

Registration number: 00483582

Queensgate Bow Propco Limited

Annual Report and financial statements

for the year ended 31 December 2016

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Company Information

Directors	Jueane Thiessen Paul Richard Slimming (appointed 30 September 2016)
Company secretary	J Thiessen
Registered office	8 Hill Street London England W1J 5NG
Auditor	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditor London, WC2N 6RH United Kingdom

Strategic Report for the year ended 31 December 2016

The directors present their Strategic Report for the year ended 31 December 2016.

Principal activity

The principal activity of Queensgate Bow Propco Limited (the "Company") during the year was the ownership of the freehold for the Kensington Forum Hotel.

Business review

The Company continues to lease the Kensington Forum Hotel based in London, to Queensgate Bow Opco Limited. The lease term remaining is 249 years.

On the 1 December 2015 the Company transferred its trade, assets (excluding its freehold interest in the hotel) and remaining liabilities at market value to Queensgate Bow Opco Limited.

Key performance indicators

The Company's turnover from 2015 to 2016 decreased by 99%. This was due to the transfer of hotel operations to Queensgate Bow Opco Limited as of 1 December 2015.

The Balance Sheet shows the Company's position in net asset terms decreased compared with the prior year.

Results and dividends

The Company made a loss on ordinary activities before taxation of £770k compared with a profit on ordinary activities before taxation of £257,090k in the prior year. This is due to the grant of a leasehold to Queensgate Bow Opco Limited at market value which realised an intra-group profit of £244,475k during the prior year. The current year loss is due primarily to interest payable to group undertakings.

The directors propose a dividend for the year of £7,900k (2015: £nil).

Principal risks and uncertainties

Liquidity and cash flow risk

The Company manages liquidity risk by maintaining a balance between the continuity of funding and flexibility through use of loans from fellow group companies. The Company's immediate holding company, Queensgate Bow UK Holdco Limited has agreed to provide sufficient liquidity as necessary to allow the Company to meet its obligations for at least the next twelve months as they fall due. The directors' assessment of the Company's ability to adopt the going concern basis of accounting is set out further in note 1 to these financial statements.

Credit risk

The Company's primary debtor is Queensgate Bow Opco Limited. In the event that Queensgate Bow Opco Limited defaults on making finance lease payments to Queensgate Bow Propco Limited, the Company would have no other source of finance income. This risk has high visibility to directors and is considered and managed on a continuous basis. Directors use their knowledge and experience to knowingly accept a measured degree of credit risk. This risk is further mitigated by Queensgate Bow Opco Limited's access to financing from Queensgate group.

Interest rates

The use of fixed rate facilities reduces the risk of rate fluctuations having an effect on the business. The directors often review the facilities to ensure that they continue to be on favourable terms compared to the market.

Economic downturn

The success of the business is partly dependent on consumer spending levels. A marked reduction in such spending would impact on Group income. In response to this risk, the directors forecast the macro and micro economic conditions prevalent in the trading location and adjust the marketing and pricing strategy to reflect the current and forecast market conditions.

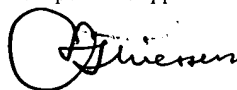
Trading asset

In the hospitality sector the quality of the asset is of high importance. To mitigate the risk of losing market share through guest areas falling into disrepair, the directors and senior management carry out an asset improvement programme to ensure the property is maintained at a high level to maximise customer satisfaction.

Competition

Local competition exists in the Group's trading location. As a result, pressure may be applied to the service and price provided to customers. In response to this, the directors and senior management continually carry out market research on competitors' prices, offerings and forthcoming offers. Customer reviews and satisfaction surveys are conducted on a regular basis to ensure the level of service exceeds customer expectations.

This report was approved by the Board on 28/07/2017 and signed by the order of the Board by:



Jueane Thiessen
Director

Directors' Report

for the year ended 31 December 2016

The directors present their Annual Report on the affairs of the Company, together with the audited financial statements and independent auditors' report for the year ended 31 December 2016.

Directors

The directors who were in office during the year and up to the date of signing the financial statements were:

Jueane Thiessen
Paul Richard Slimming (appointed 30 September 2016)

Going concern

The directors consider the Company to be a going concern and the accounts are prepared on this basis. Details of this are shown in note 1 of the financial statements. When assessing the Company's going concern status the directors have taken into account the Company's net current asset position and the UK electorate's decision on 23 June 2016 to vote to leave the European Union, and the resulting period of uncertainty for the UK economy and property market.

