

Registration number: 10634149  
(England and Wales)

# Ribbon Bristol Limited

Annual Report and Financial Statements

For the year ended 31 December 2019

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**Ribbon Bristol Limited**

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## **Ribbon Bristol Limited**

### **Company Information**

**Directors** SM Teasdale  
E Kassianos

**Company secretary** R Sooriah

**Company number** 10634149

**Registered office** Holiday Inn London Heathrow M4 J4  
Sipson Road  
West Drayton  
UB7 0JU

**Auditors** BDO LLP  
Statutory Auditor  
United Kingdom

## **Ribbon Bristol Limited**

### **Strategic Report**

*For the year ended 31 December 2019*

The directors present their strategic report for the year ended 31 December 2019.

#### **Principal activity**

The principal activity of the company is the ownership and operation of a hotel in the United Kingdom.

#### **Fair review of the business**

On 27 August 2019, the group completed a corporate restructure to separate its investment property and business operations as part of a debt refinancing strategy by the company's intermediate parent, Vivion Investment Sarl.

On 21 August 2019, the company disposed of its property, plant and equipment through a sale & leaseback arrangement to a R. Bristol Propco Limited, a subsidiary entity. On 27 August 2019, the company disposed of its hotel operations to R. Bristol Opco Limited, a related party.

Prior to the group restructure, the company operated the hotel under a franchise agreement with InterContinental Hotels Group PLC ("IHG"). A management company managed the hotel operations on a central basis under a management contract at the year end.

#### **Results**

The company's development to date, performance and the financial position as reflected in the financial statements is satisfactory. The directors have concluded that the company is a going concern, please refer to note 2.

The impact of Covid-19 is discussed in note 23 'Non-adjusting events after the financial period'.

#### **Principal risks and uncertainties and financial risk management objectives and policies**

The Board of directors have the overall responsibility for the establishment and oversight of the risk management framework. The senior management is responsible for developing and monitoring the risk management policies and reports regularly to the Board of directors. The risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and company's activities.

#### **Demand risk**

The company is exposed to the inherent risks of economic and financial market developments, including recession, inflation, availability of affordable credit and currency fluctuations that could lower revenues and reduce income. A recession reduces leisure and business travel and adversely affects room rates and/or occupancy levels and other income generating activities, resulting in deterioration of results of operations and potentially reducing the value of properties in affected economies. Through a continual business review process and monitoring of the business environment, together with the terms and the services standards required of IHG under the franchise agreement, the directors of the company and the wider group seek to mitigate these potential risks.

The main risks arising from the company's financial instruments are credit risk and liquidity risk. The Board reviews and agrees policies for managing these risks and is summarized below.

## **Ribbon Bristol Limited**

### **Strategic Report**

*For the year ended 31 December 2019 (continued)*

#### ***Credit risk***

The company's principal financial assets are trade and other receivables. The credit risk on trade and other receivables is limited by the company's exposure being spread over a large number of counterparties and customers and by the support of the group. Receivable balances are monitored on an ongoing basis and provisions are made when there is objective evidence of impairment. The amounts presented in the balance sheet are net of expected credit losses. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

#### ***Liquidity risk***

The company is financed by way of intercompany loans. The company manages liquidity risk by maintaining a balance between the continuity of funding and flexibility through use of loans from the company's group undertakings. The group has agreed to provide sufficient liquidity as necessary to allow the company to meet its obligations for at least the next twelve months from the date of approval of these financial statements.

#### **Key performance indicators**

Total revenue for the year ended 31 December 2019 from continuing operations was £5.2m (2018: £8.5m), representing a like-for-like decrease of 8.9% compared to the previous year. Management's emphasis is on increasing occupancy, RevPAR and total room revenue. In the year ended 31 December 2019 occupancy was 79.68% (2018: 80.52%), RevPAR was £63.32(2018: £67.05) and total room revenue was £3.2m (2018: £5.2m).

The business of the company is also reviewed on a central basis and, therefore, further key performance indicators are not appropriate for an understanding of the development, performance and position of the company's business.

