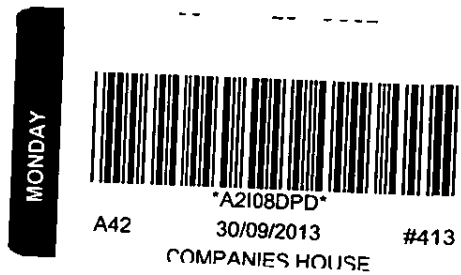


**REPORT OF THE DIRECTOR AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**  
**FOR**  
**ABILITY HOTELS (LIVERPOOL) LIMITED**



**CONTENTS OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

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**ABILITY HOTELS (LIVERPOOL) LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

**DIRECTOR:** A C Panayiotou

**SECRETARY:** J Y Chin

**REGISTERED OFFICE:** Top Floor  
Hampton by Hilton  
42-50 Kimpton Road  
Luton  
Bedfordshire  
LU2 0NB

**REGISTERED NUMBER:** 06291634

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

**ABILITY HOTELS (LIVERPOOL) LIMITED (REGISTERED NUMBER 06291634)**

**REPORT OF THE DIRECTOR**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

The director presents his report with the financial statements of the company for the year ended 31 December 2012

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the operation of the Hilton Liverpool hotel

**REVIEW OF BUSINESS**

The income of the company is generated from the operation of a Five Star Hilton hotel, letting of apartments and the running of The Playground nightclub in Liverpool

The director is satisfied with the performance of the hotel during the year under review. During the year turnover increased from £8.9m to £10.7m, a 21% increase in the year. The increase was due to an increase in occupancy, average room rate and food and beverage operations. Turnover also included a full year's operating revenue from the Playground nightclub. The company made a net operating profit of £3.5m from all activities, before interest and depreciation, representing a 40% increase from 2011 (£2.5m).

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2012

**FUTURE DEVELOPMENTS**

It is anticipated that the hotel will increase its occupancy and average room rates for the forthcoming year, with a consequential positive effect on turnover and profits.

In addition, the performance of the nightclub has exceeded expectations and is expected to lead to an increase in company profits and to a consolidation of its balance sheet position.

**DIRECTOR**

A C Panayiotou held office during the whole of the period from 1 January 2012 to the date of this report.

**FINANCIAL INSTRUMENTS**

Information on financial risks and other risks is set out below.

Treasury activities take place under procedures and policies monitored by the director. They are designed to minimise the financial risks faced by the company which primarily arise from interest rate, credit and liquidity risks. It is not the policy of the company to enter into speculative transactions.

The company's principal financial instruments comprise bank balances, bank loans, trade creditors, trade debtors and loans to/from group companies. The purpose of these instruments is to raise funds for and finance the company's operations.

**FINANCIAL INSTRUMENTS - RISK MANAGEMENT**

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances liquidity risk has been managed through continual review of the funding status of the company and its exposure to liquidity risk.

In respect of loans these are controlled by the director and are made to and from related companies. The director is aware of group companies' required finance and has determined that these will only be repaid when the properties have been sold and finance is available.

Trade debtors are managed in respect of credit and cash flow risk by regular monitoring of amounts outstanding for both time and credit limits. Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Derivative transactions entered into by the company comprise interest rate swaps to limit the company's exposure to interest rate risk.

**REPORT OF THE DIRECTOR**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**

A C Panayiotou - Director

Date

30/09/2013

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**ABILITY HOTELS (LIVERPOOL) LIMITED**

We have audited the financial statements of Ability Hotels (Liverpool) Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

**Respective responsibilities of director and auditors**

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

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Director to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**ABILITY HOTELS (LIVERPOOL) LIMITED**

**Matters on which we are required to report by exception**

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

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



Giles Cohen (Senior Statutory Auditor)  
for and on behalf of Numera Partners LLP  
Statutory Auditors  
6th Floor  
Charles House  
108-110 Finchley Road  
London  
NW3 5JJ

Date 30/09/2013

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

**ABILITY HOTELS (LIVERPOOL) LIMITED (REGISTERED NUMBER 06291634)**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

	Notes	31 12 12 £	31 12 11 £
<b>TURNOVER</b>		10,754,822	8,899,658
Cost of sales		1,471,231	1,060,430
<b>GROSS PROFIT</b>		9,283,591	7,839,228
Administrative expenses		7,406,644	7,585,819
		1,876,947	253,409
Other operating income		509,319	485,677
<b>OPERATING PROFIT</b>	3	2,386,266	739,086
Interest receivable and similar income		2,075	1,014
		2,388,341	740,100
Interest payable and similar charges	4	1,796,911	1,792,651
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		591,430	(1,052,551)
Tax on profit/(loss) on ordinary activities	5	-	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		591,430	(1,052,551)

