

OS AA01

Statement of details of parent law and other  
information for an overseas company

Laserform

673209/20

✓ What this form is for  
You may use this form to  
accompany your accounts  
disclosed under parent law.

✗ What this form is NOT for  
You cannot use this form to  
an alteration of manner of c  
with accounting requiremen

WEDNESDAY



LD3 \*L83L1S20\* #117  
17/04/2019  
COMPANIES HOUSE

## Part 1 Corporate company name

Corporate name of  
overseas company ①

Regis Hotel (Opco) UK S.A.

UK establishment  
number

B R 0 1 6 5 7 3

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

All fields are mandatory unless  
specified or indicated by \*

① This is the name of the company in  
its home state.

## Part 2 Statement of details of parent law and other information for an overseas company

### A1 Legislation

Please give the legislation under which the accounts have been prepared and,  
if applicable, the legislation under which the accounts have been audited.

Legislation ②

Luxembourg & UK

② This means the relevant rules or  
legislation which regulates the  
preparation and, if applicable, the  
audit of accounts.

### A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted  
accounting principles?

Please tick the appropriate box.

☐ No. Go to Section A3.

☒ Yes. Please enter the name of the organisation or other  
body which issued those principles below, and then go to Section A3.

Name of organisation  
or body ③

European Union

③ Please insert the name of the  
appropriate accounting organisation  
or body

### A3 Accounts

Accounts

Have the accounts been audited? Please tick the appropriate box.

☐ No. Go to Section A5.

☒ Yes. Go to Section A4.

## OS AA01

Statement of details of parent law and other information for an overseas company

**A4**

### Audited accounts

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box.

☐ No. Go to Part 3 'Signature'.

☒ Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'.

**1** Please insert the name of the appropriate accounting organisation or body.

Name of organisation or body **1**

European Union (audit done by Ernst & Young)

**A5**

### Unaudited accounts

Unaudited accounts

Is the company required to have its accounts audited?

Please tick the appropriate box.

☐ No.

☐ Yes.

## Part 3

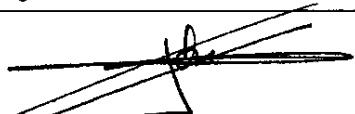
### Signature

Signature

I am signing this form on behalf of the overseas company.

Signature

X



X

This form may be signed by:  
Director, Secretary, Permanent representative.

## OS AA01

Statement of details of parent law and other information for an overseas company

### Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name Owen Giles

Company name Macfarlanes LLP

Address 20 Cursitor Street

Post town

Country/Region London

Postcode E C 4 A 1 L T

Country UK

DX DX No: 138 Chancery Lane

Telephone +44 (0)20 7831 9222

### Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.

### Important information

Please note that all this information will appear on the public record.

### Where to send

You may return this form to any Companies House address:

#### England and Wales:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

#### Scotland:

The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.  
DX ED235 Edinburgh 1  
or LP - 4 Edinburgh 2 (Legal Post).

#### Northern Ireland:

The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG.  
DX 481 N.R. Belfast 1.

### Further information

For further information, please see the guidance notes on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

**Registre de Commerce et des Sociétés**

Numéro RCS : B176224

Référence de dépôt : L170163293

Déposé et enregistré le 04/08/2017

**CONSTELLATION HOTEL (OPCO) UK S.A.**

15, boulevard Roosevelt

L-2450 LUXEMBOURG

RCS LUXEMBOURG: B176224

**FINANCIAL STATEMENTS, INDEPENDENT AUDITOR'S REPORT AND MANAGEMENT  
REPORT AS AT 31 DECEMBER 2015**

CONSTELLATION HOTEL (OPCO) UK S.A.

## COMPANY INFORMATION

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### DIRECTORS

#### Class A Directors

HE Sheikh Hamad bin Jassim bin Jabr AL-THANI

HE Sheikh Jassim bin Hamad bin Jassim bin Jabr  
AL-THANI

HE Sheikh Mohammad bin Hamad bin Jassim bin  
Jabr AL-THANI

HE Sheikha Noor Abdulaziz Abdulla T. AL-SUBAIE

#### Class B Directors

Mr Jean Faber

Mr Didier Kirsch

### REGISTERED NUMBER

B176224

### REGISTERED OFFICE

15 Boulevard Roosevelt

L-2450

Luxembourg

### INDEPENDENT AUDITOR

Ernst & Young

Societe anonyme

35E avenue John F. Kennedy

Luxembourg, L-1855 Luxembourg

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CONSTELLATION HOTEL (OPCO) UK S.A.

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**Ernst & Young**  
Société anonyme

35E, Avenue John F. Kennedy  
L-1855 Luxembourg

Tel: +352 42 124 1

[www.ey.com/luxembourg](http://www.ey.com/luxembourg)

B.P. 780  
L-2017 Luxembourg

R.C.S. Luxembourg B 47 771  
TVA LU 16063074

## Independent auditor's report

To the Shareholders of  
Constellation Hotel (OPCO) UK S.A  
15, boulevard Roosevelt  
L-2450 Luxembourg

### Report on the separate financial statements

We have audited the accompanying separate financial statements of Constellation Hotel (OPCO) UK S.A. (the "Company"), which comprise the statement of financial position as at 31 December 2015, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Board of Directors' responsibility for the separate financial statements*

The Board of Directors is responsible for the preparation and fair presentation of these separate financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary to enable the preparation and presentation of separate financial statements that are free from material misstatement, whether due to fraud or error.

