

Registre de Commerce et des Sociétés

Numéro RCS : B176141

Référence de dépôt : L160251619

Déposé et enregistré le 23/12/2016

RCSL Nr. : B176141

Matricule : 2013 2204 730

BALANCE SHEETFinancial year from ⁰¹ 18/03/2013 to ⁰² 31/12/2013 (in ⁰³ GBP)

CONSTELLATION HOTEL UK S.A.

15, boulevard Roosevelt

L-2450 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets	1109 _____	109 <u>102.498.038,00</u>	110 _____
I. Intangible fixed assets	1111 _____	111 _____	112 _____
1. Research and development costs	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 _____	116 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 _____	118 _____
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible fixed assets under development	1123 _____	123 _____	124 _____
II. Tangible fixed assets	1125 _____	125 <u>102.498.038,00</u>	126 _____
1. Land and buildings	1127 _____	127 <u>102.498.038,00</u>	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

The notes in the annex form an integral part of the annual accounts

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	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131 _____	131 _____	132 _____
4. Payments on account and tangible fixed assets under development	1133 _____	133 _____	134 _____
III. Financial fixed assets	1135 _____	135 _____	136 _____
1. Shares in affiliated undertakings	1137 _____	137 _____	138 _____
2. Amounts owed by affiliated undertakings	1139 _____	139 _____	140 _____
3. Shares in undertakings with which the company is linked by virtue of participating interests	1141 _____	141 _____	142 _____
4. Amounts owed by undertakings with which the company is linked by virtue of participating interests	1143 _____	143 _____	144 _____
5. Securities held as fixed assets	1145 _____	145 _____	146 _____
6. Loans and claims held as fixed assets	1147 _____	147 _____	148 _____
7. Own shares or own corporate units	1149 _____	149 _____	150 _____
D. Current assets	1151 _____	151 30.329,00	152 _____
I. Inventories	1153 _____	153 _____	154 _____
1. Raw materials and consumables	1155 _____	155 _____	156 _____
2. Work and contracts in progress	1157 _____	157 _____	158 _____
3. Finished goods and merchandise	1159 _____	159 _____	160 _____
4. Payments on account	1161 _____	161 _____	162 _____
II. Debtors	1163 _____	163 30.329,00	164 _____
1. Trade receivables	1165 _____	165 27.804,00	166 _____
a) becoming due and payable within one year	1167 _____	167 27.804,00	168 _____
b) becoming due and payable after more than one year	1169 _____	169 _____	170 _____
2. Amounts owed by affiliated undertakings	1171 _____	171 _____	172 _____
a) becoming due and payable within one year	1173 _____	173 _____	174 _____
b) becoming due and payable after more than one year	1175 _____	175 _____	176 _____
3. Amounts owed by undertakings with which the company is linked by virtue of participating interests	1177 _____	177 _____	178 _____
a) becoming due and payable within one year	1179 _____	179 _____	180 _____
b) becoming due and payable after more than one year	1181 _____	181 _____	182 _____
4. Other receivables	1183 _____	183 2.525,00	184 _____
a) becoming due and payable within one year	1185 _____	185 2.525,00	186 _____

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	Reference(s)	Current year	Previous year
b) becoming due and payable after more than one year	1187 _____	187 _____	188 _____
III. Transferable securities	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings and in undertakings with which the company is linked by virtue of participating interests	1191 _____	191 _____	192 _____
2. Own shares or own corporate units	1193 _____	193 _____	194 _____
3. Other transferable securities	1195 _____	195 _____	196 _____
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand	1197 _____	197 _____	198 _____
E. Prepayments	1199 _____	199 <u>1.774,00</u>	200 _____
TOTAL (ASSETS)		201 <u>102.530.141,00</u>	202 <u>0,00</u>

