

**COMPANY REGISTRATION NUMBER: 3411955**

**BRIDGESTREET ACCOMMODATIONS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2017**

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**BRIDGESTREET ACCOMMODATIONS LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2017**

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# BRIDGESTREET ACCOMMODATIONS LIMITED

## STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2017

BridgeStreet Accommodations Limited is a holding company. Its subsidiary companies are leading providers of serviced accommodations aimed at the corporate client.

BridgeStreet Accommodations Limited is a wholly owned subsidiary of Domus BWW UK Holdings Limited. At 31 December 2017, the ultimate holding company was Versa Capital Fund II LP and Versa Capital Fund IIa LP., a company incorporated in the United States of America.

The group continues to evolve to overcome continuing challenges in the sector, the economic climate remained difficult particularly at the beginning of 2017 with much uncertainty still around Brexit. Gross profit margins decreased only marginally despite continued competitive pressures on pricing, large increases in non-domestic business rates and increased rental costs caused by the increased rental demands within London.

The key financial highlights are as follows:


	Year ended 2017 £	Year ended 2016 £
Turnover	42,393,802	46,100,917
Profit/(loss) on ordinary activities before taxation	(1,082,038)	(1,154,951)
Profit/(loss) for the year after taxation	(1,129,328)	(938,038)
Shareholders' Funds	1,467,480	2,603,412

### Principal risks and uncertainties

The company's principal risk arises from the trading performance BridgeStreet Accommodations London Limited. This performance relies on a general level of demand from the business and leisure travellers. In order to minimise this risk the business constantly monitors the rates it charges therefore maximising turnover, whilst at the same time closely controlling costs. A less significant risk is the businesses ability to find new properties that reflect the high level of quality we demand in our operation.

7/8/18

This report was approved by the board of directors on ..... and signed on behalf of the board by:



S Burns  
Director

Registered office:  
8 Harewood Row  
Marylebone  
London  
NW1 6SE

# **BRIDGESTREET ACCOMMODATIONS LIMITED**

## **DIRECTORS' REPORT**

**YEAR ENDED 31 DECEMBER 2017**

The directors present their report and the financial statements of the group for the year ended 31 December 2017.

### **Directors**

The directors who served the company during the year were as follows:

S Worker	
W Dembiec	
J Dunn	(Resigned 17 April 2017)
S Hinds	(Resigned 28 April 2017)

S Burns was appointed as a director on 9 January 2018.

### **Dividends**

The directors do not recommend the payment of a dividend (2016: £nil).

### **Political contributions**

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, 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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

**BRIDGESTREET ACCOMMODATIONS LIMITED**

**DIRECTORS' REPORT** *(continued)*

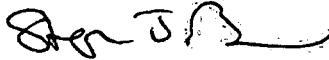
**YEAR ENDED 31 DECEMBER 2017**

**Statement of 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 they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

This report was approved by the board of directors on 7/8/18 and signed on behalf of the board by:



S Burns  
Director

Registered office:  
8 Harewood Row  
Marylebone  
London  
NW1 6SE



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIDGESTREET  
ACCOMMODATIONS LIMITED**

**Opinion**

We have audited the financial statements of BridgeStreet Accommodations Limited ("the company") for the year ended 31 December 2017 which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

**Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIDGESTREET  
ACCOMMODATIONS LIMITED (continued)**

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and the 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 these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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.



**Andrew Turner (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

Date: 7/8/18

**BRIDGESTREET ACCOMMODATIONS LIMITED**

**CONSOLIDATED INCOME STATEMENT**

**YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>Turnover</b>	<b>4</b>	42,393,802	46,100,917
Cost of sales		(34,919,281)	(37,277,909)
<b>Gross profit</b>		<u>7,474,521</u>	<u>8,823,008</u>
Administrative expenses		(8,546,470)	(9,981,228)
Other operating income	<b>5</b>	<u>—</u>	<u>2,683</u>
<b>Operating loss</b>	<b>6</b>	(1,071,949)	(1,155,537)
Other interest receivable and similar income	<b>10</b>	1,431	586
Interest payable and similar expenses	<b>11</b>	<u>(11,520)</u>	<u>—</u>
<b>Loss before taxation</b>		(1,082,038)	(1,154,951)
Tax (charge)/credit on loss	<b>12</b>	<u>(47,290)</u>	<u>216,913</u>
<b>Loss for the financial year</b>		<u>(1,129,328)</u>	<u>(938,038)</u>

All the activities of the group are from continuing operations.

