

REGISTERED NUMBER 06581169 (England and Wales)

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

MONDAY



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FOR THE YEAR ENDED 31 DECEMBER 2012

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ABILITY HOTELS (SYON) 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:	06581169 (England and Wales)
AUDITORS:	Numera Partners LLP Statutory Auditors 6th Floor Charles House 108-110 Finchley Road London NW3 5JJ

ABILITY HOTELS (SYON) LIMITED
REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2012

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

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the operation of the Hilton Syon Park hotel

REVIEW OF BUSINESS

The director is satisfied with the performance of the company during the period under review. In this period, the hotel has been operational for 52 weeks in comparison to the 43 weeks in 2011. In this period the turnover for the group was £9,160,718 (2011 £8,053,590)

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 for the forthcoming year. In addition, the company has rebranded to Hilton hotel, which will result in cost savings with a consequential positive effect on turnover and 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

Rent debtors are managed in respect of credit and cash flow risk by carrying out checks on prospective tenants and the 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.

ABILITY HOTELS (SYON) LIMITED

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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group'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 group's auditors are aware of that information.

AUDITORS

The auditors, Numera Partners LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD.



A C Panayiotou - Director

Date 30/09/2013

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

We have audited the financial statements of Ability Hotels (Syon) Limited for the year ended 31 December 2012 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated 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 group's and the parent 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 group's and of the parent company's affairs as at 31 December 2012 and of the group's 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 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 (SYON) 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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 (SYON) LIMITED

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

	Notes	31 12 12 £	31 12 11 £
TURNOVER		9,160,718	8,053,590
Cost of sales		1,165,948	849,142
GROSS PROFIT		7,994,770	7,204,448
Administrative expenses		8,050,311	7,585,393
OPERATING LOSS	3	(55,541)	(380,945)
Interest receivable and similar income		5,293	2,864
		(50,248)	(378,081)
Interest payable and similar charges	4	1,218,798	1,825,892
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,269,046)	(2,203,973)
Tax on loss on ordinary activities	5	-	-
LOSS FOR THE FINANCIAL YEAR FOR THE GROUP		<u>(1,269,046)</u>	<u>(2,203,973)</u>

CONTINUING OPERATIONS

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

The notes form part of these financial statements

ABILITY HOTELS (SYON) LIMITED

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

	31 12 12 £	31 12 11 £
LOSS FOR THE FINANCIAL YEAR	(1,269,046)	(2,203,973)
Difference between the historic cost depreciation charge and the actual depreciation charge for year calculated on the revalued amount	172,602	172,404
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>(1,096,444)</u>	<u>(2,031,569)</u>

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

	31 12 12 £	31 12 11 £
REPORTED LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(1,269,046)	(2,203,973)
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	172,602	172,404
HISTORICAL COST LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>(1,096,444)</u>	<u>(2,031,569)</u>
HISTORICAL COST LOSS FOR THE YEAR RETAINED AFTER TAXATION	<u>(1,096,444)</u>	<u>(2,031,569)</u>


The notes form part of these financial statements

ABILITY HOTELS (SYON) LIMITED (REGISTERED NUMBER: 06581169)

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2012

	Notes	31 12 12 £	£	31 12 11 £	£
FIXED ASSETS					
Intangible assets	8		140,243		149,592
Tangible assets	9		62,973,144		63,620,562
Investments	10		94,526		94,526
			<u>63,207,913</u>		<u>63,864,680</u>
CURRENT ASSETS					
Stocks	11	70,081		93,794	
Debtors	12	838,727		392,990	
Cash at bank and in hand		1,073,371		751,702	
		<u>1,982,179</u>		<u>1,238,486</u>	
CREDITORS					
Amounts falling due within one year	13	2,723,437		1,680,544	
NET CURRENT LIABILITIES			<u>(741,258)</u>		<u>(442,058)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			62,466,655		63,422,622
CREDITORS					
Amounts falling due after more than one year	14		50,098,186		49,785,107
NET ASSETS			<u>12,368,469</u>		<u>13,637,515</u>
CAPITAL AND RESERVES					
Called up share capital	18		1		1
Revaluation reserve	19		18,619,439		18,792,041
Profit and loss account	19		(6,250,971)		(5,154,527)
SHAREHOLDERS' FUNDS	21		<u>12,368,469</u>		<u>13,637,515</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 (SYON) LIMITED (REGISTERED NUMBER: 06581169)