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LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301 _____	301 <u>-2.018.327,92</u>	302 _____
I. Subscribed capital	1303 _____	303 <u>26.585,00</u>	304 _____
II. Share premium and similar premiums	1305 _____	305 _____	306 _____
III. Revaluation reserves	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____	309 _____	310 _____
1. Legal reserve	1311 _____	311 _____	312 _____
2. Reserve for own shares or own corporate units	1313 _____	313 _____	314 _____
3. Reserves provided for by the articles of association	1315 _____	315 _____	316 _____
4. Other reserves	1317 _____	317 _____	318 _____
V. Profit or loss brought forward	1319 _____	319 _____	320 _____
VI. Profit or loss for the financial year	1321 _____	321 <u>-2.044.912,92</u>	322 _____
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
IX. Temporarily not taxable capital gains	1327 _____	327 _____	328 _____
B. Subordinated debts	1329 _____	329 _____	330 _____
C. Provisions	1331 _____	331 _____	332 _____
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 _____	335 _____	336 _____
3. Other provisions	1337 _____	337 _____	338 _____
D. Non subordinated debts	1339 _____	339 <u>104.548.468,92</u>	340 _____
1. Debenture loans	1341 _____	341 _____	342 _____
a) Convertible loans	1343 _____	343 _____	344 _____
i) becoming due and payable within one year	1345 _____	345 _____	346 _____
ii) becoming due and payable after more than one year	1347 _____	347 _____	348 _____
b) Non convertible loans	1349 _____	349 _____	350 _____
i) becoming due and payable within one year	1351 _____	351 _____	352 _____
ii) becoming due and payable after more than one year	1353 _____	353 _____	354 _____
2. Amounts owed to credit institutions	1355 _____	355 _____	356 _____
a) becoming due and payable within one year	1357 _____	357 _____	358 _____
b) becoming due and payable after more than one year	1359 _____	359 _____	360 _____

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	Reference(s)	Current year	Previous year
3. Payments received on account of orders as far as they are not deducted distinctly from inventories	1361	361	362
a) becoming due and payable within one year	1363	363	364
b) becoming due and payable after more than one year	1365	365	366
4. Trade creditors	1367	367	368
a) becoming due and payable within one year	1369	369	370
b) becoming due and payable after more than one year	1371	371	372
5. Bills of exchange payable	1373	373	374
a) becoming due and payable within one year	1375	375	376
b) becoming due and payable after more than one year	1377	377	378
6. Amounts owed to affiliated undertakings	1379	22.347,00	380
a) becoming due and payable within one year	1381	22.347,00	382
b) becoming due and payable after more than one year	1383		384
7. Amounts owed to undertakings with which the company is linked by virtue of participating interests	1385		386
a) becoming due and payable within one year	1387		388
b) becoming due and payable after more than one year	1389		390
8. Tax and social security debts	1391	8.208,92	392
a) Tax debts	1393	8.208,92	394
b) Social security debts	1395		396
9. Other creditors	1397	104.517.913,00	398
a) becoming due and payable within one year	1399	23.500,00	400
b) becoming due and payable after more than one year	1401	104.494.413,00	402
E. Deferred income	1403		404
TOTAL (LIABILITIES)	405	102.530.141,00	406 0,00

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Matricule : 2013 2204 730

PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 18/03/2013 to ⁰² 31/12/2013 (in ⁰³ GBP)

CONSTELLATION HOTEL UK S.A.

15, boulevard Roosevelt
L-2450 Luxembourg

A. CHARGES

	Reference(s)	Current year	Previous year
1. Use of merchandise, raw materials and consumable materials	1601 _____	601 _____	602 _____
2. Other external charges	1603 _____	603 <u>15.745,00</u>	604 _____
3. Staff costs	1605 _____	605 _____	606 _____
a) Salaries and wages	1607 _____	607 _____	608 _____
b) Social security on salaries and wages	1609 _____	609 _____	610 _____
c) Supplementary pension costs	1611 _____	611 _____	612 _____
d) Other social costs	1613 _____	613 _____	614 _____
4. Value adjustments	1615 _____	615 _____	616 _____
a) on formation expenses and on tangible and intangible fixed assets	1617 _____	617 _____	618 _____
b) on current assets	1619 _____	619 _____	620 _____
5. Other operating charges	1621 _____	621 _____	622 _____
6. Value adjustments and fair value adjustments on financial fixed assets	1623 _____	623 _____	624 _____
7. Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities	1625 _____	625 _____	626 _____
8. Interest and other financial charges	1627 _____	627 <u>2.054.025,00</u>	628 _____
a) concerning affiliated undertakings	1629 _____	629 <u>2.054.413,00</u>	630 _____
b) other interest and similar financial charges	1631 _____	631 <u>-388,00</u>	632 _____
9. Extraordinary charges	1633 _____	633 _____	634 _____

