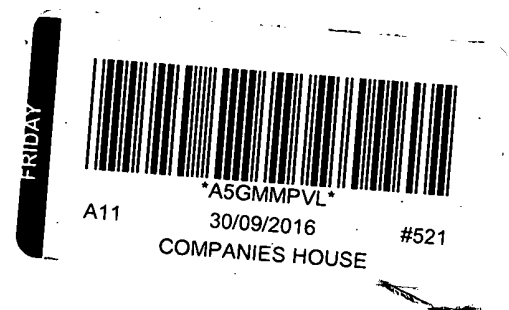


Financial Statements

Kew Green Hotels Limited

For the period ended 31 December 2015



Registered number: 3993178

Kew Green Hotels Limited
Registered number: 3993178

Company Information

Registered number 3993178

Registered office Second Floor
Dome Building
The Quadrant
Richmond
Surrey
TW9 1DT

Company secretary Mr J Lamb

Directors Mr P Johnson
Mr J Lamb

Bankers Barclays Bank Plc
One Churchill Place
London
E14 5HP

Independent auditor Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
No 1 Dorset Street
Southampton
Hampshire
SO15 2DP

Kew Green Hotels Limited
Registered number: 3993178

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Directors' Report

For the period ended 31 December 2015

The directors present their report and the audited financial statements for the period ended 31 December 2015.

Principal activities

The company is an intermediate holding company which own a number of companies which operate hotels. The company does not trade in its own right.

Directors

The directors who served during the period were:

Mr P Johnson
Mr J Lamb

Directors' responsibilities statement

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Matters covered in the Strategic report

The future developments and business review are shown in the strategic report.

Directors' Report

For the period ended 31 December 2015

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 23 May 2016, and signed on its behalf.



Mr J Lamb
Director

Strategic Report

For the period ended 31 December 2015

Business review

The company is an intermediate holding company which own a number of companies which operate hotels. The company does not trade in its own right.

The company recognised a loss for the period, after taxation, of £594,299 (2014: loss £19,017,981). The directors have not recommended a dividend.

Following reorganisations of the Group headed by Kew Green Holdings Limited, Kew Green Hotels Limited purchased the entire share capital of Kew Green Group Limited from Kew Green Holdings Limited for a new issue of shares in the company.

On 7 August 2015, the company was acquired by CTS Metropark Limited. All the company's external debt was repaid via an intercompany loan. Since this point, the company has no external debt.

The company will remain an intermediate holding company, incurring an interest charge on its intercompany debt, and receiving interest on amounts due from its subsidiaries.

Future developments

The company will remain an intermediate holding company for the foreseeable future

Going concern

The directors have made an assessment in preparing these financial statement as to whether the company is a going concern.

Having made appropriate enquiries of the directors of CTS Metropark Limited, the directors are satisfied that the company has adequate resources to continue for the foreseeable future. For this reason, the directors have continued to adopt the going concern basis.

Principal risks and uncertainties

The company participates in the group's centralised treasury arrangements and shares banking arrangements with members of the group headed by CTS Metropark Limited. Full details of the principle risks and uncertainties for the group are disclosed within the consolidated accounts of CTS Metropark Limited.

Financial key performance indicators

Due to the company being an intermediate holding company, the directors do not consider any key performance indicators applicable.

This report was approved by the board on 23 May 2016 and signed on its behalf.



Mr J Lamb
Director



Independent Auditor's Report to the Members of Kew Green Hotels Limited

We have audited the financial statements of Kew Green Hotels Limited for the period ended 31 December 2015, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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



Independent Auditor's Report to the Members of Kew Green Hotels Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Grant Thornton UK LLP

Stephen Mills (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Southampton
Date: 23/7/16

Profit and Loss Account

For the period ended 31 December 2015

		16 month period 31 December 2015 £	Year ended 31 August 2014 £
Turnover	1,2	-	2,097,592
Administrative expenses		-	(1,747,243)
Exceptional administrative expenses		2,747,070	(5,219,165)
Total administrative expenses		2,747,070	(6,966,408)
Other operating income	3	-	196,960
Operating profit/(loss)	4	2,747,070	(4,671,856)
Profit/(loss) on disposal of investments		-	(14,233,643)
Interest receivable and similar income	8	6,168	-
Interest payable and similar charges	9	(3,347,537)	(112,482)
Loss on ordinary activities before taxation		(594,299)	(19,017,981)
Tax on loss on ordinary activities	11	-	-
Loss for the financial period	17	(594,299)	(19,017,981)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

The notes on pages 8 to 17 form part of these financial statements.