Approved by the Board on 13 May 2021 and signed on its behalf by:

DocuSigned by:



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E Kassianos  
Director

## **Ribbon Bristol Limited**

### **Directors' Report**

*For the year ended 31 December 2019*

The directors present their report and the financial statements for the year ended 31 December 2019. The profit for the year after taxation was £12.3m (2018: profit of £2.0m).

#### **Future developments**

The company is expected to be dormant in 2020.

#### **Going concern**

The trading results for the period and the company's financial position at the end of the period are shown in the attached financial statements. The directors have concluded that the company is a going concern, please refer to note 2.

#### **Dividends**

The directors do not recommend a dividend for the current period. No dividend was paid in the current and prior period.

#### **Financial risk management**

The company's financial risk management policies are discussed in the strategic report.

#### **Directors of the company**

The directors, who held office during the year, were as follows:

DMA Beveridge (resigned 19 June 2020)

G Efrati (resigned 8 July 2019)

SM Teasdale

The following director was appointed after the year end:

E Kassianos (appointed 19 June 2020)

## Ribbon Bristol Limited

### Directors' Report

*For the year ended 31 December 2019 (continued)*

#### Employment policy

The operations of the group are managed on a central basis under a management agreement with a management company. The company relies on the terms of the management agreement, as regards employees, in that the management company shall take all steps to enable the group to comply with any obligations it may have. As such, the employment policies in place embody the principles of equal opportunity. This includes suitable procedures to support the policy that individuals should not be discriminated against on the basis of race, disability, age, gender, sexuality or religion and that they should be considered for employment and subsequent training, career development and promotion on the basis of their aptitudes and abilities. The value of employee involvement in effective communications is recognised, as is the need for their contribution to decision making on matters affecting their jobs. To achieve employee involvement at the most relevant level, there is a framework in place for consultation and information.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

At year end the company employed no staff.

#### Creditor payment policy

The company agrees commercial terms with suppliers (including payment terms) and, if performance accords with these terms, aims to abide by the agreed payment arrangements.


#### Auditor

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The company has dispensed with the obligation to appoint auditors annually. BDO LLP have expressed their willingness to continue in office.

Approved by the Board on 13 May 2021 and signed on its behalf by:

DocuSigned by:  
  
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E Kassianos  
Director

## **Ribbon Bristol Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the applicable 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.



## **Ribbon Bristol Limited**

### **Independent Auditor's Report to the Members of Ribbon Bristol Limited**

#### **Opinion**

We have audited the financial statements of Ribbon Bristol Limited (the 'company') for the year ended 31 December 2019, which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit 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.

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

- 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.

#### **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.

## **Ribbon Bristol Limited**

### **Independent Auditor's Report to the Members of Ribbon Bristol Limited (continued)**

#### **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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

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 Strategic Report and the Directors' Report.

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:

- the financial statements are not in agreement with the accounting records and returns; or
- adequate accounting records have not been kept, 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
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **Ribbon Bristol Limited**

### **Independent Auditor's Report to the Members of Ribbon Bristol Limited (continued)**

#### **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.

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Richard Levy (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor

London, United Kingdom

13 May 2021  
Date:.....

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Ribbon Bristol Limited****Income Statement***For the year ended 31 December 2019*

	Note	2019 £ 000	2018 £ 000
Revenue	4	5,166	8,507
Cost of sales		<u>(379)</u>	<u>(601)</u>
<b>Gross profit</b>		<b>4,787</b>	<b>7,906</b>
Selling and distribution costs		(225)	(374)
Administrative expenses		(3,349)	(5,089)
Other gains	5	<u>11,428</u>	<u>-</u>
<b>Operating profit</b>	<b>6</b>	<b>12,641</b>	<b>2,443</b>
Finance costs	7	<u>(30)</u>	<u>-</u>
<b>Profit before tax</b>		<b>12,611</b>	<b>2,443</b>
Tax charge	11	<u>(267)</u>	<u>(465)</u>
<b>Profit for the year</b>		<b><u>12,344</u></b>	<b><u>1,978</u></b>
<b>Profit attributable to:</b>			
Owners of the company		<u>12,344</u>	<u>1,978</u>

The above results were derived from operations that were disposed of on 27 August 2019.


