Registration number: 09861551
(England and Wales)

Ribbon Bidco Limited

Annual Report and Financial Statements

For the year ended 31 December 2017

Ribbon Bidco Limited

Contents

Ribbon Bidco Limited

Company Information

Directors

S Collins
PT Mabry
JB Robinson
SM Teasdale

Company secretary

Haysmacintyre Company Secretaries Limited
10 Queen Street Place
London
EC4R 1AG

Company number

09861551

Registered office

10 Queen Street Place
London
EC4R 1AG

Auditors

Deloitte LLP
Statutory Auditor
London

Ribbon Bidco Limited

Directors' Report

For the year ended 31 December 2017

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

This report has been prepared in accordance with the special provisions of section 415A of the Companies Act 2016 relating to small companies. The directors have taken exemption under this regime not to disclose the strategic report.

Principal activity

The principal activity of the company is that of a parent undertaking and provides financing to a group of subsidiaries owning and operating hotels in the United Kingdom. The company is a wholly owned subsidiary of Ribbon Holdco Limited, a company incorporated in the United Kingdom.

Business review

Fair review of the business

On 1 December 2015, Ribbon Holdco Limited and its subsidiary undertakings (together the "group") acquired a group of subsidiary companies operating in the hotel industry with brand names of Holiday Inn and Crowne Plaza under a franchise agreement with InterContinental Hotels Group PLC. The company raises finance for the group's investments in hotels and holds investment in these group entities.

The performance and financial position of the company is measured on how it complements the group operations. The company's development to date, performance and the financial position as reflected in the financial statements is satisfactory. The directors have concluded that the company is a going concern, refer to note 2.

Principal risks and uncertainties

The Board of directors have the overall responsibility for the establishment and oversight of the risk management framework. The senior management is responsible for developing and monitoring the risk management policies and reports regularly to the Board of directors. The risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and company's activities.

Financial instruments

Objectives and policies

The main risks arising from the company's financial instruments are liquidity and interest rate risks. The Board reviews and agrees policies for managing these risks and is summarized below.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due without incurring unacceptable losses or risking damage to the group's reputation. The company uses cash flow forecasting tool to monitor its cash flow requirements. The company's investees operate in the hotel industry which generates sufficient liquid cash to meet the group's operating and financing cash outflows.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the company's interest bearing financial instruments will fluctuate because of changes in market interest rates. The company is exposed to interest rate risk because it borrows funds at interest rates based on Libor. The positions held are closely monitored by the management and reviewed to align to positions with market expectations.

Ribbon Bidco Limited

Directors' Report

For the year ended 31 December 2017 (continued)

Future developments

On 4 April 2018 the sale of 100% equity interest in Lapithus Hotels Management (UK) Limited, the company's ultimate UK parent, to UK Investment Company 210 was completed. Refer to note 17 subsequent events for changes to the company's external financing liabilities.

Dividends

The directors do not recommend a dividend for the current period. No dividend was paid in the current or prior period.

Directors' of the company

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

S Collins
PT Mabry
JB Robinson
SM Teasdale

Directors' liabilities

The company maintains liability insurance for its directors and officers.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Reappointment of auditors

The auditors Deloitte LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 1 May 2018 and signed on its behalf by:

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JB Robinson
Director

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of Ribbon Bidco Limited

Report on the audit of the financial statements

Opinion
In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Ribbon Bidco Limited (the 'Company') which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity;
- the relates notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Independent Auditor's Report to the Members of Ribbon Bidco Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Independent Auditor's Report to the Members of Ribbon Bidco Limited (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' Report or the requirement to prepare a Strategic Report.

We have nothing to report in respect of these matters.

Helen Burridge

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Helen Burridge (Senior Statutory Auditor)
For and on behalf of Deloitte LLP, Statutory Auditor

London
1 May 2018

Ribbon Bidco Limited

Income Statement

For the year ended 31 December 2017

	Note	Year ended 31 December 2017 £ 000	Year ended 31 December 2016 £ 000
Revenue	4	-	7,027
Administrative expenses		(2,941)	(10,290)
Operating loss	**5**	**(2,941)**	**(3,263)**
Finance income	6	563	-
Finance costs	7	(29,922)	(30,063)
Loss before tax		**(32,300)**	**(33,326)**
Tax credit	9	10,797	-
Loss for the year		**(21,503)**	**(33,326)**

The above results were derived from continuing operations.