Balance Sheet

As at 31 December 2015

	Note	31 December 2015		31 August 2014	
		£	£	£	£
Fixed assets					
Investments	13		297,865,002		2
Current assets					
Debtors	14	13,595		6,114,737	
Cash at bank		298		527,465	
		<u>13,893</u>		<u>6,642,202</u>	
Creditors: amounts falling due within one year	15	<u>(5,693,620)</u>		<u>(11,727,630)</u>	
Net current liabilities			<u>(5,679,727)</u>		<u>(5,085,428)</u>
Total assets less current liabilities			<u>292,185,275</u>		<u>(5,085,426)</u>
Capital and reserves					
Called up share capital	16		46,775,200		47,200
Share premium account	17		294,281,212		43,144,212
Profit and loss account	17		<u>(48,871,137)</u>		<u>(48,276,838)</u>
Shareholders' funds/(deficit)	18		<u>292,185,275</u>		<u>(5,085,426)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

23 May 2016.


Mr P Johnson
Director

The notes on pages 8 to 17 form part of these financial statements.

Notes to the Financial Statements

For the period ended 31 December 2015

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Going concern

The company participates in the group's centralised treasury arrangements and shares banking arrangements with members of the group headed by CTS Metropark Limited.

At 31 December 2015, the company has capital and reserves showing a net current liability position of £5,679,727 (2014: £5,085,428). The group have confirmed that the intercompany balance will not be recalled for a period of at least 12 months from the date of approving these financial statements.

Having made appropriate enquiries of the directors of CTS Metropark Limited, the directors are satisfied that the company has adequate resources to continue for the foreseeable future. For this reason, the directors have continued to adopt the going concern basis.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Turnover

Turnover comprises fees arising from the provision of management services to both the company's trading subsidiaries and third parties. Revenue is recognised as the management services are provided exclusive of Value Added Tax and trade discounts.

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.6 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Notes to the Financial Statements

For the period ended 31 December 2015

1. Accounting Policies (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

2. Turnover

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

Notes to the Financial Statements

For the period ended 31 December 2015

3. Other operating income

	16 month period 31 December 2015 £	Year ended 31 August 2014 £
Amortisation of non-repayable IHG loan	-	166,667
Amortisation of non-repayable Cendant loan	-	30,293
	<u>-</u>	<u>196,960</u>

4. Operating loss

The operating loss is stated after charging:

	16 month period 31 December 2015 £	Year ended 31 August 2014 £
Amortisation - intangible fixed assets	-	5,919
Depreciation of tangible fixed assets:		
- owned by the company	-	18,275
Operating lease rentals:		
- other operating leases	-	69,132
Exceptional administrative expenses (see note 10)	2,747,070	5,219,165
	<u>2,747,070</u>	<u>5,219,165</u>

5. Auditors' remuneration

	16 month period 31 December 2015 £	Year ended 31 August 2014 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	-	6,000
Fees payable to the company's auditor and its associates in respect of:		
The auditing of accounts of fellow group companies	-	50,000
Other services relating to taxation	-	19,000
	<u>-</u>	<u>75,000</u>

The directors are remunerated via Kew Green Group Limited.

Fees for the company's statutory audit, and other fees payable to the company's auditor are incurred by Kew Green Group Limited, an intermediate parent company. Full details of auditor's remuneration is disclosed in the consolidated accounts of CTS Metropark Limited.

Notes to the Financial Statements

For the period ended 31 December 2015

6. Staff costs

Staff costs, including directors' remuneration, were as follows:

	16 month period 31 December 2015 £	Year ended 31 August 2014 £
Wages and salaries	-	1,468,850
Social security costs	-	167,461
Other pension costs	-	81,922
	<u>-</u>	<u>1,718,233</u>

The average monthly number of employees, including the directors, during the period was as follows:

	16 month period 31 December 2015 No.	Year ended 31 August 2014 No.
Head office staff	<u>0</u>	<u>29</u>

7. Directors' remuneration

	16 month period 31 December 2015 £	Year ended 31 August 2014 £
Remuneration	<u>-</u>	<u>858,121</u>
Company pension contributions to defined contribution pension schemes	<u>-</u>	<u>81,922</u>

During the period retirement benefits were accruing to no directors (2014 - 81,922) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £NIL (2014 - £426,493).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2014 - £54,127).

The company directors are remunerated via Kew Green Group Limited.