There is no other comprehensive income for the period other than those included above, therefore a statement of other comprehensive income has not been presented.

**Ribbon Bristol Limited****Statement of Financial Position***At 31 December 2019*

	Note	2019 £ 000	2018 £ 000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	-	30,744
Other non-current financial assets	14	41,758	-
		<u>41,758</u>	<u>30,744</u>
<b>Current assets</b>			
Inventories	15	-	22
Trade and other receivables	16	50	450
Cash and cash equivalents	17	-	314
		<u>50</u>	<u>786</u>
<b>Total assets</b>		<u><b>41,808</b></u>	<u><b>31,530</b></u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Profit and loss account		14,391	2,047
<b>Non-current liabilities</b>			
Deferred tax liabilities	18	-	738
<b>Current liabilities</b>			
Trade and other payables	20	27,417	28,745
<b>Total liabilities</b>		<u><b>27,417</b></u>	<u><b>29,483</b></u>
<b>Total equity and liabilities</b>		<u><b>41,808</b></u>	<u><b>31,530</b></u>

The notes on pages 13 to 29 form an integral part of these financial statements.

Approved by the Board on 13 May 2021 and signed on its behalf by:

DocuSigned by:  
  
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 E Kassianos  
 Director

**Company registered number: 10634149**

**Ribbon Bristol Limited****Statement of Changes in Equity**  
*For the Year Ended 31 December 2019*

	<b>Share capital £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
At 1 January 2018	-	69	69
Profit for the year	-	1,978	1,978
<b>At 31 December 2018</b>	<b>-</b>	<b>2,047</b>	<b>2,047</b>

	<b>Share capital £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
At 1 January 2019	-	2,047	2,047
Profit for the year	-	12,344	12,344
<b>At 31 December 2019</b>	<b>-</b>	<b>14,391</b>	<b>14,391</b>

## **Ribbon Bristol Limited**

### **Notes to the Financial Statements**

*For the year ended 31 December 2019*

#### **1 General information**

Ribbon Bristol Limited (the company) is a private company limited by shares, incorporated and domiciled in the United Kingdom under the Companies Act 2006 and registered in England. The address of its registered office is disclosed in the company information. The principal activity of the company is described in the Strategic Report.

#### **2 Accounting policies**

##### **(a) Basis of preparation**

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

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

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

##### **(b) Application of new and revised International Financial Reporting Standards (IFRSs)**

The company has adopted the following new and revised IFRSs:

- IFRS 16 Leases

Following the restructure of the business as set out in note 12 the company no longer has any leases and the implementation of this standard has not had a material impact on the financial statements.

##### **(c) Summary of disclosure exemptions**

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

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

## **Ribbon Bristol Limited**

### **Notes to the Financial Statements**

*For the year ended 31 December 2019 (continued)*

#### **2 Accounting policies (continued)**

##### **(c) Summary of disclosure exemptions (continued)**

Where relevant equivalent disclosures have been given in the consolidated financial statements of Vivion Investments Sarl. The consolidated financial statements of Vivion Investments Sarl will be available to the public and can be obtained from 155 rue Cents, L-1319, Luxembourg.

##### **(d) Going concern**

The company is part of a sub group headed by UK Investment Company 210 Limited. The company assesses its going concern basis of preparation on a group wide basis. The group meets its day to day working capital requirements from normal trading activities through its investment in a portfolio of hotels.

The COVID-19 outbreak was declared a pandemic in March 2020, subsequent to the year end. It has had a significant impact on the global and UK economy and on businesses in general and, in particular, on the hospitality sector. It is too early to know the precise eventual impact this will have on our tenants for the next twelve months and beyond, as the situation is constantly evolving.

The directors have prepared cash flow forecasts for the group headed by UK Investment Company 210 Limited for a period of 12 months from the date of signing these accounts, which reflect their current best estimate of the impact of COVID-19. These forecasts show that the group is expected to be able to meet its obligations and liabilities as they fall due for the next 12 months.