There is no other comprehensive income for the period other than those included above, therefore a statement of other comprehensive income has not been presented.

Ribbon Bidco Limited

Statement of Financial Position

At 31 December 2017

	Note	2017 £ 000	2016 £ 000
Assets			
Non-current assets			
Investments	10	533,753	407,700
Current assets			
Trade and other receivables	11	1,721	164,983
Cash and cash equivalents	12	18,047	14,617
		19,768	179,600
Total assets		**553,521**	**587,300**
Equity and liabilities			
Equity			
Called up share capital	13	1,025	1,025
Share premium reserve		101,469	101,469
Retained earnings		(58,325)	(36,822)
		44,169	65,672
Non-current liabilities			
Loans and borrowings	15	-	509,797
Current liabilities			
Trade and other payables	14	2,387	7,140
Loans and borrowings	15	506,965	4,691
		509,352	11,831
Total liabilities		**509,352**	**521,628**
Total equity and liabilities		**553,521**	**587,300**

The notes on pages 11 to 23 form an integral part of these financial statements.

Approved by the Board on 1 May 2018 and signed on its behalf by:

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JB Robinson
Director

Company registered number: 09861551

Ribbon Bidco Limited

Statement of Changes in Equity
For the Year Ended 31 December 2017

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2016	1,025	101,469	(3,496)	98,998
Loss for the year	-	-	(33,326)	(33,326)
At 31 December 2016	**1,025**	**101,469**	**(36,822)**	**65,672**

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2017	1,025	101,469	(36,822)	65,672
Loss for the year	-	-	(21,503)	(21,503)
At 31 December 2017	**1,025**	**101,469**	**(58,325)**	**44,169**

Notes to the Financial Statements
For the year ended 31 December 2017

1 General information

Ribbon Bidco Limited (the company) is a private company limited by shares, incorporated and domiciled in United Kingdom and registered in England. The address of its registered office is disclosed in the company information. The principal activity of the company is described in the Directors' report.

2 Accounting policies

(a) Basis of preparation

The company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council. These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2017. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

The financial statements have been prepared on the historical cost basis and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with adopted FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Judgements made by management in the application of FRS 101 that have a significant effect on the financial statements and estimates with a significant risk of material adjustment are discussed in note 3.

The presentation and functional currency of the company is pounds sterling. The financial statements are presented in thousands of pounds (£'000) unless stated otherwise.

(b) Summary of disclosure exemptions

The following exemptions from the requirements of IFRS have been applied in preparation of these financial statements, in accordance with FRS 101:

- IFRS 7 Financial instruments: Disclosures
- The following paragraphs of IAS 1 Presentation of financial statements:
  - 10(d) statement of cash flows
  - 16 statement of compliance with all IFRS
  - 134-136 capital management disclosures,
- Paragraph 30 and 31 of IAS 8, disclosure and impact of new IFRSs that has been issued but not yet effective, and
- The requirements in IAS 24 of Related party disclosures, to disclose related party transactions entered between two or more members of a group.

Where relevant equivalent disclosures have been given in the consolidated financial statements of Ribbon Holdco Limited. The consolidated financial statements of Ribbon Holdco Limited will be available to the public and can be obtained from 10 Queen Street Place, London, United Kingdom, EC4R 1AG.

2 Accounting policies (continued)

(c) Consolidation exemption

The financial statements contain information about Ribbon Bidco Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Ribbon Midco Limited, a company incorporated in United Kingdom.

