

# Bryant Park Hospitality UK Limited

Annual report and financial statements

Year ended 31 December 2016

*Company registration number: 01958053*



# Bryant Park Hospitality UK Limited

## Annual report and financial statements

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# **Bryant Park Hospitality UK Limited**

## **Directors and other information**

### **Directors**

C Kula  
J Braidley

### **Company secretary**

Oakwood Corporate Services Limited  
Third Floor  
1 Ashley Road  
Altrincham  
Cheshire  
WA14 2DT

### **Registered office**

Queens Court  
9 – 17 Eastern Road  
Romford  
Essex  
RM1 3NG

### **Auditor**

KPMG  
Chartered Accountants  
Stokes House  
17/25 College Square East  
Belfast  
BT1 6DH

### **Registered number**

01958053

# Bryant Park Hospitality UK Limited

## Strategic report

The directors present their strategic report for the year ended 31 December 2016.

### Principal activity

The principal activity of the Company is the provision of management and procurement services for hotels.

### Business review

The results for the year are set out in the statement of profit and loss and other comprehensive income on page 8 and in the related notes.

Operating income increased by £890k (22%) in the year to December 2016, whilst operating profit declined from £515k (12.8% operational profit margin) to £457k in 2016 (9.3% operational profit margin). The Company remains in a net asset position at year end.

### Principal risks and uncertainties

The Company is a subsidiary of Bryant Park Hospitality Limited and as such, the principal risks and uncertainties of the Company are the same as those facing the wider Group.

The management of the Group's business and execution of the Group's strategy are subject to a number of risks. The key risks and uncertainties currently judged to have the greatest impact on the Group's performance include:

- Employee retention;
- Competition from other hotels;
- Fluctuations in property valuations; and
- Other market risks – hotels may be adversely impacted by changes in or failure to comply with regulations. The hotels operate under franchise licenses which require adherence to quality standards and criteria.

### Financial risk management

The Company's operations expose it to a variety of financial risks which include liquidity and credit risk. Working capital requirements are financed with retained earnings and borrowings from other Group companies. Credit risk is managed via a formal credit policy.

Given the size of the Company and wider Group, the directors have not delegated responsibility for monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Group's finance department.

### Key performance indicators

The directors are of the opinion that analysis using KPIs assists with their understanding of the development, performance and position of the business. Key performance indicators used by management include occupancy statistics, average daily rates, revenue per available room and operating margins. Such indicators are not presented as the directors consider their disclosure to be prejudicial to the Company's interests.

# Bryant Park Hospitality UK Limited

## Strategic report *(continued)*

### Future outlook

Competition in the marketplace remains strong, however the directors consider both the results for the year and trading prospects to be satisfactory. It is the directors' intention to continue to develop the present activities of the Company and wider Group.

On behalf of the board



C Kula  
Director

30 June 2017

# Bryant Park Hospitality UK Limited

## Directors' report

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

### Dividends

No dividends were paid in the year (2015: £nil).

### Directors

The directors who held office during the year were as follows:

D Arzi (resigned 23 May 2017)  
J Braidley  
C Kula (appointed 23 May 2017)

### Political donations

The Company made no political donations during the year (2015: £nil).

### Financial instruments

The Company is exposed to credit and cash flow risks associated with selling on credit and manages this risk through its credit policy. This policy is to finance working capital requirements with retained earnings and borrowings from other Group companies.

### Employee involvement

A formal employee representative is elected at each hotel which enables the Group to have a formal vehicle through which it can communicate and consult with employees. Ongoing effort is made to keep employees informed via an online communications hub, regular team briefings and employee engagement surveys.

### Employees with disabilities

The Company recognises its obligations towards people with disabilities and its policy is to encourage and assist the employment of people with disabilities, having regard to the demands of the Company's operations and abilities to fulfil such demands. If existing employees become disabled, reasonable adjustments are made to allow appropriate work to be carried out and any necessary training provided. Employees with disabilities are encouraged and assisted in developing their careers and skills within the Company.

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG will therefore continue in office.