The notes in the annex form an integral part of the annual accounts

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	Reference(s)	Current year	Previous year
10. Income tax	1635 _____	635 <u>10.833,92</u>	636 _____
11. Other taxes not included in the previous caption	1637 _____	637 _____	638 _____
12. Profit for the financial year	1639 _____	639 <u>0,00</u>	640 <u>0,00</u>
TOTAL CHARGES		641 <u>2.080.603,92</u>	642 <u>0,00</u>

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B. INCOME

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 <u>35.691,00</u>	702 _____
2. Change in inventories of finished goods and of work and contracts in progress	1703 _____	703 _____	704 _____
3. Fixed assets under development	1705 _____	705 _____	706 _____
4. Reversal of value adjustments	1707 _____	707 _____	708 _____
a) on formation expenses and on tangible and intangible fixed assets	1709 _____	709 _____	710 _____
b) on current assets	1711 _____	711 _____	712 _____
5. Other operating income	1713 _____	713 _____	714 _____
6. Income from financial fixed assets	1715 _____	715 _____	716 _____
a) derived from affiliated undertakings	1717 _____	717 _____	718 _____
b) other income from participating interests	1719 _____	719 _____	720 _____
7. Income from financial current assets	1721 _____	721 _____	722 _____
a) derived from affiliated undertakings	1723 _____	723 _____	724 _____
b) other income from financial current assets	1725 _____	725 _____	726 _____
8. Other interest and other financial income	1727 _____	727 _____	728 _____
a) derived from affiliated undertakings	1729 _____	729 _____	730 _____
b) other interest and similar financial income	1731 _____	731 _____	732 _____
9. Extraordinary income	1733 _____	733 _____	734 _____
12. Loss for the financial year	1735 _____	735 <u>2.044.912,92</u>	736 <u>0,00</u>
TOTAL INCOME		737 <u>2.080.603,92</u>	738 <u>0,00</u>

CONSTELLATION HOTEL UK S.A.NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2013

1. General

Constellation Hotel UK S.A ('the Company') was incorporated on 18 March 2013 and is organized under the laws of Luxembourg as a public limited liability company ("Société Anonyme") for an unlimited period. The registered office of the Company is established at 15, boulevard Roosevelt L-2450 Luxembourg, Grand Duchy of Luxembourg. The Group's financial period ends on 31 December of each year.

The purpose of the Company is the acquisition of participation, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever and the management of such participations. The Company may in particular acquire by subscription, purchase and exchange or in any other manner any stock, shares and other participation, derivative products, option, securities, bonds, debentures, certificates of deposit and other debt instruments and more generally, any securities and financial instruments issued by any public or private entity. It may participate in the creation, development, management and control of any company or enterprise. It may further invest in the acquisition and management of a portfolio of patents or other intellectual property rights of any nature or origin. The Company may enter into any kind of derivative agreements, forward agreements, options and swap agreements, and any other similar agreements. The Company may invest directly or indirectly in real estate whatever the acquisition modalities.

The financial statements of Constellation Hotel UK S.A. for the period from 18 March 2013 to 31 December 2013 were authorised for issue by the board of directors on 24 October 2016 and the balance sheet was signed on the Board's behalf by H.E. Sheikh Hamad bin Jassim bin Jabr AL-THANI and Mr. Didier Kirsch.

