

**STRATEGIC REPORT, REPORT OF THE DIRECTOR AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**  
**FOR**  
**ABILITY HOTELS (DUNBLANE) LIMITED**

TUESDAY



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COMPANIES HOUSE

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**FOR THE YEAR ENDED 31 DECEMBER 2013**

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**ABILITY HOTELS (DUNBLANE) LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

<b>DIRECTOR:</b>	A.C. Panayiotou
<b>SECRETARY:</b>	J.Y. Chin
<b>REGISTERED OFFICE:</b>	Top Floor Hampton by Hilton 42-50 Kimpton Road Luton Bedfordshire LU2 0NB
<b>REGISTERED NUMBER:</b>	06417474
<b>AUDITORS:</b>	Numera Partners LLP Statutory Auditors 6th Floor Charles House 108-110 Finchley Road London NW3 5JJ

**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

The director presents his strategic report for the year ended 31 December 2013.

**REVIEW OF BUSINESS**

The principal activity of the company is the operation of the Doubletree by Hilton Dunblane.

The director is satisfied with the performance of the company during the year under review. During the year the hotel experienced an increase in turnover, this was mainly due to the increase in occupancy of room sold by the hotel. The hotel did experience a slight fall in average room rates, but this was compensated by the increase in occupancy.

The results of the company for the year, as set out on pages 7 and 9, show that the company has maintained their operating profit on ordinary activities of £429k (2012: £430k). This is mainly attributable to the increase in turnover of 2% and effective control over the company's operating expenses. The hotel maintained their gross profit margins at 86%.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Some risks are excluded because the management considers them not to be material to the company. Additionally there may be risks and uncertainties not presently known to the management team or which they are deemed immaterial to the company.

**MARKET AND HOTEL INDUSTRY RISKS**

The company's operations and its results are subject to a number of factors which could affect the company's business, many of which are common to the hotel industry and beyond the company's control, such as a potential global economic downturn; changes in travel patterns in the structure of the travel industry; and the potential increase in acts of terrorism. The impact of any of these factors (or a combination of them) may adversely affect sustained levels of occupancy, room rates and/or hotel values.

Although management seeks to identify risks at the earliest opportunity, many of these risks are beyond the control of the company. The company has in place recovery plans to enable it to respond to major incidents or crises and takes steps to minimise these exposures to the greatest extent possible.

**BORROWINGS**

The company's bank borrowings are currently with one major lender and the financing arrangements contain security over the assets of the company. Therefore, there is a potential risk that the company may be at risk of default under the financing arrangements.

To mitigate against this risk the management team meets regularly to review the financial performance of the hotel, the financial covenant ratios within the financing agreements are monitored on an ongoing basis.

Furthermore, the bank loan within the financial statements is currently presented as falling due within one to two years in accordance with FRS 4. The company will be refinancing this bank loan towards the end of its term. This will mitigate the borrowing risks associated with the company.

**FIXED OPERATING EXPENSES**

The company's operating expenses such as personnel costs, operating leases, information technology and telecommunications are to a large extent fixed. As such, operating results may be vulnerable to short-term changes in revenues.

The company has appropriate management systems in place such as staff outsourcing designed to create flexibility in operating cost base so as to optimise operating profits in volatile trading conditions.

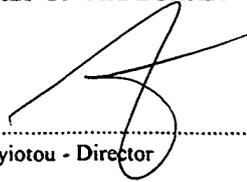
**KEY SENIOR PERSONNEL AND MANAGEMENT**

The success of the company's business is partially attributable to the efforts and abilities of its senior managers. Failure to retain its senior management team or other key personnel may threaten the success of the company's operations.

The company has appropriate systems in place for recruitment, reward and compensation and performance management. Development and maintenance of the company's culture also plays a leading role in minimising risk.

The key senior management in the hotel is provided by Hilton and therefore there is a pool of staff available should key personnel leave.

**ON BEHALF OF THE BOARD:**

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

Date: 30/9/14 .....

