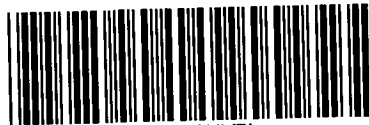


**STRATEGIC REPORT, REPORT OF THE DIRECTOR AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**  
**FOR**  
**ABILITY HOTELS (CAMBRIDGE) LIMITED**

TUESDAY



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COMPANIES HOUSE

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**FOR THE YEAR ENDED 31 DECEMBER 2013**

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**ABILITY HOTELS (CAMBRIDGE) LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

**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

**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 Cambridge Garden Inn Hotel.

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 average room rate of all rooms charged by the hotel. The hotel did experience a slight fall in occupancy rates, but this was compensated by the increase in average room rate. The Hilton Hotel in Cambridge is one of the few branded hotels in the city centre and therefore one of only a few hotels in the area with a recognisable global name.

The results of the company for the year, as set out on pages 7 and 9, show a profit on ordinary activities before tax of £2,164k (2012: £2,024k). This is mainly attributable to the increase in turnover of 3% and effective control over the company's operating expenses. The hotel maintained their gross profit margins at 94%, whilst increasing operating profits by 7%.

**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 year in accordance with FRS 4. However, the company has refinanced this bank loan after the year end, entering into a long term finance agreement with a new lender on a 10 year fixed term. This has further mitigated 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.

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

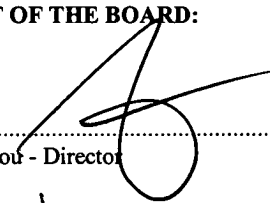
**KEY SENIOR PERSONNEL AND MANAGEMENT**

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: 1/7/14 .....

**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**

In 2014 the hotel re-launched the restaurant under the 'Marco Pierre White' brand. It is anticipated that this will lead to an increase in revenues of food and beverage in the next financial year. Furthermore the company has forecast an increase in its average room rate and occupancy levels during the forthcoming year, leading to greater operating profits. The company has also successfully entered into a new 10 year fixed term loan agreement which will lead to a further consolidation of the company's balance sheet position.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**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: .....

1/7/14

**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 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 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 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: 30/6/14

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 2013**

	Notes	31.12.13 £	31.12.12 £
<b>TURNOVER</b>		8,676,502	8,397,136
Cost of sales		519,745	496,872
<b>GROSS PROFIT</b>		8,156,757	7,900,264
Administrative expenses		6,056,786	5,940,679
		2,099,971	1,959,585
Other operating income		65,000	65,000
<b>OPERATING PROFIT</b>	3	2,164,971	2,024,585
Interest payable and similar charges	4	1,898,925	1,915,639
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		266,046	108,946
Tax on profit on ordinary activities	5	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		266,046	108,946

**CONTINUING OPERATIONS**

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

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

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

	31.12.13 £	31.12.12 £
<b>PROFIT FOR THE FINANCIAL YEAR</b>	266,046	108,946
Unrealised surplus on revaluation of properties	1,359,198	-
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	160,735	160,873
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u>1,785,979</u>	<u>269,819</u>

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

	31.12.13 £	31.12.12 £
<b>REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	266,046	108,946
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	160,735	160,873
Unrealised surplus on revaluation of properties	—	—
<b>HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u>426,781</u>	<u>269,819</u>
<b>HISTORICAL COST PROFIT FOR THE YEAR RETAINED AFTER TAXATION</b>	<u>426,781</u>	<u>269,819</u>

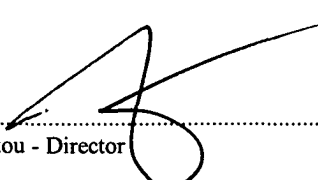
The notes form part of these financial statements

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

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

	Notes	31.12.13 £	£	31.12.12 £	£
<b>FIXED ASSETS</b>					
Tangible assets	6		54,500,000		53,557,260
<b>CURRENT ASSETS</b>					
Stocks	7	20,174		18,270	
Debtors	8	341,596		384,853	
Cash at bank and in hand		646,316		701,769	
		1,008,086		1,104,892	
<b>CREDITORS</b>					
Amounts falling due within one year	9	28,220,711		2,453,562	
<b>NET CURRENT LIABILITIES</b>			(27,212,625)		(1,348,670)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			27,287,375		52,208,590
<b>CREDITORS</b>					
Amounts falling due after more than one year	10		6,155,451		32,701,910
<b>NET ASSETS</b>			21,131,924		19,506,680
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		1		1
Revaluation reserve	15		19,987,862		18,789,399
Profit and loss account	15		1,144,061		717,280
<b>SHAREHOLDERS' FUNDS</b>	20		21,131,924		19,506,680