The notes on pages 13 to 27 form part of these financial statements.



**BRIDGESTREET ACCOMMODATIONS LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED 31 DECEMBER 2017**

	2017 £	2016 £
Loss for the financial year	(1,129,328)	(938,038)
Foreign currency retranslation	(6,604)	34
<b>Other comprehensive income for the year</b>	<b>(6,604)</b>	<b>34</b>
<b>Total comprehensive income for the year</b>	<b>(1,135,932)</b>	<b>(938,004)</b>

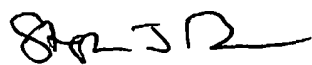
The notes on pages 13 to 27 form part of these financial statements.

**BRIDGESTREET ACCOMMODATIONS LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

31 DECEMBER 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	13	73,329	293,327
Tangible assets	14	579,636	557,953
Investments	15	730	695
		<u>653,695</u>	<u>851,975</u>
<b>Current assets</b>			
Debtors	16	6,007,541	8,244,543
Cash at bank and in hand		450,960	295,099
		<u>6,458,501</u>	<u>8,539,642</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>(5,168,612)</u>	<u>(6,268,979)</u>
<b>Net current assets</b>		<u>1,289,889</u>	<u>2,270,663</u>
<b>Total assets less current liabilities</b>		<u>1,943,584</u>	<u>3,122,638</u>
<b>Provisions</b>			
Taxation including deferred tax	18	-	(33,522)
Other provisions	18	<u>(476,104)</u>	<u>(485,704)</u>
		<u>(476,104)</u>	<u>(519,226)</u>
<b>Net assets</b>		<u>1,467,480</u>	<u>2,603,412</u>
<b>Capital and reserves</b>			
Called up share capital	22	1,000,000	1,000,000
Share premium account	23	1,205,000	1,205,000
Other reserves	23	51,350	48,902
Profit and loss account	23	<u>(788,870)</u>	<u>349,510</u>
<b>Shareholders' funds</b>		<u>1,467,480</u>	<u>2,603,412</u>

These financial statements were approved by the board of directors and authorised for issue on 7/8/18, and are signed on behalf of the board by:



S Burns  
Director

Company registration number: 3411955

The notes on pages 13 to 27 form part of these financial statements.

**BRIDGESTREET ACCOMMODATIONS LIMITED**  
**COMPANY STATEMENT OF FINANCIAL POSITION**

**31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Investments	15	4,409,900	4,409,900
<b>Current assets</b>			
Debtors	16	269,664	256,808
<b>Creditors: amounts falling due within one year</b>	17	(1,797,579)	(1,797,580)
<b>Net current liabilities</b>		(1,527,915)	(1,540,772)
<b>Total assets less current liabilities</b>		<u>2,881,985</u>	<u>2,869,128</u>
<b>Capital and reserves</b>			
Called up share capital	22	1,000,000	1,000,000
Share premium account	23	1,205,000	1,205,000
Profit and loss account	23	676,985	664,128
<b>Shareholders' funds</b>		<u>2,881,985</u>	<u>2,869,128</u>

The profit for the financial year of the parent company was £12,857 (2016: £32,929).

These financial statements were approved by the board of directors and authorised for issue on 7/8/18, and are signed on behalf of the board by:



S Burns  
Director

Company registration number: 3411955

The notes on pages 13 to 27 form part of these financial statements.

**BRIDGESTREET ACCOMMODATIONS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total £
<b>At 1 January 2016</b>	1,000,000	1,205,000	42,631	1,293,785	3,541,416
Loss for the year				(938,038)	(938,038)
Other comprehensive income for the year:					
Foreign currency retranslation	—	—	6,271	(6,237)	34
<b>Total comprehensive income for the year</b>	—	—	6,271	(944,275)	(938,004)
<b>At 31 December 2016</b>	1,000,000	1,205,000	48,902	349,510	2,603,412
Loss for the year				(1,129,328)	(1,129,328)
Other comprehensive income for the year:					
Foreign currency retranslation	—	—	2,448	(9,052)	(6,604)
<b>Total comprehensive income for the year</b>	—	—	2,448	(1,138,380)	(1,135,932)
<b>At 31 December 2017</b>	<u>1,000,000</u>	<u>1,205,000</u>	<u>51,350</u>	<u>(788,870)</u>	<u>1,467,480</u>

The notes on pages 13 to 27 form part of these financial statements.

