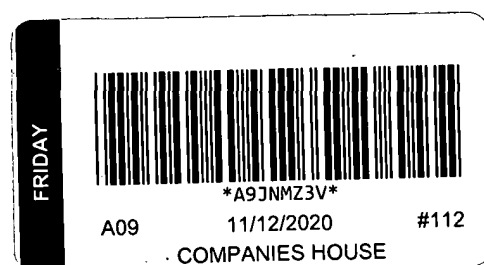


Staycity Corporate Limited
Annual Report and Financial Statements
for the financial year ended 31 December 2019



Company Number: SC340415

Staycity Corporate Limited

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Staycity Corporate Limited
DIRECTORS AND OTHER INFORMATION

Directors	Colm Whooley (Resigned 1 February 2019) Tom Walsh Wayne Arthur (Appointed 1 February 2019)
Company Number	SC340415
Registered Office and Business Address	Exchange Tower 19 Canning Street Edinburgh
Auditors	McInerney Saunders Chartered Accountants and Statutory Audit Firm 38 Main Street Swords Co Dublin
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

Staycity Corporate Limited

DIRECTORS' REPORT

for the financial year ended 31 December 2019

The directors present their report and the audited financial statements for the financial year ended 31 December 2019.

Principal Activity

The principal activity is the provision of serviced apartment accommodation to the leisure sector.

Principal Risks and Uncertainties

The period after year end has been dominated by the Covid-19 pandemic which brought about significant risks and uncertainties to the Group. Staycity was performing well prior to COVID-19, but trading has since been materially impacted by the crisis and the Directors have taken swift and decisive action to protect its employees, guests, capital and liquidity position.

Immediate steps have been taken to preserve cash, including cancelling all discretionary expenditure on non-essential costs as well as other mitigating actions such as pay cuts across the Group. In addition and consistent across the hospitality and other sectors, the Group is in the process of negotiating rent deferrals with landlords.

Following the outbreak of Covid-19 the Group has secured additional equity and new debt facilities with material covenant headroom, as further described below in post balance sheet events. Whilst the Group is not currently able to assess the full financial impact of Covid-19 on its business, it does anticipate a significant decline in Revenues, EBITDA and Cashflow. Whilst the Group currently has significant liquidity to withstand materially reduced demand, the impact of Covid-19 will have a significant impact on its profitability, levels of debt and the Group's continued ability to execute its strategy with confidence and in line with previous timeframes. However, following a successful refinancing and capital raise, the Group has an additional €70m of liquidity which will:

- Support the impact of loss-making properties operating below normal trading levels;
- Return the Group balance sheet to a position of strength; and
- Provide liquidity headroom in the event of a Covid-19 resurgence.

Having considered all available financial information, the directors have satisfied themselves that it remains appropriate to prepare the financial statements on a going concern basis.

Results and Dividends

The profit for the financial year after providing for taxation amounted to £665,005 (2018 - £984,928).

Directors

The directors who served during the financial year are as follows:

Colm Whooley (Resigned 1 February 2019)

Tom Walsh

Wayne Arthur (Appointed 1 February 2019)

Staycity Corporate Limited

DIRECTORS' REPORT

for the financial year ended 31 December 2019

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 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 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.

Staycity Corporate Limited DIRECTORS' REPORT

for the financial year ended 31 December 2019

Post Balance Sheet Events

Since year-end, the whole world has been in the grip of the Covid-19 pandemic and this has had a significant impact on the Group's business and the hospitality sector in general. The Group has been quick to follow and implement the Government guidelines across the various jurisdictions in which it operates and while some properties were forced to close during the peak of the lockdown period, the Group's business model proved robust as it moved quickly to house essential workers and provide other services to support those directly and indirectly combating the pandemic.

Immediate action was taken in March 2020 to protect the Group and preserve cash. All discretionary costs were eliminated, including marketing, non-essential training and travel. Pay-cuts have been agreed across the Group and the 2019 dividend has been cancelled. The Group has availed of various Government wage subsidy schemes, as well as VAT and payroll tax deferral allowances across the various jurisdictions in which it operates. Capital expenditure has also been reduced, although the Group remains fully committed to executing fully on its significant pipeline of committed new locations throughout Ireland, the UK and Europe. The Group has achieved substantial support from its employees, customers, suppliers, landlords, shareholders and new lender through what has been a very challenging period.

