

STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018
FOR
ABILITY HOTELS (IV) HOLDINGS LIMITED



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FOR THE YEAR ENDED 31 DECEMBER 2018

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ABILITY HOTELS (IV) HOLDINGS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018

DIRECTOR: A.C. Panayiotou

SECRETARY: J.Y. Chin

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 2018

The director presents his strategic report for the year ended 31 December 2018.

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

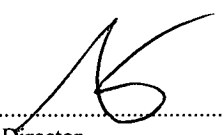
As with all loan finance, there is a risk that the company may be at risk of default under the financing arrangements.

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: 

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2018

The director presents his report with the financial statements of the company for the year ended 31 December 2018.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2018.

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 2018 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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.

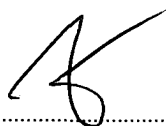
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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:

27/6/19

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

Opinion

We have audited the financial statements of Ability Hotels (IV) Holdings Limited (the 'company') for the year ended 31 December 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Director.

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.

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

Responsibilities of director

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, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

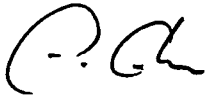
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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.



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: 27/6/19

Note:

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 2018

	Notes	31.12.18 £	31.12.17 £
TURNOVER		-	-
Administrative expenses		25,665	25,665
OPERATING LOSS	4	(25,665)	(25,665)
Interest receivable and similar income		968,711	986,729
		943,046	961,064
Interest payable and similar expenses	5	953,842	992,761
LOSS BEFORE TAXATION		(10,796)	(31,697)
Tax on loss	6	-	-
LOSS FOR THE FINANCIAL YEAR		<u>(10,796)</u>	<u>(31,697)</u>

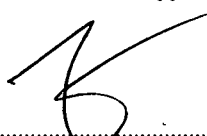
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	31.12.18 £	31.12.17 £
LOSS FOR THE YEAR		(10,796)	(31,697)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(10,796)</u>	<u>(31,697)</u>

BALANCE SHEET
31 DECEMBER 2018

	Notes	31.12.18 £	31.12.17 £
FIXED ASSETS			
Investments	7	100	100
CURRENT ASSETS			
Debtors	8	11,716,238	12,810,245
CREDITORS			
Amounts falling due within one year	9	165,719	1,285,874
NET CURRENT ASSETS		11,550,519	11,524,371
TOTAL ASSETS LESS CURRENT LIABILITIES		11,550,619	11,524,471
CREDITORS			
Amounts falling due after more than one year	10	11,289,096	11,252,152
NET ASSETS		261,523	272,319
CAPITAL AND RESERVES			
Called up share capital	13	100	100
Retained earnings	14	261,423	272,219
SHAREHOLDERS' FUNDS		261,523	272,319

The financial statements were approved by the director on 27/6/19 and were signed by:


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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2017	100	303,916	304,016
Changes in equity			
Total comprehensive income	-	(31,697)	(31,697)
Balance at 31 December 2017	100	272,219	272,319
Changes in equity			
Total comprehensive income	-	(10,796)	(10,796)
Balance at 31 December 2018	100	261,423	261,523

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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 exemption 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.

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.

Related Parties

The company has taken advantage of FRS 102, Section 33.1A, for the disclosure of transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member. Amounts owed to and from group companies are therefore shown in aggregate.

Financial liabilities

Basic financial liabilities, including creditors, bank loans 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 the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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 2018 nor for the year ended 31 December 2017.

	31.12.18	31.12.17
	£	£
Director's remuneration	-	-
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

4. OPERATING LOSS

The operating loss is stated after charging:

	31.12.18	31.12.17
	£	£
Auditors' remuneration	240	240
	<u>240</u>	<u>240</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.18	31.12.17
	£	£
Agents fees	11,520	11,520
Intercompany loan interest	-	77,329
Loan interest	942,322	903,912
	<u>953,842</u>	<u>992,761</u>

6. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 December 2018 nor for the year ended 31 December 2017.

7. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 January 2018	
and 31 December 2018	<u>100</u>
NET BOOK VALUE	
At 31 December 2018	<u>100</u>
At 31 December 2017	<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

	31.12.18	31.12.17
	£	£
Amounts owed by group undertakings	11,716,238	12,810,245
	<u>11,716,238</u>	<u>12,810,245</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18	31.12.17
	£	£
Trade creditors	1	-
Amounts owed to group undertakings	-	1,130,500
Accrued expenses	165,718	155,374
	<u>165,719</u>	<u>1,285,874</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

	31.12.18	31.12.17
	£	£
Bank loans (see note 11)	11,289,096	11,252,152
	<u>11,289,096</u>	<u>11,252,152</u>

11. LOANS

An analysis of the maturity of loans is given below:

	31.12.18	31.12.17
	£	£
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Bank loans more 5 yrs non-inst	11,289,096	11,252,152
	<u>11,289,096</u>	<u>11,252,152</u>

12. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.18	31.12.17
	£	£
Bank loans	11,289,096	11,252,152
	<u>11,289,096</u>	<u>11,252,152</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 8.07% and is repayable in 2025.

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.18	31.12.17
			£	£
100	Ordinary	£1	100	100
			<u>100</u>	<u>100</u>

14. RESERVES

	Retained earnings
	£
At 1 January 2018	272,219
Deficit for the year	(10,796)
At 31 December 2018	<u>261,423</u>

15. RELATED PARTY DISCLOSURES

Included in debtors is an amount of £11,716,238 (2017: £12,810,245) owed by group undertakings.

Included in creditors is an amount of £nil (2017: £1,130,500) owed to group undertakings.

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.