

StayEdinburgh Limited
Directors' Report and Financial Statements
for the year ended 31 December 2016

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StayEdinburgh Limited

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StayEdinburgh Limited
DIRECTORS AND OTHER INFORMATION

Directors

Tom Walsh
Colm Whooley

Company Number

SC390021

Registered Office and Business Address

Exchange Tower, 19 Canning Street
Edinburgh
Midlothian,
EH3 8EH

Auditors

McInerney Saunders
Chartered Accountants and Statutory Audit Firm
38 Main Street
Swords
Co. Dublin
Republic of Ireland

Bankers

Royal Bank of Scotland
36 St Andrew Square
Edinburgh
Scotland
EH2 2AD

Solicitors

HBJ Gateley
Exchange Tower
19 Canning Street
Edinburgh
EH3 8EH
Scotland

StayEdinburgh Limited

DIRECTORS' REPORT

for the year ended 31 December 2016

The directors present their report and the audited financial statements for the year ended 31 December 2016.

Principal Activity

The principal activity of the company is the provision of serviced apartment accommodation to the corporate sector while also licencing the building to other service apartment companies within the Staycity group.

Principal Risks and Uncertainties

In the opinion of the directors there remain some risks and uncertainties facing the company at this time due to the general economic environment. The directors continue to monitor all risks and will take all necessary steps to protect and grow the company's business.

Results and Dividends

The (loss)/profit for the year after providing for depreciation and taxation amounted to £(4,317) (2015 - £16,239).

Directors

The directors who served during the year are as follows:

Tom Walsh
Colm Whooley

There were no changes in shareholdings between 31 December 2016 and the date of signing the financial statements.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are 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 directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and 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 directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditor in connection with preparing the auditor's report) of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

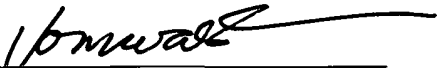
The auditors, McInerney Saunders, (Chartered Accountants) have indicated their willingness to continue in office in accordance with the provisions of Section 485 of the Companies Act 2006.

Special provisions relating to small companies

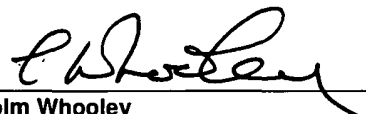
The above report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

StayEdinburgh Limited
DIRECTORS' REPORT
for the year ended 31 December 2016

On behalf of the board



Tom Walsh
Director
Date: 1/6/17



Colm Whooley
Director
Date: 1/6/17

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of StayEdinburgh Limited

We have audited the financial statements of StayEdinburgh Limited for the year ended 31 December 2016 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Accounting Policies 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 FRS102 "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 an auditor's report 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 directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are 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 Practice 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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report 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.

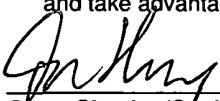
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.


Owen Sheehy (Senior Statutory Auditor)

for and on behalf of

MCINERNEY SAUNDERS

Chartered Accountants and Statutory Audit Firm

38 Main Street

Swords

Co. Dublin

Republic of Ireland

Date: 14/1/17

StayEdinburgh Limited
INCOME STATEMENT
for the year ended 31 December 2016

	Notes	2016 £	2015 £
Turnover	4	3,472,855	3,229,934
Cost of sales		<u>(3,000,703)</u>	<u>(2,798,506)</u>
Gross profit		472,152	431,428
Administrative expenses		<u>(438,549)</u>	<u>(366,612)</u>
Profit on ordinary activities before taxation		33,603	64,816
Tax on profit on ordinary activities	6	<u>(37,920)</u>	<u>(48,577)</u>
Total Comprehensive Income		<u>(4,317)</u>	<u>16,239</u>

