

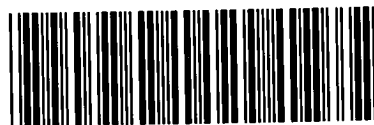
Registration number: 01617210

# Accor (U.K.) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2017

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## **Accor (U.K.) Limited**

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## **Accor (U.K.) Limited**

### **Company Information**

**Directors** Mr T A M Dubaere  
Mrs K M R J Lamouche  
Mr J F Vendieux  
Mr S Seropyan

**Company secretary** Mr A J Whitehead

**Registered office** 10 Hammersmith Grove  
London  
England  
W6 7AP

**Banker** HSBC Bank plc.  
62 - 76 Park Street  
London  
SE1 9DZ

**Auditor** Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

## **Accor (U.K.) Limited**

### **Directors' Report for the Year Ended 31 December 2017**

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

This report is prepared in accordance with the special provisions relating to small companies under s 415(a) of the Companies Act 2006.

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

The directors, who held office during the year and up to the date of signing this report, were as follows:

Mr T A M Dubaere

Mrs K M R J Lamouche (appointed 30 June 2017)

Mr J F Vendieux (appointed 30 June 2017)

Mr S Seropyan (appointed 4 June 2018)

#### **Principal activity**

The principal activity of the company is the supervision of the activities of subsidiary companies as an investment holding company. The subsidiary companies are engaged in the management and franchising of hotels in United Kingdom and Ireland and in providing high-end private home rental with luxury hospitality services in Europe and North America.

Accor (U.K.) Ltd owns Accor Hotelservices UK Ltd which completed the acquisition of Accor's UK and Ireland hotel management & franchising business, which is including management and ownership of the intellectual property rights from a fellow group company on 31 May 2017. All the managed or franchised hotels are operated under the Accor brands.

#### **Results and Dividends**

The profit for the year, after taxation, amounted to £1,068,069 (2016 - £1,212,282,691). The 2016 result included a gain on sale of investments to a fellow group company of £1,212,925,603.

An interim dividend of £875,060k (2016 - £ Nil), equivalent to £10.23 per share, was paid on 30 June 2017. The directors do not recommend the payment of a final dividend of the year (2016 - £Nil).

#### **Future developments**

The company will continue to own the subsidiary companies in the hospitality sector for the foreseeable future.

#### **Going concern**

The company has a strong net assets position and no external liabilities. As an investment holding company, internal loans have been provided to the subsidiary companies to support developments of their activities. Given this and the strength of the Accor brands in the UK, the directors have concluded that the business is in a very strong position to trade through the current economic uncertainty, accordingly these accounts have been prepared on the going concern basis.

#### **Events after the balance sheet date**

There were no significant events since the balance sheet date.

**Accor (U.K.) Limited**

**Directors' Report for the Year Ended 31 December 2017 (continued)**

**Auditor**

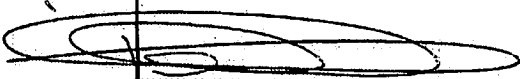
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Deloitte LLP as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 16/10/18 and signed on its behalf by:



Mr T A M Dubaere  
Director

## **Accor (U.K.) Limited**

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

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice ( United Kingdom Accounting Standards and applicable law ), including FRS 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Accor (U.K.) Limited**

### **Independent Auditor's Report to the Members of Accor (U.K.) Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of Accor (U.K.) Limited (the 'company'):

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

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 20.

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

##### **Basis for opinion**

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

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

##### **Conclusions relating to going concern**

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

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

##### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

## **Accor (U.K.) Limited**

### **Independent Auditor's Report to the Members of Accor (U.K.) Limited (continued)**

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

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

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

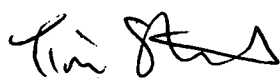


## **Accor (U.K.) Limited**

### **Independent Auditor's Report to the Members of Accor (U.K.) Limited (continued)**

#### **Use of our report**

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



.....  
Timothy Steel (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP, Statutory Auditor

London  
United Kingdom

Date: 16 / 10 / 18

## Accor (U.K.) Limited

### Income Statement for the Year Ended 31 December 2017

	Note	2017 £ 000	2016 £ 000
Turnover		2	-
Administrative expenses		(11)	(938)
Other gains	4	<u>-</u>	<u>1,212,926</u>
Operating loss		(11)	1,211,988
Interest receivable and similar income	5	3,139	1,790
Interest payable and similar expenses	6	<u>(1,805)</u>	<u>(1,425)</u>
		1,334	365
Profit before tax	7	1,323	1,212,353
Tax	10	<u>(255)</u>	<u>(70)</u>
Profit for the year		<u>1,068</u>	<u>1,212,283</u>

On 31 December 2016, the company sold its two main hotel operating subsidiaries, Accor Business & Leisure Hotels Limited and Accor UK Economy Hotels Limited for £1,212,925,603.

