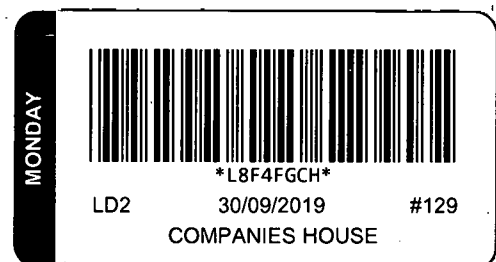


Registered number: 04445821

B&L ACCOR 4 LIMITED

AUDITOR'S REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018



B&L ACCOR 4 LIMITED

COMPANY INFORMATION

Directors	O M P Daguzan A S B Neubert E M G B De La Ronciere
Company secretary	C M M Verstraete
Registered number	04445821
Registered office	10 Hammersmith Grove London W6 7AP
Independent auditor	Deloitte LLP Statutory Auditor London
Bankers	HSBC Bank plc PO Box 61004 2nd Floor London SE1 9RX

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the audited financial statements and auditor's report for the year ended 31 December 2018.

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 and future developments

The company's principal activity is the ownership of Novotel Canary Wharf, a 313 bedroom hotel which opened on 14 February 2017 following a four year development process, which it leases to Accor UK Business and Leisure Hotels Limited. The company expects to continue this trade for the foreseeable future.

Environmental matters

The AccorInvest Group is both owner and operator of a property portfolio of owned and leased hotels. The Group invests to consolidate its property portfolio through hotel renovations and new hotel developments on economy and midscale segments. B&L Accor 4 is part of the AccorInvest Group. The AccorInvest 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. AccorInvest 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. AccorInvest aims to increase the awareness of environmental responsibilities among staff and guests through its environment 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

The company was in a net asset position at the year end, but in a net current liability position. The company's immediate parent, Accor UK Business and Leisure Hotels Limited, has undertaken to provide additional financial support to the company for the foreseeable future, 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 consider that the company will continue in operational existence for the foreseeable future, being at least 12 months from the date of signing these financial statements. Therefore, the directors continue to adopt the going concern basis in preparing financial statements, meaning in particular that, the profit and loss account and the balance sheet assume no intention or necessity to liquidate or curtail significantly the scale of the operation.

DIRECTORS' REPORT (CONTINUED)

Directors

The directors who served during the year and up to the date of signing this report were:

O M P Daguzan
A S B Neubert
E M G B De La Ronciere

Financial Risk Management

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. These risks are mitigated by the company's activities being based fully in the UK, transactions being primarily with fellow group companies and with limited exposure to trade receivables or foreign currencies. The company is funded via short term intercompany sterling loans and group overdraft facilities. The company does not use derivative financial instruments.

Although the overall impact of Brexit is still unknown, the directors do not consider that Brexit would threaten the long-term viability of the business.

Results and dividends

The profit for the year, after taxation, amounted to £1,084,025 (2017: loss of £825,480).

During the year, no dividends were paid (2017: £nil) and the directors do not propose the payment of a final dividend.

Post balance sheet events

There were no significant events occurring after the reporting period.

DIRECTORS' REPORT (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.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

This report was approved by the board on 25/09/12 and signed on its behalf.



.....
O M P Daguzan

Director
10 Hammersmith Grove
London
W6 7AP

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

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 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.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF B&L ACCOR 4 LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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 of B&L Accor 4 Limited which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18.

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 (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.

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 Financial Reporting Council's website at: 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

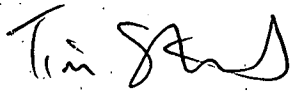
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

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: 25/9/19

B&L ACCOR 4 LIMITED**INCOME STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover	3	3,883,659	2,899,691
Gross profit		3,883,659	2,899,691
Administrative expenses		(1,925,448)	(1,601,252)
Operating profit		1,958,211	1,298,439
Interest receivable and similar income	8	34,721	(56,219)
Interest payable and similar expenses	7	(1,488,119)	(1,219,587)
Profit before tax	4	504,813	22,633
Tax on profit or loss	9	579,212	(848,113)
Profit/(Loss) for the year		1,084,025	(825,480)

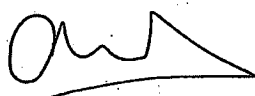
The results relate to continuing activities.

