

StayEdinburgh Limited
Directors' Report and Financial Statements
for the year ended 31 December 2017



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

Addleshaw Goddard
Exchange Tower
19 Canning Street
Edinburgh
Scotland
EH3 8EH

StayEdinburgh Limited

DIRECTORS' REPORT

for the year ended 31 December 2017

The directors present their report and the audited financial statements for the year ended 31 December 2017.

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 profit/(loss) for the year after providing for depreciation and taxation amounted to £148,395 (2016 - £(4,317)).

Directors

The directors who served during the year are as follows:

Tom Walsh
Colm Whooley

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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A (Small Entities). 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.

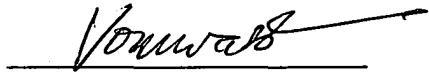
StayEdinburgh Limited
DIRECTORS' REPORT

for the year ended 31 December 2017

Special provisions relating to small companies

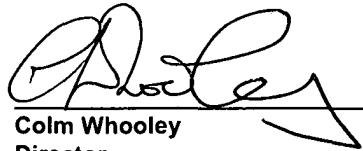
The above report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



Tom Walsh
Director

7 June 2018



Colm Whooley
Director

7 June 2018

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of StayEdinburgh Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of StayEdinburgh Limited ('the company') for the year ended 31 December 2017 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes to the financial statements, including a summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' Section 1A (Small Entities).

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.

In our opinion, when reporting in accordance with a fair presentation framework the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with 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 ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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 other information comprises the information included in the annual report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information. 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.

Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of StayEdinburgh Limited

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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.

Responsibilities of directors for the financial statements

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, and for such internal control as they determine is 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's 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 an Auditor's Report 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Further information regarding the scope of our responsibilities as auditor

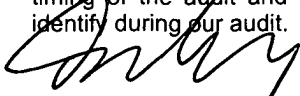
As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the company to cease to continue as going concerns.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of StayEdinburgh Limited

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

13 June 2018

StayEdinburgh Limited
INCOME STATEMENT
for the year ended 31 December 2017

	Notes	2017 £	2016 £
Turnover		3,630,736	3,472,855
Cost of sales		(3,169,864)	(3,000,703)
Gross profit		460,872	472,152
Administrative expenses		(265,150)	(438,549)
Profit before taxation		195,722	33,603
Tax on profit		(47,327)	(37,920)
Profit/(loss) for the year		148,395	(4,317)
Total Comprehensive Income		148,395	(4,317)

StayEdinburgh Limited

Company Number: SC390021

BALANCE SHEET

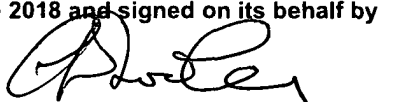
as at 31 December 2017

	Notes	2017 £	2016 £
Fixed Assets			
Tangible assets	4	24,600	100,191
Current Assets			
Debtors	5	398,474	292,306
Cash and cash equivalents		461,113	336,162
		859,587	628,468
Creditors: Amounts falling due within one year	6	(673,492)	(666,359)
Net Current Assets/(Liabilities)		186,095	(37,891)
Total Assets less Current Liabilities		210,695	62,300
Capital and Reserves			
Called up share capital		1	1
Income statement		210,694	62,299
Equity attributable to owners of the company		210,695	62,300

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A (Small Entities).

Approved by the Board and authorised for issue on 7 June 2018 and signed on its behalf by


Tom Walsh
Director


Colm Whooley
Director

StayEdinburgh Limited**STATEMENT OF CHANGES IN EQUITY**

as at 31 December 2017

	Share capital	Retained earnings	Total
	£	£	£
At 1 January 2016	1	66,616	66,617
Loss for the year	-	(4,317)	(4,317)
At 31 December 2016	1	62,299	62,300
Profit for the year	-	148,395	148,395
At 31 December 2017	1	210,694	210,695

StayEdinburgh Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2017

1. GENERAL INFORMATION

StayEdinburgh Limited is a company limited by shares incorporated in United Kingdom. Exchange Tower, 19 Canning Street, Edinburgh, Midlothian, EH3 8EH, is the registered office, which is also the principal place of business of the company. The nature of the company's operations and its principal activities are set out in the Directors' Report. The financial statements have been presented in Pound Sterling (£) which is also the functional currency of the company.

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 31 December 2017 have been prepared in accordance with the provisions of FRS 102 Section 1A (Small Entities) and the Companies Act 2006.

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 Section 1A from the requirement to prepare a Statement of Cash Flows because it is classified as a small company.

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.

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.

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.

for the year ended 31 December 2017

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.

Share capital of the company**Ordinary share capital**

The ordinary share capital of the company is presented as equity.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was as follows:

	2017 Number	2016 Number
Operations, sales and administration	5	6

StayEdinburgh Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2017

continued

4. TANGIBLE FIXED ASSETS

	Short leasehold property £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost or Valuation				
At 1 January 2017	92,613	550,907	12,985	656,505
Additions	-	6,235	-	6,235
Disposals	-	(26,417)	(6,762)	(33,179)
At 31 December 2017	92,613	530,725	6,223	629,561
Depreciation				
At 1 January 2017	83,572	461,185	11,557	556,314
Charge for the year	7,818	72,400	654	80,872
On disposals	-	(25,463)	(6,762)	(32,225)
At 31 December 2017	91,390	508,122	5,449	604,961
Net book value				
At 31 December 2017	1,223	22,603	774	24,600
At 31 December 2016	9,041	89,722	1,428	100,191

5. DEBTORS

	2017 £	2016 £
Amounts owed by group companies	5,137	140,029
Other debtors	107,929	1,000
Prepayments and accrued income	285,408	151,277
	398,474	292,306

6. CREDITORS

Amounts falling due within one year	2017 £	2016 £
Trade creditors	110,531	34,877
Amounts owed to group companies	165,836	246,177
Taxation (Note 7)	79,594	45,681
Accruals	317,531	339,624
	673,492	666,359

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.

7. TAXATION

	2017 £	2016 £
Creditors:		
VAT	45,881	24,992
Corporation tax	31,519	18,804
PAYE / NI	2,194	1,885
	79,594	45,681

for the year ended 31 December 2017

8. 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.

9. FINANCIAL COMMITMENTS

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

	Land and buildings	
	2017	2016
	£	£
Due:		
Within one year	1,750,033	1,670,315
Between one and five years	6,389,296	6,148,971
In over five years	12,382,671	13,200,949
	<u>20,522,000</u>	<u>21,020,235</u>

10. RELATED PARTY TRANSACTIONS

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

11. 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.

12. POST-BALANCE SHEET EVENTS

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