The above results were derived from continuing operations.

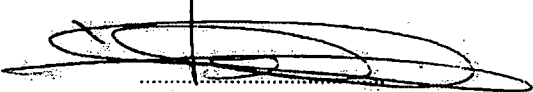
There are no items of other comprehensive income. Therefore no separate Statement of Comprehensive Income has been presented.

# Accor (U.K.) Limited

(Registration number: 01617210)  
Balance Sheet as at 31 December 2017

	Note	31 December 2017 £ 000	31 December 2016 £ 000
<b>Non current assets</b>			
Investments	11	491	491
<b>Current assets</b>			
Trade and other receivables	12	582,698	1,443,674
Cash and bank balances	13	6,450	-
		<u>589,148</u>	<u>1,443,674</u>
<b>Current liabilities</b>			
Loans and borrowings	14	(113,956)	(93,751)
Trade and other payables	15	(7)	(930)
Current tax liability		<u>(255)</u>	<u>(71)</u>
		<u>(114,218)</u>	<u>(94,752)</u>
<b>Net current assets</b>		<u>474,930</u>	<u>1,348,922</u>
<b>Total assets less current liabilities</b>		<u>475,421</u>	<u>1,349,413</u>
<b>Net assets</b>		<u>475,421</u>	<u>1,349,413</u>
<b>Equity</b>			
Share capital	16	85,530	85,530
Share premium reserve		30,770	30,770
Retained earnings		<u>359,121</u>	<u>1,233,113</u>
<b>Total equity</b>		<u>475,421</u>	<u>1,349,413</u>

Approved by the Board on 16/10/17 and signed on its behalf by:

  
Mr T A M Dubaere  
Director

# **Accor (U.K.) Limited**

## **Statement of Changes in Equity for the Year Ended 31 December 2017**

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2016	85,530	30,770	20,830	137,130
Profit for the year	-	-	1,212,283	1,212,283
Total comprehensive income	-	-	1,212,283	1,212,283
At 31 December 2016	85,530	30,770	1,233,113	1,349,413

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2017	85,530	30,770	1,233,113	1,349,413
Profit for the year	-	-	1,068	1,068
Total comprehensive income	-	-	1,068	1,068
Dividends 17	-	-	(875,060)	(875,060)
At 31 December 2017	85,530	30,770	359,121	475,421

The notes on pages 11 to 22 form an integral part of these financial statements.

## **Accor (U.K.) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017**

#### **1 General information**

The company is a private company limited by share capital, incorporated and domiciled in United Kingdom.

The address of its registered office is:

10 Hammersmith Grove  
London  
England  
W6 7AP  
England

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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

These financial statements were prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ('FRS 101').

##### **Summary of disclosure exemptions**

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, non-current asset held for sales, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions. Where relevant, equivalent have been given in the group accounts of Accor SA. The group's consolidated accounts are available to the public and can be obtained from Accor SA, Shareholders Relations Department, 82 Rue Henri Farman, 92130, Issy-les-moulineaux, France.

##### **Going concern**

As discussed in the directors' report, the directors consider that the company will continue in operational existence for the foreseeable future. The financial statements have been prepared on a going concern basis.

##### **Investments**

Investments in securities are classified on initial recognition as available-for-sale and are carried at fair value, except where their fair value cannot be measured reliably, in which case they are carried at cost, less any impairment.

Unrealised holding gains and losses other than impairments are recognised in other comprehensive income. On maturity or disposal, net gains and losses previously deferred in accumulated other comprehensive income are recognised in income.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

## **Accor (U.K.) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

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

##### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

##### **Tax**

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax balances are recognised in respect of all taxable temporary differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **Cash and bank balances**

Cash and bank balances comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### **Trade receivables**

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

## **Accor (U.K.) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

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

##### **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Financial assets and liabilities**

Financial assets are classified between the three main categories defined within AccorHotels group based on IAS 39, as follows:

1) Assets at fair value through profit or loss: these are financial assets acquired principally for the purpose of selling them in the near term or that are designated upon initial recognition as at fair value through profit or loss. They are measured at fair value, with changes in fair value recognized in profit or loss. This category mainly comprises derivative instruments.

