

Registered number: 04445821

B&L ACCOR 4 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016



B&L ACCOR 4 LIMITED

COMPANY INFORMATION

Directors	O M P Daguzan (appointed 6 February 2017) A S B Bernard (appointed 30 June 2017) E M G B De La Ronciere (appointed 30 June 2017) T A M Dubaere (resigned 30 June 2017) H A O Deligny (resigned 31 August 2016)
Company Secretary	C M M Verstraete (appointed 30 June 2017) A J Whitehead (appointed 22 February 2016, resigned 30 June 2017) J J M Schmitt (resigned 8 January 2016)
Registered number	04445821
Registered office	1 Shortlands Hammersmith London W6 8DR
Independent auditor	Deloitte LLP Statutory Auditor London
Bankers	HSBC Bank plc PO Box 61004 2nd Floor London SE1 9RX

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DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

This report is prepared in accordance with the special provisions relating to small companies under s415(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.

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 has constructed a 313 bedroom Novotel hotel at a total cost in the region of £100m on the site. The hotel opened on 14 February 2017.

Results and dividends

The loss for the year, after taxation, amounted to £23,545 (2015 - £15,111).

Business review

The loss arose on pre-trading expenditure related to the hotel development. Asset development 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 (2015: £nil)

Financial risk management

There is a risk that the fair value of the hotel is lower than the carrying value of £71.54m 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.

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

DIRECTOR'S REPORT (CONTINUED)

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.

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 and up to the date of signing were:

O M P Daguzan (appointed 6 February 2017)
A S B Bernard (appointed 30 June 2017)
E M G B De La Ronciere (appointed 30 June 2017)

T A M Dubaere (resigned 30 June 2017)
H A O Deligny (resigned 31 August 2016)

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.

DIRECTOR'S REPORT (CONTINUED)

Post balance sheet events

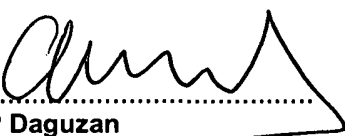
The Novotel Canary Wharf opened on 14 February 2017. The company leases this hotel to a fellow group company, Accor UK B&L Limited.

O Daguzan was appointed a Director on 6 February 2017. A S B Bernard and E M G B De La Ronciere were appointed Directors on 30 June 2017. C M M Verstraete was appointed company secretary on 30 June 2017.

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 on 26 September 2017 and signed on its behalf.


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O M P Daguzan

Director

1 Shortlands
Hammersmith
London
W6 8DR

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

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
- 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 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.

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

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 2016, which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes (from note 1 to note 16). The relevant financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 2016 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, 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 those financial statements and;
- the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors 'Report.

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

Statutory Auditor

London

Date: 26 / 9 / 17

B&L ACCOR 4 LIMITED

INCOME STATEMENT**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Other external charges		<u>(29,433)</u>	<u>(18,923)</u>
Gross loss		(29,433)	(18,923)
Tax on loss	6	<u>5,887</u>	<u>3,812</u>
Loss for the year		<u>(23,546)</u>	<u>(15,111)</u>

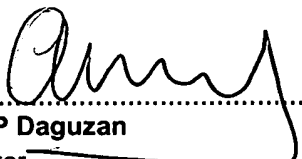
There are no items of other comprehensive income. Therefore no separate Statement of other Comprehensive Income has been presented.

B&L ACCOR 4 LIMITED

BALANCE SHEET**AS AT 31 DECEMBER 2016**

	Note	2016 £	2015 £
Fixed assets			
Tangible fixed assets	7	<u>71,545,333</u>	<u>52,449,181</u>
		<u>71,545,333</u>	<u>52,449,181</u>
Current assets			
Debtors: amounts falling due within one year	8	812,872	1,545,908
Current liabilities			
Overdraft	10	(2,538,013)	(3,784,258)
Creditors: amounts falling due within one year	9	(69,875,505)	(50,242,597)
Net current liabilities		<u>(71,600,645)</u>	<u>(52,480,947)</u>
Total assets less current liabilities		<u>(55,312)</u>	<u>(31,766)</u>
Net liabilities		<u>(55,312)</u>	<u>(31,766)</u>
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account	12	(55,313)	(31,767)
		<u>(55,312)</u>	<u>(31,766)</u>

The financial statements (company number 04445821) were approved by the board of directors and authorised for issue on 26 September 2017 and were signed on its behalf by:


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O M P Daguzan
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital £	Retained earnings £	Total equity £
At 1 January 2016	1	(31,767)	(31,766)
Comprehensive income for the year			
Loss for the year	-	(23,546)	(23,546)
Total comprehensive income for the year	-	(23,546)	(23,546)
At 31 December 2016	1	(55,313)	(55,312)

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)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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 the company information page.