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The principal accounting policies adopted by the company are set out in note 3.

2. Going concern

The Company has a negative net equity as of 31 December 2013. The ability of the Company to continue as a going concern is dependent on the future profitability of its operations and the financial support of its immediate parent. The directors obtained assurance from the immediate parent of the Company that it will financially support the Company in form of cash, loans, additional equity or unwinding the loans payable by the Company to the immediate parent. Based on this, the directors concluded that a going concern assumption is appropriate for preparing of these financial statements.

3. Accounting policies***Basis of preparation***

The financial statements of the period have been prepared based on the International Financial Reporting Standard (IFRS) as adopted by the European Union. The company adopted all relevant standards that were effective for annual periods commencing on or after the incorporation date.

CONSTELLATION HOTEL UK S.A.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2013

3. Accounting policies (continued)

The company financial statements are presented in Sterling Pound and all values are rounded to the nearest thousand pounds (£000), except when otherwise indicated.

Key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

Judgements

In the process of applying the company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

a. Taxation

The company is subject to routine tax audits and also a process whereby tax computations are discussed and agreed with the appropriate tax authorities. Whilst the ultimate outcome of such tax audits and discussions cannot be determined with certainty, management estimates the level of provisions required for both current and deferred tax on the basis of professional advice and the nature of current discussions with the tax authority concerned.

b. Deferred tax assets

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 7.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Significant estimates

The directors perform an annual impairment test based on the estimated land value. The debt is estimated at fair value on a fixed rate.

CONSTELLATION HOTEL UK S.A.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2013

3. Accounting policies (continued)***Foreign currency translation***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Investment Properties

Investment properties are initially recorded at cost, including acquisition costs such as transfer taxes, initial lease commissions and legal fees.

After initial recognition, investment property is accounted for in accordance with the cost model as set out in IAS 40 Investment Property – cost less accumulated impairment losses. Land is not depreciated.

Provisions

Provisions are recognised when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit and loss or available-for-sale. Such assets are carried at amortised cost using the effective interest method if the time value money is significant. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Cash and cash equivalents

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

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. Interest bearing loans are stated at their amortised value applying the effective interest rate method.

CONSTELLATION HOTEL UKS.A.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2013

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

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exception:

- Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.
- Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Income tax is charged or credited directly to equity if it relates to times that are credited or charged to equity. Otherwise income tax is recognised in the income statement.

De-recognition of financial liabilities

A financial liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

CONSTELLATION HOTEL UK S.A.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2013

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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes. The following criteria must also be met before revenue is recognised:

Rental income

Rental income from the property leased out under an operating lease is recognised in the income statement on a straight-line basis over the lease term.

Borrowing costs

Borrowing costs are recognised as an expense when incurred.

New standards and interpretations not applied

IFRS 9 'Financial Instruments: Classification and Measurement' introduces new requirements for classifying and measuring financial assets and financial liabilities and, when finalised, will address hedge accounting and impairment of financial assets. The company will assess the impacts when the final standard is issued. The effective date for IFRS 9 is not expected to be before 1 January 2018.

The amendments to existing accounting standards that are effective from 1 January 2014, 'Offsetting Financial Assets and Financial Liabilities' (Amendments to IAS 32) and 'Recoverable Amount Disclosures for Non-Financial Assets' (Amendments to IAS 36), are not expected to have a material impact on the company's reported income or financial position.

IFRS 15 Revenue from Contracts with Customers: IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. IFRS 15 has not been endorsed yet by the EU and the Group will assess the impact over its financial position and performance once it will be endorsed by the EU.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation: The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

CONSTELLATION HOTEL UK S.A.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2013

3. Accounting policies (continued)

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. Amendments to IAS 16 and IAS 38 has not been endorsed yet by the EU and the Group will assess the impact over its financial position and performance once it will be endorsed by the EU.