2) Loans and receivables: these are financial assets with fixed or determinable payments that are not quoted on an active market and are not held for trading. They are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest method. This category includes cash, trade receivables, time deposits and loans to non-consolidated companies.

3) Available-for-sale financial assets: these correspond to all financial assets not included in either of the above categories. They are measured at fair value. Changes in fair value are accumulated in "Other comprehensive income" until the assets are sold, when they are reclassified to profit or loss. If their recoverable amount is less than their carrying amount due to a prolonged or significant impairment in value, an impairment loss is recognized in the income statement.

Financial liabilities are classified between the two main categories defined within AccorHotels group based on IAS 39, as follows:

1) Financial liabilities at amortized cost: these are initially recognized at the fair value of the consideration transferred and are subsequently measured at amortized cost using the effective interest method. Transaction costs and premiums directly attributable to the issue of a financial liability are deducted from the initial fair value. Financial liabilities at amortized cost are amortized by the yield-to-maturity method over the life of the liability, based on the effective interest rate. This category consists primarily of bonds, draw downs on bank lines of credit, bank overdrafts, trade payables and other payables.

2) Financial liabilities at fair value through profit or loss: these are financial liabilities held for trading. This category corresponds mainly to derivative instruments.

## **Accor (U.K.) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

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

##### **Borrowings**

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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

In the application of the Company's accounting policies the directors are required to make a number of judgements and assessments.

##### **Critical judgements in applying the Company's accounting policies**

The directors believe there are no critical judgements, apart from those involving estimations (which are dealt with separately below), that they have made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognised in the financial statements.

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

The directors consider the determination of the recoverable amount of the Company's amounts owed by group undertakings to be a source of estimation uncertainty given some of the group undertakings are loss making and/or in a net liability position. The Company has received a commitment from its ultimate parent company, Accor SA, that it will ensure that the loans due from the subsidiaries Onefinestay (Holdings) Ltd and Lifealike Ltd will be recoverable and to provide funding to them to the extent necessary, and having considered this, the directors have determined that the loans of £204,758,814 are recoverable and no impairment has been recorded.

The Company has loan to Accor HotelInvest UK Ltd, which was a fellow group company at 31 December 2017. The amount receivable under the loan is linked to the compensation claimed by Accor UK Economy Hotels Ltd, a subsidiary of Accor HotelInvest UK Ltd, as a result of the compulsory purchase order by HS2 of the Ibis Euston St Pancras hotel, a hotel which was previously managed by AccorHotels UK and owned by Accor UK Economy Hotels Ltd. The carrying amount of the loan reflects the directors' estimate of the proceeds to be received by Accor UK Economy Hotels Ltd from HS2 and is based on an external valuation of the hotel carried out in June 2017. The claim was submitted to HS2 on 17 April 2018 and the quantum of the proceeds is still under discussion.



## Accor (U.K.) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 4 Other gains

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

	2017 £ 000	2016 £ 000
Gain from disposals of investments in subsidiaries	<u>-</u>	<u>1,212,926</u>

The company sold its two main hotel operating subsidiaries, Accor Business & Leisure Hotels Limited and Accor UK Economy Hotels Limited for £1,212,925,603 on 31 December 2016.

#### 5 Interest receivable and similar income

	2017 £ 000	2016 £ 000
Interest income on receivable from group companies	<u>3,139</u>	<u>1,790</u>

#### 6 Interest payable and similar expenses

	2017 £ 000	2016 £ 000
Interest paid to group undertakings	<u>1,805</u>	<u>1,425</u>

#### 7 Profit before tax

The profit before tax is stated after charging:

	2017 £ 000	2016 £ 000
Gain from disposals of investments in subsidiaries	-	1,212,926
Interest income on receivable from group companies	3,139	1,790
Interest paid to group undertakings	<u>(1,805)</u>	<u>(1,425)</u>

#### 8 Staff costs

The company has no employees (2016 - none) other than the directors who did not receive any remuneration (2016 - £Nil).

No directors received any emoluments for their services to the company during the year. Remuneration of the directors from other group companies are disclosed in the accounts of those companies.

## Accor (U.K.) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 9 Auditor's remuneration

	2017 £ 000	2016 £ 000
<b>Audit fees</b>		
Audit of the financial statements	7	6
<b>Non audit fees</b>		
Taxation compliance services	6	6

#### 10 Income tax

##### Tax charged to the income statement

	2017 £ 000	2016 £ 000
<b>Current taxation</b>		
UK corporation tax	255	70

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2016 - the same as the standard rate of corporation tax in the UK) of 19.25% (2016 - 20%).