StayEdinburgh Limited

Company Number: SC390021

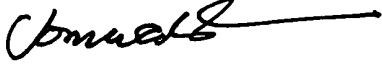
BALANCE SHEET

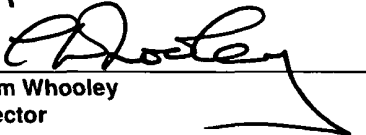
as at 31 December 2016

	Notes	2016 £	2015 £
Fixed Assets			
Tangible assets	7	<u>100,191</u>	<u>286,373</u>
Current Assets			
Debtors	8	292,306	179,462
Cash and cash equivalents		<u>336,162</u>	<u>338,208</u>
		<u>628,468</u>	<u>517,670</u>
Creditors: Amounts falling due within one year	9	<u>(666,359)</u>	<u>(737,426)</u>
Net Current Liabilities		<u>(37,891)</u>	<u>(219,756)</u>
Total Assets less Current Liabilities		<u>62,300</u>	<u>66,617</u>
Capital and Reserves			
Called up share capital	11	1	1
Income statement		<u>62,299</u>	<u>66,616</u>
Equity attributable to owners of the company		<u>62,300</u>	<u>66,617</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Board and authorised for issue on 1/6/17 and signed on its behalf by


Tom Walsh
Director


Colm Whooley
Director

StayEdinburgh Limited
STATEMENT OF CHANGES IN EQUITY
as at 31 December 2016

	Share capital	Retained earnings	Total
	£	£	£
At 1 January 2015	1	50,377	50,378
Profit for the year	-	16,239	16,239
At 31 December 2015	1	66,616	66,617
Loss for the year	-	(4,317)	(4,317)
At 31 December 2016	1	62,299	62,300

StayEdinburgh Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

1. GENERAL INFORMATION

StayEdinburgh Limited is a company limited by shares incorporated in the United Kingdom.

2. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Statement of compliance

The financial statements of the company for the year ended 31st December 2016 have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council and in accordance with the Companies Act 2006. There have been no transitional adjustments made.

Basis of preparation

The financial statements have been prepared under the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Cash flow statement

The company has availed of the exemption in FRS 102 from the requirement to prepare a Statement of Cash Flows because it is a subsidiary undertaking for which the consolidated financial statements are publicly available.

Turnover

Turnover comprises the invoice value of sales made and licence fees charged by the company, exclusive of trade discounts and value added tax.

Pensions

The pension costs charged in the financial statements represent the contributions payable by the group to the UK workplace Pension under the Auto Enrolment Scheme run by Peoples Pension.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Short leasehold property	-	20% and 25% straight line
Fixtures, fittings and equipment	-	20% straight line
Computer equipment	-	25% straight line

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Leasing

Rentals payable under operating leases are dealt with in the Income Statement as incurred over the period of the rental agreement. At the commencement or extension of leases, the company sometimes avails of rent-free periods under the terms of operating lease agreements. These are recognised in the period to which the rent-free period relates in order to compensate for other costs associated with establishing or renewing operations in the relevant locations.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

StayEdinburgh Limited

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2016

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Employee benefits

The group provides a range of benefits to certain employees including staff life cover and permanent health insurance. These short-term benefits are recognised as an expense in the period in which the service is received. The company also provide access to pensions for their employees.

Taxation and deferred taxation

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the year and is calculated using the tax rates and laws that have been enacted or substantially enacted at the Balance Sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less tax in the future. Timing differences are temporary differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured on an undiscounted basis at the tax rates that are anticipated to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Balance Sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates of exchange ruling at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The resulting exchange differences are dealt with in the Income Statement.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. TURNOVER

The turnover for the year has been derived from:-

	2016 £	2015 £
Sales	1,849,809	1,648,594
Licence Charges	1,623,046	1,581,340
	<u>3,472,855</u>	<u>3,229,934</u>

The whole of the company's turnover is attributable to its market in the United Kingdom and is derived from the principal activity of the provision of serviced apartment accommodation to the corporate sector while also licencing the building to other service apartment companies within the Staycity group.

