

REGISTERED NUMBER: 05342812 (England and Wales)

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**FOR**

**ABILITY HOTELS (LUTON INN) LIMITED**



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**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**ABILITY HOTELS (LUTON INN) LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**DIRECTOR:** A.C. Panayiotou

**SECRETARY:** J.Y. Chin

**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

**BALANCE SHEET**  
**31 DECEMBER 2018**

	Notes	31.12.18 £	31.12.17 £
<b>FIXED ASSETS</b>			
Tangible assets	4	24,779,786	24,800,002
<b>CURRENT ASSETS</b>			
Stocks		4,524	2,716
Debtors	5	1,254,365	873,301
Prepayments and accrued income		200,362	169,930
Cash at bank and in hand		746,821	602,608
		<u>2,206,072</u>	<u>1,648,555</u>
<b>CREDITORS</b>			
Amounts falling due within one year	6	<u>1,077,599</u>	<u>942,839</u>
<b>NET CURRENT ASSETS</b>		<u>1,128,473</u>	<u>705,716</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>25,908,259</u>	<u>25,505,718</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	7	(12,806,466)	(13,291,879)
<b>PROVISIONS FOR LIABILITIES</b>		<u>(2,582,686)</u>	<u>(2,582,717)</u>
<b>NET ASSETS</b>		<u><u>10,519,107</u></u>	<u><u>9,631,122</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		2	2
Revaluation reserve		8,368,682	8,375,890
Retained earnings		<u>2,150,423</u>	<u>1,255,230</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><u>10,519,107</u></u>	<u><u>9,631,122</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 27/6/19 and were signed by:

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**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 Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" 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.

**Related parties**

The company has taken advantage of FRS 102, Section 1AC 35, for the disclosure of transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member. Amounts owed to and from group companies are therefore shown in aggregate.

**Financial liabilities**

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

**Financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**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.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. ACCOUNTING POLICIES - continued**

**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 35 (2017 - 32).

**4. TANGIBLE FIXED ASSETS**

	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST OR VALUATION</b>				
At 1 January 2018	25,071,447	25,575	213,467	25,310,489
Additions	-	-	134,938	134,938
Revaluations	(24,831)	-	-	(24,831)
At 31 December 2018	25,046,616	25,575	348,405	25,420,596
<b>DEPRECIATION</b>				
At 1 January 2018	444,999	11,570	53,918	510,487
Charge for year	84,049	2,101	44,173	130,323
At 31 December 2018	529,048	13,671	98,091	640,810
<b>NET BOOK VALUE</b>				
At 31 December 2018	24,517,568	11,904	250,314	24,779,786
At 31 December 2017	24,626,448	14,005	159,549	24,800,002

Cost or valuation at 31 December 2018 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
Valuation in 2017	(1,193,386)	-	-	(1,193,386)
Valuation in 2018	(24,831)	-	-	(24,831)
Cost	14,798,975	25,575	348,405	15,172,955
	25,046,616	25,575	348,405	25,420,596

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

	31.12.18	31.12.17
	£	£
Cost	14,798,975	14,798,975

Long leasehold property, plant and machinery and fixtures and fittings to the sum of £24.8m has been valued by CBRE on 31 March 2018.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**5. DEBTORS**

	31.12.18 £	31.12.17 £
Amounts falling due within one year:		
Trade debtors	<u>302,940</u>	<u>462,665</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>951,425</u>	<u>410,636</u>
Aggregate amounts	<u>1,254,365</u>	<u>873,301</u>

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.18 £	31.12.17 £
Bank loans and overdrafts (see note 8)	112,507	103,971
Trade creditors	296,605	44,510
Social security and other taxes	11,440	12,371
VAT	131,389	150,774
Other creditors	81,240	87,022
Deposits held	3,117	47,515
Deferred income	-	81,134
Accrued expenses	<u>441,301</u>	<u>415,542</u>
	<u>1,077,599</u>	<u>942,839</u>

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

	31.12.18 £	31.12.17 £
Bank loans (see note 8)	12,806,466	12,898,773
Amounts owed to group undertakings	-	393,106
	<u>12,806,466</u>	<u>13,291,879</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>12,258,607</u>	<u>12,383,869</u>

**8. LOANS**

An analysis of the maturity of loans is given below:

	31.12.18 £	31.12.17 £
Amounts falling due within one year or on demand:		
Bank loans	<u>112,507</u>	<u>103,971</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>122,290</u>	<u>113,873</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>425,569</u>	<u>401,031</u>
Amounts falling due in more than five years:		

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**8. LOANS - continued**

	31.12.18	31.12.17
	£	£
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	12,258,607	12,383,869

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.

**9. SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.18	31.12.17
	£	£
Bank loans	12,918,973	13,002,744

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

**10. 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

**11. CONTINGENT LIABILITIES**

The parent company is party to a facility which includes loan finance amounting to £13.1m. This loan has been guaranteed by Ability Hotels (Luton Inn) Limited and a fellow subsidiary. The company also provides a cross guarantee to a fellow subsidiary amounting to £33.2m.

**12. RELATED PARTY DISCLOSURES**

Included in debtors is an amount of £951,423 (2017: £410,636) owed by group undertakings.

Included in creditors is an amount of £Nil (2017: £393,106) owed to group undertakings.

**13. 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.

**14. ULTIMATE CONTROLLING PARTY**

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

**15. 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.