**BRIDGESTREET ACCOMMODATIONS LIMITED**  
**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
<b>At 1 January 2016</b>	1,000,000	1,205,000	631,199	2,836,199
Loss for the year			32,929	32,929
<b>Total comprehensive income for the year</b>	—	—	32,929	32,929
<b>At 31 December 2016</b>	1,000,000	1,205,000	664,128	2,869,128
Loss for the year			12,857	12,857
<b>Total comprehensive income for the year</b>	—	—	12,857	12,857
<b>At 31 December 2017</b>	<u>1,000,000</u>	<u>1,205,000</u>	<u>676,985</u>	<u>2,881,985</u>

The notes on pages 13 to 27 form part of these financial statements.

**BRIDGESTREET ACCOMMODATIONS LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 DECEMBER 2017**

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(1,129,328)	(938,038)
<i>Adjustments for:</i>		
Depreciation of tangible assets	270,380	174,354
Amortisation of intangible assets	219,998	219,998
Other interest receivable and similar income	(1,431)	(586)
Interest payable and similar expenses	11,520	—
Tax on loss	47,290	(216,913)
<i>Changes in:</i>		
Trade and other debtors	2,202,270	(755,454)
Trade and other creditors	(1,157,817)	738,602
Provisions and employee benefits	(9,600)	—
Cash generated from operations	<u>453,282</u>	<u>(778,037)</u>
Interest paid	(11,520)	—
Interest received	1,431	586
Tax paid	<u>(2,339)</u>	<u>(2,412)</u>
Net cash from/(used in) operating activities	<u>440,854</u>	<u>(779,863)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	<u>(288,887)</u>	<u>(312,467)</u>
Net cash used in investing activities	<u>(288,887)</u>	<u>(312,467)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	151,967	(1,092,330)
<b>Cash and cash equivalents at beginning of year</b>	295,099	1,363,690
<b>Exchange adjustments</b>	<u>3,894</u>	<u>23,739</u>
<b>Cash and cash equivalents at end of year</b>	<u>450,960</u>	<u>295,099</u>

The notes on pages 13 to 27 form part of these financial statements.

# **BRIDGESTREET ACCOMMODATIONS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2017**

### **1. General Information**

BridgeStreet Accommodations Limited is a private company limited by shares, registered in England and Wales. The registered office is 8 Harewood Row, Marylebone, London NW1 6SE.

### **2. Statement of compliance**

These financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom 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.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### **Going concern**

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

#### **Consolidation**

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over twenty years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 Companies Act 2006.

**BRIDGESTREET ACCOMMODATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31 DECEMBER 2017**

**3. Accounting policies** *(continued)*

**Revenue recognition**

Turnover represents the amounts derived from the provision of goods and services and is stated net of value added tax and discounts given.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

**Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

The assets and liabilities and profit and loss accounts of overseas subsidiary are translated at the closing exchange rates. Profit and loss accounts of such undertakings are consolidated at the average rates of exchange during the year. Gains and losses arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings.

**Operating leases**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

**Goodwill**

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life.



**BRIDGESTREET ACCOMMODATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 DECEMBER 2017**

**3. Accounting policies (continued)**

**Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 20 years straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

**Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

**Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold Improvements - 7 years straight line  
Office & Apartments Furniture & Equipment - 3 or 5 years straight line  
Motor Vehicles - 5 years straight line  
Computer Equipment - 3 years straight line

**Investments in preference and ordinary shares**

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss.

**BRIDGESTREET ACCOMMODATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 DECEMBER 2017**

**3. Accounting policies (continued)**

**Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

**Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

**Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

**Trade and other debtors / creditors**

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.

**BRIDGESTREET ACCOMMODATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**YEAR ENDED 31 DECEMBER 2017**

**3. Accounting policies** *(continued)*

**Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**4. Turnover**

Turnover arises from:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Rendering of services	<u>42,393,802</u>	<u>46,100,917</u>

The turnover is attributable to the one principal activity of the group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
United Kingdom	39,300,329	42,439,189
Overseas	<u>3,093,473</u>	<u>3,661,728</u>
	<u>42,393,802</u>	<u>46,100,917</u>

**5. Other operating income**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Other operating income	<u>~</u>	<u>2,683</u>

