

B&L ACCOR 4 LIMITED

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



B&L ACCOR 4 LIMITED

COMPANY INFORMATION

Directors	H O A Deligny T A M Dubaere
Company secretary	J J Schmitt
Registered number	4445821
Registered office	1 Shortlands Hammersmith London W6 8DR
Independent auditor	Deloitte LLP Chartered Accountants & Statutory Auditor London
Bankers	HSBC Bank plc 8 Canada Square London E14 5HQ
Solicitors	Pinsent Masons 30 Crown Place Earl Street London EC2A 4ES

B&L ACCOR 4 LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Directors' responsibilities statement	4
Independent auditor's report	5 - 6
Income statement	7
Balance sheet	8
Statement of changes in equity	9 - 10
Notes to the financial statements	11 - 18

B&L ACCOR 4 LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

This report is prepared in accordance with the special provisions relating to small companies under s 415(a) of the Companies Act 2006. As B&L Accor 4 Limited is entitled to the small companies exemption, no Strategic Report has been prepared.

The directors present their report and the financial statements for the year ended 31 December 2015.

Principal activity

The company's principal activity is the development and management of hotel properties. The company expects to continue this trade for the foreseeable future.

On 6 February 2013 the company purchased land and a building in Canary Wharf, London. The company has demolished the building and is constructing a 313 bedroom Novotel hotel at a total cost in the region of £100m on the site. The hotel is expected to open for trade in early 2017.

Results and dividends

The loss for the year, after taxation, amounted to £15,111 (2014 - £4,615).

Business review

The loss arose on pre-trading expenditure related to the hotel development. Asset costs incurred during the year in connection with the hotel development were capitalised and are shown on the balance sheet. The directors do not recommend the payment of a dividend (2014: £nil)

Financial risk management objectives and policies

The company is currently constructing a hotel on a site in London. At present the principal risk facing the company is that the one or more of the contractors engaged on the development could default on its contractual obligations to the company, resulting in the company incurring delays and additional costs in completing the hotel. The company has obtained insurance and performance bonds from the contractors to protect against this possibility, and the directors are of the opinion that this is a small risk.

There is a risk that the fair value of the hotel is lower than the carrying value of £52.44m asset value of the hotel under construction as shown in these accounts. However the director's are of the opinion that the fair value is equal to or greater than the carrying value.

All of the company's business is transacted in Sterling and accordingly the company is not exposed to any exchange rate fluctuations.

The director's are of the opinion that the company is not exposed to any other risks.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

Environment

The Accor Group in the UK recognise that its activities impact upon the environment through its routine operations, its infrastructural development, and through its influence and effects on the wider community. The Group acknowledges a responsibility for, and a commitment to, protection of the environment at all levels. Accor will comply fully with environmental legislation and is committed to promoting environmental management policies and practices such as ISO 14001 and 'Green Globe', a benchmarking and certification scheme dedicated to all sectors of the tourism industry. Energy saving innovations introduced to the Group's hotels in recent years have included the installation of plant and machinery time controls and low energy lamps to minimise waste and pollution and reduce CO2 emission and the fitting of new shower heads and flow regulators to reduce water consumption. Accor aims to increase the awareness of environmental responsibilities among staff and guests through its 'Planet 21' environmental charter, by incorporating long term strategies for energy efficiency into the planning and development of hotels, by promoting a purchasing policy which will give preference, as far as practicable, to those products and services which cause the least harm to the environment and by working with local communities and agencies as appropriate to promote environmental policies. Since 2011 water consumption has been cut by almost 9%, energy consumption by 5% and carbon emissions by 6%, and by 2020 the Group plans to produce 30% less food waste.

Going Concern

Notwithstanding the fact that the company is in a net liabilities position, the director considers that the company will continue in operational existence for the foreseeable future. The company's parent has undertaken to provide financial support to the company for the foreseeable future, and in any case for a period of not less than 12 months from the date of the directors' report, should this be necessary in order for the company to continue trading. After considering the ability of the immediate parent company to provide this support, the directors continue to adopt the going concern basis in preparing financial statements, meaning in particular that the profit and loss account and balance sheet assume no intention or necessity to liquidate or curtail significantly the scale of the operation.

Directors

The directors who served during the year were:

H O A Deligny
T A M Dubaere

Disclosure of information to 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.

Post balance sheet events

Jean Schmitt resigned as Company Secretary on 8 January 2016. Adrian Whitehead was appointed as Company Secretary on 22 January 2016.