The differences are reconciled below:

	2017 £ 000	2016 £ 000
Profit before tax	1,323	1,212,353
Corporation tax at standard rate	255	242,471
Decrease from effect of revenues exempt from taxation	-	(242,586)
Increase from effect of expenses not deductible in determining taxable profit	-	185
Total tax charge	255	70

Finance Act No2 2015 included provisions to reduce the UK corporation tax rate to 19% with effect from 1 April 2017. Finance Act 2016 introduced further legislation to reduce the main rate of corporation tax to 17% from 1 April 2020 and these rates have therefore been used, to measure deferred tax assets and liabilities where applicable.

## Accor (U.K.) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 11 Investments

<b>Subsidiaries</b>	<b>£ 000</b>
<b>Cost or valuation</b>	
At 1 January 2017 and 31 December 2017	<u>491</u>
<b>Carrying amount</b>	
At 1 January 2017 and 31 December 2017	<u>491</u>

Details of the subsidiaries as at 31 December 2017 are as follows:

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2017	2016
Accor Ireland Hotels Ltd	Hospitality	24 - 26 City Quay Dublin 2 Ireland	Ordinary	100%	100%
Accor (U.K.) Management Ltd	Treasury Management	10 Hammersmith Grove London W6 7AP United Kingdom	Ordinary	100%	100%
Accor Hotelservices UK Ltd	Hospitality	10 Hammersmith Grove London W6 7AP United Kingdom	Ordinary	100%	100%
Onefinestay (Holdings) Ltd	Luxury Rentals	1 Shortlands London W6 8DR United Kingdom	Ordinary	100%	100%
Clondalkin Hotel Ltd	Property Management	24 - 26 City Quay Dublin 2 Ireland	Ordinary	100%	100%
Ibis UK Ltd	Dormant Company	10 Hammersmith Grove London W6 7AP United Kingdom	Ordinary	100%	100%
Constitution Bideo 2 Ltd	Luxury Rentals	1 Shortlands London W6 8DR United Kingdom	Ordinary	100%	100%
Lifelike Ltd	Luxury Rentals	300 St. John Street EC1V 4PA United Kingdom	Ordinary	100%	100%
Lifelike USA Ltd	Dormant Company	300 St. John Street EC1V 4PA United Kingdom	Ordinary	100%	100%

## Accor (U.K.) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 11 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2017	2016
Onefinestay Memberships Club Ltd	Dormant Company	300 St. John Street London EX1V 4PA United Kingdom	Ordinary	100%	100%
Pierpont Reservations Ltd	Luxury Rentals	300 St. John Street London EC1V 4PA United Kingdom	Ordinary	100%	100%
Pierpont France Ltd	Luxury Rentals	300 St. John Street London EC1V 4PA United Kingdom	Ordinary	100%	100%
Pierpont Galleries Ltd	Luxury Rentals	300 St. John Street London EC1V 4PA United Kingdom	Ordinary	100%	100%
Galleries Worldwide Ltd	Luxury Rentals	300 St. John Street London EC1V 4PA United Kingdom	Ordinary	100%	100%
Vesta S.R.L.	luxury Rentals	Via Ponte La Pietra Snc Cassino (FR) 03043 Italy	Ordinary	100%	100%
Auguste SAS	Luxury Rentals	89 Rue du Faubourg St. Antoine, Cour de la Masion Brûlée France	Ordinary	100%	100%
Anatole SAS	Luxury Rentals	89 Rue du Faubourg St. Antoine, Cour de la Masion Brûlée France	Ordinary	100%	100%
Brumaire SAS	Luxury Rentals	89 Rue du Faubourg St. Antoine, Cour de la Masion Brûlée France	Ordinary	100%	100%
Brummell Holding Inc.	Luxury Rentals	52 Walker Street 3rd Floor New York NY 10013 USA	Ordinary	100%	100%
Brummell LLC	Luxury Rentals	52 Walker Street 3rd Floor New York NY 10013 USA	Ordinary	100%	100%

## Accor (U.K.) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 11 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2017	2016
Brummell Galleries LLC	Luxury Rentals	52 Walker Street 3rd Floor New York NY 10013 USA	Ordinary	100%	100%
Brummell LLC	CA Luxury Rentals	8460 Higuera Street Culver City CA 90232 USA	Ordinary	100%	100%
Ferrers Holding Inc.	Luxury Rentals	52 Walker Street 3rd Floor New York NY 10013 USA	Ordinary	100%	100%
Ferrers LLC	Luxury Rentals	52 Walker Street 3rd Floor New York NY 10013 USA	Ordinary	100%	100%
Ferrers Galleries LLC	Luxury Rentals	52 Walker Street 3rd Floor New York NY 10013 USA	Ordinary	100%	100%
Ferrers CA LLC	Luxury Rentals	5870 West Jefferson Blvd Stu A Los Angeles CA 90016 USA	Ordinary	100%	100%