Results and dividends

The Company made a loss on ordinary activities before taxation of £770k compared with a profit on ordinary activities before taxation of £257,090k in the prior year. This is due to the grant of a leasehold to Queensgate Bow Opco Limited at market value which realised an intra-group profit of £244,475k during the prior year.

The directors propose a dividend for the year of £7,900k (2015: £nil).

Disclosure of information to Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. A resolution concerning their re-appointment will be proposed at the next Board Meeting.

This report was approved by the Board on 28/07/2017 and signed by the order of the Board by:



Jueane Thiessen
Director

**Statement of directors' responsibilities in respect of the Annual Report and the financial statements
for the year ended 31 December 2016**

The directors are responsible for preparing the Annual Report and 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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;
- state whether FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland has 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 Company has indemnified its current directors. The indemnity arrangements are qualifying indemnity provisions under the Companies Act 2006 and are currently in force at the date of this Report.

Independent auditors' report to the members of Queensgate Bow Propco Limited

Report on the financial statements

Our opinion

In our opinion, Queensgate Bow Propco Limited's financial statements (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.
-

What we have audited

The financial statements, included within the Strategic Report, Directors' Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2016;
- the Profit and Loss Account and Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities in respect of the Annual Report and the financial statements set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual 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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Sonia Copeland (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 July 2017

Profit and Loss Account
for the year ended 31 December 2016

	Note	2016 £000	2015 £000
Turnover	2	131	33,235
Cost of sales and overheads		(8)	(18,538)
Operating profit	3	123	14,697
Profit on disposal of property	8	-	244,475
Interest payable and similar charges	6	(893)	(2,082)
(Loss)/profit on ordinary activities before taxation		(770)	257,090
Tax charge on (loss)/profit on ordinary activities	7	-	721
(Loss)/profit for the financial year		(770)	257,811

Turnover and operating profit derive wholly from continuing operations within the United Kingdom.

The notes on pages 11 to 18 form part of these financial statements.

Statement of Comprehensive Income
for the year ended 31 December 2016

	2016 £000	2015 £000
(Loss)/profit for the financial year	(770)	257,811
Total comprehensive (expense)/income for the year	(770)	257,811

The notes on pages 11 to 18 form part of these financial statements.

Balance Sheet
as at 31 December 2016

	Note	2016 £000	2016 £000	2015 £000	2015 £000
Fixed assets					
Debtors: falling due after more than one year	9	119,544	119,544	123,599	123,599
Current assets					
Debtors: falling due within one year	10		236,133		231,947
			236,133		231,947
Creditors: amounts falling due within one year	11		(18,693)		(9,892)
Net current assets			217,440		222,055
Net assets			336,984		345,654
Capital and reserves					
Called-up share capital			-		-
Share premium reserve			430		430
Retained earnings			336,554		345,224
Total shareholders' funds			336,984		345,654

The notes on pages 11 to 18 form part of these financial statements.

The financial statements of Queensgate Bow Propco Limited, (registration number: 00483582) were approved by the Board of Directors on 24/07/2017 and signed on its behalf by:



Jueane Thiessen
Director

Statement of Changes in Equity
for the year ended 31 December 2016

	Called up share capital £000	Share premium reserve £000	Retained earnings £000	Total shareholders' funds £000
Balance at 1 January 2015	-	430	87,413	87,843
Profit for the financial year	-	-	257,811	257,811
Total comprehensive income for the year	-	-	257,811	257,811
Balance at 31 December 2015	-	430	345,224	345,654
Loss for the financial year	-	-	(770)	(770)
Total comprehensive expense for the year	-	-	(770)	(770)
Dividends	-	-	(7,900)	(7,900)
Balance at 31 December 2016	-	430	336,554	336,984

The notes on pages 11 to 18 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2016

1 Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. The particular accounting policies adopted are described below.

1.1 Basis of preparation

Queensgate Bow Propco Limited (the "Company") is a company limited by shares and incorporated and domiciled in England and Wales. The address of the Company's registered office is 8 Hill Street, London, England, W1J 5NG.

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied.

The presentation currency of these financial statements is pound sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's parent undertaking, Queensgate Bow UK Holdco Limited include the Company in its consolidated financial statements. The consolidated financial statements of Queensgate Bow UK Holdco Limited will be available to the public on 27 June 2017 and may be obtained from 8 Hill Street, London, England, W1J 5NG.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of FRS 102) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.2 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value.