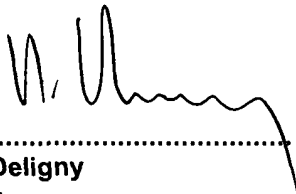
B&L ACCOR 4 LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

Auditors

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



H O A Deligny
Director

Date: 28 AUGUST 2016

1 Shortlands
Hammersmith
London
W6 8DR

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015**

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

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

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

B&L ACCOR 4 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF B&L ACCOR 4 LIMITED

We have audited the financial statements of B&L Accor 4 Limited for the year ended 31 December 2015, which comprise the Income statement, the Balance Sheet, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law including Financial Reporting Standard 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, 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

B&L ACCOR 4 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF B&L ACCOR 4 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.



Timothy Steel (Senior statutory auditor)

for and on behalf of
Deloitte LLP

Chartered Accountants
Statutory Auditor

London

Date: 1/9/2016

B&L ACCOR 4 LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015**

		2015	2014
		£	£
Other external charges		(18,923)	(5,879)
Gross loss		(18,923)	(5,879)
Tax on loss	5	3,812	1,264
Loss for the Year		(15,111)	(4,615)

The notes on pages 11 to 18 form part of these financial statements the results relate to continuing activities.

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

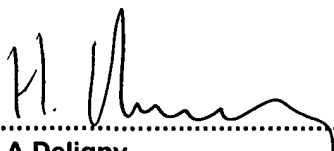
B&L ACCOR 4 LIMITED
REGISTERED NUMBER: 4445821

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Fixed assets		52,449,181	30,304,951
Current assets		1,545,908	781,167
Creditors: amounts falling due within one year	8	(54,026,855)	(31,102,773)
Net current liabilities		(52,480,947)	(30,321,606)
Total assets less current liabilities		(31,766)	(16,655)
Net liabilities		(31,766)	(16,655)
Share capital		1	1
Retained earnings	10	(31,767)	(16,656)
Capital and reserves		(31,766)	(16,655)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

28 AUGUST 2016



H O A Deligny
 Director

B&L ACCOR 4 LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Share capital £	Retained earnings £	Total equity £
At 1 January 2015	1	(16,656)	(16,655)
Comprehensive income for the Year			
Loss for the Year	-	(15,111)	(15,111)
Total comprehensive income for the Year	-	(15,111)	(15,111)
At 31 December 2015	1	(31,767)	(31,766)

B&L ACCOR 4 LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2014	1	(12,041)	(12,040)
Comprehensive income for the year			
Loss for the year	-	(4,615)	(4,615)
Total comprehensive income for the year	-	(4,615)	(4,615)
At 31 December 2014	1	(16,656)	(16,655)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. Accounting policies

1.1 Basis of preparation of financial statements

B & L Accor 4 Limited is a Company incorporated in the United Kingdom under the Companies Act 2006.

The Company is a private Company limited by shares and is registered in England. The address of the Company's registered office is shown on contents page.

The nature of the Company's operations and its principal activities are set out in the Directors' report on pages 1 to 3.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the group accounts of Accor SA. The group accounts of Accor SA are available to the public and can be obtained as set out in note 14. The registered office address of the parent Company preparing consolidated accounts is Tour Sequana, 82 Rue Henry-farman, Issy-les-moulineaux 92130, France.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2015 the Company has undergone transition from reporting under UKGAAP to FRS 101 as issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. This transition is not considered to have had a material effect on the financial statements.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. Where relevant, equivalent disclosures have been given in the group accounts of Accor SA.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. Accounting policies (continued)**1.2 Adoption of new and revised Standards****Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year**

In the current year, the Company has applied a number of amendments to IFRSs and a new Interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2015. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are not yet effective are expected to have a material impact for the company.

IFRIC 21 Levies

The Company has adopted IFRIC 21 Levies for the first time in the current year. IFRIC 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Company's financial statements.

Annual Improvements to IFRSs: 2011-2013

The Company has adopted the various amendments to a number of standards. IFRS 3 Business Combinations, IFRS 13 Fair Value Measurement and IAS 40 Investment Property. The majority of the amendments are in the nature of clarifications rather than substantive changes to existing requirements.

1.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. Accounting policies (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold property	- 50 years
Fixed plant (air conditioning, heating, plumbing etc)	- 10-20 years
Fixtures, fittings, furniture and equipment, vehicles	- 3-10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Income Statement.