The financial statements were approved by the director on 11/7/14 and were signed by:

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

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

**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		2,719,302		2,433,869
<b>Returns on investments and servicing of finance</b>	2		(1,898,925)		(1,915,639)
<b>Capital expenditure</b>	2		(136,803)		(192,239)
			<u>683,574</u>		<u>325,991</u>
<b>Financing</b>	2		(739,027)		(736,143)
<b>Decrease in cash in the period</b>			<u>(55,453)</u>		<u>(410,152)</u>

---

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

	3				
Decrease in cash in the period		(55,453)		(410,152)	
Cash outflow from decrease in debt		<u>1,135,001</u>		<u>1,634,476</u>	
Change in net debt resulting from cash flows			<u>1,079,548</u>		<u>1,224,324</u>
<b>Movement in net debt in the period</b>			<u>1,079,548</u>		<u>1,224,324</u>
<b>Net debt at 1 January</b>			<u>(32,106,391)</u>		<u>(33,330,715)</u>
<b>Net debt at 31 December</b>			<u>(31,026,843)</u>		<u>(32,106,391)</u>

The notes form part of these financial statements

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

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

	31.12.13	31.12.12
	£	£
Operating profit	2,164,971	2,024,585
Depreciation charges	553,262	544,195
Increase in stocks	(1,904)	(7,498)
Decrease/(increase) in debtors	43,257	(77,164)
Decrease in creditors	(40,284)	(50,249)
<b>Net cash inflow from operating activities</b>	<b><u>2,719,302</u></b>	<b><u>2,433,869</u></b>

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

	31.12.13	31.12.12
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest paid	(1,898,925)	(1,915,639)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b><u>(1,898,925)</u></b>	<b><u>(1,915,639)</u></b>
 <b>Capital expenditure</b>		
Purchase of tangible fixed assets	(136,803)	(192,239)
<b>Net cash outflow for capital expenditure</b>	<b><u>(136,803)</u></b>	<b><u>(192,239)</u></b>
 <b>Financing</b>		
Repayment of amount owed to group	(739,027)	(736,143)
<b>Net cash outflow from financing</b>	<b><u>(739,027)</u></b>	<b><u>(736,143)</u></b>

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.1.13	Cash flow	At
	£	£	31.12.13
			£
<b>Net cash:</b>			
Cash at bank and in hand	701,769	(55,453)	646,316
	<u>701,769</u>	<u>(55,453)</u>	<u>646,316</u>
 <b>Debt:</b>			
Debts falling due within one year	(106,250)	(25,411,458)	(25,517,708)
Debts falling due after one year	(32,701,910)	26,546,459	(6,155,451)
	<u>(32,808,160)</u>	<u>1,135,001</u>	<u>(31,673,159)</u>
 <b>Total</b>	<b><u>(32,106,391)</u></b>	<b><u>1,079,548</u></b>	<b><u>(31,026,843)</u></b>

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

**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.

**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**

	31.12.13	31.12.12
	£	£
Wages and salaries	1,707,998	2,011,399

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

	31.12.13	31.12.12
Operations	69	80
Administration	10	10
	<u>79</u>	<u>90</u>

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

**3. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	31.12.13	31.12.12
	£	£
Hire of plant and machinery	40,195	37,158
Depreciation - owned assets	553,261	544,197
Auditors' remuneration	10,000	10,000
Foreign exchange differences	(578)	(548)
	<u>          </u>	<u>          </u>
Director's remuneration	-	-
	<u>          </u>	<u>          </u>

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	31.12.13	31.12.12
	£	£
Bank loan interest	1,780,755	1,794,949
Interest on intercompany loan	118,170	120,690
	<u>          </u>	<u>          </u>
	1,898,925	1,915,639
	<u>          </u>	<u>          </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 lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.13	31.12.12
	£	£
Profit on ordinary activities before tax	266,046	108,946
	<u>          </u>	<u>          </u>
Profit on ordinary activities		
multiplied by the standard rate of corporation tax		
in the UK of 23% (2012 - 24%)	61,191	26,147
Effects of:		
Excess of depreciation charges over capital allowances charges	38,687	21,816
Expenses not allowable for tax purposes	-	161
Losses brought forward utilised against current year profits.	(99,878)	(48,124)
	<u>          </u>	<u>          </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 £4,197,451. 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 2013**

