

HHR PICCADILLY LTD

(REGISTERED NUMBER: SC 074783)

DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015

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HHR PICCADILLY LTD
REGISTERED NUMBER: SC074783
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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STRATEGIC REPORT

PRINCIPAL ACTIVITIES

The Company operates the prestigious Le Méridien Piccadilly hotel in London. The Directors do not anticipate any change to the company's principal activity. The hotel is managed by Starwood Hotels & Resorts Worldwide Inc.

BUSINESS REVIEW AND KEY PERFORMANCE INDICATORS

Sales were up by 3.47%, mainly driven by increased occupancy levels and small increases in average rate. Gross profit margin was flat on last year due to increased pressure on average rate which resulted in similar rooms profitability year on year. The hotel continues to benefit from its location in the heart of London's West End, making it an ideal location for business and leisure travellers alike.

The three key operating indicators on which the hotel is assessed monthly against other hotels within its competitive set (similarly rated hotels in London) include occupancy percentage, average room rate and revenues per available room. As compared to its competitive set, in 2015 Le Méridien Piccadilly was 5.1% lower in average rate, 11.1% higher in occupancy and 5.4% higher in revenue per available room, making its performance superior within its competitive set.

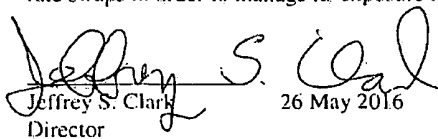
FUTURE DEVELOPMENTS

The Company faces a number of challenges but also opportunities in 2016, with the UK economy now growing stronger than before and the London hotel market supply growth slowing down. This will help grow our rooms business despite an ageing product and we also expect another year of improvements in our food and beverage business, which will help drive the operating margins. The Directors and management of the Company actively have taken steps to mitigate the financial impact of these challenges, the biggest step of which is to continue to invest in our guestroom product and food and beverage operation.

PRINCIPAL RISKS AND UNCERTAINTIES

The business continues to experience challenging business conditions, mainly driven by ageing product and increase of supply in the number of luxury hotels in London. This has an impact on average daily rates and a limited effect on occupancy levels.

The Company's operations expose it to a variety of risks, including exchange and interest rate fluctuations. The Company maintains a comprehensive financial risk management program, including, among others, market risk analysis, monitoring of receivables, and liquidity and cash flow analysis. In addition, the Company uses interest rate swaps in order to manage its exposure to movements of interest rates on its bank borrowing.


Jeffrey S. Clark
Director

26 May 2016

C/o Edzell Group
1008 Pollokshaws Road
Glasgow G41 2HG
Scotland

DIRECTORS' REPORT

The Directors present their annual report and audited financial statements for HHR Piccadilly Limited ("the Company") for the year ended 31 December 2015.

RESULTS AND DIVIDENDS

The net profit for the year was £54,000 (2014: loss of £270,000). The Directors do not recommend the payment of a dividend (2014: £ nil).

DIRECTORS

The Directors who held office during the year, and subsequently, are as follows:

Jeffrey S. Clark,
Gregory J Larson

GOING CONCERN

Although the Company has a negative equity position as at 31 December 2015, including the maturity of the bank loan of £40 million payable on 12 November 2020, the Directors believe that it is appropriate for the financial statements to be prepared on a going concern basis. This belief is based on (1) the Company generating sufficient cash flow to meet its obligations, (2) the new loan maturity being November 2020, and (3) the independent hotel lease valuation carried out in 2013 being significantly greater than the net book value of the fixed assets disclosed in Note 7 to the accounts. A positive equity position would have resulted if the Company had recorded its fixed assets at an amount equal to the 2015 independent hotel lease valuation.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Company made no charitable or political contributions during the year (2014: nil).

DISABLED EMPLOYEES

The Company's policy and practice is to encourage employment applications from all sectors of the community, including people with disabilities, and to support and assist retention through training, development and career progression.

CREDITOR PAYMENT POLICY

The Company's policy and practice regarding the payment of creditors is to pay in accordance with the agreed supplier terms, provided that the relevant invoice is presented in a timely fashion and is completed. It is the Company's ongoing policy to settle the terms of payments with those suppliers when agreeing the terms of each transaction.