The nature of the Company's operations and its principal activities are set out in the directors' report on pages 3 to 5.

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 15. 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, these financial statements were prepared in accordance with Financial Reporting Standards 101 'Reduced Disclosure Framework'.

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 (CONTINUED)

1.2 Tangible assets

Tangible 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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.

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.

Depreciation is provided on the following basis:

Freehold property	- 35-50 years
Long-term leasehold property	- Over the shorter of the lease term or the estimated useful life
Plant and machinery	- 10-20 years
Fixtures and fittings	- 3-10 years
Other fixed assets	- Not depreciated (assets under construction)

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.

1.3 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.

1.4 Cash and Cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

1.6 Foreign currency translation

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. Nonmonetary 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 Borrowing costs

All borrowing costs are recognised in the Income Statement in the year in which they are incurred.

1.8 Going concern

As discussed in the directors' report, the directors consider that the company will continue in operational existence for the foreseeable future. The accounts 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.

1.9 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 (CONTINUED)**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. The directors do not believe there are any critical judgements or estimation uncertainties that have a significant risk of causing a material adjustment within the next financial year.

3. Operating loss

The operating loss is stated after (charging)/ crediting:

	2016	2015
	£	£
Exchange differences	(8,231)	5
Auditor's remuneration	(3,000)	(3,000)

During the year, no director received any emoluments (2015 - £NIL).

4. Auditor's remuneration

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

	2016	2015
	£	£
Fees for auditing the financial statements	(3,000)	(3,000)

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2015 -£NIL).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	5,887	3,812
Total current tax	<u>5,887</u>	<u>3,812</u>

Factors affecting tax credit for the year

The tax assessed for the year is the same as (2015 - *the same as*) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%) as set out below:

	2016 £	2015 £
Loss on ordinary activities before tax	<u>(29,433)</u>	<u>(18,923)</u>
Loss on ordinary activities multiplied by standard rate of corporation in the UK of 20% (2015 - 20.25%)	5,887	3,812
Total tax credit for the year	<u>5,887</u>	<u>3,812</u>

Factors that may affect future tax charges

At the balance sheet date, the Finance (No 2) Act 2016 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 17% from 1 April 2020. Therefore, at 31 December 2016, deferred tax assets and liabilities have been calculated at the rate at which the temporary difference is expected to reverse after 1 April 2017. These reductions may also reduce the company's future current tax charges accordingly.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Tangible assets

	Construction in progress £
Cost or valuation	
At 1 January 2016	52,449,181
Additions	21,163,494
Intercompany transfers	(2,067,342)
At 31 December 2016	71,545,333
Net book value	
At 31 December 2016	71,545,333
At 31 December 2015	52,449,181

The asset value includes £2,736,214 of capitalised interest (2015: £1,575,502).

8. Debtors

	2016 £	2015 £
Corporation tax - Group relief	5,887	3,812
Amounts owed by group undertakings	-	132,946
Other debtors	42,157	32,709
Tax recoverable	764,829	1,376,441
	812,872	1,545,908

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	(718,124)	(2,110,365)
Amounts owed to group undertakings	(68,225,149)	(47,767,279)
Other creditors	(929,232)	(305,583)
Accruals and deferred income	(3,000)	(59,370)
	<u>(69,875,505)</u>	<u>(50,242,597)</u>

10. Cash and cash equivalents

	2016 £	2015 £
Overdraft	(2,538,013)	(3,784,258)
	<u>(2,538,013)</u>	<u>(3,784,258)</u>

11. Share capital

	2016 £	2015 £
Allotted, called up and fully paid 1 Ordinary shares of £1 each	1	1

12. Reserves

Profit and loss account

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

13. Contingent liabilities

Accor UK Limited and its UK subsidiaries operate a collective net overdraft facility of £10 million (2015: £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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Capital commitments

At 31 December 2016 the company had capital commitments authorised or contracted of £3,500,000 (2015: £6,912,159).

15. 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.

16. Controlling party

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

Accor SA Shareholder Relations Department
82 rue Henry Farman,
92130 Issy-les-Moulineaux
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:

Accor Hotels UK Finance Department
10 Hammersmith Grove
Hammersmith
London W6 7AP

17. Subsequent event

The Novotel Canary Wharf has opened on 14 February 2017.