

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

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

	Page
Company Information	1
Report of the Director	2
Report of the Independent Auditors	4
Profit and Loss Account	6
Statement of Total Recognised Gains and Losses	7
Balance Sheet	8
Cash Flow Statement	9
Notes to the Cash Flow Statement	10
Notes to the Financial Statements	12

ABILITY HOTELS (CAMBRIDGE) 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 06418183

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

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 Doubletree by Hilton Cambridge Garden Inn Hotel

REVIEW OF BUSINESS

The director is satisfied with the performance of the company during the period under review. During the year the turnover of the hotel increased by 14% in comparison to 2011. The hotel maintained its gross profit margin at approximately 94%. The company also improved its balance sheet position and net assets have increased by £100k.

DIVIDENDS

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

FUTURE DEVELOPMENTS

It is anticipated that the company will increase its average room rate and occupancy levels during the forthcoming year, leading to greater profits.

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

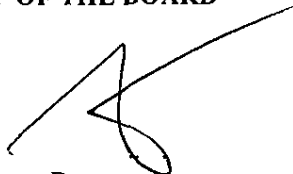
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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 (CAMBRIDGE) LIMITED

We have audited the financial statements of Ability Hotels (Cambridge) 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 (CAMBRIDGE) 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 (CAMBRIDGE) LIMITED (REGISTERED NUMBER: 06418183)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	31 12 12 £	31 12 11 £
TURNOVER		8,397,136	8,277,016
Cost of sales		496,872	554,538
GROSS PROFIT		7,900,264	7,722,478
Administrative expenses		5,940,679	5,876,223
		1,959,585	1,846,255
Other operating income		65,000	65,000
OPERATING PROFIT	3	2,024,585	1,911,255
Interest payable and similar charges	4	1,915,639	1,919,211
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		108,946	(7,956)
Tax on profit/(loss) on ordinary activities	5	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		108,946	(7,956)

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 (CAMBRIDGE) LIMITED (REGISTERED NUMBER: 06418183)

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

	31 12 12 £	31 12 11 £
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	108,946	(7,956)
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	160,873	173,465
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>269,819</u>	<u>165,509</u>

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

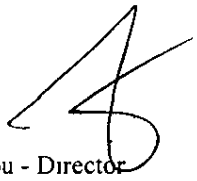
	31 12 12 £	31 12 11 £
REPORTED PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	108,946	(7,956)
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	160,873	173,465
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>269,819</u>	<u>165,509</u>
HISTORICAL COST PROFIT FOR THE YEAR RETAINED AFTER TAXATION	<u>269,819</u>	<u>165,509</u>

The notes form part of these financial statements

ABILITY HOTELS (CAMBRIDGE) LIMITED (REGISTERED NUMBER: 06418183)**BALANCE SHEET**
31 DECEMBER 2012

	Notes	31 12 12 £	£	31 12 11 £	£
FIXED ASSETS					
Tangible assets	7		53,557,260		53,909,218
CURRENT ASSETS					
Stocks	8	18,270		10,772	
Debtors	9	384,853		307,689	
Cash at bank and in hand		701,769		1,111,921	
		<u>1,104,892</u>		<u>1,430,382</u>	
CREDITORS					
Amounts falling due within one year	10	2,453,562		1,605,480	
		<u></u>		<u></u>	
NET CURRENT LIABILITIES			(1,348,670)		(175,098)
TOTAL ASSETS LESS CURRENT LIABILITIES			52,208,590		53,734,120
CREDITORS					
Amounts falling due after more than one year	11		32,701,910		34,336,386
			<u>19,506,680</u>		<u>19,397,734</u>
NET ASSETS					
CAPITAL AND RESERVES					
Called up share capital	15		1		1
Revaluation reserve	16		18,789,399		18,950,272
Profit and loss account	16		717,280		447,461
			<u>19,506,680</u>		<u>19,397,734</u>
SHAREHOLDERS' FUNDS	20				