On behalf of the board

C Kula  
Director



30 June 2017

## Bryant Park Hospitality UK Limited

### Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, 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 International Financial Reporting Standards (IFRS) as adopted by the EU and applicable law.

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 assets, liabilities and financial position of the Company and of its profit or loss for that year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; 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 which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the board



C Kula  
Director



KPMG  
Audit  
Stokes House  
17-25 College Square East  
Belfast BT1 6DH  
Northern Ireland

## Independent auditor's report to the members of Bryant Park Hospitality UK Limited

We have audited the financial statements ("financial statements") of Bryant Park Hospitality UK Limited for the year ended 31 December 2016 which comprise the statement of profit and loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union. Our audit was conducted in accordance with International Standards on Auditing (ISAs) (UK & Ireland).

### Opinions and conclusions arising from our audit

#### **1 Our opinion on the financial statements is unmodified**

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

#### **2 Our conclusions on other matters on which we are required to report by the Companies Act 2006 are set out below**

In our opinion, the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared, is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic Report and the Director's Report:

- we have not identified material misstatements in those reports; and
- in our opinion, these reports have been prepared in accordance with the Companies Act 2006.

#### **3 We have nothing to report in respect of matters on which we are required to report by exception**

ISAs (UK & Ireland) require that we report to you if, based on the knowledge we acquired during our audit, we have identified information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

Under the Companies Act 2006, we are required 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.

We have nothing to report in respect of the above responsibilities.





**Independent auditor's report to the members of Bryant Park Hospitality UK Limited**  
(continued)

**Basis of our report, responsibilities and restrictions on use**

As explained more fully in the statement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with UK 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.

An audit undertaken in accordance with ISAs (UK & Ireland) 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 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.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

Our 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.

**Colm O'Sé (Senior Statutory Auditor)**  
**for and on behalf of KPMG, Statutory Auditor**  
Chartered Accountants  
Stokes House  
17-25 College Square East  
Belfast  
BT1 6DH

30 June 2017

## Bryant Park Hospitality UK Limited

### Statement of profit and loss and other comprehensive income for the year ended 31 December 2016

	<i>Note</i>	<b>2016 £'000</b>	<b>2015 £'000</b>
Other operating income	2	4,904	4,014
Administrative expenses		(4,405)	(3,499)
Other expenses		(42)	-
		<hr/>	<hr/>
<b>Operating profit</b>	4	<b>457</b>	<b>515</b>
Finance income		-	5
		<hr/>	<hr/>
<b>Net financing expense</b>	5	<b>-</b>	<b>5</b>
<b>Profit before taxation</b>		<b>457</b>	<b>520</b>
Taxation	6	-	1
		<hr/>	<hr/>
<b>Profit for the year</b>		<b>457</b>	<b>521</b>
		<hr/>	<hr/>

The company had no other comprehensive income other than that dealt with in the profit and loss account and accordingly, a statement of other comprehensive income has not been presented.

The notes on pages 13 to 23 form an integral part of these financial statements.

# Bryant Park Hospitality UK Limited

## Statement of financial position as at 31 December 2016

	Note	2016 £'000	2015 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	223	259
<b>Total non-current assets</b>		<b>223</b>	<b>259</b>
<b>Current assets</b>			
Trade and other receivables	8	86,477	51,241
Cash and cash equivalents	9	4,654	2,630
<b>Total current assets</b>		<b>91,131</b>	<b>53,871</b>
<b>Total assets</b>		<b>91,354</b>	<b>54,130</b>
<b>Equity</b>			
Share capital	11	-	-
Reserves		16,626	16,169
<b>Total equity</b>		<b>16,626</b>	<b>16,169</b>
<b>Current liabilities</b>			
Trade payable	10	74,728	37,962
Tax payable		-	(1)
<b>Total liabilities</b>		<b>74,728</b>	<b>37,961</b>
<b>Total equity and liabilities</b>		<b>91,354</b>	<b>54,130</b>

These financial statements were approved by the board of directors on 30 June 2017 and signed on its behalf by:



C Kula  
Director

Company registration number: 01958053

The notes on pages 13 to 23 form an integral part of these financial statements.