#### *Responsibility of the "réviseur d'entreprises agréé"*

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the judgement of the "réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the separate financial statements.



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working world

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the separate financial statements give a true and fair view of the financial position of Constellation Hotel (OPCO) UK S.A. as of 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

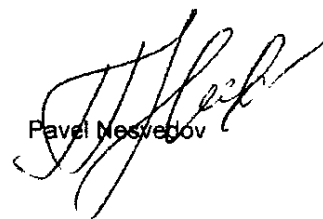
**Report on other legal and regulatory requirements**

The management report, which is the responsibility of the Board of Directors, is consistent with the separate financial statements and has been prepared in accordance with applicable legal requirements

Ernst & Young  
Société anonyme  
Cabinet de révision agréé



Alain Kirsch



Pavel Meschedov

Luxembourg, 30 June 2017



CONSTELLATION HOTEL (OPCO) UK S.A.

## STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2015

		2015	2014
	Notes	£000	£000
Revenue	4	55,033	54,012
Cost of sales	4	(3,892)	(3,857)
<b>Gross profit</b>		<b>51,141</b>	<b>50,155</b>
Selling and distribution costs	4	(1,633)	(1,401)
Administrative expenses	4	(31,602)	(30,729)
Other operating expenses	4	(5,768)	(6,017)
<b>Operating profit</b>		<b>12,138</b>	<b>12,008</b>
Profit on disposal of tangible assets		5	6
Finance costs	8	(10,297)	(10,287)
<b>Profit before taxation</b>		<b>1,846</b>	<b>1,727</b>
Income tax credit / (expense)	9	3,420	(818)
<b>Profit for the year attributable to equity shareholders</b>		<b>5,266</b>	<b>909</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>5,266</b>	<b>909</b>

Total comprehensive income for the year is attributable to the owners of the Company, as there is no non-controlling interest.

The accompanying notes form an integral part of the financial statements.

## CONSTELLATION HOTEL (OPCO) UK S.A.

### STATEMENT OF FINANCIAL POSITION for the year ended 31 December 2015

		31.12.2015	31.12.2014
ASSETS	Notes	£000	£000
<b>Non-current assets</b>			
Property and equipment	10	218,894	222,866
Intangible assets	11	108,447	111,192
		<u>327,341</u>	<u>334,058</u>
<b>Current assets</b>			
Inventories	12	152	151
Trade and other receivables	13	4,862	4,121
Other current assets	17	1,209	1,235
Cash and cash equivalents	14	9,620	9,174
		<u>15,843</u>	<u>14,681</u>
<b>Total assets</b>		<u><b>343,185</b></u>	<u><b>348,739</b></u>
<b>LIABILITIES AND EQUITY</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	9	37,617	42,202
Loans and borrowings	16	289,393	290,633
		<u>327,010</u>	<u>332,835</u>
<b>Current liabilities</b>			
Trade and other payables	15	6,736	7,190
Loans and borrowings	16	11,289	14,583
Income tax payable		988	2,235
		<u>19,013</u>	<u>24,008</u>
<b>Total liabilities</b>		<u><b>346,023</b></u>	<u><b>356,843</b></u>
<b>Equity attributable to equity holders of the parent</b>			
Issued share capital	20	27	27
Retained earnings		(2,865)	(8,131)
<b>Total equity</b>		<u><b>(2,838)</b></u>	<u><b>(8,104)</b></u>
<b>Total equity and liabilities</b>		<u><b>343,185</b></u>	<u><b>348,739</b></u>

The accompanying notes form an integral part of the financial statements.

CONSTELLATION HOTEL (OPCO) UK S.A.

**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2015

		<i>Share capital</i>	<i>Retained Earnings</i>	<i>Total equity</i>
	<i>Notes</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
<b>At 31 December 2013</b>	<b>20</b>	<b>27</b>	<b>(9,041)</b>	<b>(9,014)</b>
Profit for the year		-	909	909
Other comprehensive income		-	-	-
<b>At 31 December 2014</b>		<b>27</b>	<b>(8,131)</b>	<b>(8,104)</b>
Profit for the year		-	5,266	5,266
Other comprehensive income		-	-	-
<b>At 31 December 2015</b>		<b>27</b>	<b>(2,865)</b>	<b>(2,838)</b>

The accompanying notes form an integral part of the financial statements

CONSTELLATION HOTEL (OPCO) UK S.A.

