

STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016
FOR
ABILITY HOTELS (IV) HOLDINGS LIMITED



CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Page
Company Information	1
Strategic Report	2
Report of the Director	3
Report of the Independent Auditors	4
Income Statement	5
Other Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9

ABILITY HOTELS (IV) HOLDINGS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016

DIRECTOR:

A.C. Panayiotou

REGISTERED OFFICE:

Hilton London
Syon Park
London Road
Brentford
Middlesex
TW8 8JF

REGISTERED NUMBER:

09333595 (England and Wales)

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 2016

The director presents his strategic report for the year ended 31 December 2016.

REVIEW OF BUSINESS

The principal activity of the company is that of a holding company.

PRINCIPAL RISKS AND UNCERTAINTIES

The process of risk management is addressed through regular assessment of the property market. The company's subsidiaries are exposed to financial risks primarily from the property investments that they hold.

In addition, the management team meets regularly to review the financial performance of the subsidiaries' property portfolio, and the financial covenant ratios within the financing agreements are monitored on an ongoing basis.

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.

BORROWING

As with all loan finance, there is a 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 performance of the company and its subsidiaries. The covenant ratios within the financing agreement are monitored on an ongoing basis.

FUTURE DEVELOPMENTS

The director expects the business to continue operating for the foreseeable future.

ON BEHALF OF THE BOARD:


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

Date: 30/6/17

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2016

The director presents his report with the financial statements of the company for the year ended 31 December 2016.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2016.

FUTURE DEVELOPMENTS

Future developments of the company is discussed in the strategic report.

DIRECTOR

A.C. Panayiotou held office during the whole of the period from 1 January 2016 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, 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.

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: 

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

We have audited the financial statements of Ability Hotels (IV) Holdings Limited for the year ended 31 December 2016 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2016 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.

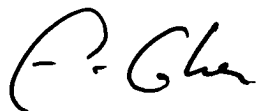
Opinion on other matter prescribed by the Companies Act 2006

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: 30/6/17

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

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Year Ended 31.12.16 £	Period 1.12.14 to 31.12.15 £
TURNOVER		-	-
Administrative expenses		25,704	19,268
OPERATING LOSS	4	(25,704)	(19,268)
Interest receivable and similar income		1,042,405	1,265,852
		1,016,701	1,246,584
Interest payable and similar expenses	5	1,080,858	878,511
(LOSS)/PROFIT BEFORE TAXATION		(64,157)	368,073
Tax on (loss)/profit	6	-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(64,157)</u>	<u>368,073</u>

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

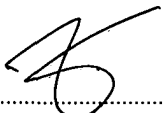
	Notes	Year Ended 31.12.16 £	Period 1.12.14 to 31.12.15 £
(LOSS)/PROFIT FOR THE YEAR		(64,157)	368,073
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(64,157)</u>	<u>368,073</u>

ABILITY HOTELS (IV) HOLDINGS LIMITED (REGISTERED NUMBER: 09333595)

BALANCE SHEET
31 DECEMBER 2016

	Notes	31.12.16 £	31.12.15 £
FIXED ASSETS			
Investments	7	100	100
CURRENT ASSETS			
Debtors	8	15,044,968	16,780,967
CREDITORS			
Amounts falling due within one year	9	3,525,845	5,234,631
NET CURRENT ASSETS		11,519,123	11,546,336
TOTAL ASSETS LESS CURRENT LIABILITIES		11,519,223	11,546,436
CREDITORS			
Amounts falling due after more than one year	10	11,215,207	11,178,263
NET ASSETS		304,016	368,173
CAPITAL AND RESERVES			
Called up share capital	13	100	100
Retained earnings	14	303,916	368,073
SHAREHOLDERS' FUNDS		304,016	368,173

The financial statements were approved by the director on 30/6/17 and were signed by:


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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital £	Retained earnings £	Total equity £
Changes in equity			
Issue of share capital	100	-	100
Total comprehensive income	-	368,073	368,073
Balance at 31 December 2015	<u>100</u>	<u>368,073</u>	<u>368,173</u>
Changes in equity			
Total comprehensive income	-	(64,157)	(64,157)
Balance at 31 December 2016	<u>100</u>	<u>303,916</u>	<u>304,016</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. STATUTORY INFORMATION

Ability Hotels (IV) Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Preparation of consolidated financial statements

The financial statements contain information about Ability Hotels (IV) Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, A.P. The Ability Group Limited, a company registered in Cyprus.

Other income

Other income represents loan interest recharged to group companies.

Fixed asset investments

Investments in subsidiaries are carried at cost less impairment.

Financial liabilities

Basic financial liabilities, including trade and other payables, and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future receipts discounted at the market rate of interest.

Financial assets

Short term debtors are measured at transaction price, less any impairment. Other financial assets, including loans to group companies are measured initially at fair value, net of transactions costs and are subsequently measured at amortised cost using the effective interest method, less any impairment.

Going Concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company, therefore continues to adopt the going concern policy in preparing its financial statements.

3. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 31 December 2016 nor for the period ended 31 December 2015.

	Year Ended 31.12.16 £	Period 1.12.14 to 31.12.15 £
Director's remuneration	-	-
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

4. OPERATING LOSS

The operating loss is stated after charging:

	Year Ended 31.12.16 £	Period 1.12.14 to 31.12.15 £
Auditors' remuneration	280	200
	<u>280</u>	<u>200</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year Ended 31.12.16 £	Period 1.12.14 to 31.12.15 £
Agents fees	11,520	8,640
Intercompany loan interest	141,034	171,491
Loan interest	928,304	698,380
	<u>1,080,858</u>	<u>878,511</u>

6. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 December 2016 nor for the period ended 31 December 2015.

7. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 January 2016	
and 31 December 2016	100
	<u>100</u>
NET BOOK VALUE	
At 31 December 2016	100
	<u>100</u>
At 31 December 2015	100
	<u>100</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Ability Hotels (IV) UK Limited

Registered office:

Nature of business: Holding company

	% holding
Class of shares:	
Ordinary	100.00

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16 £	31.12.15 £
Amounts owed by group undertakings	15,044,968	16,780,967
	<u>15,044,968</u>	<u>16,780,967</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16	31.12.15
	£	£
Amounts owed to group undertakings	3,365,931	5,071,232
Accrued expenses	159,914	163,399
	<u>3,525,845</u>	<u>5,234,631</u>

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

	31.12.16	31.12.15
	£	£
Bank loans (see note 11)	<u>11,215,207</u>	<u>11,178,263</u>

11. LOANS

An analysis of the maturity of loans is given below:

	31.12.16	31.12.15
	£	£
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Bank loans more 5 yrs non-inst	<u>11,215,207</u>	<u>11,178,263</u>

12. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.16	31.12.15
	£	£
Bank loans	<u>11,215,207</u>	<u>11,178,263</u>

Loans are secured by way of mortgage debentures, floating charges and legal charges over the assets of the company. The loan interest rate is 7.78% and is repayable in 2025.

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.16	31.12.15
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

14. RESERVES

	Retained earnings
	£
At 1 January 2016	368,073
Deficit for the year	<u>(64,157)</u>
At 31 December 2016	<u>303,916</u>

15. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

16. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is The Costas Panayiotou 1997 (No 2) Settlement.

17. PARENT COMPANY

The immediate parent company is Ability Hotels (IV) Group Limited incorporated in England & Wales. The ultimate parent undertaking is A.P. The Ability Group Limited, incorporated in Cyprus.