income is maintained at a level sufficient to meet the company's obligations with regard to the lease rentals due. After considering the ability of the immediate parent company to provide the guaranteed support, the directors are of the opinion that adoption of the going concern assumption is appropriate for the company.

Financial risk management

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. These risks are mitigated by the company's activities being based fully in the UK, transactions being primarily with fellow group companies and with limited exposure to trade receivables or foreign currencies. The company is funded via short term intercompany sterling loans and group overdraft facilities. The company does not use derivative financial instruments.

Environment

The Accor Group in the UK recognise that its activities impact upon the environment through its routine operations, its infrastructural development, and through its influence and effects on the wider community. The Group acknowledges a responsibility for, and a commitment to, protection of the environment at all levels. Accor will comply fully with environmental legislation and is committed to promoting environmental management policies and practices such as ISO 14001 and 'Green Globe', a benchmarking and certification scheme dedicated to all sectors of the tourism industry. Energy saving innovations introduced to the Group's hotels in recent years have included the installation of plant and machinery time controls and low energy lamps to minimise waste and pollution and reduce CO2 emission and the fitting of new shower heads and flow regulators to reduce water consumption. Accor aims to increase the awareness of environmental responsibilities among staff and guests through its 'Planet 21' environmental charter, by incorporating long term strategies for energy efficiency into the planning and development of hotels, by promoting a purchasing policy which will give preference, as far as practicable, to those products and services which cause the least harm to the environment and by working with local communities and agencies as appropriate to promote environmental policies.

DIRECTOR'S REPORT (CONTINUED)

Directors

The directors who served during the year and up to the date of signing were:

O M P Daguzan (appointed 6 February 2017)
A S B Bernard (appointed 30 June 2017)
E M G B De La Ronciere (appointed 30 June 2017)

T A M Dubaere (resigned 30 June 2017)
H A O Deligny (resigned 31 August 2016)

Disclosure of information to auditor

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

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Post balance sheet events

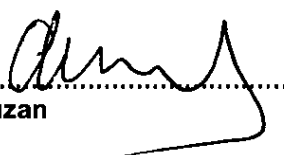
O M P Daguzan was appointed a Director on 6 February 2017. A S B Bernard and E M G B De La Ronciere were appointed Directors on 30 June 2017. C M M Verstraete was appointed company secretary on 30 June 2017.

Auditors

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 29 August 2017 and signed on its behalf.

.....
O. Daguzan
Director
1 Shortlands
Hammersmith
London
W6 8DR



DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors are responsible for preparing the Directors' Report and the 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 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'. 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 judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK accounting standards 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF NOVOTEL HOTEL EDINBURGH LIMITED

We have audited the financial statements of Novotel Hotel Edinburgh Limited for the year ended 31 December 2016, which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes (from note 1 to note 16). The relevant financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 Directors' Responsibilities Statement, 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 Financial Reporting Council'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 Directors' 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 profit 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.

NOVOTEL HOTEL EDINBURGH LIMITED

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 those financial statements and;
- the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified 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
- The directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report



Timothy Steel (Senior Statutory Auditor)
for and on behalf of

Deloitte LLP
Statutory Auditor
London

Date: 29 August 2017

NOVOTEL HOTEL EDINBURGH LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Turnover	3	<u>1,456,046</u>	<u>1,445,590</u>
Gross profit		1,456,046	1,445,590
Administrative expenses		<u>(1,454,059)</u>	<u>(1,442,744)</u>
Operating profit	4	1,987	2,846
Interest receivable and similar income	8	<u>1,466</u>	<u>69</u>
Profit before tax		3,453	2,915
Tax on profit	7	<u>(690)</u>	<u>(590)</u>
Profit for the year		<u><u>2,763</u></u>	<u><u>2,325</u></u>

The results relate to continuing activities.

There are no items of other comprehensive income. Therefore no separate Statement of other Comprehensive Income has been presented.

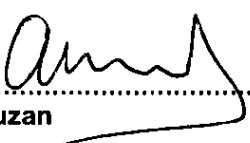
NOVOTEL HOTEL EDINBURGH LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Current assets			
Debtors: amounts falling due within one year	9	362,769	362,766
Cash at bank and in hand	11	13,395	7,055
		<u>376,164</u>	<u>369,821</u>
Creditors: amounts falling due within one year	10	(368,543)	(364,963)
Net current assets		<u>7,621</u>	<u>4,858</u>
Total assets less current liabilities		<u>7,621</u>	<u>4,858</u>
Net assets		<u><u>7,621</u></u>	<u><u>4,858</u></u>
Capital and reserves			
Called up share capital	12	1	1
Profit and loss account		7,620	4,857
		<u><u>7,621</u></u>	<u><u>4,858</u></u>

The financial statements (company number 05308137) were approved by the board of directors and authorised for issue on 29 August 2017 and were signed on its behalf by:



O. Daguzan
 Director

NOVOTEL HOTEL EDINBURGH LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital £	Retained earnings £	Total equity £
At 1 January 2016	1	4,857	4,858
Comprehensive income for the year			
Profit for the year	-	2,763	2,763
Total comprehensive income for the year	-	2,763	2,763
At 31 December 2016	1	7,620	7,621

FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital £	Retained earnings £	Total equity £
At 1 January 2015	1	2,532	2,533
Comprehensive income for the year			
Profit for the year	-	2,325	2,325
Total comprehensive income for the year	-	2,325	2,325
At 31 December 2015	1	4,857	4,858

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

Novotel Hotel Edinburgh Limited is a Company incorporated in the United Kingdom under the Companies Act 2006.