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 (CAMBRIDGE) LIMITED (REGISTERED NUMBER 06418183)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	31 12 12 £	£	31 12 11 £	£
Net cash inflow from operating activities	1		2,433,869		2,440,245
Returns on investments and servicing of finance	2		(1,915,639)		(1,919,211)
Capital expenditure	2		(192,239)		(141,490)
			325,991		379,544
Financing	2		(736,143)		(219,419)
(Decrease)/increase in cash in the period			(410,152)		160,125

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

	3		
(Decrease)/increase in cash in the period		(410,152)	160,125
Cash outflow from decrease in debt		1,634,476	219,419
Change in net debt resulting from cash flows		1,224,324	379,544
Movement in net debt in the period		1,224,324	379,544
Net debt at 1 January		(33,330,715)	(33,710,259)
Net debt at 31 December		(32,106,391)	(33,330,715)

The notes form part of these financial statements

ABILITY HOTELS (CAMBRIDGE) LIMITED (REGISTERED NUMBER: 06418183)

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	2,024,585	1,911,255
Depreciation charges	544,195	543,074
Increase in stocks	(7,498)	(887)
Increase in debtors	(77,164)	(21,040)
(Decrease)/increase in creditors	(50,249)	7,843
Net cash inflow from operating activities	2,433,869	2,440,245

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

	31 12 12	31 12 11
	£	£
Returns on investments and servicing of finance		
Interest paid	(1,915,639)	(1,919,211)
Net cash outflow for returns on investments and servicing of finance	(1,915,639)	(1,919,211)
 Capital expenditure		
Purchase of tangible fixed assets	(192,239)	(141,490)
Net cash outflow for capital expenditure	(192,239)	(141,490)
 Financing		
New loans in year	-	123,958
Loan repayments in year	-	(106,250)
Repayment of amount owed to group	(736,143)	(237,127)
Net cash outflow from financing	(736,143)	(219,419)

ABILITY HOTELS (CAMBRIDGE) LIMITED (REGISTERED NUMBER: 06418183)

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	1,111,921	(410,152)	701,769
	<u>1,111,921</u>	<u>(410,152)</u>	<u>701,769</u>
Debt			
Debts falling due within one year	(106,250)	-	(106,250)
Debts falling due after one year	(34,336,386)	1,634,476	(32,701,910)
	<u>(34,442,636)</u>	<u>1,634,476</u>	<u>(32,808,160)</u>
Total	<u>(33,330,715)</u>	<u>1,224,324</u>	<u>(32,106,391)</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 120 years
Fixtures and fittings	- 15% on reducing balance
Computer equipment	- 33% 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

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 instruments

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. 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	2,011,399	2,153,861

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

	31 12 12	31 12 11
Operations	80	82
Administration	10	10
	<u>90</u>	<u>92</u>

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

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	31 12 12	31 12 11
	£	£
Hire of plant and machinery	37,158	11,551
Depreciation - owned assets	544,197	543,074
Auditors' remuneration	10,000	10,000
Foreign exchange differences	(548)	(125)
	<u> </u>	<u> </u>
Director's remuneration	<u> </u>	<u> </u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	31 12 12	31 12 11
	£	£
Bank loan interest	1,794,949	1,782,510
Interest on intercompany loan	120,690	136,701
	<u> </u>	<u> </u>
	<u>1,915,639</u>	<u>1,919,211</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

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	<u>108,946</u>	<u>(7,956)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24% (2011 - 26%)	26,147	(2,069)
Effects of		
Excess of capital allowances over depreciation charges	21,816	(51,417)
Industrial building allowance	-	(295)
Expenses not allowable for tax purposes	161	55
Losses carried forward	<u>(48,124)</u>	<u>53,726</u>
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 £4,321,562. No provision has been made in these accounts in accordance with FRS 19

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

6 COMPARATIVE ADJUSTMENT

A comparative adjustment has been made to the year ended 31 December 2011 to reflect a movement on reserves as a result of an adjustment for the difference between the historic cost depreciation charge for the leasehold property and the actual depreciation charge for the year calculated on the revalued amount