1.3 Going concern

The directors consider the Company to be a going concern and the accounts are prepared on this basis. When assessing the Company's going concern status the directors have taken into account the Company's net current asset position and therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As a consequence they have adopted the going concern basis of accounting in preparing these financial statements.

1.4 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the Profit and Loss Account.

1.5 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy. Transaction costs are allocated between the debt component and the equity component on the basis of their relative fair values.

Notes to the financial statements (continued)

for the year ended 31 December 2016

1 Accounting policies (continued)

1.6 Basic financial instruments

Trade and other debtors and creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents.

1.7 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the Profit and Loss Account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Asset class	Depreciation rate
Freehold land and buildings	periods up to 50 years
Plant and machinery	between 5 and 15 years
Fixtures and fittings	between 3 and 20 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

1.8 Impairment of fixed assets

Financial assets including trade and other debtors

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs, the Company tests the impairment of goodwill by determining the recoverable amount of the entity in its entirety, including the integrated acquired operations.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Notes to the financial statements (continued) for the year ended 31 December 2016

1 Accounting policies (continued)

1.9 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Profit and Loss Account in the periods during which services are rendered by employees.

1.11 Income and expenses

Finance lease

Minimum lease payments are apportioned between the finance income and the reduction of the outstanding asset using the rate implicit in the lease. The finance income is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the asset.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the Profit and Loss Account.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrues, using the effective interest method.

1.12 Turnover

Turnover comprises the invoiced value of goods and services provided by the Company, net of Value Added Tax and trade discounts, and finance lease income. Minimum lease payments with respect to finance leases are apportioned between the finance income and the reduction of the outstanding asset using the rate implicit in the lease. The finance income is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the asset.

1.13 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.14 Accounting estimates and judgements

Amounts due from group undertakings

The recoverability of amounts due from group undertakings is assessed at each reporting date to determine whether there is evidence of impairment. Where there are indicators of impairment a bad debt provision is considered by the directors.

Notes to the financial statements (continued)
for the year ended 31 December 2016

2 Turnover

Turnover, which is stated in the Profit and Loss Account net of Value Added Tax and trade discounts, represents amounts invoiced to third parties and is part attributable to the business of operating hotels in the United Kingdom and part attributable to finance income.

	2016 £000	2015 £000
United Kingdom:		
Turnover generated from hotels - period 1 January 2015 to 30 November 2015	-	33,225
Finance income - period 1 December 2015 to 31 December 2016	131	10
	<u>131</u>	<u>33,235</u>

As of 1 December 2015 the Company's revenue streams from hotels based in the United Kingdom ended, and the Company started generating finance income that is wholly attributable to finance leases granted.

3 Company operating profit

Operating profit is stated after charging:

	2016 £000	2015 £000
Raw materials and consumables	-	9,912
Employment costs	-	5,804
Depreciation of tangible fixed assets	-	1,372
Hire of plant and machinery	-	8
Other external charges	-	788
	<u>-</u>	<u>17,884</u>

Auditor's remuneration of £8,000 (2015: £1,600) has been borne by a fellow group undertaking in both the current and prior period.

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	2016 No	2015 No
Administration of support	-	200
	<u>-</u>	<u>200</u>

The aggregate payroll costs were as follows:

	2016 £000	2015 £000
Wages and salaries	-	5,328
Social security costs	-	401
Other pension schemes	-	75
	<u>-</u>	<u>5,804</u>

5 Directors' remuneration

Directors' remuneration paid during the period amounted to £nil (2015: £nil). Directors remuneration has been borne by Queensgate Investments LLP and it is not possible to determine the amounts relating to Queensgate Bow Propco Limited in either period.

Notes to the financial statements (continued)
for the year ended 31 December 2016

6 Interest payable and similar charges

	2016	2015
	£000	£000
Interest on loans from group undertakings	893	2,082

The loan payable to fellow group undertakings was issued on 1 December 2015 and is repayable on demand. Interest is payable on the loan at a rate per annum of 9%.

7 Taxation

Tax on (loss)/profit on ordinary activities

	2016	2015
	£000	£000
Current tax		
Corporation tax charge	-	-
Adjustments in respect of previous years	-	(212)
UK Corporation tax	-	(212)
Deferred tax		
Origination and reversal of timing differences	-	(509)
Total deferred tax	-	(509)
Total tax charge/(credit) on (loss)/profit on ordinary activities	-	(721)

Factors affecting current tax charge for the year

The tax on (loss)/profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK (2015: lower than the standard rate of corporation tax in the U K) of 20.00% (2015: 20.00%).