The company is party and co-guarantor together with fellow subsidiary and related undertakings ("the Borrowing Group") to a loan facility. As a result of the impact on the business of the pandemic, on 10 July 2020 the Borrowing Group obtained a covenant waiver on its loan facility, subject to certain conditions imposed to protect the lender's position. The waiver was granted in connection with COVID-19 and the resultant temporary closure of certain of the hotels, with a view to enabling the Borrowing Group to manage its business without breaching obligations under the loan agreement. The covenant waiver was initially for a period up to but excluding the interest payment date falling on 13 July 2021. On 10 April 2021 an extension of the covenant waiver period was granted to cover the period up to but excluding the interest payment date falling on 13 July 2022.

The company's parent undertaking and subsidiary undertakings have confirmed that they will not call for repayment of balances due to them for a period of 12 months from the date of signing these financial statements unless the company is able to make such repayment and still continue in operation in meeting its liabilities as and when they fall due. In addition, the company has received confirmation from certain intermediate parent undertakings that they will continue to provide such finance as the company requires for the next 12 months in order to continue in operational existence and to meet its obligations and liabilities as they fall due.

In view of the above the Directors have therefore concluded that they consider it appropriate for the financial statements to be prepared on a going concern basis.



## **Ribbon Bristol Limited**

### **Notes to the Financial Statements**

*For the year ended 31 December 2019 (continued)*

#### **2 Accounting policies (continued)**

##### **(e) Revenue recognition**

The company earns revenue from the rental of rooms and conference facilities and the sale of food and beverage products. This revenue is recognised in the accounting period when services are rendered or control of the product and has been transferred at an amount that reflects the consideration that the entity expects to be entitled for fulfilling its performance obligations.

##### Rental of rooms and conference facilities

Revenue from rental of rooms and conference facilities is recognised in the accounting period when the room or facility had been provided. The company considers its performance obligation to be fulfilled over the period of the guest's stay. The transaction price of room and conference facility rental is at rates specified at time of booking.

##### Sale of food and beverages

Revenue from the sale of food and beverage is recognised in the accounting period when control of the product has been transferred. The company considers its performance obligation to be fulfilled at point of sale. The transaction price of food and beverage is the retail price of the product less value added taxes.

##### Contract liabilities

Contract liabilities and customer deposits are recognised in the statement of financial position when the company has received consideration but still has an obligation to deliver products and meet performance obligations for that consideration.

##### **(f) Foreign currencies**

In preparing these financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

## **Ribbon Bristol Limited**

### **Notes to the Financial Statements**

*For the year ended 31 December 2019 (continued)*

#### **2 Accounting policies (continued)**

##### **(g) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Parts of an item of property, plant and equipment having different useful lives are accounted for as separate items.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments, assessed at inception of the lease. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset as noted below.

##### **(h) Depreciation**

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation is provided to write off the cost less estimated residual value, of each asset evenly over its expected useful life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold buildings	Periods up to 50 years
Plant and machinery	Between 5 years
Furniture and equipment	Between 3 years

##### **(i) Investments**

Investments in subsidiary undertakings are stated at cost less provision for impairment.

## **Ribbon Bristol Limited**

### **Notes to the Financial Statements**

*For the year ended 31 December 2019 (continued)*

#### **2 Accounting policies (continued)**

##### **(j) Impairment of investments**

At the end of each reporting period, the company reviews the carrying amounts of its investments to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount of the investments is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

##### **(k) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

## **Ribbon Bristol Limited**

### **Notes to the Financial Statements**

*For the year ended 31 December 2019 (continued)*

#### **2 Accounting policies (continued)**

##### **(l) Impairment of non-financial assets**

At the end of each reporting period, the company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The impairment review is performed on an income generating unit basis.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

##### **(m) Defined contribution pension obligation**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

##### **(n) Financial instruments**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value.

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

##### ***Loans and receivables***

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

##### ***Trade and other receivables***

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

##### ***Cash and cash equivalents***

Cash and cash equivalents comprise cash balances and call deposits. The cash and cash equivalents are stated at their nominal values, as this approximates to amortised cost.