Since the year end the Group has significantly strengthened its balance sheet and liquidity position by c€70m. In August 2020, the Group refinanced its €22.5m debt facility with new facilities of approximately €33m provided by OakNorth Bank PLC. This facility has significant covenant headroom to deal with further Covid-19 restrictions and various recession scenarios. Along with a new senior debt facility, the Group has secured €37.5m of commitments from new, existing shareholders and other stakeholders. In addition to the new equity investment, the Irish Strategic Investment Fund (ISIF) has provided €20m of convertible loan notes and €2m is available in French government loans.

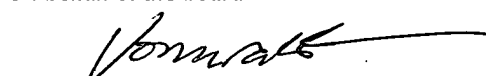
Together with the immediate actions taken by the Group to preserve its existing cash and completion of the successful refinancing and capital raise process the Group now has a very strong balance sheet with significant access to liquidity to withstand any prolonged period of suppressed trading. This puts the Group in a strong position to capitalise on the strengths of its people, brands and operating model and the undoubted opportunity that exists, both now and post recovery, for the Group to strengthen its position as a leading player in the underpenetrated aparthotel and long stay segment of the European hospitality sector.

Other than the issues as outlined above, there have been no significant events affecting the company since the financial year-end which would require disclosure in the financial statements.

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

Date: 9/11/2020



Wayne Arthur
Director

Date: 9/11/2020

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Staycity Corporate Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Staycity Corporate Limited ('the company') for the financial year ended 31 December 2019 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).

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 2019 and of its profit for the financial 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.

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.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Staycity Corporate Limited

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 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

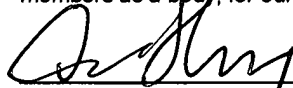
As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 a going concern. 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 a going concern.
- 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.

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.

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 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.



Owen Sheehy (Senior Statutory Auditor)

for and on behalf of

MCINERNEY SAUNDERS

Chartered Accountants and Statutory Audit Firm

38 Main Street

Swords

Co Dublin

Date: 9/11/20

Staycity Corporate Limited **INCOME STATEMENT**

for the financial year ended 31 December 2019

	Notes	2019 £	2018 £
Turnover		6,943,232	8,812,245
Cost of sales		(5,213,438)	(6,784,801)
Gross profit		1,729,794	2,027,444
Administrative expenses		(904,085)	(1,039,011)
Profit before taxation		825,709	988,433
Tax on profit		(160,704)	(3,505)
Profit for the financial year		665,005	984,928
Total comprehensive income		665,005	984,928

Staycity Corporate Limited

Company Number: SC340415

BALANCE SHEET

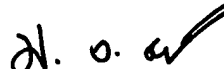
as at 31 December 2019

	Notes	2019 £	2018 £
Current Assets			
Debtors	4	9,550,744	3,471,958
Cash and cash equivalents		122,861	342,302
		<u>9,673,605</u>	<u>3,814,260</u>
Creditors: Amounts falling due within one year	5	<u>(6,214,922)</u>	<u>(1,020,582)</u>
Net Current Assets		<u>3,458,683</u>	<u>2,793,678</u>
Total Assets less Current Liabilities		<u>3,458,683</u>	<u>2,793,678</u>
Capital and Reserves			
Called up share capital		100	100
Income statement		3,458,583	2,793,578
Equity attributable to owners of the company		<u>3,458,683</u>	<u>2,793,678</u>

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 9/11/2020 and signed on its behalf by


Tom Walsh
Director


Wayne Arthur
Director

Staycity Corporate Limited
STATEMENT OF CHANGES IN EQUITY
as at 31 December 2019

	Share capital	Retained earnings	Total
	£	£	£
At 1 January 2018	100	1,808,650	1,808,750
Profit for the financial year	-	984,928	984,928
At 31 December 2018	100	2,793,578	2,793,678
Profit for the financial year	-	665,005	665,005
At 31 December 2019	100	3,458,583	3,458,683

Staycity Corporate Limited

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2019

1. GENERAL INFORMATION

Staycity Corporate Limited is a company limited by shares incorporated in the United Kingdom. Exchange Tower, 19 Canning Street, Edinburgh 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. SUMMARY OF SIGNIFICANT 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 2019 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 on the going concern basis and in accordance with 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.