**REPORT OF THE DIRECTOR  
FOR THE YEAR ENDED 31 DECEMBER 2013**

The director presents his report with the financial statements of the company for the year ended 31 December 2013.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2013.

**FUTURE DEVELOPMENTS**

It is expected that hotel activity will increase in the future.

**DIRECTOR**

A.C. Panayiotou held office during the whole of the period from 1 January 2013 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.

**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.

**REPORT OF THE DIRECTOR**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

**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: 30/9/14 .....

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

We have audited the financial statements of Ability Hotels (Dunblane) Limited for the year ended 31 December 2013 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 Strategic Report and the Report of the Director to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2013 and of its loss 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 Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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: 30/1/14

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

**ABILITY HOTELS (DUNBLANE) LIMITED (REGISTERED NUMBER: 06417474)**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	31.12.13 £	31.12.12 £
<b>TURNOVER</b>		7,582,488	7,412,960
Cost of sales		<u>1,072,725</u>	<u>1,052,696</u>
<b>GROSS PROFIT</b>		6,509,763	6,360,264
Administrative expenses		<u>6,080,160</u>	<u>5,929,698</u>
		429,603	430,566
Other operating income		<u>114</u>	<u>-</u>
<b>OPERATING PROFIT</b>	3	429,717	430,566
Interest payable and similar charges	4	<u>1,383,112</u>	<u>1,358,866</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(953,395)	(928,300)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(953,395)</u>	<u>(928,300)</u>

**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 (DUNBLANE) LIMITED (REGISTERED NUMBER: 06417474)**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	31.12.13 £	31.12.12 £
<b>LOSS FOR THE FINANCIAL YEAR</b>	(953,395)	(928,300)
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	<u>10,989</u>	<u>10,989</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u>(942,406)</u>	<u>(917,311)</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	31.12.13 £	31.12.12 £
<b>REPORTED LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	(953,395)	(928,300)
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	<u>10,989</u>	<u>10,989</u>
<b>HISTORICAL COST LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u>(942,406)</u>	<u>(917,311)</u>
<b>HISTORICAL COST LOSS FOR THE YEAR RETAINED AFTER TAXATION</b>	<u>(942,406)</u>	<u>(917,311)</u>

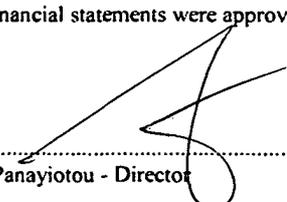
The notes form part of these financial statements

**ABILITY HOTELS (DUNBLANE) LIMITED (REGISTERED NUMBER: 06417474)**

**BALANCE SHEET**  
**31 DECEMBER 2013**

	Notes	31.12.13 £	£	31.12.12 £	£
<b>FIXED ASSETS</b>					
Intangible assets	6		5,040,000		5,400,000
Tangible assets	7		24,805,491		24,950,681
			<u>29,845,491</u>		<u>30,350,681</u>
<b>CURRENT ASSETS</b>					
Stocks	8	31,516		34,211	
Debtors	9	404,171		446,633	
Cash at bank and in hand		446,438		731,231	
		<u>882,125</u>		<u>1,212,075</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	10	2,445,555		3,090,290	
<b>NET CURRENT LIABILITIES</b>			<u>(1,563,430)</u>		<u>(1,878,215)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			28,282,061		28,472,466
<b>CREDITORS</b>					
Amounts falling due after more than one year	11		31,434,750		30,671,760
<b>NET LIABILITIES</b>			<u>(3,152,689)</u>		<u>(2,199,294)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		1		1
Revaluation reserve	16		1,890,029		1,901,018
Profit and loss account	16		(5,042,719)		(4,100,313)
<b>SHAREHOLDERS' FUNDS</b>	19		<u>(3,152,689)</u>		<u>(2,199,294)</u>

The financial statements were approved by the director on 30/9/14 and were signed by:

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

The notes form part of these financial statements

**ABILITY HOTELS (DUNBLANE) LIMITED (REGISTERED NUMBER: 06417474)**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	31.12.13		31.12.12	
		£	£	£	£
<b>Net cash inflow from operating activities</b>	1		923,028		1,180,687
<b>Returns on investments and servicing of finance</b>	2		(1,383,112)		(1,358,866)
<b>Capital expenditure</b>	2		(167,864)		(10,952)
			<u>(627,948)</u>		<u>(189,131)</u>
<b>Financing</b>	2		552,963		(86,222)
<b>Decrease in cash in the period</b>			<u>(74,985)</u>		<u>(275,353)</u>
<hr/>					
<b>Reconciliation of net cash flow to movement in net debt</b>	3				
Decrease in cash in the period		(74,985)		(275,353)	
Cash (inflow)/outflow from (increase)/decrease in debt		<u>(762,990)</u>		<u>555,082</u>	
Change in net debt resulting from cash flows			<u>(837,975)</u>		<u>279,729</u>
<b>Movement in net debt in the period</b>			<u>(837,975)</u>		<u>279,729</u>
<b>Net debt at 1 January</b>			<u>(30,981,896)</u>		<u>(31,261,625)</u>
<b>Net debt at 31 December</b>			<u>(31,819,871)</u>		<u>(30,981,896)</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

<b>1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>			
	31.12.13		31.12.12
	£		£
Operating profit	429,717		430,566
Depreciation charges	673,054		673,051
Decrease/(increase) in stocks	2,695		(11,348)
Decrease in debtors	42,462		32,102
(Decrease)/increase in creditors	(224,900)		56,316
	<u>923,028</u>		<u>1,180,687</u>
<b>2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT</b>			
	31.12.13		31.12.12
	£		£
<b>Returns on investments and servicing of finance</b>			
Interest paid	(1,383,112)		(1,358,866)
	<u>(1,383,112)</u>		<u>(1,358,866)</u>
<b>Capital expenditure</b>			
Purchase of tangible fixed assets	(167,864)		(10,952)
	<u>(167,864)</u>		<u>(10,952)</u>
<b>Financing</b>			
Loans in year	229,368		-
Loan repayments in year	-		(86,222)
Group loans in year	323,595		-
	<u>552,963</u>		<u>(86,222)</u>
<b>Net cash inflow/(outflow) from financing</b>			
<b>3. ANALYSIS OF CHANGES IN NET DEBT</b>			
	At 1.1.13	Cash flow	At
	£	£	31.12.13
			£
<b>Net cash:</b>			
Cash at bank and in hand	731,231	(284,793)	446,438
Bank overdraft	(391,367)	209,808	(181,559)
	<u>339,864</u>	<u>(74,985)</u>	<u>264,879</u>
<b>Debt:</b>			
Debts falling due within one year	(650,000)	-	(650,000)
Debts falling due after one year	(30,671,760)	(762,990)	(31,434,750)
	<u>(31,321,760)</u>	<u>(762,990)</u>	<u>(32,084,750)</u>
<b>Total</b>	<u>(30,981,896)</u>	<u>(837,975)</u>	<u>(31,819,871)</u>

The notes form part of these financial statements

**ABILITY HOTELS (DUNBLANE) LIMITED (REGISTERED NUMBER: 06417474)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The presence of net liabilities arises as a result of amounts owed to a connected undertaking, Ability Developments Limited. Ability Developments Limited has informed the company that it will continue to provide such financial support as the company requires for its continued operations.

Accordingly, the accounts have been prepared on a going concern basis.

**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.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2007, is being amortised evenly over its estimated useful life of 20 years.

**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% on reducing balance

Long leasehold property - 175 years straight line

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.

**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.

**Debt instrument**

Debt 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.

**Pensions**

The company operates a defined contribution pension scheme for the benefit of its employees. Contributions payable for the year are charged to the profit and loss account.