## **Ribbon Bristol Limited**

### **Notes to the Financial Statements**

*For the year ended 31 December 2019 (continued)*

#### **2 Accounting policies (continued)**

##### **(n) Financial instruments (continued)**

###### ***Other financial liabilities***

Other financial liabilities (including loans and borrowings and other payables) are subsequently measured at amortised cost using the effective interest method.

###### ***Trade and other payables***

Other payables are initially recognised at fair value, based upon the nominal amount outstanding. Subsequent to initial recognition, they are recorded at amortised cost.

###### ***Effective interest method***

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 (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 financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

###### ***Impairment of financial assets***

The company always recognises expected credit losses for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

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

###### ***Offsetting of financial instruments***

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

###### ***Derecognition of financial assets***

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

###### ***Derecognition of financial liabilities***

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

## **Ribbon Bristol Limited**

### **Notes to the Financial Statements**

*For the year ended 31 December 2019 (continued)*

#### **2 Accounting policies (continued)**

##### **(o) Taxation**

Tax expense represents the sum of the tax currently payable and deferred tax.

##### ***Current tax***

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in profit and loss account because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

##### ***Deferred tax***

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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.

## **Ribbon Bristol Limited**

### **Notes to the Financial Statements**

*For the year ended 31 December 2019 (continued)*

#### **3 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors of the company 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 group's accounting policies***

The following are the 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 the most significant effect on the amounts recognised in financial statements.

##### ***Deferred tax***

The determination as to whether assets will be consumed through use or sale can have a significant impact on their tax bases, which has a material impact on the deferred tax liability arising on differences between their carrying values and tax bases. Management has concluded that the short leasehold land and buildings will be consumed in full over the life of the lease and that long leasehold and freehold buildings will be partially consumed through use in line with the depreciation policy. All other fixed assets are assumed to be consumed through use.

##### ***Key sources of estimation uncertainty***

##### ***Impairment of investment in subsidiary undertakings***

Determining whether the company's investment in subsidiary undertakings have been impaired requires estimations of the investment's values in use. The value in use calculations require the entity to estimate the future cash flows expected to arise from the investment and suitable discount rates in order to calculate present values. Based on the assessment made during the period, the investment in subsidiary undertakings is not considered to be impaired. See note 13.

##### ***Recoverability of debtors***

The recoverability of debtors is assessed based on factors specific to each individual debtor.

## Ribbon Bristol Limited

### Notes to the Financial Statements

*For the year ended 31 December 2019 (continued)*

#### 4 Revenue

The revenue of the company is derived from its principal activity of owning and operating hotels in the United Kingdom. The analysis of the company's revenue for the year from continued operations is as follows:

	2019 £ 000	2018 £ 000
Hotel operations	5,166	8,507

#### 5 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2019 £ 000	2018 £ 000
Gain on disposal of property, plant and equipment	11,934	-
Provision for expected credit losses	(506)	-
	11,428	-

#### 6 Operating profit

Profit for the period has been arrived at after charging:

	2019 £ 000	2018 £ 000
Cost of inventories	375	573
Depreciation of property, plant and equipment	225	405
Foreign exchange gains	1	-
Expected credit (reversal)/loss	(1)	4
Staff costs (note 8)	1,468	2,242

#### 7 Finance costs

	2019 £ 000	2018 £ 000
Interest paid in respect of finance leases	30	-



## Ribbon Bristol Limited

### Notes to the Financial Statements

*For the year ended 31 December 2019 (continued)*

#### 8 Staff costs

The average number of salaried staff employed, excluding directors, during the year amounted to 133 employees (2018: 134 employees). All employees are engaged in hotel operations.