**6. Operating profit**

Operating profit or loss is stated after charging:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Amortisation of intangible assets	219,998	219,998
Depreciation of tangible assets	270,380	174,354
Foreign exchange differences	<u>(4,363)</u>	<u>60,310</u>

**7. Auditor's remuneration**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Fees payable for the audit of the financial statements	<u>40,000</u>	<u>38,767</u>

**BRIDGESTREET ACCOMMODATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 DECEMBER 2017**

**8. Staff costs**

The average number of persons employed by the group during the year, including the directors, amounted to:

	2017 No.	2016 No.
Housekeeping and guest services staff	116	138
Sales staff	48	40
Administrative staff	17	25
	<u>181</u>	<u>203</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017 £	2016 £
Wages and salaries	4,603,472	4,981,420
Social security costs	673,911	731,947
Other pension costs	78,401	70,942
	<u>5,355,784</u>	<u>5,784,309</u>

**9. Directors' remuneration**

The directors' aggregate remuneration in respect of qualifying services was:

	2017 £	2016 £
Remuneration	60,400	181,566
Company contributions to defined contribution pension plans	2,349	7,023
	<u>62,749</u>	<u>188,589</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2017 No.	2016 No.
Defined contribution plans	<u>1</u>	<u>1</u>

**10. Other interest receivable and similar income**

	2017 £	2016 £
Interest receivable on cash and cash equivalents	<u>1,431</u>	<u>586</u>

**11. Interest payable and similar expenses**

	2017 £	2016 £
Other interest payable and similar charges	<u>11,520</u>	<u>—</u>

**BRIDGESTREET ACCOMMODATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31 DECEMBER 2017**

**12. Tax on loss**

**Major components of tax expense/(income)**

	2017 £	2016 £
<b>Current tax:</b>		
Adjustments in respect of prior periods	92,691	(258,720)
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(45,401)	41,807
<b>Tax charge/(credit) on loss</b>	<u>47,290</u>	<u>(216,913)</u>

**Reconciliation of tax expense/(income)**

The tax assessed on the loss on ordinary activities for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 19.25% (2016: 20%).

	2017 £	2016 £
Loss on ordinary activities before taxation	(1,082,038)	(1,154,951)
Loss on ordinary activities by rate of tax	(208,256)	(230,990)
Adjustment to tax charge in respect of prior periods	92,691	(258,720)
Effect of expenses not deductible for tax purposes	72,186	162,234
Utilisation of tax losses	(2,474)	102,971
Unused tax losses	85,752	—
Fixed asset differences	6,982	15,040
Adjustment to opening deferred tax to average tax rate	3,777	(6,527)
Adjustment to closing deferred tax to average tax rate	1,570	(921)
Adjustments in respect of prior periods - deferred tax	(4,938)	—
<b>Tax on loss</b>	<u>47,290</u>	<u>(216,913)</u>

**Factors that may affect future tax expense**

A reduction in the UK corporation tax rate from 20% 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. The deferred tax asset at 31 December 2017 has been calculated based on these rates.

**BRIDGESTREET ACCOMMODATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31 DECEMBER 2017**

**13. Intangible assets**

<b>Group</b>	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2017 and 31 December 2017	4,399,955
<b>Amortisation</b>	
At 1 January 2017	4,106,628
Charge for the year	219,998
<b>At 31 December 2017</b>	<b>4,326,626</b>
<b>Carrying amount</b>	
At 31 December 2017	73,329
At 31 December 2016	293,327

The company has no intangible assets.

The directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises. At 31 December 2017, goodwill arising on the acquisition of BridgeStreet Accommodations London Limited is being amortised over 20 years. The directors consider that they will continue to derive benefit from BridgeStreet Accommodations London Limited over at least that period. The directors have reviewed the carrying value of goodwill in SAS BridgeStreet Accommodations Paris and they consider that the goodwill has been fully impaired.