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

The notes form part of these financial statements



**ABILITY HOTELS (LIVERPOOL) LIMITED (REGISTERED NUMBER 06291634)**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

	31 12 12 £	31 12 11 £
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	591,430	(1,052,551)
Unrealised surplus on revaluation of assets	-	7,549,548
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	65,686	71,207
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u>657,116</u>	<u>6,568,204</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

	31 12 12 £	31 12 11 £
<b>REPORTED PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	591,430	(1,052,551)
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	65,686	71,207
<b>HISTORICAL COST PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u>657,116</u>	<u>(981,344)</u>
<b>HISTORICAL COST PROFIT/(LOSS) FOR THE YEAR RETAINED AFTER TAXATION</b>	<u>657,116</u>	<u>(981,344)</u>

The notes form part of these financial statements

**ABILITY HOTELS (LIVERPOOL) LIMITED (REGISTERED NUMBER: 06291634)**

**BALANCE SHEET**  
**31 DECEMBER 2012**

	Notes	31 12 12 £	31 12 11 £
<b>FIXED ASSETS</b>			
Tangible assets	6	62,791,232	63,675,093
<b>CURRENT ASSETS</b>			
Stocks	7	138,302	110,737
Debtors	8	698,433	893,984
Cash at bank and in hand		1,768,980	1,378,483
		<u>2,605,715</u>	<u>2,383,204</u>
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>2,829,094</u>	<u>1,912,911</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(223,379)</u>	<u>470,293</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>62,567,853</u>	<u>64,145,386</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	10	<u>46,973,335</u>	<u>49,142,298</u>
<b>NET ASSETS</b>		<u><u>15,594,518</u></u>	<u><u>15,003,088</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	1	1
Revaluation reserve	14	16,807,159	16,872,845
Profit and loss account	14	(1,212,642)	(1,869,758)
<b>SHAREHOLDERS' FUNDS</b>	18	<u><u>15,594,518</u></u>	<u><u>15,003,088</u></u>

The financial statements were approved by the director on 30/09/2013 and were signed by

A C Panayiotou - Director

The notes form part of these financial statements

**ABILITY HOTELS (LIVERPOOL) LIMITED (REGISTERED NUMBER: 06291634)**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

	Notes	31 12 12	31 12 11
		£	£
Net cash inflow from operating activities	1	3,793,868	2,317,287
Returns on investments and servicing of finance	2	(1,794,836)	(1,791,637)
Capital expenditure	2	(87,633)	(1,907,997)
		1,911,399	(1,382,347)
Financing	2	(1,520,902)	1,975,828
Increase in cash in the period		<u>390,497</u>	<u>593,481</u>

**Reconciliation of net cash flow to movement in net debt**

	3		
Increase in cash in the period		390,497	593,481
Cash outflow/(inflow) from decrease/(increase) in debt		<u>1,520,903</u>	<u>(1,975,827)</u>
Change in net debt resulting from cash flows		<u>1,911,400</u>	<u>(1,382,346)</u>
Movement in net debt in the period		1,911,400	(1,382,346)
Net debt at 1 January		<u>(47,763,815)</u>	<u>(46,381,469)</u>
Net debt at 31 December		<u><u>(45,852,415)</u></u>	<u><u>(47,763,815)</u></u>

The notes form part of these financial statements

**ABILITY HOTELS (LIVERPOOL) LIMITED (REGISTERED NUMBER: 06291634)**

**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

**1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	31 12 12	31 12 11
	£	£
Operating profit	2,386,266	739,086
Depreciation charges	971,493	1,007,480
Increase in stocks	(27,565)	(46,002)
Decrease/(increase) in debtors	195,551	(147,840)
Increase in creditors	268,123	764,563
<b>Net cash inflow from operating activities</b>	<b>3,793,868</b>	<b>2,317,287</b>

**2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	31 12 12	31 12 11
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	2,075	1,014
Interest paid	(1,796,911)	(1,792,651)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(1,794,836)</b>	<b>(1,791,637)</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(87,633)	(1,907,997)
<b>Net cash outflow for capital expenditure</b>	<b>(87,633)</b>	<b>(1,907,997)</b>
<b>Financing</b>		
New loans in year	-	1,975,828
Loan repayments in year	(1,520,902)	-
<b>Net cash (outflow)/inflow from financing</b>	<b>(1,520,902)</b>	<b>1,975,828</b>