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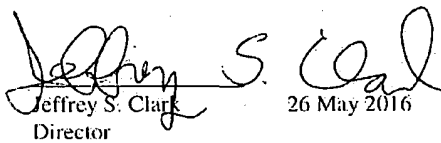
AUDITOR AND DISCLOSURE OF INFORMATION TO AUDITOR

In the case of each of the persons who are Directors at the time the report is approved under section 418, the following applies:

- So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The Directors have taken all the steps that ought to have been taken in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board


Jeffrey S. Clark
Director

26 May 2016

C/o Edzell Group
1008 Pollokshaws Road
Glasgow G41 2HG
Scotland

HHR PICCADILLY LTD
REGISTERED NUMBER: SC074783
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent ;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF HHR PICCADILLY LIMITED

We have audited the financial statements of HHR Piccadilly Ltd for the year ended 31 December 2015 set out on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended ;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF HHR PICCADILLY LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Sarah Styant (Senior Statutory Auditor)
For and on behalf of KMPG LLP
Chartered Accountants
15 Canada Square, Canary Wharf
London E14 5GL

Date: 26 May 2016

HHR PICCADILLY LIMITED
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 DIRECTORS' REPORT AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2015

**PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 31 DECEMBER 2015**

	NOTE	YEAR ENDED 31 DECEMBER 2015 £'000	YEAR ENDED 31 DECEMBER 2014 £'000
Turnover	2	25,797	24,932
Cost of sales		(6,800)	(6,650)
GROSS PROFIT		18,997	18,282
Administrative expenses		(16,639)	(16,307)
Selling and distribution costs		(413)	(458)
OPERATING PROFIT	3	1,945	1,517
Interest receivable and similar income	4	6	13
Interest payable and similar charges	4	(1,730)	(1,776)
PROFIT/(LOSS) BEFORE TAX		221	(246)
Tax Expense	6	(167)	(24)
PROFIT/(LOSS) FOR THE YEAR		54	(270)

The notes on pages 10 to 21 form part of the annual financial statements.

The profit for the current year and the loss for the prior year arise from continuing activities.

There is no difference between the loss reported above and the historical cost results.

The Company has no other comprehensive income in the year or in the prior year other than the losses for the prior and profit for the current year as reported above and therefore no statement of comprehensive income has been presented.

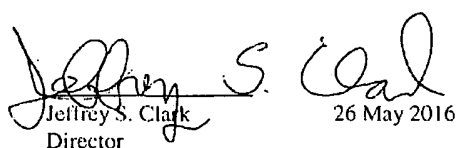
HHR PICCADILLY LIMITED
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FOR THE YEAR ENDED 31 DECEMBER 2015

**BALANCE SHEET
AT 31 DECEMBER 2015**

	NOTE	31 DECEMBER 2015 £'000	31 DECEMBER 2014 £'000
FIXED ASSETS			
Tangible assets	7	13,047	14,085
CURRENT ASSETS			
Stocks	8	44	43
Deferred tax asset	6	26	93
Debtors	9	3,939	3,450
Cash		12,542	9,048
		<u>16,551</u>	<u>12,634</u>
CREDITORS – AMOUNTS FALLING DUE WITHIN 1 YEAR	10	<u>(13,669)</u>	<u>(12,369)</u>
NET CURRENT ASSETS		<u>2,882</u>	<u>265</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>15,929</u>	<u>14,350</u>
NON-CURRENT LIABILITIES			
Creditors – amounts falling due after more than 1 year	11	(39,517)	(38,052)
Provision for liabilities	12	(240)	(180)
		<u>(39,757)</u>	<u>(38,232)</u>
NET LIABILITIES		<u>(23,828)</u>	<u>(23,882)</u>
CAPITAL AND RESERVES			
Called up share capital	13	9,189	9,189
Profit and loss account	14	(33,017)	(33,071)
TOTAL SHAREHOLDERS' DEFICIT		<u>(23,828)</u>	<u>(23,882)</u>

The notes on pages 10 to 21 form part of these financial statements.