## Bryant Park Hospitality UK Limited

### Statement of changes in equity for the year ended 31 December 2016

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2016	-	16,169	16,169
<b>Comprehensive income:</b>			
Profit for the financial year	-	457	457
<b>Total comprehensive income for the year</b>	-	457	457
<b>Balance at 31 December 2016</b>	-	16,626	16,626

The notes on pages 13 to 23 form an integral part of these financial statements.

## Bryant Park Hospitality UK Limited

### Statement of changes in equity for the year ended 31 December 2015

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2015	-	15,648	15,648
<b>Comprehensive income:</b>			
Profit for the financial year	-	521	521
<b>Total comprehensive income for the year</b>	-	521	521
<b>Balance at 31 December 2015</b>	-	16,169	16,169

The notes on pages 13 to 23 form an integral part of these financial statements.

# Bryant Park Hospitality UK Limited

## Cash flow statement

for the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
<b>Cash flows from operating activities</b>			
Profit for the year		457	521
<i>Adjustments for:</i>			
Depreciation and amortisation		286	209
Taxation		-	(1)
		<u>743</u>	<u>729</u>
(Increase)/decrease in trade and other receivables		(35,236)	51,793
Increase/(decrease) in trade and other payables		36,766	(56,508)
		<u>2,273</u>	<u>(3,986)</u>
Tax paid		1	(136)
		<u>2,274</u>	<u>(4,122)</u>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	7	(250)	(341)
		<u>(250)</u>	<u>(341)</u>
<b>Net cash from investing activities</b>			
		<u>(250)</u>	<u>(341)</u>
Net increase/(decrease) in cash and cash equivalents		2,024	(4,463)
Cash and cash equivalents at 1 January		2,630	7,093
		<u>4,654</u>	<u>2,630</u>
<b>Cash and cash equivalents at 31 December</b>	9		

The notes on pages 13 to 23 form an integral part of these financial statements.

# Bryant Park Hospitality UK Limited

## Notes

*forming part of the financial statements*

### 1 Accounting policies

Bryant Park Hospitality UK Limited (the "Company") is a company incorporated and domiciled in the United Kingdom.

The Company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRS").

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

These financial statements are presented in £GBP, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis except for property assets which are stated at fair value.

#### 1.2 Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report on pages 2 and 3.

The external commercial environment is expected to remain competitive, however the directors remain confident that they will increase activities and improve current levels of performance in the future.

After making enquiries the directors have a reasonable expectation that the Company, based on forecasted cash flows, will have adequate resources to continue in operational existence for the foreseeable future.

Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### 1.3 Classification of financial instruments issued by the Company

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.

# Bryant Park Hospitality UK Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.4 Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents and trade and other payables.

##### *Trade and other receivables*

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

##### *Trade and other payables*

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### *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 for the purpose only of the cash flow statement.

#### 1.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses.

Depreciation is charged to the statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Fixtures and fittings	over 4 to 7 years
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Depreciation methods, useful lives and residual values are reviewed at each statement of financial position date.



# Bryant Park Hospitality UK Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.6 Impairment excluding inventories and deferred tax assets

##### *Financial assets (including receivables)*

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. Interest on the impaired asset continues to be recognised through the unwinding of the discount. 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, 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.

#### 1.7 Expenses

##### *Operating lease payments*

Payments made under operating leases are recognised in the statement of profit and loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of profit and loss as an integral part of the total lease expense.

##### *Financing income and expenses*

Financing expenses comprise interest payable.

Financing income comprise interest receivable on funds invested. Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

#### 1.8 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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 statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

# Bryant Park Hospitality UK Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.8 Taxation (continued)

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

#### 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 has 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.

#### 1.10 Adopted IFRS not yet applied

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board (IASB) as adopted by the EU.

There are a number of new standards, amendments to standards and interpretations effective for periods beginning 1 January 2017 or later with early application permitted, however the Company has not early adopted any new or amended standards in preparing these financial statements.