**COMPANY BALANCE SHEET
31 DECEMBER 2012**

	Notes	31 12 12 £	£	31 12 11 £	£
FIXED ASSETS					
Intangible assets	8		-		-
Tangible assets	9		764,206		917,083
Investments	10		1,817,089		1,817,089
			<u>2,581,295</u>		<u>2,734,172</u>
CURRENT ASSETS					
Debtors	12	17,400,474		19,579,714	
Prepayments and accrued income		-		11,000	
Cash at bank and in hand		267,076		195,915	
		<u>17,667,550</u>		<u>19,786,629</u>	
CREDITORS					
Amounts falling due within one year	13	816,942		398,854	
NET CURRENT ASSETS			<u>16,850,608</u>		<u>19,387,775</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>19,431,903</u>		<u>22,121,947</u>
CREDITORS					
Amounts falling due after more than one year	14		20,492,610		22,812,550
NET LIABILITIES			<u>(1,060,707)</u>		<u>(690,603)</u>
CAPITAL AND RESERVES					
Called up share capital	18		1		1
Profit and loss account	19		(1,060,708)		(690,604)
SHAREHOLDERS' FUNDS	21		<u>(1,060,707)</u>		<u>(690,603)</u>

The financial statements were approved by the director on 30/9/2013 and were signed by


A.C. Panayiotou - Director

The notes form part of these financial statements

ABILITY HOTELS (SYON) LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	31 12 12 £	£	31 12 11 £	£
Net cash inflow from operating activities	1		1,050,752		1,060,799
Returns on investments and servicing of finance	2		(1,213,505)		(1,823,028)
Capital expenditure and financial investment	2		(272,750)		(4,627,450)
			(435,503)		(5,389,679)
Financing	2		757,172		5,145,069
Increase/(decrease) in cash in the period			321,669		(244,610)
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Increase/(decrease) in cash in the period			321,669		(244,610)
Cash inflow from increase in debt and lease financing			(1,890,519)		(780,942)
Change in net debt resulting from cash flows			(1,568,850)		(1,025,552)
Movement in net debt in the period			(1,568,850)		(1,025,552)
Net debt at 1 January			(26,963,355)		(25,937,803)
Net debt at 31 December			(28,532,205)		(26,963,355)

The notes form part of these financial statements

ABILITY HOTELS (SYON) LIMITED

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

1 RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31 12 12	31 12 11
	£	£
Operating loss	(55,541)	(380,945)
Depreciation charges	929,520	921,711
Decrease/(increase) in stocks	23,713	(93,794)
Increase in debtors	(445,737)	(114,684)
Increase in creditors	598,797	728,511
	<hr/>	<hr/>
Net cash inflow from operating activities	1,050,752	1,060,799
	<hr/>	<hr/>

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 received	5,293	2,864
Interest paid	(1,075,663)	(1,778,463)
Interest element of hire purchase payments	(143,135)	(47,429)
	<hr/>	<hr/>
Net cash outflow for returns on investments and servicing of finance	(1,213,505)	(1,823,028)
	<hr/>	<hr/>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(272,750)	(4,532,924)
Purchase of fixed asset investments	-	(94,526)
	<hr/>	<hr/>
Net cash outflow for capital expenditure and financial investment	(272,750)	(4,627,450)
	<hr/>	<hr/>
Financing		
New loans in year	1,499,672	-
Loan repayments in year	-	4,402,569
Capital repayments in year	(742,500)	742,500
	<hr/>	<hr/>
Net cash inflow from financing	757,172	5,145,069
	<hr/>	<hr/>

The notes form part of these financial statements

ABILITY HOTELS (SYON) LIMITED

NOTES TO THE CONSOLIDATED 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	751,702	321,669	1,073,371
	<u>751,702</u>	<u>321,669</u>	<u>1,073,371</u>
Debt			
Hire purchase	(742,500)	742,500	-
Debts falling due after one year	(26,972,557)	(2,633,019)	(29,605,576)
	<u>(27,715,057)</u>	<u>(1,890,519)</u>	<u>(29,605,576)</u>
Total	<u>(26,963,355)</u>	<u>(1,568,850)</u>	<u>(28,532,205)</u>

The notes form part of these financial statements

ABILITY HOTELS (SYON) LIMITED

NOTES TO THE CONSOLIDATED 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

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2008, is being amortised evenly over its estimated useful life of twenty years

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter

Long leasehold	- Over the term of the lease of 110 years
Plant and machinery	- 20% on reducing balance and see below
Fixtures and fittings	- 20% on reducing balance

Plant and machinery - 16.67% 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

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability

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

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate

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.