StayEdinburgh Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

continued

5. OPERATING PROFIT	2016	2015
	£	£
Operating profit is stated after charging:		
Depreciation of tangible fixed assets	186,182	190,739
(Profit)/loss on disposal of tangible fixed assets	-	3,547
Operating lease rentals		
- Land and buildings	1,659,843	1,629,789
	<u>1,659,843</u>	<u>1,629,789</u>
6. TAX ON PROFIT ON ORDINARY ACTIVITIES	2016	2015
	£	£
(a) Analysis of charge in the year		
Current tax:		
Corporation tax at 20.00% (2015 - 20.00%)	37,920	44,405
Under/over provision in prior year	-	4,172
Total current tax	<u>37,920</u>	<u>48,577</u>
(b) Factors affecting tax charge for the year		
The tax assessed for the year differs from the standard rate of corporation tax in the United Kingdom 20.00% (2015 - 20.00%) The differences are explained below:		
	2016	2015
	£	£
Profit on ordinary activities before tax	33,603	64,816
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the United Kingdom at 20.00% (2015 - 20.00%)	6,721	12,963
Effects of:		
Expenses not deductible for tax purposes	5,411	710
Depreciation in excess of capital allowances for period	25,788	30,315
Utilisation of tax losses	-	(124)
Higher rates of corporation tax	-	541
Adjustment to tax charge in respect of previous periods	-	4,172
Total tax charge for the year (Note 6 (a))	<u>37,920</u>	<u>48,577</u>

StayEdinburgh Limited **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2016

continued

7. TANGIBLE FIXED ASSETS

	Short leasehold property £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost or Valuation				
At 31 December 2016	92,613	550,907	12,985	656,505
Depreciation				
At 1 January 2016	56,738	305,023	8,371	370,132
Charge for the year	26,834	156,162	3,186	186,182
At 31 December 2016	83,572	461,185	11,557	556,314
Net book value				
At 31 December 2016	9,041	89,722	1,428	100,191
At 31 December 2015	35,875	245,884	4,614	286,373

8. DEBTORS

	2016 £	2015 £
Amounts owed by group companies	140,029	97,309
Other debtors	1,000	1,000
Prepayments and accrued income	151,277	81,153
	292,306	179,462

9. CREDITORS

Amounts falling due within one year

	2016 £	2015 £
Trade creditors	34,877	48,027
Amounts owed to group companies	246,177	286,096
Taxation (Note 10)	45,681	139,558
Accruals	339,624	263,745
	666,359	737,426

Proventus Capital Partners III AB hold by way of security over borrowings in Staycity Investments Limited (a fellow subsidiary of Staycity Investments Holdings Limited) a Scots law bond and floating charge and a Scots law share pledge over the shares in StayEdinburgh Limited. Hence, whilst Staycity Investments Holdings Limited have beneficial ownership of 100% of the share capital of StayEdinburgh Limited, for security reasons Proventus Capital Partners III AB hold legal title to the shares in this company.

10. TAXATION

	2016 £	2015 £
Creditors:		
VAT	24,992	34,864
Corporation tax	18,804	102,740
PAYE / NI	1,885	1,954
	45,681	139,558

StayEdinburgh Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

continued

11. SHARE CAPITAL

			2016 £	2015 £
Description	Number of shares	Value of units		
Allotted, called up and fully paid				
Ordinary shares	1	£1 each	<u>1</u>	<u>1</u>

The directors' interests in the share capital of other group companies are as follows:

Name	Company	Class of Shares	Number Held At 31/12/16	01/01/16
Holdings in Ultimate Parent Company				
Tom Walsh	Staycity Investments Holdings Limited	Ordinary Shares	-	11,922
		A Ordinary shares	<u>11,922</u>	<u>-</u>

12. PENSIONS

The pension costs charged in the financial statements represent the contributions payable by the group to the UK workplace Pension under the Auto Enrolment Scheme run by Peoples Pension.

13. FINANCIAL COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings	
	2016 £	2015 £
Due:		
Within one year	1,670,315	1,619,771
Between one and five years	6,148,971	6,399,493
In over five years	13,200,949	10,379,510
	<u>21,020,235</u>	<u>18,398,774</u>

14. RELATED PARTY TRANSACTIONS

The company has availed of the exemption under FRS 102 in relation to the disclosure of transactions with group companies.

15. PARENT AND ULTIMATE PARENT COMPANY

The company regards Staycity Limited as its parent company.

Staycity Investments Holdings Limited is the ultimate parent undertaking of the group.

The parent of the largest group in which the results are consolidated is Staycity Investments Holdings Limited. Staycity Investments Holdings Limited is registered in Ireland.

16. POST-BALANCE SHEET EVENTS

There have been no significant events affecting the company since the year-end, which require disclosure in the financial statements.