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

B&L ACCOR 4 LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
Fixed assets			
Investment property	10	73,783,651	75,070,606
		<u>73,783,651</u>	<u>75,070,606</u>
Current assets			
Debtors	11	2,606,507	4,540,599
Cash at bank and in hand		6,111,764	482,498
Total current assets		<u>8,718,271</u>	<u>5,023,097</u>
Current liabilities			
Creditors - Amounts due within one year	12	(81,233,066)	(80,126,382)
Total current liabilities		<u>(81,233,066)</u>	<u>(80,126,382)</u>
Net current liabilities		<u>(72,514,795)</u>	<u>(75,103,285)</u>
Total assets less current liabilities		<u>1,268,856</u>	<u>(32,679)</u>
Provision for liabilities			
Deferred Taxation	13	(1,065,623)	(848,113)
Net assets/(liabilities)		<u>203,233</u>	<u>(880,792)</u>
Capital and reserves			
Called up share capital	14	1	1
Profit and loss account	15	203,232	(880,793)

The financial statements of B&L Accor 4 Limited, register number 04445821, were approved and authorised for issue by the board on 25/09/19 and were signed on its behalf by:



.....
O M P Daguzan
Director

B&L ACCOR 4 LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital £	Retained earnings £	Total equity £
At 1 January 2018	1	(880,793)	(880,792)
Comprehensive income for the year			
Profit for the year	-	1,084,025	1,084,025
Total comprehensive income for the year	-	1,084,025	1,084,025
At 31 December 2018	1	203,232	203,233

FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital £	Retained earnings £	Total equity £
At 1 January 2017	1	(55,313)	(55,312)
Comprehensive loss for the year			
Loss for the year	-	(825,480)	(825,480)
Total comprehensive loss for the year	-	(825,480)	(825,480)
At 31 December 2017	1	(880,793)	(880,792)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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 AccorInvest Group SA. The group accounts of AccorInvest Group SA can be obtained as set out in note 18. The registered office address of the parent company preparing consolidated accounts is 26a Boulevard Royal, 2449 Luxembourg, Luxembourg.

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 certain revenue requirements of IFRS 15, 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 AccorInvest Group SA.

Amendments to IFRSs and the new Interpretations that are mandatorily effective for the current year.

In the current year, the company has applied a number of amendments to IFRSs and two new interpretations issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2018.

They mainly related to:

-IFRS 9: Financial Instruments. IFRS 9 addresses the classification and measurement of financial assets and liabilities, introduces a new impairment model for financial assets and new rules for hedge accounting.

-IFRS 15: Revenue from contracts with customers. IFRS 15 introduces a single revenue recognition model applicable to all types of transactions. This new standard follows five key steps and is based on the principle that revenue is recognized when control of goods or services transfer to a customer.

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1.2 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is stated in the accounts under the cost model.

The investment property is accounted 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 Going concern

As discussed in the directors' report, the directors consider that the company will continue in operational existence for the foreseeable future being at least 12 months from the date of signing these financial statements. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1.4 Turnover

In accordance with IFRS 15, turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. When contracts with customers included more than one performance obligation, revenue allocation is made on the basis of stand-alone prices.

In accordance with IFRS 15, turnover corresponds to the value of goods and services sold in the ordinary course of business. It corresponds to the revenue received from clients for accommodation, catering and other services provided by owned and leased hotels.

Revenue from product sales is recognized when the control over the product is transferred to the client.

Revenue from sales of services is recognized when the service is rendered.

The adoption of IFRS 15 had no impact on the timing of revenue recognition.

1.5 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.

1.6 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.

1.7 Interest income

Interest income is recognised in the Income Statement using the effective interest method.

1.8 Borrowing costs

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

1.9 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 (CONTINUED)

1.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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.

Deferred tax balances are recognised in respect of all 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.

2. Judgements 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 estimates. The only critical judgement made by management in the preparation of consolidated financial statements concerns the accounting policy for investment property. Since the properties are operated by fellow group companies and from a group point of view they are not investment properties, the directors believe it is more appropriate to hold them at cost less impairment rather than at valuation.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Turnover and revenue

	2018	2017
	£	£
Rent from fellow group company	3,883,659	2,899,691
	<u>3,883,659</u>	<u>2,899,691</u>

4. Profit/(Loss) before tax

The profit/(loss) before tax is stated after charging:

	2018	2017
	£	£
Depreciation of investment property	(1,851,173)	(1,566,348)
Auditor's remuneration (see note 5)	(3,600)	(4,400)

During the year, no director received any emoluments (2017: none).

5. Auditor's remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements:

	2018	2017
	£	£
Auditor's remuneration	(3,600)	(4,400)

6. Employees

The company has no employees other than the directors, who did not receive any remuneration (2017: none). The directors are also the directors of other subsidiaries undertaking within the Group and their remuneration for the year was paid by other undertakings.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Interest payable and similar expenses

	2018	2017
	£	£
Loans from group undertakings	<u>(1,488,119)</u>	<u>(1,275,806)</u>
	<u>(1,488,119)</u>	<u>(1,275,806)</u>

B&L Accor 4 Limited contracted a 6 months loan with AccorInvest UK BCT Limited. The interest rate is LIBOR six-month + 0.7 basis points margin.