**BRIDGESTREET ACCOMMODATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 DECEMBER 2017**

**14. Tangible assets**

Group	Leasehold Improvements £	Office & Apartments Furniture & Equipment £	Motor vehicles £	Computer Equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2017	593,662	1,761,666	12,626	683,632	3,051,586
Additions	116,876	134,516	—	37,495	288,887
Disposals	—	(1,376,000)	—	(365,968)	(1,741,968)
Exchange rate adjustments	—	8,296	632	2,135	11,063
<b>At 31 December 2017</b>	<b>710,538</b>	<b>528,478</b>	<b>13,258</b>	<b>357,294</b>	<b>1,609,568</b>
<b>Depreciation</b>					
At 1 January 2017	283,114	1,664,857	8,378	537,284	2,493,633
Charge for the year	111,062	65,975	2,606	90,737	270,380
Disposals	—	(1,376,000)	—	(365,968)	(1,741,968)
Exchange rate adjustments	—	5,478	465	1,944	7,887
<b>At 31 December 2017</b>	<b>394,176</b>	<b>360,310</b>	<b>11,449</b>	<b>263,997</b>	<b>1,029,932</b>
<b>Carrying amount</b>					
<b>At 31 December 2017</b>	<b>316,362</b>	<b>168,168</b>	<b>1,809</b>	<b>93,297</b>	<b>579,636</b>
At 31 December 2016	310,548	96,809	4,248	146,348	557,953

The company has no tangible assets.

**15. Investments**

Group	Other investments other than loans £
<b>Cost</b>	
At 1 January 2017	695
Exchange rate adjustments	35
<b>At 31 December 2017</b>	<b>730</b>
<b>Impairment</b>	
At 1 January 2017 and 31 December 2017	—
<b>Carrying amount</b>	
<b>At 31 December 2017</b>	<b>730</b>
At 31 December 2016	695

**BRIDGESTREET ACCOMMODATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31 DECEMBER 2017**

**15. Investments** *(continued)*

Company	Shares in group undertakings £
<b>Cost</b>	
At 1 January 2017 and 31 December 2017	4,409,900
<b>Impairment</b>	
At 1 January 2017 and 31 December 2017	—
<b>Carrying amount</b>	
At 1 January 2017 and 31 December 2017	4,409,900
At 31 December 2016	4,409,900

**Subsidiaries, associates and other investments**

Details of the investments in which the group and the parent company have an interest of 20% or more are as follows:

Subsidiary undertakings	Registered office	Class of share	Percentage of shares held
BridgeStreet Accommodations London Ltd	8 Harewood Row, Marylebone, London NW1 6SE	Ordinary	100
BridgeStreet Wardrobe Place Ltd	8 Harewood Row, Marylebone, London NW1 6SE	Ordinary	100
SAS BridgeStreet Accommodations Paris	10, Avenue Franklin Roosevelt, 75008 Paris	Ordinary	100

BridgeStreet Wardrobe Place Ltd is dormant. All the other above subsidiary undertakings are leading providers of serviced accommodation aimed at the corporate client.

The interest in BridgeStreet Wardrobe Place Limited is held through the subsidiary company BridgeStreet Accommodations London Limited.

The directors have reviewed the carrying value of the cost of the investment in SAS BridgeStreet Accommodations Paris and they consider that the investment remains fully impaired at the end of the year.



**BRIDGESTREET ACCOMMODATIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 DECEMBER 2017**

**16. Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	2,964,481	3,864,000	—	—
Amounts owed by group undertakings	753,728	1,657,933	269,664	256,808
Deferred tax asset	11,879	—	—	—
Prepayments and accrued income	1,535,656	1,607,306	—	—
Corporation tax repayable	419,441	508,793	—	—
Other debtors	322,356	606,511	—	—
	<u>6,007,541</u>	<u>8,244,543</u>	<u>269,664</u>	<u>256,808</u>

**17. Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	2,710,996	2,921,190	—	—
Amounts owed to group undertakings	—	—	1,797,579	1,797,580
Accruals and deferred income	1,953,845	2,407,652	—	—
Social security and other taxes	314,935	229,904	—	—
Other creditors	188,836	710,233	—	—
	<u>5,168,612</u>	<u>6,268,979</u>	<u>1,797,579</u>	<u>1,797,580</u>

**18. Provisions**

<b>Group</b>	<b>Deferred tax</b>	<b>Dilapidations</b>	<b>Total</b>
	<b>(note 19)</b>		
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2017	33,522	485,704	519,226
Movement for year	(33,522)	(9,600)	(43,122)
<b>At 31 December 2017</b>	<u>—</u>	<u>476,104</u>	<u>476,104</u>

The company does not have any provisions.

**Dilapidation costs**

Provision for dilapidations is based upon the company's estimated cost of restoring the leased properties to their pre rental condition upon expiry of the lease, in accordance with the lease terms.