The notes form part of these financial statements

**ABILITY HOTELS (LIVERPOOL) LIMITED (REGISTERED NUMBER: 06291634)**

**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

**3 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 1 12 £	Cash flow £	At 31 12 12 £
Net cash			
Cash at bank and in hand	1,378,483	390,497	1,768,980
	<u>1,378,483</u>	<u>390,497</u>	<u>1,768,980</u>
Debt			
Debts falling due within one year	-	(648,060)	(648,060)
Debts falling due after one year	(49,142,298)	2,168,963	(46,973,335)
	<u>(49,142,298)</u>	<u>1,520,903</u>	<u>(47,621,395)</u>
Total	<u>(47,763,815)</u>	<u>1,911,400</u>	<u>(45,852,415)</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

**1 ACCOUNTING POLICIES**

**Accounting convention**

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

Long leasehold	- Straight line over 150 years
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance

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

**Stocks**

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

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

**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

**Debt instruments**

Debts instruments are stated at their net proceeds on issue. Issue costs are amortised to the profit and loss account over the life of the instrument

**Hire purchase and leasing commitments**

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

**Pensions**

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account

**2 STAFF COSTS**

	31 12 12	31 12 11
	£	£
Wages and salaries	2,832,472	2,519,106

**ABILITY HOTELS (LIVERPOOL) LIMITED (REGISTERED NUMBER 06291634)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

**2 STAFF COSTS - continued**

The average monthly number of employees during the year was as follows

	31 12 12	31 12 11
Operation	185	233
Administration	6	7
	<u>191</u>	<u>240</u>

**3 OPERATING PROFIT**

The operating profit is stated after charging

	31 12 12	31 12 11
	£	£
Hire of plant and machinery	35,133	43,135
Depreciation - owned assets	971,494	1,007,480
Auditors' remuneration	10,000	10,000
	<u>-</u>	<u>-</u>
Director's remuneration	-	-

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	31 12 12	31 12 11
	£	£
Bank loan interest	1,796,911	1,690,769
Other loan interests	-	101,882
	<u>1,796,911</u>	<u>1,792,651</u>

**5 TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2012 nor for the year ended 31 December 2011

**ABILITY HOTELS (LIVERPOOL) LIMITED (REGISTERED NUMBER: 06291634)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

**5 TAXATION - continued**

**Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	31 12 12 £	31 12 11 £
Profit/(loss) on ordinary activities before tax	591,430	(1,052,551)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24% (2011 - 26%)	141,943	(273,663)
Effects of		
Excess of capital allowances over depreciation charges	(44,232)	(83,785)
Industrial building allowance	-	(11,700)
Losses available for future periods	-	369,148
Group relief	(68,868)	-
Trading losses carried forward	(18,527)	-
Wear and tear allowance	(10,316)	-
Current tax charge	-	-

**Factors that may affect future tax charges**

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable if the properties were sold and the total amount unprovided for is £3,865,647. No provision has been made in these accounts in accordance with FRS 19.

**6 TANGIBLE FIXED ASSETS**

	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST OR VALUATION</b>				
At 1 January 2012	60,000,000	4,875,405	294,488	65,169,893
Additions	7,536	4,546	75,551	87,633
At 31 December 2012	60,007,536	4,879,951	370,039	65,257,526
<b>DEPRECIATION</b>				
At 1 January 2012	-	1,414,996	79,804	1,494,800
Charge for year	408,215	519,744	43,535	971,494
At 31 December 2012	408,215	1,934,740	123,339	2,466,294
<b>NET BOOK VALUE</b>				
At 31 December 2012	59,599,321	2,945,211	246,700	62,791,232
At 31 December 2011	60,000,000	3,460,409	214,684	63,675,093



**ABILITY HOTELS (LIVERPOOL) LIMITED (REGISTERED NUMBER: 06291634)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

**6 TANGIBLE FIXED ASSETS - continued**

Cost or valuation at 31 December 2012 is represented by

	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
Valuation in 2010	9,394,504	-	-	9,394,504
Valuation in 2011	6,877,962	-	-	6,877,962
Cost	43,735,070	4,879,951	370,039	48,985,060
	<u>60,007,536</u>	<u>4,879,951</u>	<u>370,039</u>	<u>65,257,526</u>

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

	31 12 12 £	31 12 11 £
Cost	<u>43,735,070</u>	<u>43,727,534</u>
Aggregate depreciation	<u>1,136,561</u>	<u>844,817</u>

The long leasehold was valued on an open market basis on 31 December 2012 by the director of the company