4. Operating profit

This is stated after charging:

	<i>2013</i>
	<i>£000</i>
Rental income:	
Ground rent	36
Included in operating expenses:	
Consulting fees	(15)
Miscellaneous	(1)
Operating profit	<u>20</u>

5. Directors' remuneration

None of the directors received remuneration in respect of services to the Company.

The directors are also directors of subsidiaries of Group and are remunerated by one of those companies. Their services to this company are considered inconsequential to their other roles and therefore none of their remuneration is recharged to this company.

At the year end, none of the directors were members of the defined benefit scheme.

6. Finance costs

	<i>2013</i>
	<i>£000</i>
Interest on loans from its immediate parent company Constellation Hotels Holding Ltd S.C.A. (refer also to note 10)	2,054
	<u>2,054</u>

CONSTELLATION HOTEL UK S.A.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2013

7. Income Tax

Reconciliation of income tax in the profit and loss:

The tax charge is made up as follows:

Current tax:

	2013 £000
Luxembourg minimum income tax payable	3
Foreign tax	8
Total current income tax	11

Deferred tax:

	2013 £000
Current year	-
Total deferred tax	-

No deferred tax has been recognized for the year ended 31 December 2013.

Reconciliation of income tax in the balance sheet

	2013 £000
(Loss) before taxation	(2,034)
At statutory tax rate in Luxembourg of 29.22%	594
Expenses not deductible for tax purposes	(600)
Luxembourg minimum income tax payable	(3)
Effect of the tax rates in the UK	(2)
Total current income tax	(11)

CONSTELLATION HOTEL UK S.A.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2013

8. Investment Property

	<i>2013</i> <i>£000</i>
Opening balance	-
Acquisition of land	102,498
Total	<u><u>102,498</u></u>

On 1 May 2013, the Company acquired the freehold land as part of the whole acquisition of the hotel business in the UK by the immediate parent and its subsidiary, Constellation Hotel (OpCo) UK S.A.. The land leasehold and freehold value of £170,000,000 is based on the market value performed by CBRE Hotels Limited (an accredited independent valuer).

9. Trade and other payables

	<i>2013</i> <i>£000</i>
Shareholder payable	(24)
Intercompany account Constellation (OpCo) UK S.A.	(22)
	<u><u>(46)</u></u>

The terms and conditions of the above financial liabilities are as follows:

- ▶ Trade payables are non-interest bearing and are normally settled in an average of 45 days.
- ▶ Shareholder payable is a non-interest bearing financing.
- ▶ Intercompany account Constellation Hotel (OpCo) UK S.A. is a non-interest bearing financing.

CONSTELLATION HOTEL UK S.A.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2013

10. Financial assets and liabilities

Loans and borrowings – held at amortised cost

	<i>Effective interest rate</i>	<i>Maturity</i>	<i>Carrying amount 2013 €000</i>
	%		€000
Non-current loans and borrowings			
3% unsecured loan from the immediate parent company Constellation Hotels Holding Ltd S.C.A.	3.00	1 May 2018	102,440
Accrued interest			2,054
Total loans and borrowings			<u><u>104,494</u></u>

3% unsecured shareholder loan of €102,440,000

This loan is unsecured and repayable entirely on maturity. Interest is fixed at 3% payable on each anniversary date of the loan.

The fair value of the financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The carrying value of these instruments approaches their fair values as at 31 December 2013.

11. Share capital

	<i>2013 No.</i>	<i>2013 €000</i>
<i>Authorised, allotted, called up and fully paid</i>		
Ordinary shares of €100 each	<u>310</u>	<u>27</u>

On 18 March 2013, the Company authorised and issued 310 ordinary shares of €100 each for cash consideration of €31,000 which is converted at the date of issue to £26,585.

CONSTELLATION HOTEL UK S.A.

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2013

12. Other related party transactions

During the period the Company entered into transactions with related parties.

On 1 May 2013, Constellation Hotel Holding Ltd S.C.A., the immediate parent company lent Constellation UK S.A. a £102,440,000 loan with maturity 1 May 2018 at a fixed rate of interest of 3%. The proceeds from which were issued into a solicitors escrow account for the purpose of the acquisition. £2,054,412 interest accrued on this loan to 31 December 2013 (refer to Note 10).

