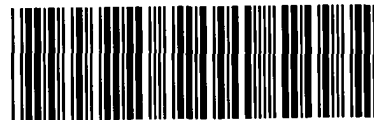


Hadrian Bidco Limited

Annual Report and Financial Statements

31 December 2017

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Hadrian Bidco Limited

Annual report and financial statements 2017

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Hadrian Bidco Limited

Report and financial statements 2017

Officers and professional advisers

Directors

A G Troy
J A Burrell
G S Hunter
G J Gallagher

Registered office

The Inspire
Hornbeam Square West
Harrogate
North Yorkshire
HG2 8PA

Auditor

Deloitte LLP
Statutory Auditor
Leeds
United Kingdom

Hadrian Bidco Limited

Strategic Report

Principal Activities of the Company

The Company owns shares in subsidiary companies. The principal activity of the subsidiaries is the operation of hotels and conference centres in the UK. The Company is a member of the UK Group of Companies headed by Principal Hotels Topco 1 Limited ("the Group").

Company Business Review

The Company did not trade during the two year period ended 31 December 2017, and as such the net asset position of the Company has remained consistent year on year. The directors expect the Company's levels of activities to remain unchanged during the year to 31 December 2018.

Financial risk management objectives and policies

As a non-trading subsidiary the Company is not exposed to financial risks outside of the Group.

Going Concern basis of accounts preparation

The Company's ultimate UK parent Principal Hotels Topco 1 Limited has committed to provide support for at least the next 12 months as long as the Company remains part of its Group.

The directors have considered the future trading prospects of the Group including its detailed trading and cash flow projections after the disposal of certain hotels in 2018, taking into account growth in its remaining businesses and its ability to renew bank debt facilities which mature on dates between March and December 2019. The directors are satisfied, based on current discussions with alternative financing providers and the Group's strong asset values in relation to current debt levels, that for a period of not less than 12 months from the date of approval of these financial statements the Group will have sufficient operational facilities in place and that it will provide such financial support as the Company may require.

Accordingly, the directors continue to be satisfied that adopting the going concern basis in preparing the annual report and financial statements for the Company, as a member of the Group, is appropriate.

Approved by the Board of Directors
and signed on behalf of the Board



J A Burrell
Director

28 June 2018

Hadrian Bidco Limited

Directors' report

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

Going Concern and Financial risk management objectives and policies

The directors set out in the Strategic Report

- the reasoning for the adoption of the going concern basis in preparing the annual report and financial statements for the Company; and
- the financial risk management objectives and policies of the Company.

Dividends

No dividends were paid during the financial year (2016: £nil). The directors do not propose to pay a final dividend (2016: £nil).

Political contributions

There were no donations made to political parties (2016: £nil).

Directors

The directors who held office during the year and subsequent to the balance sheet date were:

A G Troy
J A Burrell
G S Hunter
G J Gallagher

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Disclosure of relevant 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/she ought to have taken as a director to make himself/herself 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.

Auditor

Deloitte have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



J A Burrell
Director

28 June 2018

Hadrian Bidco Limited

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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; 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 Hadrian Bidco Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Hadrian Bidco Limited (the 'company') which comprise:

- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Hadrian Bidco Limited (*continued*)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in respect of these matters.

Responsibilities of directors

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, and for such internal control as the directors 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.

Auditor's 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 auditor's 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Independent auditor's report to the members of Hadrian Bidco Limited (*continued*)

Report on other legal and regulatory requirements

Opinions on other matters 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

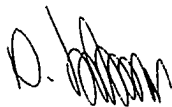
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.



David M Johnson BA FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, United Kingdom

29 June 2018

Hadrian Bidco Limited

Balance sheet 31 December 2017

	Note	2017 £'000	2016 £'000
Fixed assets			
Investments	6	-	-
Total fixed assets		-	-
Current assets			
Debtors	7	348,417	348,417
Total current assets		348,417	348,417
Creditors: amounts falling due within one year	8	(348,401)	(348,401)
Net current assets / (liabilities)		16	16
Net assets / (liabilities)		16	16
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		16	16
Equity shareholders' funds / (deficit)		16	16

The financial statements of Hadrian Bidco Limited, company number 6198387, have been approved and authorised for issue by the Board of Directors.

Signed on behalf of the Board of Directors

J A Burrell, Director

28 June 2018

Hadrian Bidco Limited

Statement of changes in equity 31 December 2017

	Called up share capital (note 9) £'000	Profit and loss account £'000	Total £'000
At 1 January 2016	-	16	16
Profit / (loss) for the financial year	-	-	-
At 31 December 2016	-	16	16
Profit / (loss) for the financial year	-	-	-
At 31 December 2017	-	16	16

Hadrian Bidco Limited

Notes to the financial statements Year ended 31 December 2017

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting

Hadrian Bidco Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report.

These financial statements are prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards and law.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, because it is included in the group financial statements of Principal Hotels Topco 1 Limited.

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 required, equivalent disclosures are given in the group financial statements of Principal Hotels Topco 1 Limited, which are available to the public and can be obtained as set out in note 12.

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 the Strategic Report.

Investments

Fixed asset investments, including investments in subsidiaries and associates, are shown at cost less provision for impairment.

Hadrian Bidco Limited

Notes to the financial statements Year ended 31 December 2017

1. ACCOUNTING POLICIES (*continued*)

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The only financial assets which the Company holds are classified as loans and receivables.

