

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

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**ABILITY HOTELS (ABERDEEN) HOLDINGS**  
**LIMITED (REGISTERED NUMBER: 09030824)**

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**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**ABILITY HOTELS (ABERDEEN) HOLDINGS**  
**LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>DIRECTOR:</b>	A.C. Panayiotou
<b>REGISTERED OFFICE:</b>	Hilton London Syon Park London Road Brentford Middlesex TW8 8JF
<b>REGISTERED NUMBER:</b>	09030824 (England and Wales)
<b>AUDITORS:</b>	Numera Partners LLP Statutory Auditors 6th Floor Charles House 108-110 Finchley Road London NW3 5JJ

**ABILITY HOTELS (ABERDEEN) HOLDINGS  
LIMITED (REGISTERED NUMBER: 09030824)**

**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. Its subsidiary company's principal activity is the operation of Hilton Hotel in Aberdeen.

During the 2015 year end there was a sharp drop in the price of wholesale crude oil. Aberdeen is reliant on the oil industry due to its proximity to the North Sea and this has affected the performance of the subsidiary company during the period and therefore the valuation of the asset.

**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 subsidiary's operations and its results are subject to a number of factors which could affect the subsidiary's business, many of which are common to the hotel industry and beyond the subsidiary's control, such as a potential global economic downturn; changes in travel patterns, changes 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 have 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 bank loan of the subsidiary company is currently with senior and mezzanine lenders and the financing arrangements contain security over the assets.

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

To mitigate against this risk, the management teams meet regularly to review the performance of the subsidiary hotel. The covenant ratios within the financing agreement are applied to the subsidiary hotel and monitored on an ongoing basis.

Due to the decline in the oil prices and the impact this has had on the Aberdeen region as a whole the subsidiary company has experienced various issues regarding its loan covenants. The lenders and the company have reached consensual solution and the lenders remain supportive of the company.

**FIXED OPERATING EXPENSES**

The company's subsidiary occur 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's subsidiary have 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.

**KEY SENIOR PERSONNEL AND MANAGEMENT**

The success of the company's subsidiary is partially attributable to the efforts and abilities of its senior managers. Failure to retain their senior management teams or other key personnel may threaten the success of the subsidiaries operations.

The subsidiary has appropriate systems in place for recruitment, reward and compensation and performance management. Development and maintenance of the subsidiary's culture also plays a leading role in minimising risk.

The key senior management in the hotels is provided by Hilton and therefore there is a pool of staff available should key personnel leave.

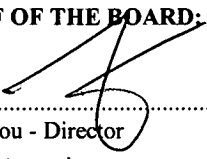
**ABILITY HOTELS (ABERDEEN) HOLDINGS  
LIMITED (REGISTERED NUMBER: 09030824)**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**FUTURE DEVELOPMENTS**

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

**ON BEHALF OF THE BOARD:**

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

Date:   
.....

**ABILITY HOTELS (ABERDEEN) HOLDINGS  
LIMITED (REGISTERED NUMBER: 09030824)**

**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), 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.

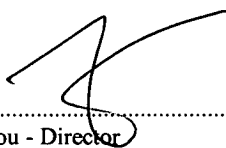
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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: 30/6/12

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

We have audited the financial statements of Ability Hotels (Aberdeen) 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Emphasis of matter**

As more fully explained in the Strategic Report, the decline in oil prices has significantly affected the performance of the subsidiary's hotel and the value of its assets. The lenders and the company have reached consensual solution and the lenders remain supportive of the company. Accordingly, the accounts have been prepared on a going concern basis. Our opinion is not qualified in this respect.

**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.

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

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Giles Cohen (Senior Statutory Auditor)  
for and on behalf of Numera Partners LLP  
Statutory Auditors  
6th Floor  
Charles House  
108-110 Finchley Road  
London  
NW3 5JJ

Date: 30/6/17

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



**ABILITY HOTELS (ABERDEEN) HOLDINGS  
LIMITED (REGISTERED NUMBER: 09030824)**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	Year Ended 31.12.16 £	Period 1.9.14 to 31.12.15 £
<b>TURNOVER</b>		-	-
Administrative expenses		1,000	-
<b>OPERATING LOSS</b>	4	(1,000)	-
Amounts written off investments	5	-	99
<b>LOSS BEFORE TAXATION</b>		(1,000)	(99)
Tax on loss	6	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>		(1,000)	(99)