(d) Going concern

The company assess its going concern assumption on a group and company wide basis. The group and company meets its day to day working capital requirements from normal trading activities through its investment in a portfolio of hotels. The group and company's financial forecasts, taking account of the current trading performance, show that the group and company will be able to operate within the level of its current and future facilities and remain in compliance with the terms of its loan agreements. The company's ultimate UK parent, Lapithus Hotels Management (UK) Limited, was sold on 4 April 2018 and the company's debt facility was repaid in full. Refer to note 17 for new external financing facilities.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least the twelve months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

(e) Foreign currencies

In preparing these financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

(f) Revenue recognition

The revenue is derived from management fees. Revenue is measured at the fair value of the consideration received or receivable excluding value added tax. Revenue from management fees is recognised on the performance of services.

(g) Finance income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable effective interest rate. Dividend income is recognised on an accruals basis where the right to receive a payment is established. Dividend income is also recognised within 'Finance Income'.

2 Accounting policies (continued)

(h) Investments

Investments in subsidiary undertakings are stated at cost less provision for impairment.

(i) Impairment of investments

At the end of each reporting period, the company reviews the carrying amounts of its investments to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount of the investments is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(j) Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value.

The company's non-derivative financial instruments include loans and receivables and other financial liabilities.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments. These include:

Other receivables
Other receivables are initially recognised at fair value, based upon discounted cash flows at prevailing interest rates for similar instruments, or at their nominal amount less impairment losses if due in less than 12 months. Subsequent to initial recognition, other receivables are valued at amortised cost less impairment losses.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. The cash and cash equivalents are stated at their nominal values, as this approximates to amortised cost.

2 Accounting policies (continued)

(j) Financial instruments (continued)

Other financial liabilities
Other financial liabilities (including loans and borrowings and other payables) are subsequently measured at amortised cost using the effective interest method.

Loans and borrowings
These are initially recognised at fair value, based upon the nominal amount outstanding. Subsequent to initial recognition, they are recorded at amortised cost. Borrowing costs arising on bank borrowings are expensed as incurred within financial expense using the effective interest method.

Other payables
Other payables are initially recognised at fair value, based upon the nominal amount outstanding. Subsequent to initial recognition, they are recorded at amortised cost.

Effective interest method
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets
Financial assets, other than those at fair value, are assessed for indicators of impairment at the end of each reporting period. These financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the assets have been affected. Objective evidence of impairment could include:

- Default by a debtor;
- significant financial difficulty of the debtors or counterparty;

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss.

2 Accounting policies (continued)

(j) Financial instruments (continued)

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derecognition of financial assets
The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. Any interest in such transferred financial assets that is created or retained by the company is recognised as a separate asset or liability.

Derecognition of financial liabilities
The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(k) Taxation

Tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in profit and loss account because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors of the company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty
The key source of estimation uncertainty at the balance sheet date, that may have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year, is discussed below.

Impairment of investment in subsidiary undertakings
Determining whether the company's investment in subsidiary undertakings have been impaired requires estimations of the investment's values in use. The value in use calculations require the entity to estimate the future cash flows expected to arise from the investment and suitable discount rates in order to calculate present values. Based on the assessment made during the period, the investment in subsidiary undertakings is not considered to be impaired. See note 10.

4 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2017 £ 000	2016 £ 000
Management fees	-	7,027

5 Operating loss

Loss for the period from continuing operations has been arrived at after charging:

	2017 £ 000	2016 £ 000
Auditing fees	5	3
Foreign exchange gains	4	3

The company had no employees and incurred no staff costs in the current or prior period.

6 Finance income

	2017 £ 000	2016 £ 000
Dividend income	563	-

7 Finance costs

	2017 £ 000	2016 £ 000
Interest on bank overdrafts and borrowings	15,541	16,661
Interest paid to parent	14,381	13,362
Other finance costs	-	40
	29,922	30,063

8 Directors' remuneration

The directors received no emoluments or benefits from the company for their services in the current or prior period.

9 Income tax

Tax charged/(credited) in the income statement

	2017 £ 000	2016 £ 000
Current taxation		
UK corporation tax	(4,450)	-
UK corporation tax adjustment to prior periods	(6,347)	-
Corporation tax credit for current period	(10,797)	-

9 Income tax (continued)

Factors affecting current tax charge for the period
The tax on profit before tax for the year on ordinary activities is higher than the standard rate of corporation tax in the UK (2016: higher than the standard rate of corporation tax in the UK) of 19.25% (2016: 20%). Under Finance Act 2015, the UK corporation tax rate reduced from 20% to 19% on 1 April 2017.