Assets under construction, representing a hotel being developed, are not depreciated.

1.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.5 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. Accounting policies (continued)**1.6 Foreign currency translation****Functional and presentation currency**

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Income statement within 'other operating income'.

1.7 Going concern

As discussed in more detail in the Directors' Report, the directors consider that the company will continue in operational existence for the foreseeable future. The financial statements have hence been prepared on the going concern basis, meaning in particular that the profit and loss account and balance sheet assume no intention or necessity to liquidate or curtail significantly the scale of the operation.

1.8 Borrowing costs

All borrowing costs are recognised in the Income statement in the Year in which they are incurred.

1.9 Taxation

Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. Judgments in applying accounting policies 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. These include ensuring that the fixed assets, currently a hotel under construction, are regularly reviewed to ensure that their carrying value is appropriate.

3. Operating loss

The operating loss is stated after charging:

	2015 £	2014 £
Auditors' remuneration	3,000	2,900
Exchange differences	(5)	-
	<u> </u>	<u> </u>

During the Year, no director received any emoluments (2014 - £NIL).

4. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2014 - £NIL).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

5. Taxation

	2015 £	2014 £
Corporation tax		
Current tax on losses for the year	(3,812)	(1,264)
Total current tax	<u>(3,812)</u>	<u>(1,264)</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2014 - the same as) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%) as set out below:

	2015 £	2014 £
Loss on ordinary activities before tax	<u>(18,923)</u>	<u>(5,879)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	<u>(3,812)</u>	<u>(1,264)</u>
Total tax credit for the year	<u>(3,812)</u>	<u>(1,264)</u>

Factors that may affect future tax charges

At the balance sheet date, the Finance (No 2) Act 2015 had been substantively enacted confirming that the main UK corporation tax rate will reduce from 20% to 19% with effect from 1 April 2017 and then to 18% from 1 April 2020. Therefore, at 31 December 2015, deferred tax assets and liabilities have been calculated at the rate at which the temporary difference is expected to reverse after 1 April 2016. These reductions may also reduce the company's future current tax charges accordingly

6. Tangible fixed assets

	Constructio n in progress £
Cost or valuation	
At 1 January 2015	30,304,951
Additions	22,144,230
At 31 December 2015	<u>52,449,181</u>
At 31 December 2014	<u>30,304,951</u>

The asset value includes £1,575,502 of capitalised interest (2014: £820,427).

B&L ACCOR 4 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

6. Tangible fixed assets (continued)

7. Debtors

	2015 £	2014 £
Amounts owed by group undertakings	136,758	-
Other debtors	32,709	-
Prepayments and accrued income	-	129,046
Tax recoverable	1,376,441	652,121
	<u>1,545,908</u>	<u>781,167</u>

8. Creditors: Amounts falling due within one year

	2015 £	2014 £
Bank overdrafts	3,784,258	2,519,101
Trade creditors	2,110,365	670,825
Amounts owed to group undertakings	47,767,279	27,864,918
Other creditors	305,583	47,929
Accruals and deferred income	59,370	-
	<u>54,026,855</u>	<u>31,102,773</u>

9. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
1 Ordinary Shares share of £1	<u>1</u>	<u>1</u>

10. Reserves

Profit and loss account

There has been no movement in reserves other than the profit for the financial year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

11. Contingent liabilities

Accor UK Limited and its UK subsidiaries operate a collective net overdraft facility of £10 million (2014: £10 million) with the 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 UK Limited.

12. Capital commitments

At 31 December 2015 the company had capital commitments authorised or contracted of £6,912,159 (2014: £12,072,602).

13. 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.

14. Controlling party

The ultimate parent company and controlling party is Accor SA, registered in France at Tour Sequana, 82 Rue Henry-farman, Issy-les-moulineaux 92130, France. This was both the smallest and largest group for which consolidated accounts are prepared. Copies of the group accounts are available from:

Accor S A Shareholder Relations Department
Tour Sequana,
82 Rue Henry-farman,
Issy-les-moulineaux 92130,
France

The immediate parent company is Accor UK Business & Leisure Hotels Limited, a company incorporated in Great Britain and registered in England and Wales. Copies of these accounts are available from:

AccorHotels UK Finance Department
10 Hammersmith Grove
Hammersmith
London W6 7AP

15. First time adoption of FRS 101

The policies applied under the entity's previous accounting framework are not materially different to FRS 101 and have not impacted on equity or profit or loss.