STATEMENT OF CASH FLOWS  
for the year 31 December 2015

		2015	2014
	Notes	£000	£000
<b>Operating activities</b>			
Profit before taxation		1,846	1,727
Adjustments to reconcile profit before taxation to net cash flows:			
Depreciation of property and equipment	10	4,869	4,817
Amortisation and of intangible assets	11	2,758	2,747
Finance costs	8	10,297	10,287
Proceeds from sale of property and equipment		(5)	(6)
Working capital adjustments:			
Decrease / (Increase) in current assets		(716)	7,899
(Decrease) / Increase in current liabilities		(455)	738
		<b>18,594</b>	<b>28,210</b>
Interest paid		(6,473)	(6,073)
Other finance costs paid		(921)	(888)
Income tax paid		(2,412)	(2)
<b>Net cash flow from operating activities</b>		<b>8,789</b>	<b>21,252</b>
<b>Investing activities</b>			
Purchase of property and equipment & intangible assets	10,11	(911)	(1,967)
Proceeds from disposal of tangible assets		5	6
<b>Net cash flow used in investing activities</b>		<b>(906)</b>	<b>(1,961)</b>
<b>Financing activities</b>			
Repayments of borrowing - net		(7,437)	(60,633)
<b>Net cash flow used in financing activities</b>		<b>(7,437)</b>	<b>(60,633)</b>
Increase / (Decrease) in cash and cash equivalents		446	(41,343)
Cash and cash equivalents at the beginning of the year		9,174	50,517
<b>Cash and cash equivalents at 31 December</b>		<b>9,620</b>	<b>9,174</b>

The accompanying notes form an integral part of the financial statements.

CONSTELLATION HOTEL (OPCO) UK S.A.

## NOTES TO THE FINANCIAL STATEMENTS at 31 December 2015

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### 1. Corporate information

Constellation Hotel (OpCo) UK S.A. ('the Company') was incorporated on 18 March 2013 and is organized under the laws of Luxembourg as a public limited liability company ("Société Anonyme") for an unlimited period. The registered office of the Company is established at 15, boulevard Roosevelt L-2450 Luxembourg, Grand Duchy of Luxembourg. The Company's financial period ends on 31 December of each year.

The financial statements of Constellation Hotel (OpCo) UK S.A. for the year ended 31 December 2015 were authorised for issue by the board of directors on 24 April 2017 and the balance sheet was signed on the board's behalf by H.E. Sheikh Hamad bin Jassim bin Jabr AL-THANI and Mr. Didier KIRSCH. Constellation Hotel (OpCo) UK S.A. is a private limited company incorporated in Luxembourg and domiciled in Wales.

The Company's main activity is to operate the hotel known as the InterContinental London Park Lane.

Besides, the purpose of the Company comprises as well the acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever and the management of such participations. The Company may in particular acquire by subscription, purchase and exchange or in any other manner any stock, shares and other participation, derivative products, options, securities, bonds, debentures, certificates of deposit and other debt instruments and more generally, any securities and financial instruments issued by any public or private entity. It may participate in the creation, development, management and control of any company or enterprise. It may further invest in the acquisition and management of a portfolio of patents or other intellectual property rights of any nature or origin. The Company may enter into any kind of derivative agreements, forward agreements, options and swap agreements, and any other similar agreements. The Company may invest directly or indirectly in real estate whatever the acquisition modalities.

The Company's separate financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) and in accordance with the laws and regulations in force in the Grand Duchy of Luxembourg. The principal accounting policies adopted by the company are set out in note 3.

The Company's immediate parent undertaking is Constellation Hotels Holding Ltd S.C.A., a company incorporated in Luxembourg as set out in note 24.

### 2. Going concern

The Company has a negative net equity as at 31 December 2015. The ability of the Company to continue as a going concern is dependent on the future profitability of its operations and the financial support of its immediate parent. The directors obtained assurance from the immediate parent of the Company that it will financially support the company in form of cash, loans, additional equity or unwinding the loans payable by the company to the immediate parent. Based on this, the Board of directors concluded that a going concern assumption is appropriate for preparing these financial statements.

CONSTELLATION HOTEL (OPCO) UK S.A.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) at 31 December 2015

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### 3. Accounting policies

#### ***Basis of preparation***

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2015.

The company financial statements are presented in Sterling Pound and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

#### ***Judgements***

In the process of applying the company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

##### ***a. Operating lease commitments***

The company obtains the use of property, plant and equipment as a lessee. The classification of such leases as operating or finance leases requires the Company's management to determine, based on evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires and asset and liability to be recognised in the balance sheet.

##### ***b. Taxation***

The company is subject to routine tax audits and also a process whereby tax computations are discussed and agreed with the appropriate tax authorities. Whilst the ultimate outcome of such tax audits and discussions cannot be determined with certainty, management estimates the level of provisions required for both current and deferred tax on the basis of professional advice and the nature of current discussions with the tax authority concerned.

#### ***Estimates and assumptions***

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

##### ***Provisions for doubtful debts***

In calculating the provision for doubtful debts the directors use their knowledge of payment history and credit information on individual accounts and make an assessment of the inherent risk in the market and economy. The Directors then quantify the risk and make provisions based on that analysis.

CONSTELLATION HOTEL (OPCO) UK S.A.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
at 31 December 2015

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### 3. Accounting policies (continued)

#### *Acquisition date fair values*

Management contract, intangibles and long leasehold land and buildings, fixtures, fittings and equipment have been recognised at the acquisition date at fair value and represent the most significant estimate in the financial statements.

These valuations were performed by CBRE Hotels Limited an accredited independent valuer based on Market Value as defined in the current edition of the RICS valuation – Professional Standards. These valuations have regarded the following methods: discounted cash flow of projected cash flows over a 10 year period and a residual value; income capitalisation; and market evidence.

