

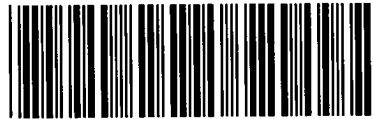
REGISTERED NUMBER: 05342812 (England and Wales)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

FOR

ABILITY HOTELS (LUTON INN) LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2016

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ABILITY HOTELS (LUTON INN) LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016

DIRECTOR: A.C. Panayiotou

REGISTERED OFFICE: Hilton London
Syon Park
London Road
Brentford
Middlesex
TW8 8JF

REGISTERED NUMBER: 05342812 (England and Wales)

AUDITORS: Numera Partners LLP
Statutory Auditors
6th Floor
Charles House
108-110 Finchley Road
London
NW3 5JJ

ABILITY HOTELS (LUTON INN) LIMITED (REGISTERED NUMBER: 05342812)

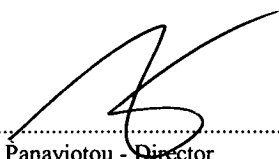
BALANCE SHEET
31 DECEMBER 2016

	Notes	31.12.16 £	£	31.12.15 £	£
FIXED ASSETS					
Tangible assets	4		25,998,596		26,069,985
CURRENT ASSETS					
Stocks		4,907		3,899	
Debtors	5	417,283		366,462	
Prepayments and accrued income		135,414		153,664	
Cash at bank and in hand		915,516		741,476	
		<u>1,473,120</u>		<u>1,265,501</u>	
CREDITORS					
Amounts falling due within one year	6	<u>992,267</u>		<u>842,697</u>	
NET CURRENT ASSETS			<u>480,853</u>		<u>422,804</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>26,479,449</u>		<u>26,492,789</u>
CREDITORS					
Amounts falling due after more than one year	7		(14,184,401)		(15,580,300)
PROVISIONS FOR LIABILITIES			<u>(2,868,499)</u>		<u>(2,714,018)</u>
NET ASSETS			<u><u>9,426,549</u></u>		<u><u>8,198,471</u></u>
CAPITAL AND RESERVES					
Called up share capital	10		2		2
Revaluation reserve	11		9,236,783		9,236,783
Retained earnings			<u>189,764</u>		<u>(1,038,314)</u>
SHAREHOLDERS' FUNDS			<u><u>9,426,549</u></u>		<u><u>8,198,471</u></u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the director on 30/6/17 and were signed by:


.....
A.C. Panayiotou - Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. STATUTORY INFORMATION

Ability Hotels (Luton Inn) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover represents net invoiced sales of rooms, food and beverages, conference and banqueting rooms excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 15% reducing balance

Leasehold properties - see below

Properties are classified as operational properties when they are used by the company's business as opposed to being held primarily for rental income. Operational properties are revalued annually to their existing value. The leasehold property is depreciated over the term of the lease, 300 years.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Foreign currencies

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

Leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes financing transactions, where the debt instrument is measured at the present value of future receipts discounted at the market rate of interest.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is the amount of income tax payable in respect of the taxable profit for the year. Tax is calculated on the basis of tax rates and laws that have been enacted by the period end.

Going concern

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

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 32 (2015 - 36).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

4. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
COST OR VALUATION				
At 1 January 2016	26,264,833	25,575	66,286	26,356,694
Additions	-	-	33,640	33,640
At 31 December 2016	26,264,833	25,575	99,926	26,390,334
DEPRECIATION				
At 1 January 2016	267,844	6,191	12,674	286,709
Charge for year	89,033	2,908	13,088	105,029
At 31 December 2016	356,877	9,099	25,762	391,738
NET BOOK VALUE				
At 31 December 2016	25,907,956	16,476	74,164	25,998,596
At 31 December 2015	25,996,989	19,384	53,612	26,069,985

Cost or valuation at 31 December 2016 is represented by:

	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
Valuation in 2011	2,324,368	-	-	2,324,368
Valuation in 2012	10,857,631	-	-	10,857,631
Valuation in 2013	(5,785,888)	-	-	(5,785,888)
Valuation in 2014	4,069,747	-	-	4,069,747
Cost	14,798,975	25,575	99,926	14,924,476
	26,264,833	25,575	99,926	26,390,334

If long leasehold had not been revalued it would have been included at the following historical cost:

	31.12.16 £	31.12.15 £
Cost	14,798,975	14,798,975

Long leasehold, including plant and machinery and fixture and fittings to the sum of £26.261m is based on the directors valuation.

5. DEBTORS

	31.12.16 £	31.12.15 £
Amounts falling due within one year:		
Trade debtors	263,003	216,758
Other debtors	5,667	5,978
	268,670	222,736
Amounts falling due after more than one year:		
Amounts owed by group undertakings	148,613	143,726
Aggregate amounts	417,283	366,462

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16	31.12.15
	£	£
Bank loans and overdrafts (see note 8)	94,069	43,321
Trade creditors	102,827	111,500
Social security and other taxes	5,815	8,211
VAT	156,985	149,812
Other creditors	120,061	95,349
Deposits held	47,515	47,515
Deferred income	65,140	72,644
Accrued expenses	399,855	314,345
	<u>992,267</u>	<u>842,697</u>

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.16	31.12.15
	£	£
Bank loans (see note 8)	12,982,662	13,057,700
Amounts owed to group undertakings	1,201,739	2,522,600
	<u>14,184,401</u>	<u>15,580,300</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans more 5 yr by instal	<u>12,507,366</u>	<u>12,622,012</u>

8. LOANS

An analysis of the maturity of loans is given below:

	31.12.16	31.12.15
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>94,069</u>	<u>43,321</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>103,971</u>	<u>94,069</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>371,325</u>	<u>341,619</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>12,507,366</u>	<u>12,622,012</u>

Bank loans amounts falling due in more than five years repayable by instalments incur an interest rate of 5.5% and is repayable in 2024.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

9. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.16	31.12.15
	£	£
Bank loans	<u>13,076,731</u>	<u>13,101,021</u>

The bank loan is secured by way of debenture and legal charge over the assets of the company.

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.16	31.12.15
			£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>

11. RESERVES

	Revaluation reserve £
At 1 January 2016 and 31 December 2016	<u>9,236,783</u>

12. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Giles Cohen (Senior Statutory Auditor)
for and on behalf of Numera Partners LLP

13. CONTINGENT LIABILITIES

The parent company is party to a facility which includes loan finance amounting to £11.7m. This loan has been guaranteed by Ability Hotels (Luton Inn) Limited and Ability Hotels (Cambridge) Limited. The company also provides cross guarantee to Ability Hotels (Cambridge) Limited amounting to £33.2m.

14. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

15. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

16. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is The Costas Panayiotou 1997 (No 2) Settlement.

17. PARENT COMPANY

The immediate parent company is Ability Hotels (Luton) Limited, incorporated in England & Wales. The ultimate parent undertaking is A.P. The Ability Group Limited, incorporated in Cyprus.