The differences are reconciled below:

	2017 £ 000	2016 £ 000
Loss before tax	(32,300)	(33,326)
Corporation tax at standard rate	(6,218)	(6,665)
Income not chargeable for tax purposes	1,666	-
Expenses not deductible for tax purposes	104	171
Group relief not recognised	-	6,494
Adjustments in respect of previous years	(6,347)	-
Effect of changes in tax rate	(2)	-
Total tax credit	**(10,797)**	**-**

Factors affecting the tax charge in future years
Under Finance Act 2016, which was substantially enacted on 15 September 2016, the rate that will apply from 1 April 2020 was reduced from 18% to 17%. These rate reductions will reduce the future tax charge of the group.

10 Investments

Subsidiaries	**£ 000**
Cost	
At 1 January 2017	407,700
Additions	126,053
At 31 December 2017	533,753
Net book value	
At 31 December 2017	**533,753**
At 31 December 2016	**407,700**

Ribbon Bidco Limited

Notes to the Financial Statements
For the year ended 31 December 2017 (continued)

10 Investments (continued)

Details of the subsidiaries as at 31 December 2017 are as follows:

Name of subsidiary	Principal activity	Ownership interest in ordinary shares (%) 2017	2016
Ribbon Acquisition Limited*	Investment	100%	100%
Ribbon Finance Limited*	Non-trading (liquidation)	100%	100%
Ribbon Investment Limited	Non-trading (liquidation)	100%	100%
Ribbon HI Limited	Non-trading (liquidation)	100%	100%
HI (Guildford) Limited	Non-trading (liquidation)	100%	100%
NAS Cobalt No.2 Limited	Non-trading (liquidation)	100%	100%
HI UK Limited	Non-trading (liquidation)	100%	100%
Ribbon Health and Fitness Limited	Non-trading (liquidation)	100%	100%
Leased Hotels Limited	Non-trading (liquidation)	100%	100%
HI (Leicester) Limited	Non-trading (liquidation)	100%	100%
HI (Norwich) Limited	Non-trading (liquidation)	100%	100%
HI Finance Properties Limited	Non-trading (liquidation)	100%	100%
HI (Carlisle) Limited	Non-trading (liquidation)	100%	100%
HI (Coventry) Limited	Non-trading (liquidation)	100%	100%
HI (High Wycombe) Limited	Non-trading (liquidation)	100%	100%
HI (Eastleigh) Limited	Non-trading (liquidation)	100%	100%
HI (Basildon) Limited	Non-trading (liquidation)	100%	100%
HI (Regents Park) Limited	Non-trading (liquidation)	100%	100%
Ribbon Hotels Limited	Non-trading (liquidation)	100%	100%
HI (Birmingham City) Limited	Non-trading (liquidation)	100%	100%
HI (Colchester) Limited	Non-trading (liquidation)	100%	100%
HI (Milton Keynes) Limited	Non-trading (liquidation)	100%	100%
HI (Chester South) Limited	Non-trading (liquidation)	100%	100%
HI (Lancaster) Limited	Non-trading (liquidation)	100%	100%
HI (London Heathrow M4 J4) Limited	Non-trading (liquidation)	100%	100%
HI (London Heathrow M4 J4) No.2 Limited	Non-trading (liquidation)	100%	100%
HI (Brentwood) Limited	Non-trading (liquidation)	100%	100%
HI (Ipswich) Limited	Non-trading (liquidation)	100%	100%
HI (Birmingham M6 J7) Limited	Non-trading (liquidation)	100%	100%
HI (Edinburgh) Limited	Non-trading (liquidation)	100%	100%
HI (London Heathrow Ariel) Limited	Non-trading (liquidation)	100%	100%
Kensington PH Limited	Non-trading (liquidation)	100%	100%
CP Heathrow	Non-trading (liquidation)	100%	100%
SC Hotels and Holidays Limited	Non-trading (liquidation)	100%	100%
Pendigo Hotels Limited	Non-trading (liquidation)	100%	100%