ABILITY HOTELS (SYON) LIMITED

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

1 ACCOUNTING POLICIES - continued

Fixed asset investments

Investments in subsidiaries are carried at cost less impairment.

2 STAFF COSTS

	31 12 12	31 12.11
	£	£
Wages and salaries	3,082,734	3,256,068
Social security costs	199,532	232,538
Other pension costs	28,233	25,746
	<u>3,310,499</u>	<u>3,514,352</u>

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

	31 12 12	31 12 11
Administration	22	41
Operational	100	103
	<u>122</u>	<u>144</u>

3 OPERATING LOSS

The operating loss is stated after charging

	31 12 12	31 12.11
	£	£
Hire of plant and machinery	136,538	152,496
Other operating leases	610,173	367,435
Depreciation - owned assets	920,168	728,945
Depreciation - assets on hire purchase contracts	-	183,417
Goodwill amortisation	9,349	9,349
Auditors' remuneration	12,000	10,000
(Profit)/losses from LLP	<u>20,858</u>	<u>98,386</u>
Director's remuneration	<u>-</u>	<u>-</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	31 12 12	31 12 11
	£	£
Bank loan interest	1,075,663	1,778,463
Hire purchase	143,135	47,429
	<u>1,218,798</u>	<u>1,825,892</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 (SYON) LIMITED

NOTES TO THE CONSOLIDATED 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 higher than the standard rate of corporation tax in the UK. The difference is explained below.

	31 12 12 £	31 12 11 £
Loss on ordinary activities before tax	(1,269,046)	(2,203,973)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24% (2011 - 26%)	(304,571)	(573,033)
Effects of:		
Capital allowances in excess of depreciation	(468,200)	-
Depreciation in excess of capital allowances	-	237,214
Group relief	772,771	335,819
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 property was sold and the total amount unprovided for is £4,322,124. No provision has been made in these financial statements in accordance with the provision of FRSE.

6 LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(370,104) (2011 - £(339,981)).

7 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.

ABILITY HOTELS (SYON) LIMITED

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

8 INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
At 1 January 2012	
and 31 December 2012	186,989
AMORTISATION	
At 1 January 2012	37,397
Amortisation for year	9,349
At 31 December 2012	46,746
NET BOOK VALUE	
At 31 December 2012	140,243
At 31 December 2011	149,592

9. TANGIBLE FIXED ASSETS

Group	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
COST OR VALUATION				
At 1 January 2012	62,465,992	1,366,786	700,146	64,532,924
Additions	84,907	162,770	25,073	272,750
At 31 December 2012	62,550,899	1,529,556	725,219	64,805,674
DEPRECIATION				
At 1 January 2012	567,873	227,798	116,691	912,362
Charge for year	568,651	229,812	121,705	920,168
At 31 December 2012	1,136,524	457,610	238,396	1,832,530
NET BOOK VALUE				
At 31 December 2012	61,414,375	1,071,946	486,823	62,973,144
At 31 December 2011	61,898,119	1,138,988	583,455	63,620,562

Cost or valuation at 31 December 2012 is represented by:

	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
Valuation in 2009	5,972,518	-	-	5,972,518
Valuation in 2010	12,991,927	-	-	12,991,927
Cost	43,586,454	1,529,556	725,219	45,841,229
	62,550,899	1,529,556	725,219	64,805,674

ABILITY HOTELS (SYON) LIMITED

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

9 TANGIBLE FIXED ASSETS - continued

Group

If the leasehold land & buildings had not been revalued they would have been included at the following historical cost

	31 12 12	31 12 11
	£	£
Cost	43,501,547	43,501,547
Aggregate depreciation	792,481	395,469

Leasehold land & buildings were valued on an open market basis on 31 December 2012 by the director

Fixed assets, included in the above, which are held under hire purchase contracts are as follows.