The differences are reconciled below:

	2016	2015
	£000	£000
(Loss)/profit on ordinary activities before tax	(770)	257,090
Corporation tax at standard rate of 20.00% (2015: 20.00%)	(154)	51,418
Effects of:		
Expenses not deductible for tax purposes	-	1
Profit on disposal of fixed assets	174	(48,764)
Capital allowance for year in excess of depreciation	-	131
Group relief claimed	(20)	(2,804)
Origination of reversal of timing differences	-	(509)
Losses carried forward	-	18
Adjustments to tax charge in respect of previous years	-	(212)
Total current tax charge/(credit)	-	(212)

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly.

Notes to the financial statements (continued)
for the year ended 31 December 2016

8 Tangible fixed assets

On 1 December 2015, the Company disposed of its property including land and buildings and net trading assets for consideration of £352,487,566. The net book value of tangible fixed assets on the 1 December 2015 was deemed to be £110,017,433. Therefore a profit on disposal of the Company's property including land and buildings and net trading assets was £242,470,133 which has been recognised in the Profit and Loss Account. In addition, £2,005,057 of interest in relation to intercompany debt was forgiven resulting in an overall profit on disposal of £244,475,190. The net book value of tangible fixed assets at the beginning and end of the current period was £nil.

9 Debtors: falling due after more than one year

	2016 £000	2015 £000
Finance leases	119,544	123,599
Future aggregate minimum lease payments that are receivable under finance leases are as follows:		
	2016 £000	2015 £000
Less than one year	3,751	3,888
Between one and five years	13,897	14,369
Greater than five years	105,647	109,230

10 Debtors: amounts falling due within one year

	2016 £000	2015 £000
Amounts owed by group undertakings	231,873	227,872
Finance leases	3,751	3,566
Deferred tax (see note 12)	509	509
	236,133	231,947

There are no specific repayment terms on amounts owed by group undertakings and no interest is charged, they are therefore deemed to be repayable on demand.

11 Creditors: amounts falling due with in one year

	2016 £000	2015 £000
Amounts owed to group undertakings (Queensgate Bow Opco Limited)	18,685	9,892
Accruals and deferred income	8	-
	18,693	9,892

Interest is payable on amounts owed to group undertakings at a rate per annum of 9% and are repayable on demand.

Notes to the financial statements (continued)
for the year ended 31 December 2016

12 Deferred tax assets

	Deferred tax £000
At 1 January 2016	509
Deferred tax credited in profit and loss for the year	-
At 31 December 2016	<u>509</u>

Analysis of deferred tax

	2016 £000	2015 £000
Accelerated capital allowances	<u>509</u>	<u>509</u>

13 Pension schemes

Defined contribution pension scheme

During the year, the Company did not operate a defined contribution pension scheme. The pension cost charge for the year therefore amounted to £nil (2015: £75,009).

14 Capital and reserves

	2016 £	2015 £
<i>Allotted, called up and fully paid</i>		
300 ordinary shares (2015: 300) of £1 each (2015: £1)	<u>300</u>	<u>300</u>

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

15 Dividends

After the balance sheet date total dividends of £7,900,000 equivalent to £7.9m per qualifying share were proposed by the directors. The dividends have not been provided for, but are presented as a segregated component of retained earnings at the end of the period.

	2016 £
Number of shares on issue with entitlement to receive dividends	<u>1</u>
Dividends proposed and paid during the period on qualifying share	<u>7,900</u>
Dividend per share	<u>7,900</u>

16 Commitments

Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £nil (2015: £758,382).

Notes to the financial statements (continued)
for the year ended 31 December 2016

17 Related party transactions

The Company has taken advantage of the exemption in FRS 102 from disclosing transactions with other members of the group on the basis that the Company is a wholly owned subsidiary and that the parent company's accounts of Queensgate Bow UK Holdco Limited are publicly available.

18 Ultimate parent undertaking and controlling party

The Company is a subsidiary undertaking of Queensgate Bow UK Holdco Limited. The ultimate controlling party is Queensgate Holdco S.à.r.l a company based in Luxembourg.

The largest group in which the results of the Company are consolidated is that headed by Queensgate Bow UK Parent Limited, 8 Hill Street, London, W1J 5NG. The smallest group in which they are consolidated is that headed by Queensgate Bow UK Holdco Limited, 8 Hill Street, London, England, W1J 5NG. No other group financial statements include the results of the Company. The consolidated financial statements of these groups are available to the public and may be obtained from 8 Hill Street, London, W1J 5NG.