Ribbon Bidco Limited

Notes to the Financial Statements
For the year ended 31 December 2017 (continued)

10 Investments (continued)

Name of subsidiary	Principal activity	Ownership interest in ordinary shares (%) 2017	2016
HI GC Limited	Non-trading (liquidation)	100%	100%
Ribbon Hotels Group (UK) Limited	Non-trading (liquidation)	100%	100%
HI (Brent Cross) Limited	Non-trading (liquidation)	100%	100%
HI (Maidenhead) Limited	Non-trading (liquidation)	100%	100%
HI (Strathclyde) Limited	Non-trading (liquidation)	100%	100%
Ribbon Holdings Limited	Non-trading (liquidation)	100%	100%
Ribbon Holdings No.2 Limited	Non-trading (liquidation)	100%	100%
Centre Hotels (Cranston) Limited	Non-trading (liquidation)	100%	100%
Ribbon IG Limited	Non-trading (liquidation)	100%	100%
Ribbon Intermediate No.1 Limited	Non-trading (liquidation)	100%	100%
Ribbon Intermediate No.2 Limited	Non-trading (liquidation)	100%	100%
Ribbon Intermediate No.3 Limited	Non-trading (liquidation)	100%	100%
Ribbon Intermediate No.4 Limited	Non-trading (liquidation)	100%	100%
Ribbon Intermediate No.5 Limited	Non-trading (liquidation)	100%	100%
Ribbon Birmingham Limited	Hotel ownership & operations	100%	100%
Ribbon Heathrow Limited	Hotel ownership & operations	100%	100%
Ribbon Manchester Airport Limited	Hotel ownership & operations	100%	100%
Ribbon Basildon Limited	Hotel ownership & operations	100%	100%
Ribbon Brentwood Limited	Hotel ownership & operations	100%	100%
Ribbon Bristol Limited	Hotel ownership & operations	100%	100%
Ribbon Cambridge Limited	Hotel ownership & operations	100%	100%
Ribbon Cardiff Limited	Hotel ownership & operations	100%	100%
Ribbon Edinburgh Limited	Hotel ownership & operations	100%	100%
Ribbon Glasgow Airport Limited	Hotel ownership & operations	100%	100%
Ribbon Guildford Limited	Hotel ownership & operations	100%	100%
Ribbon Bloomsbury Limited	Hotel ownership & operations	100%	100%
Ribbon Brent Cross Limited	Hotel ownership & operations	100%	100%
Ribbon Heathrow Ariel Limited	Hotel ownership & operations	100%	100%
Ribbon Heathrow M4 J4 Limited	Hotel ownership & operations	100%	100%
Ribbon Regents Park Limited	Hotel ownership & operations	100%	100%
Ribbon Sutton Limited	Hotel ownership & operations	100%	100%
Ribbon Maidenhead Limited	Hotel ownership & operations	100%	100%
Ribbon Milton Keynes Limited	Hotel ownership & operations	100%	100%
Ribbon Oxford Limited	Hotel ownership & operations	100%	100%

* indicates direct investment by the company.

10 Investments (continued)

On 22 February 2017 Ribbon Acquisition Limited incorporated 20 new subsidiaries. On 1 August 2017, the group completed a corporate restructure aimed at structure simplification whereby all the trading hotels were transferred into the newly incorporated subsidiaries of Ribbon Acquisition Limited. Under this restructure, the company acquired 100% equity interest in Ribbon Acquisitions Limited for a consideration of £126.1m, settled through receivables from subsidiaries (note 11). As at 31 December 2017 all other subsidiaries, excluding Ribbon Acquisition Limited and the hotel owning and operating subsidiaries, have been placed into member voluntary liquidation.

All of the trading subsidiaries listed above have a registered office at 10 Queens Street Place, London, United Kingdom, EC4R 1AG.

11 Trade and other receivables

	2017 £ 000	2016 £ 000
Trade receivables	25	-
Receivables from parent	70	19
Receivables from subsidiaries	154	162,721
Receivables from group undertakings	-	31
Prepayments	1,472	1,771
Other receivables	-	441
	1,721	**164,983**

The receivables from other group entities bear no interest and are repayable on demand. On 1 August 2017, the company acquired Ribbon Acquisition Limited and utilised receivables from subsidiaries to settle the consideration (note 10).