#### *Business combinations and goodwill*

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date.

If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, any positive goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

#### *Foreign currency translation*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

#### *Intangible assets*

Amortization is provided on a straight line basis over the estimated useful lives of the assets, which are as follows:

Management contract –	30 years
Computer software –	3 years

Amortization is stated in the income statement under Administrative expenses.

CONSTELLATION HOTEL (OPCO) UK S.A.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
at 31 December 2015

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### 3. Accounting policies (continued)

#### *Property and equipment*

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets as follows:

Long leasehold land	–	over the life of the lease
Fixtures, fittings and equipment	–	3 -25 years

Depreciation is stated in the income statement under Administrative expenses.

The carrying values of fixed property and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

An item of property 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 de-recognition of the asset is included in the income statement in the period of de-recognition.

#### *Provisions*

Provisions are recognised when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### *Financial assets*

Financial assets are recognised when the company becomes party to the contracts that give rise to them and are classified as financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; or as available-for-sale financial assets, as appropriate. The company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end. When financial assets are recognised initially, they are measured at fair value, being the transaction price plus, in the case of financial asset not at fair value through profit or loss, directly attributable transaction costs.

The subsequent measurement of financial assets depends on their classification, as follows:

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit and loss or available-for-sale. Such assets are carried at amortised cost using the effective interest method if the time value money is significant. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.



CONSTELLATION HOTEL (OPCO) UK S.A.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
at 31 December 2015

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### 3. Accounting policies (continued)

#### *Financial liabilities*

Financial liabilities in the scope of IAS 39 are classified based on their nature and their characteristics in one of the following three categories: (i) financial liabilities at fair value through profit and loss, (ii) loans and borrowings, and (iii) payables. Financial liabilities are recognized initially at cost which represents their fair value, and in case of loans and borrowings net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings. After initial recognition, loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance expenses in the statement of comprehensive income.

#### **De-recognition of financial assets and liabilities**

##### *a. Financial assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but had transferred control of the asset, or
  - the Company has transferred substantially all the risks and rewards of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

##### *b. Financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

#### *Inventories*

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value. Cost is based on purchase cost on a first-in first-out basis. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

CONSTELLATION HOTEL (OPCO) UK S.A.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
at 31 December 2015

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### 3. Accounting policies (continued)

#### *Trade and other receivables*

Trade receivables, which generally have 30 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

#### *Cash and cash equivalents*

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are as defined above and net of outstanding bank overdrafts.

#### *Interest-bearing loans and borrowings*

All loans and borrowings are initially recognised at fair value, being the consideration received net of issue costs associated with the borrowing. Interest bearing loans are subsequently measured at their amortized value applying the effective interest rate method.

#### *Income taxes*

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exception:

- Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.
- Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Income tax is charged or credited directly to equity if it relates to times that are credited or charged to equity. Otherwise income tax is recognised in the income statement.

#### *Financial guarantee contracts*

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognized less cumulative amortization.

CONSTELLATION HOTEL (OPCO) UK S.A.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) at 31 December 2015

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### 3. Accounting policies (continued)

#### ***Revenue recognition***

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 at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes. The following criteria must also be met before revenue is recognised:

#### ***Sale of goods***

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be reliably measured.

#### ***Sale of services***

Revenue is recognised when the service has been completed for the buyer and can be reliably measured.

#### ***Borrowing costs***

Borrowing costs are recognised as an expense when incurred.

#### ***New standards and interpretations not applied***

In July 2014, the IASB issued the final version of IFRS 9 Financial instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. IFRS 9 has been endorsed by the EU on 22 November 2016 and the Group assessed that this amendment is not expected to have a material impact on the Company when it will become effective.

#### ***Amendments to IAS 1 Disclosure Initiative***

The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1;
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated;
- That entities have flexibility as to the order in which they present the notes to financial statements;
- That the share of OCI and associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of comprehensive income. These amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the financial statements of the Company.

CONSTELLATION HOTEL (OPCO) UK S.A.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
at 31 December 2015

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### 3. Accounting policies (continued)

#### ***IFRS 15 Revenue from Contracts with Customers***

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. IFRS 15 has been endorsed by the EU on 22 September 2016 and the Group assessed that this amendment is not expected to have a material impact on the Company when it will become effective.

#### ***Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization***

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted.

Amendments to IAS 16 and IAS 38 have been endorsed by the EU on 2 December 2015. These amendments are not expected to have any impact on the financial statements of the Company.

#### ***IFRS 16 Leases***

IFRS 16 was issued in January 2016 and requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. IFRS 16 has not been endorsed by the EU and the Company will assess the impact over its financial position and performance once it will be endorsed by the EU.

CONSTELLATION HOTEL (OPCO) UK S.A.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) at 31 December 2015

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### 3. Accounting policies (continued)

#### *Annual improvements 2010-2012 Cycle*

These improvements are effective from 1 July 2014 and are not expected to have a material impact on the Group. They include:

#### *IFRS 2 Share-based Payment*

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
- A performance condition may be a market or non-market condition
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

#### *IFRS 8 Operating Segments*

The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgments made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are similar
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

#### *IAS 24 Related Party Disclosures*

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

#### *Annual improvements 2011-2013 Cycle*

These improvements are effective from 1 July 2014 and are not expected to have a material impact on the Company. They include:

#### *IFRS 13 Fair Value Measurement*

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable).