Hadrian Bidco Limited

Notes to the financial statements Year ended 31 December 2017

1. ACCOUNTING POLICIES (*continued*)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where 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:

- significant financial difficulty of the counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the counterparty will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the differences 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. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Hadrian Bidco Limited

Notes to the financial statements Year ended 31 December 2017

1. ACCOUNTING POLICIES (*continued*)

Derecognition of financial assets

The Company derecognises a financial asset only 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 entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. All of the Company's financial liabilities are classified as other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Hadrian Bidco Limited

Notes to the financial statements Year ended 31 December 2017

2. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the application of the Company's accounting policies, which are described in note 1 above, 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 key assumptions concerning the future, and other key sources of uncertainty at the balance sheet date, that have a potential risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of non-financial assets

As discussed in note 1, the directors are required to consider whether any of the Company's assets are impaired. When conducting an impairment review, the directors use a discounted cash flow model which requires the directors to estimate the future cash inflows of the Company as well as suitable discount rates.

The carrying amount of investments in subsidiaries at the balance sheet date was £nil and no impairment loss was recognised during 2017.

Corporation tax and deferred tax

The calculation of the Company's tax charge necessarily involves a degree of estimation and judgement in respect of certain items. In calculating the Company's tax charge, there are inherent assumptions made around assets which qualify for capital allowances as well as the level of expenses which are disallowable for corporation tax purposes.

Further judgement is required in relation to any deferred tax assets which may arise as the recoverability of these assets is reliant on future taxable profits. Deferred tax liabilities are calculated based on the Company's expectations regarding the manner and timing of the recovery of the related assets.

Hadrian Bidco Limited

Notes to the financial statements Year ended 31 December 2017

3. STAFF COSTS

The directors are the only employees of the Company. The directors received no remuneration in respect of services to the Company during the year (2016: £nil). The directors are remunerated by Principal Hayley Limited, a fellow Group company, and it is not practicable to allocate a proportion of those costs to the Company.

4. AUDITOR'S REMUNERATION

Auditor's remuneration was borne by a fellow Group company for both the current and preceding financial years.

5. TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

There was no profit and loss account charge for corporation tax or deferred tax for the year (2016: £nil).

At the balance sheet date deferred tax assets have not been recognised in respect of tax losses of £5,093,000 (2016: £5,094,000) as it is not considered probable that they will be utilised in the foreseeable future.

6. INVESTMENTS

	Shares in subsidiary companies £'000
Cost	
At 1 January 2017	150,498
Additions	-
Disposals	-
At 31 December 2017	<u>150,498</u>
Provision for impairment	
At 1 January 2017	150,498
Charge for the year	-
Disposals	-
At 31 December 2017	<u>150,498</u>
Net book value	
At 31 December 2017	<u>-</u>
At 31 December 2016	<u>-</u>

Hadrian Bidco Limited

Notes to the financial statements Year ended 31 December 2017

6. INVESTMENTS *(continued)*

The Company owns the whole of the ordinary share capital of Hadrian Bidco 1 Limited, a company registered in England and Wales whose principal activity is that of an intermediate holding company. The subsidiaries of Hadrian Bidco 1 Limited, grouped by activity types, are as follows:

At 31 December 2017

Companies which operate hotels and conference centres

De Vere 2 Limited

The St David's Hotel Cardiff Limited

Property companies

Beaumont House Properties Limited

Cranage Hall Properties Limited

Grand Central Hotel Company Limited

Horwood House Properties Limited

Venice Spareco Limited

Wotton House Properties Limited

Non-trading companies

Hadrian Bidco 2 Limited

Hayley Conference Centres Acquisitions Limited

Hayley Conference Centres Enterprise Limited

Hayley Conference Centres Group Limited

Hayley Conference Centres Holdings Limited

HCC Group Properties Limited

HCC Properties Limited

Milan Newco 1 Limited

Venice Spareco 2 Limited

All subsidiaries are wholly owned, have the same Registered Office address as the Company and are registered in England and Wales.

7. DEBTORS

	2017 £'000	2016 £'000
Amounts owed by Group undertakings	348,417	348,417
Total debtors	348,417	348,417

Amounts owed by Group undertakings are repayable on demand and are interest free.

Hadrian Bidco Limited

Notes to the financial statements Year ended 31 December 2017

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £'000	2016 £'000
Amounts due to Group undertakings	348,401	348,401
Total creditors falling due within one year	348,401	348,401

Amounts due to Group undertakings are payable on demand and are interest free.

9. CALLED UP SHARE CAPITAL

	2017 £	2016 £
Allotted, called up and fully paid:		
100 ordinary shares of 1p each	1	1
Total share capital	1	1

10. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in FRS 101 not to disclose transactions with other Group companies.

11. CONTINGENT LIABILITIES

The Company, together with certain other fellow Principal Hayley Group companies, has given guarantees to a maximum of £355.3 million over the UK borrowings of Rome Investco Ltd a fellow Group company. At 31 December 2017 the borrowings outstanding covered by this guarantee totalled £347.4 million.

12. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

In the opinion of the directors, the Company's ultimate parent company is SOF-9 Rome Holdings Lux Sarl, a company incorporated in Luxembourg. The ultimate parent company is owned by private equity funds and is managed on their behalf by Starwood Capital Group LLC, a company registered in the United States of America. The parent undertaking of the largest group which includes the Company and for which group financial statements are prepared is Principal Hotels Topco 1 Limited, a company incorporated in Great Britain. The parent undertaking of the smallest such group is Rome Investco Ltd, a company incorporated in Great Britain. Copies of the group financial statements of Principal Hotels Topco 1 Limited and Rome Investco Ltd are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ. The Company's immediate controlling party is Venice Hadrian 4 Limited.