7 TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST OR VALUATION				
At 1 January 2012	55,036,081	580,928	92,348	55,709,357
Additions	16,044	176,195	-	192,239
At 31 December 2012	55,052,125	757,123	92,348	55,901,596
DEPRECIATION				
At 1 January 2012	1,502,075	226,172	71,892	1,800,139
Charge for year	457,803	79,643	6,751	544,197
At 31 December 2012	1,959,878	305,815	78,643	2,344,336
NET BOOK VALUE				
At 31 December 2012	53,092,247	451,308	13,705	53,557,260
At 31 December 2011	53,534,006	354,756	20,456	53,909,218

Cost or valuation at 31 December 2012 is represented by

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
Valuation in 2009	7,614,183	-	-	7,614,183
Valuation in 2010	11,800,984	-	-	11,800,984
Cost	35,636,958	757,123	92,348	36,486,429
	55,052,125	757,123	92,348	55,901,596

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

	31 12 12 £	31 12 11 £
Cost	35,636,958	35,620,914
Aggregate depreciation	1,473,971	1,177,039

Leasehold property was valued on an open market basis on 31 December 2012 by the director

8 STOCKS

	31 12 12 £	31 12 11 £
Stocks	18,270	10,772

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

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 12	31 12 11
	£	£
Trade debtors	116,263	119,715
Other debtors	108,597	1,485
Prepayments	159,993	186,489
	<u>384,853</u>	<u>307,689</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 12	31 12 11
	£	£
Bank loans and overdrafts (see note 12)	106,250	106,250
Trade creditors	184,087	216,851
Amounts owed to group undertakings	898,331	-
Social security and other taxes	29,113	32,112
VAT	202,803	221,226
Other creditors	-	21,932
Advance deposits	138,412	107,176
Deferred income	341,250	406,250
Accrued expenses	553,316	493,683
	<u>2,453,562</u>	<u>1,605,480</u>

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 12 12	31 12 11
	£	£
Bank loans (see note 12)	25,411,459	25,411,459
Other loans (see note 12)	7,290,451	8,924,927
	<u>32,701,910</u>	<u>34,336,386</u>

12 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>106,250</u>	<u>106,250</u>
Amounts falling due between one and two years		
Bank loans - 1-2 years	<u>25,411,459</u>	<u>676,563</u>
Amounts falling due between two and five years		
Bank loans - 2-5 years	-	24,734,896
Amounts owed to connected company	<u>7,290,451</u>	<u>8,924,927</u>
	<u>7,290,451</u>	<u>33,659,823</u>

ABILITY HOTELS (CAMBRIDGE) LIMITED (REGISTERED NUMBER: 06418183)

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

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 12 £	31 12 11 £	31 12 12 £	31 12 11 £
Expiring				
Between one and five years	-	-	3,550	3,550
In more than five years	400,000	400,000	-	-
	<u>400,000</u>	<u>400,000</u>	<u>3,550</u>	<u>3,550</u>

14 SECURED DEBTS

The following secured debts are included within creditors

	31 12 12 £	31 12 11 £
Bank loans	<u>25,517,709</u>	<u>25,517,709</u>

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

15 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>

16 RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 January 2012	447,461	18,950,272	19,397,733
Profit for the year	108,946		108,946
Transfer of depreciation charge on revaluation	160,873	(160,873)	-
At 31 December 2012	<u>717,280</u>	<u>18,789,399</u>	<u>19,506,679</u>

17 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 £14,544 (2011 £5,697) for the year under review

ABILITY HOTELS (CAMBRIDGE) LIMITED (REGISTERED NUMBER 06418183)

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

18 ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Ability Hotels Limited, a company incorporated in Cyprus. The ultimate controlling party is The Costas Panayiotou 1997 Settlement Trust.

19 RELATED PARTY DISCLOSURES

Ability Developments Limited

Included in creditors falling due within more than one year is an amount of £7,190,451 (2011 £8,924,927) 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 £898,331 (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.

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 12 12	31 12 11
	£	£
Profit/(loss) for the financial year	108,946	(7,956)
Other recognised gains and losses relating to the year (net)	160,873	173,465
Difference between the historic cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	(160,873)	(173,466)
Net addition/(reduction) to shareholders' funds	108,946	(7,957)
Opening shareholders' funds	19,397,734	19,405,691
Closing shareholders' funds	19,506,680	19,397,734