**2. STAFF COSTS**

	31.12.13	31.12.12
	£	£
Wages and salaries	2,389,556	2,476,683
Social security costs	154,197	151,733
	<u>2,543,753</u>	<u>2,628,416</u>

**ABILITY HOTELS (DUNBLANE) LIMITED (REGISTERED NUMBER: 06417474)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**2. STAFF COSTS - continued**

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

	31.12.13	31.12.12
Operation	201	111
Administration	17	21
	<u>218</u>	<u>132</u>

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.13	31.12.12
	£	£
Hire of plant and machinery	88,996	43,067
Depreciation - owned assets	313,054	313,051
Goodwill amortisation	360,000	360,000
Auditors' remuneration	10,000	10,000
	<u>772,050</u>	<u>726,118</u>
Director's remuneration	-	-
	<u>-</u>	<u>-</u>

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	31.12.13	31.12.12
	£	£
Bank loan interest	1,110,022	1,096,257
Intercompany loan interest	273,090	262,609
	<u>1,383,112</u>	<u>1,358,866</u>

**5. TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2013 nor for the year ended 31 December 2012.

**Factors affecting the tax charge**

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

	31.12.13	31.12.12
	£	£
Loss on ordinary activities before tax	<u>(953,395)</u>	<u>(928,300)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2012 - 24%)	(219,281)	(222,792)
Effects of:		
Losses available to carry forward	197,847	202,121
Depreciation in excess of capital allowances	21,434	20,671
Current tax charge	<u>-</u>	<u>-</u>

**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 £378,006. No provision has been made in these accounts in accordance with FRS 19.

**ABILITY HOTELS (DUNBLANE) LIMITED (REGISTERED NUMBER: 06417474)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2013**

<b>6.</b>	<b>INTANGIBLE FIXED ASSETS</b>	Goodwill £
	<b>COST</b>	
	At 1 January 2013 and 31 December 2013	7,200,000
	<b>AMORTISATION</b>	
	At 1 January 2013	1,800,000
	Amortisation for year	360,000
	At 31 December 2013	2,160,000
	<b>NET BOOK VALUE</b>	
	At 31 December 2013	5,040,000
	At 31 December 2012	5,400,000

<b>7.</b>	<b>TANGIBLE FIXED ASSETS</b>	Long leasehold £	Plant and machinery £	Totals £
	<b>COST OR VALUATION</b>			
	At 1 January 2013	25,438,041	2,107,122	27,545,163
	Additions	-	167,864	167,864
	At 31 December 2013	25,438,041	2,274,986	27,713,027
	<b>DEPRECIATION</b>			
	At 1 January 2013	1,437,454	1,157,028	2,594,482
	Charge for year	145,360	167,694	313,054
	At 31 December 2013	1,582,814	1,324,722	2,907,536
	<b>NET BOOK VALUE</b>			
	At 31 December 2013	23,855,227	950,264	24,805,491
	At 31 December 2012	24,000,587	950,094	24,950,681

Cost or valuation at 31 December 2013 is represented by:

	Long leasehold £	Plant and machinery £	Totals £
Valuation in 2010	1,922,995	-	1,922,995
Cost	23,515,046	2,274,986	25,790,032
	25,438,041	2,274,986	27,713,027

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

	31.12.13 £	31.12.12 £
Cost	23,515,046	23,515,046
Aggregate depreciation	403,115	268,743

Long leasehold property was valued by the director on an open market basis on 31 December 2013. The director does not consider the value to be materially different to the value disclosed in the financial statements.

**ABILITY HOTELS (DUNBLANE) LIMITED (REGISTERED NUMBER: 06417474)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2013**