**6. TANGIBLE FIXED ASSETS**

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST OR VALUATION</b>				
At 1 January 2013	55,052,125	757,123	92,348	55,901,596
Additions	-	121,694	15,109	136,803
Revaluations	1,359,198	-	-	1,359,198
At 31 December 2013	56,411,323	878,817	107,457	57,397,597
<b>DEPRECIATION</b>				
At 1 January 2013	1,959,878	305,815	78,643	2,344,336
Charge for year	457,803	85,950	9,508	553,261
At 31 December 2013	2,417,681	391,765	88,151	2,897,597
<b>NET BOOK VALUE</b>				
At 31 December 2013	53,993,642	487,052	19,306	54,500,000
At 31 December 2012	53,092,247	451,308	13,705	53,557,260

Cost or valuation at 31 December 2013 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
Valuation in 2013	1,359,198	-	-	1,359,198
Cost	35,636,958	878,817	107,457	36,623,232
	56,411,323	878,817	107,457	57,397,597

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

	31.12.13 £	31.12.12 £
Cost	35,636,958	35,636,958
Aggregate depreciation	1,771,178	1,473,971

Leasehold property to the sum of £54,500,000 is included at open market value as valued by CBRE on 23 March 2014

**7. STOCKS**

	31.12.13 £	31.12.12 £
Stocks	20,174	18,270

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

	31.12.13 £	31.12.12 £
Trade debtors	131,151	116,263
Other debtors	21,530	108,597
Prepayments	188,915	159,993
	341,596	384,853



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

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

	31.12.13	31.12.12
	£	£
Bank loans and overdrafts (see note 11)	25,517,708	106,250
Trade creditors	173,595	184,087
Amounts owed to group undertakings	1,294,306	898,331
Social security and other taxes	28,235	29,113
VAT	232,185	202,803
Other creditors	41,702	-
Advance deposits	121,793	138,412
Deferred income	276,250	341,250
Accrued expenses	534,937	553,316
	<u>28,220,711</u>	<u>2,453,562</u>

In accordance with FRS 4 and the loan agreement, the bank loan is presented as due within one year. However, the company has completed refinancing the hotel on a new 10 year fixed term agreement after the year end with an alternative lender.

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

	31.12.13	31.12.12
	£	£
Bank loans (see note 11)	-	25,411,459
Other loans (see note 11)	6,155,451	7,290,451
	<u>6,155,451</u>	<u>32,701,910</u>

**11. LOANS**

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 loans	<u>25,517,708</u>	<u>106,250</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>-</u>	<u>25,411,459</u>
Amounts falling due between two and five years:		
Amounts owed to connected company	<u>6,155,451</u>	<u>7,290,451</u>
	<u>6,155,451</u>	<u>7,290,451</u>

**12. 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:				
Between one and five years	-	-	3,550	3,550
In more than five years	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>-</u>
	<u>400,000</u>	<u>400,000</u>	<u>3,550</u>	<u>3,550</u>

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

**13. SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.13	31.12.12
	£	£
Bank loans	25,517,708	25,517,709
	<u>25,517,708</u>	<u>25,517,709</u>

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

**14. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

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

**15. RESERVES**

	Profit and loss account	Revaluation reserve	Totals
	£	£	£
At 1 January 2013	717,280	18,789,399	19,506,679
Profit for the year	266,046		266,046
Revaluation during the period	-	1,359,198	1,359,198
Transfer of depreciation charge on revaluation	160,735	(160,735)	-
At 31 December 2013	<u>1,144,061</u>	<u>19,987,862</u>	<u>21,131,923</u>

**16. 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 £17,199 (2012: £18,544) for the year under review.

**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. POST BALANCE SHEET EVENTS**

The company completed refinancing the hotel with an alternative lender after the year end. The new loan arrangements are under a 10 year fixed term agreement.

**19. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is The Costas Panayiotou 1997 Settlement Trust.

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.

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

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	31.12.13	31.12.12
	£	£
Profit for the financial year	266,046	108,946
Other recognised gains and losses relating to the year (net)	1,519,933	160,873
Difference between the historic cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	(160,735)	(160,873)
<b>Net addition to shareholders' funds</b>	<b>1,625,244</b>	<b>108,946</b>
Opening shareholders' funds	19,506,680	19,397,734
<b>Closing shareholders' funds</b>	<b>21,131,924</b>	<b>19,506,680</b>