

REGISTERED NUMBER: SC153311 (Scotland)

COMPANIES HOUSE

FLAGSHIP HOTELS ( STIRLING ) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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29/09/2017

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COMPANIES HOUSE

Milne Craig  
Chartered accountants  
Statutory auditor  
Abercorn House  
79 Renfrew Road  
Paisley  
Renfrewshire  
PA3 4DA

COMPANIES HOUSE  
29 SEP 2017  
EDINBURGH FRONT DESK

**FLAGSHIP HOTELS ( STIRLING ) LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2016**

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**FLAGSHIP HOTELS ( STIRLING ) LIMITED**

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

**DIRECTORS:** Josephine Elizabeth Waterson  
Paul Davide Coia Waterson

**SECRETARY:** Paul Davide Coia Waterson

**REGISTERED OFFICE:** Abercorn House  
79 Renfrew Road  
Paisley  
Renfrewshire  
PA3 4DA

**REGISTERED NUMBER:** SC153311 (Scotland)

**SENIOR STATUTORY AUDITOR:** Shona Malcolm - BAcc CA

**AUDITORS:** Milne Craig  
Chartered accountants  
Statutory auditor  
Abercorn House  
79 Renfrew Road  
Paisley  
Renfrewshire  
PA3 4DA

**BANKERS:** Royal Bank of Scotland plc  
10 Gordon Street  
Glasgow  
G1 3PL

**SOLICITORS:** Boyle Shaughnessy  
94 Hope Street  
Glasgow  
G2 6QB

**FLAGSHIP HOTELS ( STIRLING ) LIMITED (REGISTERED NUMBER: SC153311)**

**BALANCE SHEET  
31 DECEMBER 2016**

	Notes	2016 £	2015 £
<b>FIXED ASSETS</b>			
Intangible assets	4	-	-
Tangible assets	5	310,056	142,812
		<u>310,056</u>	<u>142,812</u>
<b>CURRENT ASSETS</b>			
Stocks	6	17,367	14,610
Debtors	7	706,216	756,685
Cash at bank and in hand		756,059	673,849
		<u>1,479,642</u>	<u>1,445,144</u>
<b>CREDITORS</b>			
Amounts falling due within one year	8	362,946	402,084
		<u>362,946</u>	<u>402,084</u>
<b>NET CURRENT ASSETS</b>		<u>1,116,696</u>	<u>1,043,060</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,426,752</u>	<u>1,185,872</u>
<b>PROVISIONS FOR LIABILITIES</b>	9	39,014	11,810
<b>NET ASSETS</b>		<u><u>1,387,738</u></u>	<u><u>1,174,062</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		10,000	10,000
Retained earnings		1,377,738	1,164,062
<b>SHAREHOLDERS' FUNDS</b>		<u><u>1,387,738</u></u>	<u><u>1,174,062</u></u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Profit and loss has not been delivered.

The financial statements were approved by the Board of Directors on 29 September 2017 and were signed on its behalf by:



Paul Davide Coia Waterson - Director

## **FLAGSHIP HOTELS ( STIRLING ) LIMITED**

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

#### **1. STATUTORY INFORMATION**

Flagship Hotels (Stirling) Limited is a private company, limited by shares, registered in Scotland. The Company's registered number is SC153311 and registered office address is Abercorn House, 79 Renfrew Road, Paisley, Renfrewshire, PA3 4DA.

The nature of the Company's operations and its principal activities are hoteliers.

#### **2. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of 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.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

##### **Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **Critical accounting judgements & key sources of estimation uncertainty**

In preparing these financial statements, the directors have made the following judgements:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Assets are considered for indications of impairment. If required an impairment review will be carried out and a decision made on possible impairment. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Bad debts are provided for where objective evidence of the need for a provision exists.

Inventories are assessed for evidence of obsolescence and a provision is made against any inventory unlikely to be sold, or where stock is sold post year end at a loss.

##### **Turnover**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Consideration is given to the point at which the Company is entitled to receive the income, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue from the provision of services is recognised in the period in which the services are provided when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due;
- the costs incurred can be measured reliably.

##### **Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

## FLAGSHIP HOTELS ( STIRLING ) LIMITED

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

#### 2. ACCOUNTING POLICIES - continued

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Fixtures and fittings                      - 15% on reducing balance

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transactions 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.

##### Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### Basic financial liabilities

Basic financial liabilities, including creditors, 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.

##### **Leasing commitments**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

##### **Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

##### **Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

## FLAGSHIP HOTELS ( STIRLING ) LIMITED

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

#### 2. ACCOUNTING POLICIES - continued

##### **Impairment**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

##### Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

##### Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal.

An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

##### **Taxation**

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Deferred tax assets and deferred tax liabilities are offset only if the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

**FLAGSHIP HOTELS ( STIRLING ) LIMITED**

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

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 63.

**4. INTANGIBLE FIXED ASSETS**

Goodwill  
£

**COST**

At 1 January 2016  
and 31 December 2016

700,000

**AMORTISATION**

At 1 January 2016  
and 31 December 2016

700,000

**NET BOOK VALUE**

At 31 December 2016

-

At 31 December 2015

-

**5. TANGIBLE FIXED ASSETS**

Fixtures  
and  
fittings  
£

**COST**

At 1 January 2016  
Additions  
Disposals

690,837  
216,670  
(66,497)

At 31 December 2016

841,010

**DEPRECIATION**

At 1 January 2016  
Charge for year  
Eliminated on disposal

548,025  
39,617  
(56,688)

At 31 December 2016

530,954

**NET BOOK VALUE**

At 31 December 2016

310,056

At 31 December 2015

142,812

**6. STOCKS**

Stocks

2016  
£  
17,367

2015  
£  
14,610



**FLAGSHIP HOTELS ( STIRLING ) LIMITED**

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

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

	2016	2015
	£	£
Trade debtors	4,555	8,396
Amounts owed by group undertakings	675,927	722,807
Other debtors	250	250
Prepayments and accrued income	25,484	25,232
	<u>706,216</u>	<u>756,685</u>

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

	2016	2015
	£	£
Trade creditors	119,681	115,696
Corporation tax	24,956	93,283
Social security and other taxes	71,562	75,816
Other creditors	68,009	48,769
Accrued charges	78,738	68,520
	<u>362,946</u>	<u>402,084</u>

**9. PROVISIONS FOR LIABILITIES**

	2016	2015
	£	£
Deferred tax		
Accelerated capital allowances	<u>39,014</u>	<u>11,810</u>

	Deferred tax £
Balance at 1 January 2016	11,810
Originating & reversal of timing differences	26,582
Effect of tax rate changes	622
Balance at 31 December 2016	<u>39,014</u>

**Deferred taxation**

Accelerated capital allowances	11,810
Originating & reversal of timing differences	26,582
Effect of changes in tax rates	622
	<u>39,014</u>

**10. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Shona Malcolm - BAcc CA (Senior Statutory Auditor)  
for and on behalf of Milne Craig

**FLAGSHIP HOTELS ( STIRLING ) LIMITED**

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

**11. CAPITAL COMMITMENTS**

	2016 £	2015 £
Contracted but not provided for in the financial statements	-	198,356

**12. 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.

**13. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Paul Waterson by virtue of his entire shareholding in the ultimate parent company.

**14. FIRST YEAR ADOPTION**

The adoption of FRS 102 has had no impact on the opening financial position of the company.