12 Cash and cash equivalents

	2017 £ 000	2016 £ 000
Cash at bank	18,047	14,617

13 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	1,025	1,025	1,025	1,025

Notes to the Financial Statements
For the year ended 31 December 2017 (continued)

14 Trade and other payables

	2017 £ 000	2016 £ 000
Trade payables	677	-
Accrued expenses	58	836
Payables to subsidiaries	1,637	6,071
Social security and other taxes	15	4
Other payables	-	229
	2,387	7,140

The payables to other group entities bear no interest and are repayable on demand.

15 Loans and borrowings

	2017 £ 000	2016 £ 000
Non-current loans and borrowings		
Bank borrowings	-	353,933
Loans from parent	-	155,864
	-	509,797
Current loans and borrowings		
Bank borrowings	360,223	2,347
Loans from parent	146,742	2,344
	506,965	4,691

(a) Senior bank loan

The loan of £357m was taken out on 27 November 2015. The company incurred fees of £4.8m on issue of this facility which are amortised over the period of the loan and have a current book value of £1.5m (2016: £3.1m). Repayment of the principal is due at maturity of a three-year term. The loan carries interest at 2.88% above 3-month Libor per annum payable on a quarterly basis. Accrued interest of £4.7m (2016: £2.3m) is included in current loans and borrowings. The loan was settled during April 2018. Refer to note 17 for the group's new external financing arrangements.

(b) Shareholder's loan

Ribbon Midco Limited issued loan of £67.4m on 1 December 2015. Repayment of principal is due at maturity of a three-year term. The loan carries interest rate at 7.15% per annum. Accrued interest of £1.0m (2016: £0.7m) are include in current loans and borrowings. The loan was settled during April 2018. Refer to note 17 for the group's new external financing arrangements.

15 Loans and borrowings (continued)

(c) Shareholder's loan

Ribbon Midco Limited issued a loan of £89.4m on 1 December 2015. Repayment of principal is due at maturity of a three-year term. The loan carries interest rate at 11% per annum. During the year the company repaid capital of £13.7m. As at 31 December 2017 the outstanding balance was £74.7m (2016: £88.4m). Accrued interest of £3.6m (2016: £1.6m) are include in current loans and borrowings. The loan was settled during April 2018. Refer to note 17 for the group's new external financing arrangements.

16 Parent and ultimate parent undertaking

The immediate parent of the company is Ribbon Midco Limited, a company incorporated in the United Kingdom. The ultimate controlling party is Apollo Global Management LLC, a company incorporated in Delaware, United States of America.

The largest group to consolidate these financial statements is that of Apollo Global Management LLC. The consolidated financial statements of Apollo Global Management LLC for the year ended 31 December 2017 are available to the public and may be obtained from the principal place of business, 9 West 57th Street, 43rd Floor, New York, New York 10019, United States of America.

The smallest group to consolidate these financial statements is that of Ribbon Midco Limited. The consolidated financial statements of Ribbon Midco Limited for the year ended 31 December 2017 are available to the public and may be obtained from the registered office 10 Queen Street Place, London, United Kingdom, EC4R 1AG.

17 Subsequent events

On 4 April 2018 the sale of 100% equity interest in Lapithus Hotels Management (UK) Limited, the company's ultimate UK parent, to UK Investment Company 210 Limited completed. In order to finance the acquisition, UK Investment Company 210 secured external financing from Goldman Sachs Bank USA which was novated to the company and used to repay the existing facilities. The group's financial forecasts, taking into account the new loan terms, show that the group will be able to operate within the level of the new facilities and be compliant with the terms of the loan agreement.

New External borrowings	Value	Interest rate	Repayment terms	Loan term
Senior debt	£449.8m	3 Month Libor + 3.19%	1% repayment annually	5 years
Mezzanine debt	£69.2m	3 Month Libor + 6.25%	1% repayment annually	5 years