**BRIDGESTREET ACCOMMODATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31 DECEMBER 2017**

**19. Deferred tax**

The deferred tax included in the statement of financial position is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Included in debtors (note 16)	11,879	—	—	—
Included in provisions (note 18)	—	(33,522)	—	—
	<u>11,879</u>	<u>(33,522)</u>	<u>—</u>	<u>—</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	(37,319)	(36,986)	—	—
Unused tax losses	47,488	3,464	—	—
Short term timing differences	1,710	—	—	—
	<u>11,879</u>	<u>(33,522)</u>	<u>—</u>	<u>—</u>

**20. Employee benefits**

**Defined contribution plans**

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £78,401 (2016: £70,942).

**BRIDGESTREET ACCOMMODATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 DECEMBER 2017**

**21. Financial instruments**

The carrying amount for each category of financial instrument is as follows:

**Financial assets that are debt instruments measured at amortised cost**

	<b>Group</b>		<b>Company</b>	
	<b>31 Dec 17</b>	<b>25 Dec 16</b>	<b>31 Dec 17</b>	<b>25 Dec 16</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	2,964,481	3,864,000	—	—
Amounts owed by group undertakings	753,728	1,657,933	269,664	256,808
Other debtors	322,356	606,511	—	—
	<u>4,040,565</u>	<u>6,128,444</u>	<u>269,664</u>	<u>256,808</u>

**Financial assets that are equity instruments measured at cost less impairment**

	<b>Group</b>		<b>Company</b>	
	<b>31 Dec 17</b>	<b>25 Dec 16</b>	<b>31 Dec 17</b>	<b>25 Dec 16</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Shares in group undertakings	—	—	4,409,900	4,409,900
Other investments	730	695	—	—
	<u>730</u>	<u>695</u>	<u>4,409,900</u>	<u>4,409,900</u>

**Financial liabilities measured at amortised cost**

	<b>Group</b>		<b>Company</b>	
	<b>31 Dec 17</b>	<b>25 Dec 16</b>	<b>31 Dec 17</b>	<b>25 Dec 16</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	2,710,996	2,921,190	—	—
Amounts owed to group undertakings	—	—	1,797,579	1,797,580
Accruals	1,953,845	2,407,652	—	—
Other creditors	188,836	710,233	—	—
	<u>4,853,677</u>	<u>6,039,075</u>	<u>1,797,579</u>	<u>1,797,580</u>

**22. Called up share capital**

**Issued, called up and fully paid**

	<b>2017</b>		<b>2016</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

**23. Reserves**

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account - This reserve records retained earnings and accumulated losses.

**BRIDGESTREET ACCOMMODATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 DECEMBER 2017**

**24. Operating leases**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Not later than 1 year	12,690,710	12,770,823	—	—
Later than 1 year and not later than 5 years	16,003,927	16,423,687	—	—
Later than 5 years	800,000	2,829,497	—	—
	<u>29,494,637</u>	<u>32,024,007</u>	<u>—</u>	<u>—</u>

The amount recognised in the profit and loss account as an expense in relation to group operating leases was £14,263,224 (2016: £17,602,292).

**25. Related party transactions**

**Group**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Balances due from other group companies at the year end:		
BridgeStreet Corporate Housing Worldwide Inc.	752,799	1,657,933
BridgeStreet Corporate Housing Ltd	929	—

During the year the group paid £1,600,000 (2016: £2,395,831) to BridgeStreet Corporate Housing Worldwide, Inc. for management charges.

The total compensation paid to key management personnel for services provided to the group was £62,749 (2016: £188,589).

**Company**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Balances due from other group companies at the year end:		
SAS BridgeStreet Accommodations Paris	269,664	256,808
Balances due to other group companies at the year end:		
BridgeStreet Accommodations London Limited	1,797,580	1,797,580

**BRIDGESTREET ACCOMMODATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31 DECEMBER 2017**

**26. Controlling party**

At 31 December 2017, the company's ultimate parent company and controlling party was Versa Capital Fund II LP and Versa Capital Fund IIa LP, a company incorporated in the United States of America, whose address is Cira Centre, 2929 Arch Street, Suite 1800, Philadelphia, PA 19104-7324. At 31 December 2017, the company's immediate parent company was BridgeStreet Accommodations Limited, a company registered in the United Kingdom.

**27. Contingent liabilities**

National Westminster Bank Plc holds a fixed and floating charge over all the assets of the subsidiary, BridgeStreet Accommodations London Ltd.