The Company is reviewing the impact of the implementation of the following new standards, amendments to standards and interpretations, however they are not expected to have a significant impact on the financial statements:

	Effective date – periods beginning on or after*
Amendments to IAS 7: Disclosure Initiative	1 January 2017*
Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses (19 January 2016)	1 January 2017*
IFRS 15 and Clarification to IFRS 15 Revenue from Contracts with customers (issued 12 April 2016)	1 January 2018
IFRS 9 Financial Instruments (issued 24 July 2014)	1 January 2018
Annual improvements to IFRS Standards 2014-2016 Cycle (issued on 8 December 2016)	1 January 2017 and 1 January 2018*
IFRS 16: Leases (issued on 13 January 2016)	1 January 2019*

\* Not EU endorsed

# Bryant Park Hospitality UK Limited

## Notes (continued)

<b>2 Other operating income</b>	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Provision of management and procurement services	4,904	4,014
<b>Total other operating income</b>	<b>4,904</b>	<b>4,014</b>

## 3 Directors' remuneration

The directors did not receive any emoluments for services provided to the Company during the year (2015: £nil).

## 4 Expenses and auditor's remuneration

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Included in profit/loss are the following:		
Depreciation of tangible fixed assets:		
- owned by company	286	209
Auditor remuneration		
- audit of these financial statements	4	4
- audit of financial statements of fellow group undertakings	160	95

<b>5 Finance income</b>	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Finance income		
Bank interest receivable		5
<b>Net financing income</b>		<b>5</b>

# Bryant Park Hospitality UK Limited

## Notes (continued)

6 Taxation	2016 £'000	2015 £'000
(a) Income tax recognised in profit and loss		
<i>Current tax expense</i>		
Current year	-	-
Adjustments for prior years	-	(1)
	-	(1)
<i>Deferred tax expense</i>		
Origination and reversal of temporary differences	-	-
Impact of changes in tax rates	-	-
Adjustments in respect of prior years	-	-
	-	-
<b>Tax expense</b>	-	(1)

## (b) Reconciliation of effective tax rate

The current tax charge for the year is lower (2015: lower) than the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

	2016 £'000	2015 £'000
Profit before tax	457	520
Tax using the UK corporation tax rate of 20% (2015: 20.25%)	91	105
Effects of:		
Non-deductible expenses	-	82
Deferred tax not recognised	(212)	(187)
Over provided in prior years	-	(1)
Group relief surrendered not paid for	125	-
Non-taxable income	(4)	-
	-	(1)

# Bryant Park Hospitality UK Limited

## Notes *(continued)*

### **7 Taxation *(continued)***

#### **(c) Unrecognised deferred tax asset**

The Company has not recognised a deferred tax asset in respect of accelerated capital allowances totalling £1,022k (2015: £1,235k). Subject to changes in tax legislation, the directors are not certain that there will be sufficient taxable profits arising in the foreseeable future to utilise these unclaimed allowances. The directors have concluded that there is currently insufficient evidence to support recognition of a deferred tax asset.

#### **(d) Factors which may affect future tax charges**

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were enacted by the Finance Act 2015. The Finance Act 2016 further reduced the 18% rate to 17% from 1 April 2020, following substantive enactment on 6 September 2016. Together this will reduce the Company's future tax charge accordingly.

# Bryant Park Hospitality UK Limited

## Notes (continued)

<b>7 Property, plant and equipment</b>	<b>Fixtures and fittings £'000</b>
<b>Cost or valuation</b>	
Balance at 1 January 2015	3,005
Additions	341
	<hr/>
Balance at 31 December 2015	3,346
	<hr/>
Balance at 1 January 2016	3,346
Additions	250
	<hr/>
<b>Balance at 31 December 2016</b>	<b>3,596</b>
	<hr/>
<b>Depreciation and impairment</b>	
Balance at 1 January 2015	2,878
Depreciation charge for the year	209
	<hr/>
Balance at 31 December 2015	3,087
	<hr/>
Balance at 1 January 2016	3,087
Depreciation charge for the year	286
	<hr/>
<b>Balance at 31 December 2016</b>	<b>3,373</b>
	<hr/>
<b>Net book value</b>	
At 1 January 2015	127
	<hr/>
At 31 December 2015	259
	<hr/>
<b>At 31 December 2016</b>	<b>223</b>
	<hr/>