CONSTELLATION HOTEL (OPCO) UK S.A.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
at 31 December 2015

### 3. Accounting policies (continued)

#### *Annual improvements 2012-2014 Cycle*

These improvements are effective from 1 January 2016 and are not expected to have a material impact on the Group. They include:

#### *IFRS 5 Changes in methods of disposal*

The amendment is applied prospectively and clarifies that changing from one of the two disposal methods of assets (or disposal groups) to the other, i.e. through sale or through distribution, should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. The amendment also clarifies that changing the disposal method does not change the date of classification.

#### *IFRS 7 Servicing Contracts*

The amendment is applied prospectively and clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in paragraphs IFRS 7.B30 and IFRS 7.42C in order to assess whether the disclosures are required.

#### *IAS 19 Regional market issue*

The amendment is applied prospectively and clarifies that the obligation to recognize a post-employment benefit obligation for its defined benefit plans must be discounted using market rates on high quality corporate bonds or using government bond rates if a deep market for high quality corporate bonds does not exist. Market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

### 4. Operating profit

This is stated after crediting / (charging):

	2015	2014
	£000	£000
Revenue	55,033	54,012
Cost of sales:	(3,892)	(3,857)
Cost of inventories recognised as an expense	(2,927)	(3,160)
Cost of sales – Other	(965)	(697)
Selling and distribution costs	(1,633)	(1,401)
Administrative expenses:	(31,604)	(30,729)
Staff cost related to hotel business (note 7)	(13,024)	(12,779)
Other administrative services	(10,952)	(10,386)
Depreciation of Property and equipment (note 10)	(4,869)	(4,817)
Amortization of Intangible Assets (note 11)	(2,759)	(2,747)
Other operating expenses	(5,768)	(6,017)
Operating profit	12,137	12,008

CONSTELLATION HOTEL (OPCO) UK S.A.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
at 31 December 2015

## 5. Auditors' remuneration

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

	2015	2014
	£000	£000
Audit of the company financial statements	40	62
Accounts preparation	-	-
Tax compliance	8	9
<b>Total</b>	<b>48</b>	<b>71</b>

## 6. Directors' remuneration

None of the directors received remuneration in respect of services to the Company.

The directors are also directors of other group companies and are remunerated by one of those companies. Their services to this Company are considered inconsequential to their other roles and therefore none of their remuneration is recharged to this Company. At the year end, none of the directors were members of the defined benefit scheme.

## 7. Employee benefit expense

	2015	2014
	£000	£000
<b>Included in cost of administrative expenses:</b>		
Wages and salaries	11,866	11,744
Social security costs	977	876
Pension costs	181	159
<b>Total</b>	<b>13,024</b>	<b>12,779</b>

The average monthly number of full-time employees during the period was 384 in 2015 (385 in 2014).

## 8. Finance costs

	2015	2014
	£000	£000
<b>Included in finance costs:</b>		
Interest on bank loans	6,107	6,351
Interest on loans from group undertakings	3,268	3,052
Other finance expense	922	884
<b>Total</b>	<b>10,297</b>	<b>10,287</b>

CONSTELLATION HOTEL (OPCO) UK S.A.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
at 31 December 2015

9. Income tax

**Reconciliation of income tax in the profit and loss:**

	2015	2014
	£000	£000
The tax charge is made up as follows:		
<i>Current tax:</i>		
Luxembourg minimum income tax payable	(1)	(3)
Foreign tax	(1,164)	(1,106)
<b>Total current income tax</b>	<b>(1,165)</b>	<b>(1,109)</b>
<b>Total deferred tax effects</b>	<b>4,585</b>	<b>(291)</b>
Income tax (credit) / charge in the statement of comprehensive income	<b>3,420</b>	<b>(818)</b>

**Reconciliation of deferred tax in the statement of financial position:**

	2015	2014
	£000	£000
Provision at 1 January	<b>42,202</b>	<b>42,493</b>
Tax expense recognised in profit or loss during the period	(4,585)	(291)
<b>Closing balance at 31 December</b>	<b>37,617</b>	<b>42,202</b>

**Reconciliation of tax expense and the accounting profit**

	2015	2014
	£000	£000
Profit before taxation	<b>1,846</b>	<b>1,727</b>
At statutory tax rate in Luxembourg of 29.22%	(540)	(505)
Expenses not deductible for tax purposes	(2,435)	(2,365)
Capital allowances	775	888
Effect of tax rates in the UK	4,690	376
Net unrecognized deferred tax assets due to tax loss carry forward	(16)	-
Other	(901)	(942)
Minimum income tax payable	1	3
<b></b>	<b>3,420</b>	<b>(818)</b>



CONSTELLATION HOTEL (OPCO) UK S.A.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
at 31 December 2015