**7 STOCKS**

	31 12 12 £	31 12 11 £
Stocks	<u>138,302</u>	<u>110,737</u>

**8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 12 12 £	31 12 11 £
Trade debtors	408,436	578,017
Other debtors	127,538	37,168
VAT	-	12,566
Prepayments	162,459	266,233
	<u>698,433</u>	<u>893,984</u>

**9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 12 12 £	31 12 11 £
Bank loans and overdrafts (see note 11)	648,060	-
Trade creditors	160,498	451,951
Other creditors	246,415	232,623
Social security and other taxes	34,165	48,120
VAT	342,421	-
Hilton creditor	660	71,880
Other loans	417,483	-
Accruals and deferred income	979,392	1,108,337
	<u>2,829,094</u>	<u>1,912,911</u>

**ABILITY HOTELS (LIVERPOOL) LIMITED (REGISTERED NUMBER: 06291634)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

**10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31 12 12	31 12 11
	£	£
Bank loans (see note 11)	39,775,504	40,323,553
Other loans (see note 11)	7,197,831	8,818,745
	<u>46,973,335</u>	<u>49,142,298</u>

**11 LOANS**

An analysis of the maturity of loans is given below

	31 12 12	31 12 11
	£	£
Amounts falling due within one year or on demand		
Bank loans	<u>648,060</u>	<u>-</u>
Amounts falling due between one and two years		
Bank loans 1-2 years	<u>746,252</u>	<u>648,060</u>
Amounts falling due between two and five years		
Bank loans - 2-5 years	39,029,252	2,487,500
Other loans - 2-5 years	7,197,831	8,818,745
	<u>46,227,083</u>	<u>11,306,245</u>
Amounts falling due in more than five years		
Repayable otherwise than by instalments		
Bank loans more 5 yrs non-inst	<u>-</u>	<u>37,187,993</u>

Bank loans amounts falling due in more than five years repayable by instalments incur a weighted average interest rate of 4.30 % and mature in 2016. The bank loans reflects the effects of interest rate swaps in transforming floating rate liabilities to fixed rate liabilities.

**12 SECURED DEBTS**

The following secured debts are included within creditors

	31 12 12	31 12 11
	£	£
Bank loans	<u>40,423,564</u>	<u>40,323,553</u>

The bank loans are secured by way of legal charge and debentures over the assets of the company. Also, an amount of £10m is secured by way of cross guarantee by a connected company.

**13 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid			31 12 12	31 12 11
Number	Class	Nominal value	£	£
1	Ordinary	£1	<u>1</u>	<u>1</u>

**ABILITY HOTELS (LIVERPOOL) LIMITED (REGISTERED NUMBER 06291634)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

**14 RESERVES**

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 January 2012	(1,869,758)	16,872,845	15,003,087
Profit for the year	591,430		591,430
Depreciation on revaluation	65,686	(65,686)	-
At 31 December 2012	<u>(1,212,642)</u>	<u>16,807,159</u>	<u>15,594,517</u>

**15 PENSION COMMITMENTS**

The company operates a defined contribution pension scheme for the benefits of its employees. The costs of the scheme are recognised in the year in which contributions are payable and amounted to £16,879 (2011 £14,653) for the year under review.

**16 ULTIMATE PARENT COMPANY**

The company is a wholly owned subsidiary of Ability (Hotels) Limited, a company incorporated in Cyprus. Ability (Hotels) Limited is under the ultimate control of the Costas Panayiotou 1997 Settlement Trust.

**17 RELATED PARTY DISCLOSURES**

**Ability Developments Limited**

Included in creditors falling due within more than one year is an amount of £7,197,831 (2011 £8,818,785) owed to Ability Developments Limited. This balance arose as a result of financing transactions in the year.

Included in creditors falling due within one year is an amount of £417,483 (2011 £nil) owed to Ability Developments Limited. This balance arose as a result of financing transactions in the year.

Also, included in creditors falling due within one year is an amount of £19,774 (2011 £nil) owed to Ability Developments Limited. This balance arose as a result of consultancy services provided.

The companies are related by virtue of having The Costas Panayiotou 1997 Settlement Trust as common ultimate controlling party.

**18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31 12 12 £	31 12 11 £
Profit/(loss) for the financial year	591,430	(1,052,551)
Other recognised gains and losses relating to the year (net)	65,686	7,620,755
Difference between the historic cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	<u>(65,686)</u>	<u>(71,207)</u>
Net addition to shareholders' funds	591,430	6,496,997
Opening shareholders' funds	<u>15,003,088</u>	<u>8,506,091</u>
Closing shareholders' funds	<u>15,594,518</u>	<u>15,003,088</u>