The Company is a private Company limited by shares and is registered in England. The address of the Company's registered office is shown on the company information page.

The nature of the Company's operations and its principal activities are set out in the directors' report on pages 3 and 4.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the group accounts of Accor SA. The group accounts of Accor SA are available to the public and can be obtained as set out in note 16. The registered office address of the parent Company preparing consolidated accounts is Tour Sequana, 82 Rue Henry-farman, Issy-les-moulineaux 92130, France.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standards 101 'Reduced Disclosure Framework'.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. Where relevant, equivalent disclosures have been given in the group accounts of Accor SA.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

1.3 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

1.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.5 Cash and Cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1.6 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.7 Interest income

Interest income is recognised in the Income statement using the effective interest method.

1.8 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change 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 balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all temporary differences that have originated but not reversed by the Balance Sheet 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 balance sheet date.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies the directors are required to make a number of judgements and assessments. The directors do not believe there are any critical judgements or estimation uncertainties that have a significant risk of causing a material adjustment within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Analysis of turnover

An analysis of turnover by class of business is as follow:

	2016 £	2015 £
Rental Income	<u>1,456,046</u>	<u>1,445,590</u>
	<u>1,456,046</u>	<u>1,445,590</u>

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Fees for auditing the Company	(3,000)	(3,000)
Operating lease payments	(1,451,046)	(1,439,705)

During the year, no director received any emoluments (2015 - £NIL).

5. Auditor's 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:

	2016 £	2015 £
Fees for auditing the financial statements	<u>(3,000)</u>	<u>(3,000)</u>

6. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2015 -£NIL).

None of the directors received any emoluments from the company during the year. Remuneration of the directors from other group companies are disclosed in the accounts of those companies. None of the directors are members of a money purchase pension scheme.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2015 - the same as) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%).

	2016 £000	2015 £000
Corporation tax		
Current tax on profits for the year	(690)	(590)
Total current tax	<u>(690)</u>	<u>(590)</u>

Factors that may affect future tax charges

At the balance sheet date, the Finance (No 2) Act 2016 had been substantively enacted confirming that the main UK corporation tax rate will reduce from 20% to 19% with effect from 1 April 2017 and then to 17% from 1 April 2020. Therefore, at 31 December 2016, deferred tax assets and liabilities have been calculated at the rate at which the temporary difference is expected to reverse after 1 April 2017. These reductions may also reduce the company's future current tax charges accordingly.

8. Interest Receivable

	2016 £	2015 £
Other interest Receivable	1,466	69
	<u>1,466</u>	<u>69</u>

9. Debtors

	2016 £	2015 £
Amounts owed by group undertakings	6	3
Prepayments and accrued income	362,763	362,763
	<u>362,769</u>	<u>362,766</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Amounts owed to group undertakings	(590)	(109)
Corporation tax	(690)	(590)
Taxation and social security	(250)	(250)
Accruals and deferred income	<u>(367,013)</u>	<u>(364,014)</u>
	<u>(368,543)</u>	<u>(364,963)</u>

11. Cash and cash equivalents

	2016	2015
	£	£
Cash at bank and in hand	<u>13,395</u>	<u>7,055</u>
	<u>13,395</u>	<u>7,055</u>

12. Share capital

	2016	2015
	£	£
Allotted, called up and fully paid	1	1
1 Ordinary shares of £1		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	1,378,505	1,356,075
Later than 1 year and not later than 5 years	4,669,287	4,558,490
Later than 5 years	6,261,485	6,672,513
Total	<u>12,309,276</u>	<u>12,587,078</u>

14. Contingent liabilities

Accor UK Limited and its UK subsidiaries operate a collective net overdraft facility of £10 million (2015: £10 million) with the group's bank. As part of this arrangement, the company has provided certain guarantees in respect of the overdraft position of UK subsidiaries of Accor UK Limited.

15. Related party transactions

In accordance with FRS 101.8(k) "Related Party Disclosures" transactions with other undertakings within the Accor SA group have not been disclosed in these financial statements. There were no other transactions or balances with related parties which require disclosure in these financial statements.

16. Controlling party

The ultimate parent company and controlling party is Accor SA, registered in France at 82 rue Henry Farman, 92130 Issy-les-Moulineaux, France. This is both the smallest and largest group for which consolidated accounts are prepared. Copies of the group accounts are available from:

Accor SA Shareholder Relations Department
82 rue Henry Farman,
92130 Issy-les-Moulineaux
France

The immediate parent company is Accor UK Business & Leisure Hotels Limited, a company incorporated in Great Britain and registered in England and Wales. Copies of these accounts are available from:

Accor Hotels UK Finance Department
10 Hammersmith Grove
Hammersmith
London W6 7AP