These financial statements were approved by the Board of Directors and signed on their behalf by:


Jeffrey S. Clark
Director
26 May 2016

HHR PICCADILLY LIMITED
 REGISTERED NUMBER: SC074783
 DIRECTORS' REPORT AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2015

**STATEMENT OF CHANGES IN EQUITY
 AT 31 DECEMBER 2015**

	Called up Share Capital £'000	Profit and Loss £'000	Total Equity £'000
Balance at 1 January 2014	9,189	(32,801)	(23,612)
Loss for the year	-	(270)	(270)
Balance at 31 December 2014	9,189	(33,071)	(23,882)
Profit for the year	-	54	54
Balance at 31 December 2015	9,189	(33,017)	(23,828)

NOTES TO THE FINANCIAL STATEMENTS

1 STATEMENT OF ACCOUNTING POLICIES

HHR Piccadilly Ltd (the "Company") is a company incorporated and domiciled in the UK.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

BASIS OF PREPARATION

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied. In the preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. There were no effects on the reported position, financial performance and cash flows as a result of the transition to FRS101. The Company's ultimate parent undertaking, HHR Euro C.V included the Company in its consolidated financial statements. The consolidated financial statements of HHR Piccadilly Ltd are prepared in accordance with International financial Reporting Standards and are available to the public and may be obtained from the Dutch Trade Register of the Chamber of Commerce in the Netherlands located at De Ruyterkade 5, Postbus 2852, 1000CW, Amsterdam, The Netherlands.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital and tangible fixed assets;
- Disclosures in respect of transaction with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of HHR Euro C.V include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosure

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 IFRS balance sheet 1st January 2014 for the purposes of the transition to FRS 101.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

GOING CONCERN

The Company incurred a profit of £54,000 (2014: loss of £270,000) during the year ended 31 December 2015. The Company has net current assets of £2,882,000 (2014: £265,000) and net liabilities of £23,828,000 (2014: £23,882,000) at 31 December 2015. The Company is dependent upon the continuing financial support of its immediate parent undertaking, HHR II Euro Cooperatief U.A, and the financial institutions with which the Company and fellow Group entities have loans.

The financial statements of the Company for the year ended 31 December 2015 have been prepared on a going concern basis, having regard to the HHR UK II B.V. trading forecasts for the next twelve months. These indicate that the group and the company will be able to meet their liabilities as they fall due for the remainder of 2016 and at least one year from the date of these financial statements. Furthermore HHR UK II B.V. has formally indicated that it will provide sufficient funding to the Company, to enable it to meet its liabilities as they fall due, for at least twelve months from the date of approval of these financial statements. The directors have no reason to believe that the parent company will not be in a position to provide the support referred to above and, accordingly, they have prepared the financial statements on a going concern basis.

TURNOVER

Turnover represents sales to customers at invoiced amount less VAT.

The revenue from the rental of rooms and conference facilities is recognised when rooms are occupied and services have been rendered. Cash received for services occurring in the future is included in other payables.

The revenue from the sale of food and beverages is recognised at the time of sale.

TANGIBLE FIXED ASSETS

Fixed assets are stated at cost less depreciation and any provision for impairment.

Assets are depreciated to their residual values on a straight-line basis over their estimated useful economic lives as follows:

Leasehold improvements	Equal annual instalments over 40 years
Plant and machinery	6-20% per annum
Furniture, fixtures and equipment	10-33% per annum

Repairs and maintenance are charged to the profit and loss account during the year in which they are incurred.

STOCKS

Stocks are valued at the lower of cost and net realisable value.

DEFERRED TAXATION

Deferred tax is recognised in full (without discounting) on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOREIGN CURRENCY

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

LEASES

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

PENSION COSTS

The Company operates a stakeholder pension scheme. The amount charged to the profit and loss account represents the contribution payable to the scheme in respect of the accounting period.

INTEREST RATE SWAPS

The Company's criteria for interest rate swaps include that:

- the instrument must be related to an asset or a liability; and
- it must change the character of the interest rate by converting a variable rate to a fixed rate or vice versa.

Interest differentials are recognised within net interest payable. Interest rate swaps are not revalued to fair value or shown on the balance sheet at year end. If they are terminated early, the gain or loss is spread over the remaining maturity of the original instrument.

FINANCIAL ASSETS AND LIABILITIES

The Company classifies its financial assets and liabilities in the following categories: trade debtors, other financial assets, including interest rate swaps, trade creditors and loan – refinanced debt. Financial assets initially are recognised at fair value and are not revalued at fair value at year end. The transaction costs are capitalised.

RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of HHR Euro C.V., the Company has taken advantage of the exemption in FRS 8, *Related Party Disclosures*, and has therefore not disclosed transactions or balances with entities which form part of the group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 TURNOVER AND RESULT

The Company has a single class of business (hotel operations) and operates in a single geographical region, the United Kingdom.