Notes to the Financial Statements

For the period ended 31 December 2015

8. Interest receivable

	16 month period 31 December 2015 £	Year ended 31 August 2014 £
Interest receivable from group companies	6,168	-

9. Net interest payable

	16 month period 31 December 2015 £	Year ended 31 August 2014 £
On bank loans and overdrafts	180,950	7,503,711
Interest receivable from group companies	-	(7,391,229)
Interest rate swap break	3,166,587	-
	<u>3,347,537</u>	<u>112,482</u>

10. Exceptional items

	16 month period 31 December 2015 £	Year ended 31 August 2014 £
Release of provision against losses of subsidiaries	(2,747,070)	5,219,165

Notes to the Financial Statements

For the period ended 31 December 2015

11. Taxation

Factors affecting tax charge for the period/year

The tax assessed for the period/year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20.44% (2014 - 22.16%). The differences are explained below:

	16 month period 31 December 2015 £	Year ended 31 August 2014 £
Loss on ordinary activities before tax	(594,299)	(19,017,981)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.44% (2014 - 22.16%)	(121,475)	(4,214,385)
Effects of:		
Marginal relief	121,475	4,214,385
Current tax charge for the period/year (see note above)	-	-

12. Tangible fixed assets

	Fixtures & fittings £
Cost	
At 1 September 2014 and 31 December 2015	79,133
Depreciation	
At 1 September 2014 and 31 December 2015	79,133
Net book value	
At 31 December 2015	-
At 31 August 2014	-

Notes to the Financial Statements

For the period ended 31 December 2015

13. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 September 2014	2
Additions	297,865,000
At 31 December 2015	297,865,002
Net book value	
At 31 December 2015	297,865,002
At 31 August 2014	2

Subsidiary undertakings

The company has the following wholly owned subsidiaries:

Name	
Kew Green Group Limited *	Holding company
Kew Green Reserve Limited *	Dormant company
Kew Green (Nottingham) Limited *	
Kew Green (Norwich Property) Limited **	Hotel property company
Stardon (Norwich) Limited **	Hotel property and operating company
Kew Green (LRG2) Limited **	Holding company
Stardon (East Kilbride) Limited **	Hotel property and operating company
Birmingham Hotel Limited **	Hotel property and operating company
Heartlands Hotel Limited **	Hotel property and operating company
Shropshire Hotel Limited **	Hotel property and operating company
Shrewsbury Hotel Limited **	Hotel property and operating company
Braintree Hotel Limited **	Hotel property and operating company
Osborn Securities (Braintree) Limited **	Hotel property and operating company
Kew Green (Bromsgrove) Limited **	Hotel property and operating company
Stardon (Leeds) Limited **	Hotel property and operating company
Stardon (Brighton West Pier) Limited **	Hotel property and operating company
Kew Green Intermediate One Limited **	Hotel property and operating company
Kew Green Intermediate Two Limited **	Hotel property and operating company
Kew Green Hotels (Norwich) Limited ****	Hotel property and operating company
Kew Green Hotels (Portsmouth) Limited ***	Hotel property and operating company
Kew Green Hotels (Wakefield) Limited ****	Hotel property and operating company
Kew Green Hotels (Gatwick) Limited ****	Hotel property and operating company
Kew Green Hotels (Management) Limited ****	Hotel property and operating company
Kew Green Hotels (Stansted) Limited ****	Hotel property and operating company
Kew Green Hotels (Luton) Limited ****	Hotel property and operating company
Kew Green (SCP) Limited ****	Hotel property and operating company
Kew Green Hotels (Square) Limited ****	Hotel property and operating company
Kew Green Hotels (Speke) Limited ****	Hotel property and operating company
Neptune Hotels Limited *****	Hotel property and operating company
Kew Green (LRG1) Limited *****	Holding company

Kew Green Hotels Limited

Notes to the Financial Statements

For the period ended 31 December 2015

Kew Green Hotels (Ashford) Limited *****	Hotel property and operating company
Kew Green Hotels (Haydock) Limited *****	Hotel property and operating company
Kew Green Hotels (Chester) Limited *****	Hotel property and operating company
Kew Green Hotels (Rugby) Limited *****	Hotel property and operating company
Kew Green Hotels (Runcorn) Limited *****	Hotel property and operating company
Kew Green Hotels (Stoke) Limited *****	Hotel property and operating company
Kew Green Hotels (Wakefield LRG1) Limited *****	Hotel property and operating company
Kew Green Hotels (Birmingham LRG1) Limited *****	Hotel property and operating company
Kew Green Hotels (Derby/Nottingham) Limited *****	Hotel property and operating company
Kew Green Hotels (Leeds Brighouse) Limited *****	Hotel property and operating company
Kew Green Hotels (Colchester) Limited *****	Hotel property and operating company
Kew Green Hotels (Ipswich LRG1) Limited *****	Hotel property and operating company
Kew Green Hotels (Washington) Limited *****	Hotel property and operating company
Kew Green Hotels (Swindon) Limited *****	Hotel property and operating company
Kew Green Hotels (York) Limited *****	Hotel property and operating company
Kew Green Hotels (Lancaster) Limited *****	Hotel property and operating company
Kew Green Hotels (Norwich LRG1) Limited *****	Hotel property and operating company
Kew Green Hotels (Rochester) Limited *****	Hotel property and operating company
Kew Green Hotels (Taunton) Limited *****	Hotel property and operating company
Kew Green Hotels (Warrington) Limited *****	Hotel property and operating company
Kew Green (LRG Property) Limited *****	Hotel property and operating company
Kew Green Hotels (Portsmouth LRG1) Limited *****	Hotel property and operating company