The above numbers are averages for the year and calculated on a full-time equivalent basis. The aggregate payroll costs were as follows:

	2019 £ 000	2018 £ 000
Wages and salaries	1,355	2,081
Social security costs	86	127
Pension costs (note 21)	27	34
	<u>1,468</u>	<u>2,242</u>

#### 9 Directors' remuneration

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

#### 10 Auditor's remuneration

Auditor's remuneration of £3,250 (2018: £7,694) has been borne by a fellow group undertaking in the current and prior year. Prior year audit fees relate to previous auditors Deloitte LLP.

#### 11 Income tax

Tax charge in the income statement

	2019 £ 000	2018 £ 000
<b>Current taxation</b>		
UK corporation tax	263	498
Adjustment in respect of previous years	-	1
Corporation tax charge for current period	<u>263</u>	<u>499</u>
<b>Deferred taxation</b>		
Reversal of temporary differences	-	(35)
Adjustment in respect of previous years	4	1
Total deferred taxation	<u>4</u>	<u>(34)</u>
<b>Tax charge in the income statement</b>	<u>267</u>	<u>465</u>

**Ribbon Bristol Limited****Notes to the Financial Statements***For the year ended 31 December 2019 (continued)***11 Income tax (continued)*****Factors affecting current tax charge for the period***

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2018: higher than the standard rate of corporation tax in the UK) of 19% (2018: 19%).

The differences are reconciled below:

	<b>2019</b> <b>£ 000</b>	<b>2018</b> <b>£ 000</b>
Profit before tax	<u>12,611</u>	<u>2,443</u>
Corporation tax at standard rate	2,396	464
<b><i>Effects of:</i></b>		
Income not chargeable for tax purposes	(2,345)	-
Expenses not deductible for tax purposes	212	(4)
Adjustment in respect of previous years	4	-
Change in recognised deferred tax assets	-	(1)
Adjustments in respect of previous years	-	2
Effect of changes in tax rate	<u>-</u>	<u>4</u>
<b>Total tax charge</b>	<u><b>267</b></u>	<u><b>465</b></u>

***Factors affecting the tax charge in future years***

Under Finance Act 2020, which was substantially enacted on 17 March 2020, the rate that will apply from 1 April 2020 remains at 19%.

**Ribbon Bristol Limited****Notes to the Financial Statements***For the year ended 31 December 2019 (continued)***12 Property, plant and equipment**

	<b>Freehold land and buildings £ 000</b>	<b>Furniture, fittings and equipment £ 000</b>	<b>Plant and machinery £ 000</b>	<b>Total £ 000</b>
<b>Cost</b>				
At 1 January 2019	28,692	1,223	1,410	31,325
Additions	-	35	20	55
Disposals	(28,692)	(1,258)	(1,430)	(31,380)
At 31 December 2019	-	-	-	-
<b>Depreciation</b>				
At 1 January 2019	90	325	166	581
Charge for the year	40	110	76	226
Eliminated on disposal	(130)	(435)	(242)	(807)
At 31 December 2019	-	-	-	-
<b>Net book value</b>				
<b>At 31 December 2019</b>	-	-	-	-
At 31 December 2018	28,602	898	1,244	30,744

The company's land and buildings are held as security in respect of bank loans taken by Ribbon Bidco Limited and Ribbon Mezzco Limited, the company's intermediate parent undertakings. On 21 August 2019, the company entered into a sale & leaseback agreement with R. Bristol Propco Limited, a subsidiary, and on 27 August 2019 sold the occupational lease to R. Bristol Opco Limited, a related party for £1.

## Ribbon Bristol Limited

### Notes to the Financial Statements

*For the year ended 31 December 2019 (continued)*

#### 13 Investments

On 13 August 2019, the company acquired 100% of the share capital of R. Bristol Propco Limited for £100 from Matanya Holdings Limited. At year end, the investment is not considered to be impaired.

Details of the subsidiaries as at 31 December 2019 are as follows:

Name of subsidiary	Principal activity	Ownership interest in ordinary shares (%)	
		2019	2018
R. Bristol Propco Limited	Property company	100%	0%

The registered address of all undertakings of the company is 22 Grenville Street, St Helier, Jersey, JE4 8PX.