Turnover

Turnover represents the total invoice value, excluding value added tax, of sales earned during the year.

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.

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the Balance Sheet bank overdrafts are shown within Creditors.

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.

Staycity Corporate Limited

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2019

Taxation and deferred taxation

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the financial 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.

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 financial year was 94, (2018 - 110).

	2019 Number	2018 Number
Operations, sales and administration	94	110

4. DEBTORS

	2019 £	2018 £
Trade debtors	-	130,488
Amounts owed by group companies	9,544,133	3,249,110
Other debtors	789	11,381
Taxation (Note 6)	-	67,672
Prepayments and accrued income	5,822	13,307
	9,550,744	3,471,958

5. CREDITORS

Amounts falling due within one year	2019 £	2018 £
Trade creditors	78,616	152,615
Amounts owed to group companies	5,715,471	313,757
Taxation (Note 6)	199,292	102,686
Other creditors	11,152	8,200
Accruals and deferred income	210,391	443,324
	6,214,922	1,020,582

Elm Corporate Credit DAC hold by way of security over borrowings in Staycity Investments Limited (a fellow subsidiary of Staycity Investments Holdings Limited) an English law composite mortgage debenture.

Staycity Corporate Limited
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2019

6. TAXATION	2019	2018
	£	£
Debtors:		
Corporation tax	-	67,672
Creditors:		
VAT	120,636	61,466
Corporation tax	25,893	-
PAYE / NI	52,763	41,220
	199,292	102,686

7. 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.

8. RELATED PARTY TRANSACTIONS

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

9. PARENT AND ULTIMATE PARENT COMPANY

The company regards Staycity Limited as its parent company.

The company's ultimate parent undertaking is Staycity Investments Holdings Limited.

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.

Staycity Corporate Limited

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2019

10. POST-BALANCE SHEET EVENTS

Since year-end, the whole world has been in the grip of the Covid-19 pandemic and this has had a significant impact on the Group's business and the hospitality sector in general. The Group has been quick to follow and implement the Government guidelines across the various jurisdictions in which it operates and while some properties were forced to close during the peak of the lockdown period, the Group's business model proved robust as it moved quickly to house essential workers and provide other services to support those directly and indirectly combating the pandemic.

Immediate action was taken in March 2020 to protect the Group and preserve cash. All discretionary costs were eliminated, including marketing, non-essential training and travel. Pay-cuts have been agreed across the Group and the 2019 dividend has been cancelled. The Group has availed of various Government wage subsidy schemes, as well as VAT and payroll tax deferral allowances across the various jurisdictions in which it operates. Capital expenditure has also been reduced, although the Group remains fully committed to executing fully on its significant pipeline of committed new locations throughout Ireland, the UK and Europe. The Group has achieved substantial support from its employees, customers, suppliers, landlords, shareholders and new lender through what has been a very challenging period.

Since the year end the Group has significantly strengthened its balance sheet and liquidity position by €€70m. In August 2020, the Group refinanced its €22.5m debt facility with new facilities of approximately €33m provided by OakNorth Bank PLC. This facility has significant covenant headroom to deal with further Covid-19 restrictions and various recession scenarios. Along with a new senior debt facility, the Group has secured €37.5m of commitments from new, existing shareholders and other stakeholders. In addition to the new equity investment, the Irish Strategic Investment Fund (ISIF) has provided €20m of convertible loan notes and €2m is available in French government loans.

Together with the immediate actions taken by the Group to preserve its existing cash and completion of the successful refinancing and capital raise process the Group now has a very strong balance sheet with significant access to liquidity to withstand any prolonged period of suppressed trading. This puts the Group in a strong position to capitalise on the strengths of its people, brands and operating model and the undoubted opportunity that exists, both now and post recovery, for the Group to strengthen its position as a leading player in the underpenetrated aparthotel and long stay segment of the European hospitality sector.

Other than the issues as outlined above, there have been no significant events affecting the company since the financial year-end which would require disclosure in the financial statements.