9. Income tax (continued)

<b><u>Deferred taxes are related to the following:</u></b>	Statement of financial position		Statement of comprehensive income	
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
	£000	£000	£000	£000
Revaluation of Long leasehold land and buildings	(36,179)	(40,612)	388	444
Revaluation of Fixtures, fittings and equipment	(1,441)	(1,593)	(11)	(130)
Pension	3	3	---	(1)
Adjustment from previous years	---	---	33	---
Effect of tax rate difference	---	---	4,175	(22)
<b>Deferred tax income</b>	<b>---</b>	<b>---</b>	<b>4,585</b>	<b>291</b>
<b>Net deferred tax liabilities</b>	<b>(37,617)</b>	<b>(42,202)</b>	<b>---</b>	<b>---</b>

10. Property and equipment

	Long leasehold land and buildings	Fixtures, fittings and equipment	Total
	£000	£000	£000
<b>Cost</b>			
<b>At 31 December 2013</b>	<b>206,500</b>	<b>22,482</b>	<b>228,982</b>
Additions	-	1,907	1,907
<b>At 31 December 2014</b>	<b>206,500</b>	<b>24,389</b>	<b>230,889</b>
Additions	-	897	897
<b>At 31 December 2015</b>	<b>206,500</b>	<b>25,286</b>	<b>231,786</b>
<b>Depreciation and impairment</b>			
<b>At 31 December 2013</b>	<b>1,377</b>	<b>1,829</b>	<b>3,206</b>
Depreciation charge for the year	2,065	2,752	4,817
<b>At 31 December 2014</b>	<b>3,442</b>	<b>4,581</b>	<b>8,023</b>
Depreciation charge for the year	2,065	2,804	4,869
<b>At 31 December 2015</b>	<b>5,507</b>	<b>7,385</b>	<b>12,892</b>
<b>Net book value:</b>			
At 31 December 2014	203,058	19,808	222,866
At 31 December 2015	200,993	17,901	218,894

Assets acquired were originally stated at fair value. As of 31 December 2015 Management performed an impairment test on the acquired assets based on the market value performed by CBRE Hotels Limited an accredited independent valuer. The test lead them to conclude that no impairment needs to be booked, refer to note 11 for detail of the test.

CONSTELLATION HOTEL (OPCO) UK S.A.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
at 31 December 2015

## 11. Intangible assets

	Goodwill	Management contract	Software	Total
	£000	£000	£000	£000
<b>Cost:</b>				
At 31 December 2013	33,691	82,000	14	115,705
Additions	-	-	60	60
At 31 December 2014	33,691	82,000	74	115,765
Additions	-	-	14	14
At 31 December 2015	33,691	82,000	88	115,779
<b>Amortization and impairment</b>				
At 31 December 2013	-	1,822	4	1,826
Amortization	-	2,733	14	2,747
At 31 December 2014	-	4,555	18	4,573
Amortization	-	2,734	25	2,759
At 31 December 2015	-	7,288	43	7,332
<b>Net book value:</b>				
At 31 December 2014	33,691	77,445	56	111,192
At 31 December 2015	33,691	74,712	45	108,447

Intangible assets with indefinite useful lives (goodwill) are not amortised, but are tested for impairment annually, at the cash-generating unit level. Management has determined that the Company operates the hotel as a single cash generating unit and the total carrying amount of the goodwill is allocated to this cash generating unit. Management has performed an impairment test as of 31 December 2015 which was based on the market value of the hotel subject to the management contract as determined by CBRE Hotels Limited (accredited independent valuer).

The recoverable amount is the higher one of the fair value less costs of sell and the value in use. To conduct the impairment test, the discounted cash flows were determined based on the budgets and forecasts for the next ten financial years. The budgets and forecasts were based on past experience and Management's best estimates of future development. The Management estimated the discount rate at 7.00%. The Management also assumed 2.50% as inflation over a period of 10 years. In addition, the weighted average growth rates used in the budgets and forecasts correspond to the expectations in the corresponding growth forecasts. For the purpose of impairment testing, the Company's Management estimated the cash flows beyond the forecast horizon by projecting growth rate for the subsequent years. The growth rates in question range from 12% in 2016 and 2017, 8% from 2018 to 2019, 4% in 2020 and 2% from 2021 to 2025. The undiscounted sale price in 10 years was estimated at £612 172 800.

CONSTELLATION HOTEL (OPCO) UK S.A.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
at 31 December 2015

**12. Inventories**

	2015	2014
	£000	£000
Finished goods and goods for resale	152	151
<b>Total</b>	<b>152</b>	<b>151</b>

**13. Trade and other receivables**

	2015	2014
	£000	£000
Trade receivables	3,447	2,537
Other receivables	27	27
Other related parties receivables	1,388	1,557
<b>Total</b>	<b>4,862</b>	<b>4,121</b>

Other related parties receivables represent amount receivables from Constellation Hotels Holdings Ltd SCA.

At 31 December 2015, trade receivables were impaired for a value of £10 000 (£47 000 in 2014) and fully provided for. See below for the movements in the provision for impairment of receivables.