8.	<b>STOCKS</b>	31.12.13	31.12.12
		£	£
	Stocks	<u>31,516</u>	<u>34,211</u>
9.	<b>DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	31.12.13	31.12.12
		£	£
	Trade debtors	254,428	236,632
	Amounts owed by group undertakings	4,275	4,275
	Other debtors	2,215	4,178
	Prepayments	<u>143,253</u>	<u>201,548</u>
		<u>404,171</u>	<u>446,633</u>
10.	<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	31.12.13	31.12.12
		£	£
	Bank loans and overdrafts (see note 12)	831,559	1,041,367
	Trade creditors	72,958	211,097
	Amounts owed to group undertakings	258,833	468,860
	Social security and other taxes	40,394	33,511
	VAT	179,824	143,520
	Other creditors	261,182	328,695
	Wages control	117,537	141,842
	Deferred income	326,377	401,617
	Accrued expenses	<u>356,891</u>	<u>319,781</u>
		<u>2,445,555</u>	<u>3,090,290</u>
11.	<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	31.12.13	31.12.12
		£	£
	Bank loans (see note 12)	13,630,299	13,400,931
	Other loans (see note 12)	<u>17,804,451</u>	<u>17,270,829</u>
		<u>31,434,750</u>	<u>30,671,760</u>
12.	<b>LOANS</b>		
	An analysis of the maturity of loans is given below:		
		31.12.13	31.12.12
		£	£
	Amounts falling due within one year or on demand:		
	Bank overdrafts	181,559	391,367
	Bank loans	<u>650,000</u>	<u>650,000</u>
		<u>831,559</u>	<u>1,041,367</u>
	Amounts falling due between one and two years:		
	Bank loans - 1-2 years	<u>13,630,299</u>	<u>650,000</u>
	Amounts falling due between two and five years:		
	Bank loans - 2-5 years	-	12,750,931
	Other loans - 2-5 years	<u>17,804,451</u>	<u>17,270,829</u>
		<u>17,804,451</u>	<u>30,021,760</u>

**ABILITY HOTELS (DUNBLANE) LIMITED (REGISTERED NUMBER: 06417474)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**13. OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	31.12.13	31.12.12	31.12.13	31.12.12
	£	£	£	£
Expiring:				
Within one year	-	-	89,000	44,000
In more than five years	293,500	285,000	-	-
	<u>293,500</u>	<u>285,000</u>	<u>89,000</u>	<u>44,000</u>

**14. SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.13	31.12.12
	£	£
Bank loans	<u>14,280,299</u>	<u>14,050,931</u>

The bank loan is secured by way of debenture and legal charge over the assets of the company. An amount of £5m is also secured by way of cross guarantee by a connected company, Ability Developments Limited.

**15. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.13	31.12.12
		£1	£	£
1	Ordinary		<u>1</u>	<u>1</u>

**16. RESERVES**

	Profit and loss account	Revaluation reserve	Totals
	£	£	£
At 1 January 2013	(4,100,313)	1,901,018	(2,199,295)
Deficit for the year	(953,395)		(953,395)
Revaluation reserve	10,989	(10,989)	-
At 31 December 2013	<u>(5,042,719)</u>	<u>1,890,029</u>	<u>(3,152,690)</u>

**17. RELATED PARTY DISCLOSURES**

As regards to related party disclosures in respect of group transactions, the company has taken advantage of exemptions contained in FRS 8 on the grounds that details of the subsidiary are included in publicly available consolidated accounts of the ultimate parent company, A.P. Ability Holdings Limited.

**18. ULTIMATE CONTROLLING PARTY**

The company is under the control of the ultimate parent company, A.P. Ability Holdings Limited. A.P. Ability Holdings Limited is incorporated in Cyprus, and is under the ultimate control of The Costas Panayiotou 1997 Settlement Trust.

**ABILITY HOTELS (DUNBLANE) LIMITED (REGISTERED NUMBER: 06417474)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	31.12.13	31.12.12
	£	£
Loss for the financial year	(953,395)	(928,300)
Other recognised gains and losses relating to the year (net)	10,989	10,989
Difference between the historic cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	<u>(10,989)</u>	<u>(10,989)</u>
<b>Net reduction of shareholders' funds</b>	<b>(953,395)</b>	<b>(928,300)</b>
Opening shareholders' funds	<u>(2,199,294)</u>	<u>(1,270,994)</u>
<b>Closing shareholders' funds</b>	<b><u>(3,152,689)</u></b>	<b><u>(2,199,294)</u></b>

20. PENSION CONTRIBUTION

The company operates a defined contribution pension scheme for the benefit of its employees. The costs of the scheme are recognised in the year in which contributions are payable and amounted to £13,030 (2012: £15,129) for the year under review.