The notes form part of these financial statements

**ABILITY HOTELS (ABERDEEN) HOLDINGS  
LIMITED (REGISTERED NUMBER: 09030824)**

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	Year Ended 31.12.16 £	Period 1.9.14 to 31.12.15 £
<b>LOSS FOR THE YEAR</b>		(1,000)	(99)
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>(1,000)</u>	<u>(99)</u>

The notes form part of these financial statements

**ABILITY HOTELS (ABERDEEN) HOLDINGS  
LIMITED (REGISTERED NUMBER: 09030824)**

**BALANCE SHEET  
31 DECEMBER 2016**

	Notes	31.12.16 £	£	31.12.15 £	£
<b>FIXED ASSETS</b>					
Investments	7		1		1
<b>CURRENT ASSETS</b>					
Debtors	8	81,751		82,751	
<b>CREDITORS</b>					
Amounts falling due within one year	9	<u>82,751</u>		<u>82,751</u>	
<b>NET CURRENT LIABILITIES</b>			(1,000)		-
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>(999)</u>		<u>1</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		100		100
Retained earnings	11		<u>(1,099)</u>		<u>(99)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>(999)</u>		<u>1</u>

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

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

**ABILITY HOTELS (ABERDEEN) HOLDINGS**  
**LIMITED (REGISTERED NUMBER: 09030824)**

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

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 September 2014</b>	100	-	100
<b>Changes in equity</b>			
Total comprehensive income	-	(99)	(99)
<b>Balance at 31 December 2015</b>	100	(99)	1
<b>Changes in equity</b>			
Total comprehensive income	-	(1,000)	(1,000)
<b>Balance at 31 December 2016</b>	100	(1,099)	(999)

The notes form part of these financial statements

**ABILITY HOTELS (ABERDEEN) HOLDINGS  
LIMITED (REGISTERED NUMBER: 09030824)**

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

**1. STATUTORY INFORMATION**

Ability Hotels (Aberdeen) 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.

Due to the decline in the oil prices and the impact this has had on the Aberdeen region as a whole the subsidiary company has experienced various issues regarding its loan covenants. The lenders and the company have reached consensual solution and the lenders remain supportive of the company. Accordingly, the accounts have been prepared on a going concern basis.

**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 (Aberdeen) 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 Ability Holdings Limited, a company registered in Cyprus.

**Fixed asset investments**

Investments in shares are included 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 1.9.14 to 31.12.15 £
Director's remuneration	-	-
	=====	=====

**ABILITY HOTELS (ABERDEEN) HOLDINGS**  
**LIMITED (REGISTERED NUMBER: 09030824)**

**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 1.9.14 to 31.12.15 £
Auditors' remuneration	1,000	-
	<u>1,000</u>	<u>-</u>

**5. AMOUNTS WRITTEN OFF INVESTMENTS**

	Year Ended 31.12.16 £	Period 1.9.14 to 31.12.15 £
Amount written off investments	-	99
	<u>-</u>	<u>99</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 £
<b>COST</b>	
At 1 January 2016	
and 31 December 2016	1
	<u>1</u>
<b>NET BOOK VALUE</b>	
At 31 December 2016	1
	<u>1</u>
At 31 December 2015	1
	<u>1</u>

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

**Ability Hotels (Aberdeen) Limited**

Registered office: Hilton London, Syon Park, London Road, Brentford, Middlesex TW8 8JF

Nature of business: Hotel operator

	%
Class of shares:	holding
Ordinary	100.00

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

	31.12.16 £	31.12.15 £
Amounts owed by group undertakings	81,551	82,751
VAT	200	-
	<u>81,751</u>	<u>82,751</u>

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

	31.12.16 £	31.12.15 £
Amounts owed to group undertakings	82,751	82,751
	<u>82,751</u>	<u>82,751</u>

**ABILITY HOTELS (ABERDEEN) HOLDINGS**  
**LIMITED (REGISTERED NUMBER: 09030824)**

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

**10. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	31.12.16 £	31.12.15 £
Number:	Class:			
100	Ordinary	1	100	100
			<u>100</u>	<u>100</u>

**11. RESERVES**

	Retained earnings £
At 1 January 2016	(99)
Deficit for the year	(1,000)
At 31 December 2016	<u>(1,099)</u>

**12. CONTINGENT LIABILITIES**

The financier recognised in the Ability Hotels (Aberdeen) Limited has a fixed and floating charge over the shares of the company.

**13. 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.

**14. ULTIMATE CONTROLLING PARTY**

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

**15. PARENT COMPANY**

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