* = subsidiaries of Kew Green Hotels Limited
 ** = subsidiaries of Kew Green Group Limited
 *** = subsidiaries of Kew Green Intermediate Two Limited
 **** = subsidiaries of Kew Green Intermediate One Limited
 ***** = subsidiary of Kew Green (Speke) Limited
 ***** = subsidiary of Kew Green (Stansted) Limited
 ***** = subsidiary of Kew Green (LRG2) Limited
 ***** = subsidiaries of Kew Green (LRG1) Limited

All of the above subsidiary undertakings are incorporated in the United Kingdom other than Kew Green (SCP) Limited, which is incorporated in Jersey.

The directors consider that the value of the investments in subsidiary companies is at least equal to the cost and no impairment provision is required.

14. Debtors

	31 December 2015	31 August 2014
	£	£
Trade debtors	-	153,537
Amounts owed by group undertakings	13,595	5,105,698
VAT repayable	-	482,907
Other debtors	-	317,079
Prepayments and accrued income	-	55,516
	<u>13,595</u>	<u>6,114,737</u>

Notes to the Financial Statements

For the period ended 31 December 2015

15. Creditors:

Amounts falling due within one year

	31 December 2015	31 August 2014
	£	£
Bank loans	-	948,452
Trade creditors	-	656,364
Amounts owed to group undertakings	5,693,620	8,251,259
Other taxation and social security	-	4,365
Other creditors	-	328,071
Accruals and deferred income	-	1,539,119
	<u>5,693,620</u>	<u>11,727,630</u>

16. Share capital

	31 December 2015	31 August 2014
	£	£
Allotted, called up and fully paid		
467,539,600 Ordinary shares of £0.10 each	46,753,960	25,960
212,400 'A' Ordinary shares of £0.10 each	21,240	21,240
	<u>46,775,200</u>	<u>47,200</u>

467,280,000 ordinary shares of £0.10 each have been issued in the current financial period.

17. Reserves

	Share premium account	Profit and loss account
	£	£
At 1 September 2014	43,144,212	(48,276,838)
Loss for the financial period	-	(594,299)
Premium on shares issued during the period	251,137,000	-
	<u>294,281,212</u>	<u>(48,871,137)</u>
At 31 December 2015		

Notes to the Financial Statements

For the period ended 31 December 2015

18. Reconciliation of movement in shareholders' funds

	31 December 2015	31 August 2014
	£	£
Opening shareholders' (deficit)/funds	(5,085,426)	13,932,555
Loss for the financial period/year	(594,299)	(19,017,981)
Shares issued during the period	46,728,000	-
Share premium on shares issued	251,137,000	-
	<hr/>	<hr/>
Closing shareholders' funds/(deficit)	<u>292,185,275</u>	<u>(5,085,426)</u>

19. Related party transactions

The company has taken the advantage of the examples contained in FRS 8 not to disclose transactions with other wholly owned members of the group headed by CTS Metropark Limited.

Remich Holdings I S.a.r.l was the majority shareholder of Kew Green Holdings Limited, the previous ultimate parent undertaking. Remich Holding II S.a.r.l provided loan finance (including accrued interest) to Kew Green Hotels Limited, which was fully repaid during the year. Interest of £180,950 (2014 - £7,503,711) was charged in respect of this loan. Remich Holding I S.a.r.l and Remich Holding II S.a.r.l are related by virtue of having the same shareholders.

20. Ultimate parent undertaking and controlling party

At 31 December 2015, the company's immediate parent undertaking is CTS Metropark Limited. Its ultimate parent undertaking being State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China, incorporated in The People's Republic of China.

The largest and smallest group for which consolidated financial statements are prepared is that held by CTS Metropark Limited, for which copies may be obtained from their registered office.