	Plant and machinery £
COST OR VALUATION	
At 1 January 2012	1,100,500
Transfer to ownership	(1,100,500)
At 31 December 2012	-
DEPRECIATION	
At 1 January 2012	183,417
Transfer to ownership	(183,417)
At 31 December 2012	-
NET BOOK VALUE	
At 31 December 2012	-
At 31 December 2011	917,083

ABILITY HOTELS (SYON) LIMITED

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

9 TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Plant and machinery £
COST	
At 1 January 2012	1,100,500
Transfer to ownership	(1,100,500)
At 31 December 2012	<u>-</u>
DEPRECIATION	
At 1 January 2012	183,417
Transfer to ownership	(183,417)
At 31 December 2012	<u>-</u>
NET BOOK VALUE	
At 31 December 2012	<u>-</u>
At 31 December 2011	<u><u>917,083</u></u>

10 FIXED ASSET INVESTMENTS

Group

	Interest in other participating interests £
COST	
At 1 January 2012 and 31 December 2012	<u>94,526</u>
NET BOOK VALUE	
At 31 December 2012	<u><u>94,526</u></u>
At 31 December 2011	<u><u>94,526</u></u>

Company

	Unlisted investments £
COST	
At 1 January 2012 and 31 December 2012	<u>1,817,089</u>
NET BOOK VALUE	
At 31 December 2012	<u><u>1,817,089</u></u>
At 31 December 2011	<u><u>1,817,089</u></u>

ABILITY HOTELS (SYON) LIMITED

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

10 FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the balance sheet date in the share capital of companies include the following

Subsidiaries

Ability Hotels (Syon Park) Limited

Nature of business Operation of hotel

Class of shares	%
Ordinary	holding 100.00

Karidis LLP

Nature of business Cosmetic surgery

Class of shares	%
Designated member	holding 50.00

	31 12 12	31 12 11
	£	£
Aggregate capital and reserves	240,765	190,765
Loss for the year	<u>(41,717)</u>	<u>(196,772)</u>

11 STOCKS

	Group	
	31 12 12	31 12 11
	£	£
Stocks	<u>70,081</u>	<u>93,794</u>

12 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Company	
	31 12 12	31 12 11	31 12 12
	£	£	£
Trade debtors	666,608	301,726	-
Amounts owed by group undertakings	7,913	7,913	17,400,474
Other debtors	1,500	26,043	-
Prepayments	162,706	57,308	-
	<u>838,727</u>	<u>392,990</u>	<u>17,400,474</u>
			<u>19,579,714</u>

ABILITY HOTELS (SYON) LIMITED

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

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31 12 12	31 12 11	31 12 12	31 12 11
	£	£	£	£
Hire purchase contracts (see note 16)	-	330,000	-	330,000
Trade creditors	165,444	395,699	2	-
Amounts owed to group undertakings	806,779	53,541	806,779	55,093
Amounts owed to participating interests	119,244	98,386	-	-
Social security and other taxes	47,313	62,745	-	-
VAT	277,886	117,308	7,381	7,381
Other creditors	74,874	46,379	-	-
Accruals and deferred income	1,231,897	576,486	-	-
Accrued expenses	-	-	2,780	6,380
	<u>2,723,437</u>	<u>1,680,544</u>	<u>816,942</u>	<u>398,854</u>

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	31 12 12	31 12 11	31 12 12	31 12 11
	£	£	£	£
Bank loans (see note 15)	29,605,576	26,972,557	-	-
Hire purchase contracts (see note 16)	-	412,500	-	412,500
Amounts owed to group undertakings	20,492,610	22,400,050	20,492,610	22,400,050
	<u>50,098,186</u>	<u>49,785,107</u>	<u>20,492,610</u>	<u>22,812,550</u>

15 LOANS

An analysis of the maturity of loans is given below

	Group	
	31 12 12	31 12 11
	£	£
Amounts falling due between two and five years		
Bank loans - 2-5 years	<u>29,605,576</u>	<u>26,972,557</u>

16. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group	Hire purchase contracts	
	31 12 12	31 12 11
	£	£
Net obligations repayable:		
Within one year	-	330,000
Between one and five years	-	412,500
	<u>-</u>	<u>742,500</u>

ABILITY HOTELS (SYON) LIMITED

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

16 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

Company

	Hire purchase contracts	
	31 12 12	31 12 11
	£	£
Net obligations repayable		
Within one year	-	330,000
Between one and five years	-	412,500
	<u>-</u>	<u>742,500</u>

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

Group

	Land and buildings		Other operating leases	
	31 12 12	31 12 11	31 12 12	31 12 11
	£	£	£	£
Expiring				
Within one year	-	-	67,000	67,000
In more than five years	500,000	500,000	-	-
	<u>500,000</u>	<u>500,000</u>	<u>67,000</u>	<u>67,000</u>

17 SECURED DEBTS

The following secured debts are included within creditors

	Group		Company	
	31 12 12	31 12 11	31 12 12	31 12 11
	£	£	£	£
Bank loans	<u>29,605,576</u>	<u>26,972,557</u>	<u>-</u>	<u>-</u>

The bank loan is secured by a debenture incorporating a fixed and floating charge over the whole of the company's assets, and a guarantee and indemnity provided by a group company, Ability Developments Limited.

18 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Number	Class	Nominal value	31 12 12	31 12 11
		£1	£	£
1	Ordinary		<u>1</u>	<u>1</u>

ABILITY HOTELS (SYON) LIMITED

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

19 RESERVES

Group

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 January 2012	(5,154,527)	18,792,041	13,637,514
Deficit for the year	(1,269,046)		(1,269,046)
Revaluation	172,602	(172,602)	-
At 31 December 2012	<u>(6,250,971)</u>	<u>18,619,439</u>	<u>12,368,468</u>

Company

	Profit and loss account £
At 1 January 2012	(690,604)
Deficit for the year	(370,104)
At 31 December 2012	<u>(1,060,708)</u>

20 RELATED PARTY DISCLOSURES

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 management charges for services provided.

Included within creditors falling due within one year is an amount of £751,686 (2011: £nil) owed to Ability Developments Limited. This balance arose as a result of financing transactions during the year.

Included within creditors falling due after within one year is an amount of £20,492,610 (2011: £22,400,050) owed to Ability Developments Limited. This balance arose as a result of financing transactions during the year. The companies are related by virtue of having The Costas Panayiotou 1997 Settlement Trust as common ultimate controlling party.

Included in creditors falling due within one year is an amount of £7,913 (2011: £7,913) owed to Ability Hotels (Luton) Limited. There were no transactions in the year. These companies are related by virtue of being under the common control of Ability (Hotels) Limited.

In addition, included in creditors falling due within one year is an amount of £119,244 (2011: £98,386) owed to Karidis LLP, the company's investment. This balance arose as a result of losses made by the investment during the period.

Included in creditors falling due within one year is an amount of £55,093 (2011: £53,540) owed to Ability Shipping LLP. This balance arose as a result of financing transactions. The companies are related by virtue of the same ultimate parent being A.P. Ability Holdings Limited.

ABILITY HOTELS (SYON) LIMITED

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

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	31 12 12 £	31 12 11 £
Loss for the financial year	(1,269,046)	(2,203,973)
Other recognised gains and losses relating to the year (net)	172,602	172,404
Difference between the historic cost depreciation charge and the actual depreciation charge for year calculated on the revalued amount	(172,602)	(172,504)
Net reduction of shareholders' funds	(1,269,046)	(2,204,073)
Opening shareholders' funds	13,637,515	15,841,588
Closing shareholders' funds	12,368,469	13,637,515

Company

	31 12 12 £	31.12 11 £
Loss for the financial year	(370,104)	(339,981)
Net reduction of shareholders' funds	(370,104)	(339,981)
Opening shareholders' funds	(690,603)	(350,622)
Closing shareholders' funds	(1,060,707)	(690,603)

22 PENSION CONTRIBUTIONS

The company operates a defined contribution pension scheme for the benefit of its employees. The cost of the scheme are recognised in the year in which contributions are payable and amounted to £28,233 (2011 £25,746) for the year under review.