#### 12 Trade and other receivables

	31 December 2017 £ 000	31 December 2016 £ 000
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	419,453	1,300,130
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group undertakings	163,245	143,544
	<u>582,698</u>	<u>1,443,674</u>

## Accor (U.K.) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 12 Trade and other receivables (continued)

The amounts owed by group undertakings comprise:

- a loan to Onefinestay (Holdings) Ltd in relation to the acquisition of Lifealike Ltd in 2016 and a loan to Lifealike Ltd, which is a subsidiary company of Onefinestay (Holdings) Ltd to support cash flow for working capital and due for repayment by May 2021; interest is charged on a compound basis from the date of the drawdown by the company to the borrowers at BBA LIBOR 1 month + 150 basis points (see further details in note 3).
- a loan to Accor HotelInvest UK Ltd linked to the compulsory purchase order by HS2 of the Ibis Euston St Pancras hotel (see further details in note 3); this loan is a 3-month renewable loan with an interest rate based on BBA LIBOR 3 month + 70 basis points and the loan agreement provides that, within 10 business days of receipt of a compulsory purchase compensation payment by Accor UK Economy Hotels Ltd, the Borrower shall repay that amount to the Lender subject to certain adjustment and deductions.
- an inter-company balance with Accor Hotelservices UK Ltd related to the purchase of the hotel management & franchising business from Accor UK Business & Leisure Hotels Ltd on 31 May 2017. Repayment is due on demand. No interest is charged.

#### 13 Cash and bank balances

	31 December 2017 £ 000	31 December 2016 £ 000
Short-term deposits	6,450	-

#### 14 Loans and borrowings

	31 December 2017 £ 000	31 December 2016 £ 000
<b>Current loans and borrowings</b>		
Bank overdrafts	33,544	13,595
Other borrowings	80,412	80,156
	<u>113,956</u>	<u>93,751</u>

Bank overdrafts of £33,543,542 (2016: £13,594,915) relate to a cash pooling arrangement within Accor (U.K.) Ltd and its subsidiary companies. Interest is charged on the basis of the effective interest method.

Other borrowings of £80,412,336 (2016 : £80,156,277) are amounts owed to the company's immediate and ultimate parent company, Accor SA. These are 2-month renewable loans. Interest is charged on a compound basis from the date of the draw down by the lender to the company at BBA LIBOR 3 month + 70 basis points.

## Accor (U.K.) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 15 Trade and other payables

	31 December 2017 £ 000	31 December 2016 £ 000
Accrued expenses	7	6
Other Payables	-	924
	<u>7</u>	<u>930</u>

#### 16 Share capital

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

	31 December 2017		31 December 2016	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	<u>85,530</u>	<u>85,530</u>	<u>85,530</u>	<u>85,530</u>

#### 17 Dividends

	31 December 2017 £ 000	31 December 2016 £ 000
Final dividend of £Nil (2016 - £Nil) per ordinary share	-	-
Interim dividend of £10.23 (2016 - £Nil) per ordinary share	<u>875,060</u>	<u>-</u>
	<u>875,060</u>	<u>-</u>

The interim dividends of £875,060k ( £10.23 per ordinary share ) was paid on 30 June 2017.

#### 18 Contingent liabilities

Accor (U.K.) Limited and its UK subsidiaries operate a collective net overdraft facility of £1 million (2016: £10 million) with the Accor UK group's bank. As part of this arrangement, the company has provided certain guarantees in respect of the overdraft position of UK subsidiaries of Accor (U.K.) Limited. In addition to the net overdraft facility agreement within UK, Accor (U.K.) Limited has a treasury agreement with immediate and ultimate parent company, Accor SA to deposit or withdraw funds to manage a daily cash flow.

## **Accor (U.K.) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

#### **19 Related party transactions**

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

#### **20 Parent and ultimate parent undertaking**

The company's immediate and ultimate parent is Accor SA.

The ultimate controlling party is Accor SA.

The parent of the largest and smallest group in which these financial statements are consolidated is Accor SA, incorporated in France.

The address of Accor SA is:  
82 Rue Henri Farman  
Issy-les-moulineaux 92130 France

The group's consolidated accounts are available from Accor SA Shareholder Relations Department.