## Bryant Park Hospitality UK Limited

### Notes (continued)

<b>8 Trade and other receivables</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
Amounts owed by group undertakings	85,717	49,921
Amounts owed by related parties	-	177
Other receivables	240	512
Prepayments	520	631
	<u>86,477</u>	<u>51,241</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

<b>9 Cash and cash equivalents</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
Cash and cash equivalents per statement of financial position	4,654	2,630
Cash and cash equivalents per cash flow statement	<u>4,654</u>	<u>2,630</u>

<b>10 Trade and other payables</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
<i>Current liabilities</i>		
Trade payables	180	774
Amounts owed to group undertakings	73,527	35,250
Non-trade payables and accrued expenses	481	690
Other taxation and social security	540	1,248
	<u>74,728</u>	<u>37,962</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

# Bryant Park Hospitality UK Limited

## Notes (continued)

### 11 Capital and reserves

	2016 £'000	2015 £'000
Share capital		

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

2 ordinary shares of £1 each.

The holders of 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.

### 12 Commitments and contingencies

The Company is a party to a composite guarantee provided to Deutsche Bank AG in connection with senior loans held by BPH Finance Number 1 Limited which at 31 December 2016 amounted to £94,940,246 (2015: £98,752,500). Deutsche Bank AG holds a fixed charge over the Company's assets, together with those of certain other subsidiary undertakings.

### 13 Operating leases

The Company had no commitments under non-cancellable operating leases at 31 December 2016 (2015: *£nil*).

### 14 Related party transactions

Under IAS 24 *Related Party Disclosures* the Company has a related party relationship with shareholders and key management personnel, including directors of the Company.

#### *Parent and ultimate controlling party*

The Company's immediate parent undertaking is BPH Finance Number 1 Limited, a company incorporated in the United Kingdom. BPH Finance Number 1 Limited is a subsidiary of Bryant Park Hospitality Limited, a company incorporated in the Cayman Islands. The share capital of Bryant Park Hospitality Limited is indirectly owned by Maples and Calder which holds it for charitable purposes.

The ultimate controlling parties are Marathon European CRE Opportunity Fund and Marathon European Credit Opportunity Fund II.

The largest group in which the results of the Company are consolidated is that headed by Bryant Park Hospitality Limited. The consolidated financial statements of this group are not available to the public.

The smallest group in which they are consolidated is that headed by BPH Finance Number 1 Limited. The consolidated financial statements of this group are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.



# Bryant Park Hospitality UK Limited

## Notes (continued)

### 14 Related party transactions (continued)

#### Related party transactions

The following transactions were conducted with related parties during the year:

	2016 £'000	2015 £'000
Management fees payable to asset manager	2,091	1,903
Recharges receivable from asset manager	(245)	(220)
Management fees receivable from fellow subsidiary undertakings	(2,196)	(1,998)
Recharge of expenses to fellow subsidiary undertakings	(2,708)	(2,015)

The following balances remain outstanding at year end:

#### Receivables:

Amounts owed by asset manager		177
Amounts owed by fellow subsidiary undertakings	70,528	30,800
Amounts owed by Bryant Park Hospitality Limited	5,767	14,049
Amounts owed by BPH Finance Number 1 Limited	9,099	5,072
Amounts owed by BPH Acquisition 1 Limited	104	-
Amounts owed by BPH Acquisition 2 Limited	219	-

#### Payables:

Amounts owed to fellow subsidiary undertakings	(73,527)	(35,250)
Amounts owed to asset manager	(453)	-

Valor Hospitality Europe Limited is the appointed asset manager of the Company and has been deemed a related party by virtue of its influence over the management and strategic operations of the Company.

#### Remuneration of key management

Key management is defined as the directors of the Company.

### 15 Subsequent events

There were no significant events subsequent to the statement of financial position date.

### 16 Approval of financial statements

The board of directors approved these financial statements on 30 June 2017.