8. Interest receivable and similar income

	2018	2017
	£	£
Other interest receivable	<u>34,721</u>	<u>-</u>
	<u>34,721</u>	<u>-</u>

9. Taxation

	2018	2017
	£	£
Corporation tax		
Current tax for the year	(26,219)	-
Prior year adjustments	822,941	-
Total current tax	<u>796,722</u>	<u>-</u>
Deferred tax		
Temporary timing difference	<u>(217,510)</u>	<u>(848,113)</u>
Total deferred tax	<u>(217,510)</u>	<u>(848,113)</u>
Taxation on profit or loss	<u>579,212</u>	<u>(848,113)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year can be reconciled to the standard rate of corporation tax in the UK of 19% (2017: 19.25%) as follows:

	2018 £	2017 £
Profit before tax	504,813	22,633
Profit multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	(95,914)	(4,356)
Effects of:		
Expenses not deductible for tax purposes	-	7
Difference in rates between Current Tax & Deferred Tax	25,589	112,079
Permanent differences related to building depreciation	(173,404)	(152,664)
Prior year adjustments	822,941	-
Group relief	-	(803,180)
Total tax credit/(charge) for the year	579,212	(848,113)

Factors that may affect future tax charges

Finance act 2016 introduced further legislation to reduce the main rate of corporation tax to 17% from 1 April 2020. Therefore, at 31 December 2018, deferred tax assets and liabilities have been calculated at the rate at which the temporary difference is expected to reverse after 1 April 2020. These reductions may also reduce the company's future current tax charges accordingly.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Investment property

	Freehold property £	Plant and Machinery £	Fixtures and fittings £	Construction in progress £	Total £
Cost					
At 1 January 2018	65,602,483	11,008,797	25,674	-	76,636,954
Additions	333,929	148,562	23,305	58,422	564,218
Transfers	23,723	16,283	18,416	(58,422)	0
At 31 December 2018	65,960,135	11,173,642	67,395	(0)	77,201,172
Depreciation					
At 1 January 2018	(773,091)	(766,446)	(26,811)	-	(1,566,348)
Charge for the period	(912,652)	(897,585)	(40,936)	-	(1,851,173)
At 31 December 2018	(1,685,743)	(1,664,031)	(67,747)	-	(3,417,521)
Net book value					
At 31 December 2018	64,274,392	9,509,611	(352)	(0)	73,783,651
At 31 December 2017	64,829,392	10,242,351	(1,137)	-	75,070,606

The directors estimate that the fair value of the company's investment properties at 31 December 2018 is £91,380,000 (2017: £90,000,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Debtors

	2018 £	2017 £
Due within one year		
Trade debtors	3,912	14,202
Amounts owed by group undertakings	1,078,475	2,970,766
Other debtors	1,072,544	1,051,863
Prepayments and accrued income	451,576	494,245
Other taxation and social security	-	9,523
	<u>2,606,507</u>	<u>4,540,599</u>

The amounts owed by group undertaking include routine non-interest bearing transactions settled within 30 days with subsidiary companies or companies that are part of the same group.

12. Creditors – Amounts due within one year

	2018 £	2017 £
Amounts owed to group undertakings (see note 7)	(80,799,241)	(79,311,122)
Corporation tax	(26,220)	-
Other taxation and social security	(199,316)	-
Other creditors	(208,289)	(810,860)
Accruals and deferred income	-	(4,400)
	<u>(81,233,066)</u>	<u>(80,126,382)</u>

The amounts owed to group undertaking include routine transactions settled within 30 days with subsidiary companies or companies that are part of the same group, as well as the loan detailed in note 7.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Deferred taxation

	2018 £	2017 £
At 1 January	(848,113)	-
Charged to the profit or loss	(217,510)	(848,113)
At 31 December	(1,065,623)	(848,113)

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	484,884	285,200
Deferred revenue expenditure	580,739	562,913
	1,065,623	848,113

14. Share capital

	2018 £	2017 £
Allotted, called up and fully paid 1 Ordinary shares of £1	1	1

15. 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 (CONTINUED)

16. Contingent liabilities

Accor HotelInvest UK Limited and its UK subsidiaries operate a collective net overdraft facility of £10 million (2017: £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 HotelInvest UK Limited.

17. Related party transactions

In accordance with FRS 101.8(k) "Related Party Disclosures" transactions with other undertakings within the AccorInvest Group SA 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.

18. Controlling party

At 31 December 2018, the ultimate parent company and controlling party is AccorInvest Group SA, registered in Luxembourg, 26a Boulevard Royal, 2449 Luxembourg, Luxembourg.

The immediate parent company is Accor UK Business and Leisure Hotels Limited, a company incorporated in Great Britain and registered in England and Wales.

The smallest group in which the results of the company are consolidated is AccorInvest Group SA. The consolidated financial statements are available from www.lbr.lu website.