	2015	2014
	£000	£000
<b>At beginning of the period</b>	<b>47</b>	<b>60</b>
Acquired	-	-
Utilised	-	-
Unused amounts reversed	(37)	(13)
Charge for the year	-	-
<b>At end of the period</b>	<b>10</b>	<b>47</b>

As at 31 December 2015, the analysis of trade receivables that were past due but not impaired is as follows:

<i>Total</i>	<i>Neither past due nor impaired</i>	<i>&gt;30 days</i>	<i>30-60 days</i>	<i>60-90 days</i>	<i>&gt;90 days</i>
£000	£000	£000	£000	£000	£000
2,537	875	702	629	75	256
3,445	1,038	872	529	127	879

No amounts were factored during the year.

CONSTELLATION HOTEL (OPCO) UK S.A.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
at 31 December 2015

## 14. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise the following at 31 December:

	2015	2014
	£000	£000
Cash at bank and in hand	9,620	9,174
<b>Total</b>	<b>9,620</b>	<b>9,174</b>

Cash and cash equivalents are composed of cash at bank and in hand. No interest is earned on cash at banks.

## 15. Trade and other payables

	2015	2014
	£000	£000
Trade payables and other accruals	1 873	2 487
Deferred revenue (refer to note 19)	2 445	1 814
VAT payable	161	346
Other taxes and social security costs	230	324
Other payables and accruals	2 027	2 218
<b>Total</b>	<b>6 736</b>	<b>7 190</b>

Terms and conditions of the above financial liabilities:

- ▶ Trade payables are non-interest bearing and are normally settled in an average of 45 days.
- ▶ VAT and social security are non-interest bearing and are settled in line with normal repayment terms for VAT and social security.
- ▶ Other payables and accruals are non-interest bearing. Other payables and accruals are usually settled in line with scheduled payment dates which are less than one year.

CONSTELLATION HOTEL (OPCO) UK S.A.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
at 31 December 2015

16. Financial assets and liabilities

	Interest rate	Maturity	Carrying amount 2015 £000	Carrying amount 2014 £000
	%			
<b>Current loans and borrowings</b>				
Secured bank loan of £210,000,000	Fixed	2015	9,124	9,490
Unsecured loan from Constellation Hotels Holding Ltd S.C.A. of initially £101,754,000	Fixed	1 May 2018	2,165	5,093
<b>Total current loans and borrowings</b>			<b>11,289</b>	<b>14,583</b>
<b>Non-current loans and borrowings</b>				
Secured bank loan of £210,000,000	Fixed	2016-2018	181,442	188,879
Unsecured loan from Constellation Hotels Holding Ltd S.C.A. of initially £101,754,000	Fixed	1 May 2018	107,951	101,754
<b>Total non-current loans and borrowings</b>			<b>289,393</b>	<b>290,633</b>
<b>Total loans and borrowings</b>			<b>300,682</b>	<b>305,216</b>

Liquidity analysis

31 December 2015	Total	On demand	Less than 1 year	Between 1 to 5 years
Shareholders loan	107,951	-	-	107,951
Interest payable on shareholder loan	7,854	2,165	3,313	4,542
Bank Loan	189,442	-	8,000	181,442
Interest payable on bank loan	13,739	1,124	5,625	8,113
Trade and other payables	6,736	6,736	-	-
<b>Total</b>	<b>325,722</b>	<b>10,025</b>	<b>16,938</b>	<b>302,048</b>
31 December 2014	Total	On demand	Less than 1 year	Between 1 to 5 years
Shareholders loan	101,754	-	-	101,754
Interest payable on shareholder loan	15,270	5,093	3,053	7,124
Bank Loan	196,879	-	8,000	188,879
Interest payable on bank loan	21,078	1,490	5,850	13,738
Trade and other payables	7,190	7,190	-	-
<b>Total</b>	<b>342,171</b>	<b>13,773</b>	<b>16,903</b>	<b>311,495</b>

CONSTELLATION HOTEL (OPCO) UK S.A.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
at 31 December 2015

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**16. Financial assets and liabilities (continued)**

***Secured bank loan of £210 000 000***

The loan is secured by a first charge over the property plant and equipment of the Company with a carrying value of £218,894,990 (£222,865,925 in 2014). £38,000,000 of this loan is repayable in quarterly instalments to the maturity of 1 May 2018 at which the remaining balance becomes payable. At 31 December 2015, £8,000,000 (£8,000,000 in 2014) capital and £1,124,100 (£1,489,903 in 2014) accrued interest are repayable within one year.

***Unsecured loan from Constellation Hotels Holding Ltd S.C.A. of £101,754,000***

This loan, granted by the immediate parent company, is unsecured and repayable entirely on maturity. Interest is fixed at 3% payable annually. At 31 December 2015, £2,164,931 (£3,053,000 in 2014) interest accrued is payable in less than one year. On each anniversary date of the loan unpaid accrued interest are capitalized.

The fair value of the financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The carrying value of these instruments approximates their fair values.

**17. Other current assets**

	2015	2014
	£000	£000
IHG related parties account	796	796
Prepayments	414	439
	<u>1,209</u>	<u>1,235</u>

Other current assets consist of £ prepayments of £414,000 (£439,000 in 2014) and of £796,000 (£796,000 in 2014) which relate to amounts deposited in a bank account of a subsidiary of IHG plc under a transitional services agreement. These amounts are repayable on demand and attract no interest. The carrying values approximate their fair values due to their short term maturity.