Constellation Hotel (OpCo) UK S.A. deposited in the solicitors escrow account, £58,038 that were used to pay for a portion of the acquisition costs on behalf of Constellation Hotel UK S.A. a fellow subsidiary of Constellation Hotel Holdings Ltd S.C.A. and therefore Constellation UK S.A. owes that amount to Constellation Hotel (OpCo) UK S.A. The Company concluded a lease agreement of the freehold land with Constellation Hotel (OpCo) UK S.A., which expires on 5 April 2113. The rent per annum amounts to £36,000 and is subject to review. During the period, the rent payable by Constellation Hotel (OpCo) UK of £35,691 has been deducted so that the balance at the end of the period is £22,347 is due from the Company to Constellation Hotel (OpCo) UK S.A. (refer to Note 9).

As the Company has no cash account several suppliers' invoices were paid directly by the shareholders. The interest free advance payable to shareholders amounts to £23,501 (refer to Note 9).

The Company has not provided or benefitted from any guarantees for any related party receivables or payables. The Company has not made any provision for doubtful debts relating to amounts owed by related parties.

13. Capital management, financial risk management objectives and policies

An explanation of the Company's financial instrument risk management objectives, policies and strategies is set out in the management report.

The Company has limited exposition to credit risk from its leasing activities. The directors consider that the Company has minimal sensitivity to interest rate and foreign currency risk and hence have not presented sensitivity analysis.

The primary objectives of the Company's capital management are to ensure that the Company maintains strong credit ratings, manages its cash flow and debtors and maintain healthy capital ratios in order to support its business and to maximise shareholders' value, in conjunction with Group's treasury.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. Due to the limited number of transactions and risks, the finance team of the Company support the Board of Directors in monitoring these risks and address them in due time. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

CONSTELLATION HOTEL UK S.A.

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at 31 December 2013

13. Capital management, financial risk management objectives and policies (continued)***Market risk***

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company has not put in place any specific strategy in order to mitigate the exposures subject to interest rate risk.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is mainly exposed to credit risk from the Issuer of the subscribed notes not being able to redeem the notes and related interest towards the Company. It also includes credit risk on deposits with banks and financial institutions and other financial instruments. The maximum credit risk amounts to the aggregate of the subscribed notes and cash and cash equivalents as reported in the statement of financial position.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Liquidity risk

The Company monitors its risk to a shortage of funds by reviewing on a regular basis the cash needs of the Company.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of intercompany loans. The Company assessed the concentration risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

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13. Capital management, financial risk management objectives and policies (continued)

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Liquidity analysis

	Total	Less than 1 year	Between 1 to 5 years	More than 5 years
Shareholders loan	102 440 000	---	---	102 440 000
Interest payable in the future *	12 723 874	2 054 413	8 488 660	2 180 801
Short term shareholders loan	23 501	23 501	---	---

* Assuming that all cash payments and interest computation are made on the 1st January of each year, therefore it is not correct and assumed immaterial.

The fair value of financial assets and financial liabilities equal approximately their carrying value. All financial instruments held and issued by the Company falls into the level 3 category.

14. Parent undertaking and controlling party

The company's immediate parent undertaking is Constellation Hotels Holding Ltd S.C.A., a company incorporated in Luxembourg. Its registered office is at 15, boulevard Roosevelt, L-2450 Luxembourg.

15. Commitments and contingencies

Pursuant to a share pledge agreement dated 1 May 2013 ("Pledge Agreement") all the shares of Constellation Hotels UK S.A. have been pledged by its shareholder Constellation Hotels Holding Ltd S.C.A. (including all its right, titles, interests and benefits in, to and under the Shares and the Distributions) in favour of Deutsche Bank AG, London Branch acting for itself and in its capacity as Pledgee for each of the finance parties.

16. Subsequent events

There have been no significant events after the reporting date up to the date of signing the financial statements.