#### 14 Other financial assets

	2019 £ 000	2018 £ 000
<b>Non-current financial assets</b>		
Loans to subsidiaries	41,758	-

The loans to subsidiaries are recoverable on demand, bear no interest and include no credit loss. They classified as non-current as the directors do not expect to realise the balance within 12 months of the reporting date.

#### 15 Inventories

	2019 £ 000	2018 £ 000
Consumables	-	22

**Ribbon Bristol Limited****Notes to the Financial Statements***For the year ended 31 December 2019 (continued)***16 Trade and other receivables**

	2019 £ 000	2018 £ 000
Trade receivables	-	276
Provision for expected credit loss	-	(5)
Net trade receivables	-	271
Receivables from parent	-	68
Receivables from group undertakings	50	-
Prepayments	-	111
	<u>50</u>	<u>450</u>

**17 Cash and cash equivalents**

	2019 £ 000	2018 £ 000
Cash on hand	-	3
Cash at bank	-	311
	<u>-</u>	<u>314</u>

**18 Deferred tax liabilities**

Deferred tax liabilities are attributable to the following:

	At 1 January 2019 £ 000	Recognised in income £ 000	At 31 December 2019 £ 000
Accelerated tax depreciation	<u>738</u>	<u>(738)</u>	<u>-</u>

There are £Nil of deductible temporary differences (2018: £395,038) for which no deferred tax asset is recognised in the statement of financial position.

## Ribbon Bristol Limited

### Notes to the Financial Statements

*For the year ended 31 December 2019 (continued)*

#### 19 Share capital

##### Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary share of £1	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

#### 20 Trade and other payables

	2019 £ 000	2018 £ 000
Trade payables	-	153
Accrued expenses	-	331
Payables to parent	27,417	27,952
Payables to group undertakings	-	67
Social security and other taxes	-	104
Other payables	-	138
	<u>27,417</u>	<u>28,745</u>

#### 21 Pension and other schemes

##### *Defined contribution pension scheme*

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £27,268 (2018: £34,306).

There were no contributions outstanding at year-end (2018: £Nil).

#### 22 Contingent liabilities

The company and its subsidiary undertaking, R. Bristol Propco Limited, are guarantors for a bank loan facility in the name of its intermediate parent company, Ribbon Bidco Limited. The balance outstanding on the loan at 31 December 2019 was £439.7m (2018: £447.6m).

## **Ribbon Bristol Limited**

### **Notes to the Financial Statements**

*For the year ended 31 December 2019 (continued)*

#### **23 Parent and ultimate parent undertaking**

The company's immediate parent is Ribbon Acquisition Limited, incorporated in the United Kingdom. Its registered address is Holiday Inn London Heathrow M4 J4, Sipson Road, West Drayton, UB7 0JU, United Kingdom.

The largest group to consolidate these financial statements is that of Turanco Investment Limited. The consolidated financial statements of Turanco Investment Limited for the year ended 31 December 2019 are available to the public and may be obtained from its registered address and principal place of business, Vyzantiou 30, Office 31, Strovolos, 2064, Nicosia, Cyprus.

The smallest group to consolidate these financial statements is that of Vivion Investments Sarl. The consolidated financial statements of Vivion Investments Sarl for the year ended 31 December 2019 are available to the public and may be obtained from its registered address 155 rue Cents, L-1319, Luxembourg.

#### **24 Subsequent events**

In March 2020 the World Health Organisation declared the COVID-19 coronavirus a global pandemic. The outbreak and unprecedented spread of the COVID-19 pandemic across the world has had a profound impact on local and global markets and is expected to continue to shape the economic landscape for the immediate future. The Directors continue to monitor the impact of unfolding events closely in order to respond swiftly to any consequential impacts on the business. Refer to note 2 for the impact of the pandemic on the going concern assessment.

The impact of COVID-19 only became apparent after the balance sheet date and represents a non-adjusting post balance sheet event. It is possible that the carrying value of investments in subsidiaries will be impaired although it is not possible to quantify the impact with a high degree of certainty at the current time.