CONSTELLATION HOTEL (OPCO) UK S.A.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) at 31 December 2015

### 18. Obligations under operating leases

At 31 December 2015 the company had future minimum lease payments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>	<i>Land and buildings</i>	<i>Other</i>	<i>Other</i>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	£000	£000	£000	£000
Operating leases which expire:				
within one year	42	42	-	54
in two to five years	169	169	720	720
over 5 years	3,918	3,960	-	-
<b>Total</b>	<b>4,129</b>	<b>4,171</b>	<b>720</b>	<b>774</b>

### 19. Deferred revenue

	<b>2015</b>	<b>2014</b>
	£000	£000
At 1 January	1,814	1,544
Released to the income statements	(1,814)	(1,544)
Deferred during the year	2,445	1,814
<b>At 31 December</b>	<b>2,445</b>	<b>1,814</b>
Analysed as:		
Current	2,445	1,814
Non-current	-	-

The deferred revenue refers to amount on deposit from future guests, these amounts are utilised as the guests receive the goods and services reserved.

### 20. Share capital

		<b>2015</b>	<b>2014</b>
	<i>No.</i>	£000	£000
<i>Authorised, allotted, called up and fully paid</i>			
Ordinary shares of €100 each	310	27	27

On 18 March 2013, the Company authorised and issued 310 ordinary shares of €100 each for cash consideration of €31,000 which is converted at the date of issue to £26,585.

CONSTELLATION HOTEL (OPCO) UK S.A.

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at 31 December 2015

## 20. Share capital (continued)

In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly net profit must be transferred to a legal reserve from which distribution is restricted. This requirement is satisfied when the reserve reaches 10% of the issued share capital.

Furthermore, as of 31 December 2015, the Company has not issued any treasury shares.

## 21. Other related party transactions

During the period the Company entered into transactions, in the ordinary course of business, with related parties.

On 1 May 2013, Constellation Hotel Holding Ltd S.C.A., the immediate parent company lent Constellation Hotel (OpCo) UK S.A. a £101,754,000 loan with maturity 1 May 2018 at a fixed interest rate of 3%. The proceeds from which were issued into a solicitors escrow account for the purpose of the acquisition of the hotel. The related interest for the year 2015 amounts to £3,268,475 (£3,053,000 in 2014). £2,164,931 (£5,093,000 in 2014) interest has been accrued on this loan to 31 December 2015 which is repayable on maturity date. On each anniversary date of the loan unpaid accrued interest are capitalized.

On 1 May 2013, Constellation Hotel Holding Ltd S.C.A., the immediate parent company, lent Constellation Hotel (OpCo) UK S.A. a £35,806,000 loan repayable on demand and interest free. The proceeds from which were issued into a solicitors escrow account for the purpose of the acquisition. During the year 2014, a cash-pooling agreement has been executed between Constellation Hotel Holding Ltd S.C.A. and Constellation Hotel (OpCo) UK S.A. As of 31 December 2015 the parent company owes £1,449,486 (£1,514,000 in 2014) to the Company.

In respect of the long lease between Constellation Hotel UK S.A. (the freeholder), a subsidiary of Constellation Hotels Holdings Ltd S.C.A., and Constellation Hotel (OpCo) UK S.A., £42,000 (£42,000 in 2014) of rent has been accrued during the year. During the year the Company paid to the UK tax authorities an amount of £22,674 on behalf of Constellation Hotel UK S.A. At the balance sheet date £61,326 (£42,000 in 2014) is due from Constellation Hotel (OpCo) UK S.A to Constellation Hotel UK S.A.

The Company has not provided or benefitted from any guarantees for any related party receivables or payables. The company has not made any provision for doubtful debts relating to amounts owed by related parties.

### Compensation of key management personnel (including directors)

No compensation has been paid by the Company to Hotel Inter-Continental London Limited during the year 2015 for key management personnel (including directors).

Management fees paid by the Company during the financial year/period:

	2015	2014
	£000	£000
Management fees	3,639	3,569



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
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**22. Business combinations**

In 2015 no additional business combination has been acquired by the Company.

**23. Capital management, financial risk management objectives and policies**

An explanation of the Company's financial instrument risk management objectives, policies and strategies is set out in the directors' report.

The directors consider that the Company has minimal sensitivity to interest rate and foreign currency risk and hence have not presented sensitivity analysis.

The primary objectives of the Company's capital management are to ensure that the Company maintains strong credit ratings, manages its cash flow and debtors and maintain healthy capital ratios in order to support its business and to maximise shareholders' value, in conjunction with Group's treasury.

**24. Parent undertaking and controlling party**

The Company's immediate parent undertaking is Constellation Hotels Holding Ltd S.C.A., a company incorporated in Luxembourg. Its registered office is at 15, boulevard Roosevelt, L-2450 Luxembourg.

**25. Subsequent events**

There have been no material subsequent events since the acquisition of the hotel Intercontinental Park Lane in London. There have been no changes regarding the financing.

On 23 June 2016, the United Kingdom voted in a referendum to leave the European Union (a process commonly referred to as Brexit). The future impact of this event is to date uncertain and there has been no significant impact on the results of the Company to date due to this event.