3 OPERATING PROFIT

	YEAR ENDED 31 DECEMBER 2015 £'000	YEAR ENDED 31 DECEMBER 2014 £'000
OPERATING PROFIT IS STATED AFTER (CHARGING):		
Staff costs (note 5)	(5,918)	(5,823)
Depreciation on owned assets	(1,774)	(1,689)
Auditor's remuneration		
- audit services	(42)	(43)
Operating lease rentals		
- property rent payable	(4,394)	(4,460)
- equipment	(29)	(24)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 INTEREST RECEIVABLE AND SIMILAR INCOME / INTEREST PAYABLE AND SIMILAR CHARGES

	YEAR ENDED 31 DECEMBER 2015 £'000	YEAR ENDED 31 DECEMBER 2014 £'000
Interest receivable and similar income	6	2
Foreign exchange gain	0	11
INTEREST RECEIVABLE AND SIMILAR INCOME	6	13
Interest payable and similar charges	(1,730)	(1,776)
Foreign exchange loss	-	-
INTEREST PAYABLE AND SIMILAR CHARGES	(1,730)	(1,776)

5 EMPLOYEES

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

	YEAR ENDED 31 DECEMBER 2015	YEAR ENDED 31 DECEMBER 2014
Office and management	25	28
Hotel operating staff	199	190
	224	218

	YEAR ENDED 31 DECEMBER 2015 £'000	YEAR ENDED 31 DECEMBER 2014 £'000
Wages and salaries	(5,473)	(5,394)
Social security costs	(368)	(352)
Other pension costs (note 16)	(77)	(77)
	(5,918)	(5,823)

DIRECTORS' EMOLUMENTS

The Directors did not receive any emoluments in respect of their services to the Company (2014: nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Taxation

	YEAR ENDED 31 DECEMBER 2015 £'000	YEAR ENDED DECEMBER 2014 £'000
(a) Analysis of tax charge in year		
Current Tax:		
UK Corporation tax at 20.25% (2014: 21.25%)	100	50
Total Current Tax Expense (note 6(h))	100	50
Deferred tax:		
Origination and reversal of timing differences (note 6(c))	67	(26)
Total Tax Expense	167	24

(b) Factors affecting current tax charge

A reduction in the tax rate from 22% to 21% for the period 1 April 2014 to 31 March 2015 and from 21% to 20% for the period 1 April 2015 forward were substantially enacted on 2 July 2013.

	YEAR ENDED 31 DECEMBER 2015 £'000	YEAR ENDED DECEMBER 2014 £'000
Profit (Loss) on ordinary activities before taxation	221	(246)
Tax on ordinary activities at the standard rate of corporation tax in the UK of 20.25% (2014: 21.25%)	45	(53)
Effects of:		
Depreciation more than capital allowances	7	65
Adjustment in respect to prior years	(47)	(60)
Expenses not deductible for tax purposes	95	98
Total current tax expense (note 6(a))	100	50

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(c) Deferred tax asset/(liability)

The movements in deferred tax assets and liabilities were as follows:

	YEAR ENDED 31 DECEMBER 2015 £'000	YEAR ENDED DECEMBER 2014 £'000
At 1 January	93	67
Reversal of timing differences	7	65
Adjustments to tax rates	-	(7)
Adjustments in respect to prior years	(74)	(32)
At 31 December 2015	26	93

The elements of deferred tax assets and liabilities are as follows:

	YEAR ENDED 31 DECEMBER 2015 £'000	YEAR ENDED DECEMBER 2014 £'000
Capital allowances less than depreciation	26	93
At 31 December 2015	26	93

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. TANGIBLE ASSETS

	LEASEHOLD IMPROVEMENTS	PLANT AND MACHINERY	FURNITURE, FITTINGS AND EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
	£'000	£'000	£'000	£'000	£'000
COST					
As at 1 January 2015	12,206	6,309	6,291	161	24,967
Additions	-	34	186	509	729
Additions transferred from CIP	-	-	146	(146)	-
Disposals	-	(423)	(97)	-	(520)
As at 31 December 2015	12,206	5,920	6,526	524	25,176
ACCUMULATED DEPRECIATION					
As at 1 January 2015	4,494	2,738	3,650	-	10,882
Depreciation charge for the year	249	492	1,033	-	1,774
Disposals	-	(423)	(97)	-	(520)
As at 31 December 2015	4,743	2,807	4,579	-	12,136
NET BOOK VALUE					
At 31 December 2014	7,712	3,571	2,641	161	14,085
At 31 December 2015	7,463	3,113	1,947	524	13,047

Disposals primarily represent fully depreciated assets which no longer are in use by the hotel.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 STOCKS

	31 DECEMBER 2015 £'000	31 DECEMBER 2014 £'000
Consumable items in store	44	43
	<u>44</u>	<u>43</u>

9 DEBTORS

	31 DECEMBER 2015 £'000	31 DECEMBER 2014 £'000
Trade debtors	1,148	1,092
Other debtors and accrued income	488	513
Prepayments	2,303	1,845
	<u>3,939</u>	<u>3,450</u>

10 CREDITORS – AMOUNTS FALLING DUE WITHIN 1 YEAR

	31 DECEMBER 2015 £'000	31 DECEMBER 2014 £'000
Amounts owed to other group undertakings	(11,623)	(9,730)
Loan – refinanced debt (note 11)	-	(610)
Accruals and deferred income	(1,387)	(1,496)
Other taxation and social security	(196)	(311)
Other creditors	(99)	(100)
Trade creditors	(364)	(122)
	<u>(13,669)</u>	<u>(12,369)</u>

The amounts owed to other group undertakings are unsecured, interest free and have no fixed terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN 1 YEAR

	31 DECEMBER 2015 £'000	31 DECEMBER 2014 £'000
Loan – refinanced debt		
Amounts falling due within 1 year	-	(610)
Amounts falling due after more than 1 year	(39,517)	(38,052)
	<u>(39,517)</u>	<u>(38,662)</u>

The bank loan is repayable as follows:

	31 DECEMBER 2015 £'000	31 DECEMBER 2014 £'000
Within one year	-	(610)
In the second year	-	(610)
In the third year	-	(37,442)
In the fourth year	-	-
In the fifth year	(39,517)	-
	<u>(39,517)</u>	<u>(38,662)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 PROVISION FOR LIABILITIES

	PROVISION FOR DILAPIDATION £'000
At 1 January 2015	(180)
Provision added	(60)
At 31 December 2015	(240)

13 CALLED UP SHARE CAPITAL

	31 DECEMBER 2015 £'000	31 DECEMBER 2014 £'000
ISSUED, ALLOTTED AND FULLY PAID		
9,177 ordinary shares of £1 each	9	9
9,180,000 deferred shares of £1 each	9,180	9,180
	<u>9,189</u>	<u>9,189</u>

Only ordinary shareholders hold the right to dividends and the right to vote in general meetings. On a winding up, ordinary shareholders take preference over deferred shareholders.

14 RESERVES RECONCILIATION

	PROFIT AND LOSS ACCOUNT £'000
At 1 January 2015	(33,071)
Profit for the year	54
At 31 December 2015	<u>(33,017)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 PENSIONS

The Company operates a stakeholder pension scheme. The pension cost charge represents contributions payable by the Company to the stakeholder fund and amounted to £77,000 (2014: £77,000).

16 COMMITMENTS UNDER OPERATING LEASES

As at 31 December 2015, the Company had annual commitments under non-cancellable operating leases expiring as set out below:

	31 DECEMBER 2015		31 DECEMBER 2014	
	LAND AND BUILDINGS £'000	PLANT AND MACHINERY £'000	LAND AND BUILDINGS £'000	PLANT AND MACHINERY £'000
Operating leases which expire:				
Within one year	4,680	26	4,680	26
In two to five years	-	-	-	-
After five years	-	-	-	-
	<u>4,680</u>	<u>26</u>	<u>4,680</u>	<u>26</u>

The total estimated lease rental payable in 2016 is £4,680,000, while the total amount committed in years 2-5 is £18,720,000.

17 ULTIMATE HOLDING COMPANY

The immediate parent undertaking is HHR UK II B.V., a company incorporated and registered in the Netherlands.

The Directors regard HHR Euro C.V., a Dutch limited partnership, as the ultimate controlling party and ultimate parent entity. HHR Piccadilly Ltd. is consolidated in the accounts of HHR Euro C.V. The address from which copies of the parent company's accounts can be obtained is as follows:

HHR Euro C.V.
 Prins Bernhardplein 200
 1097 JB Amsterdam
 The Netherlands