

FLAG HOTELS LIMITED
FINANCIAL STATEMENTS
31 MARCH 2023



ARMSTRONG WATSON
Chartered Accountants
Newcastle upon Tyne

FLAG HOTELS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

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FLAG HOTELS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

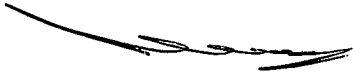
Board of directors	Mrs S R Chawla Mr N Chawla
Company secretary	S R Chawla
Registered office	24 Woolsington Park South Woolsington Newcastle upon Tyne Tyne & Wear NE13 8BJ
Auditor	Armstrong Watson Audit Limited First Floor One Strawberry Lane Newcastle upon Tyne NE1 4BX
Bankers	Svenska Handelsbanken AB (publ) Ground Floor Earl Grey House 75/85 Grey Street Newcastle upon Tyne NE1 6EF
Solicitors	Mincoffs Solicitors Kensington House 5 Osborne Road Newcastle upon Tyne Tyne & Wear NE2 2AA

FLAG HOTELS LIMITED
STRATEGIC REPORT
YEAR ENDED 31 MARCH 2023

Business Review

Flag Hotels Limited is a dormant holding company of Smokies Entertainments Limited. As such, the company did not trade throughout the current year and there are no plans for the company to trade in the foreseeable future.

This report was approved by the board of directors on 20 December 2023 and signed on behalf of the board by:



Mr N Chawla
Director

FLAG HOTELS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2023

The directors present their report and the financial statements of the company for the year ended 31 March 2023.

The company has been dormant as defined in section 1169 of the Companies Act 2006 throughout the year and preceding financial year. It is anticipated that the company will remain dormant for the foreseeable future.

Directors

The directors who served the company during the year were as follows:

Mrs S R Chawla

Mr N Chawla

Dividends

The directors do not recommend the payment of a dividend.

Future developments

There are no plans for the company to trade in the foreseeable future.

Disclosure of information in the strategic report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on page 1, these matters relate to the business review, principal risks and uncertainties and future developments.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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). 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 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 then apply them consistently;
- make judgments 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 20 December 2023 and signed on behalf of the board by:

Mr N Chawla
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLAG HOTELS LIMITED

YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of Flag Hotels Limited (the 'company') for the year ended 31 March 2023 which comprise the statement of financial position and the related notes, including a summary of significant accounting policies. 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 the 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLAG HOTELS LIMITED

YEAR ENDED 31 MARCH 2023

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.

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 the directors 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLAG HOTELS LIMITED

YEAR ENDED 31 MARCH 2023

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company, discussions with management and those charged with governance, we considered that the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and UK taxation legislation.

As part of the engagement team discussion about the susceptibility of the company's financial statements to material misstatement due to fraud, we did not identify any areas with an increased risk.

Our audit procedures were designed to respond to identified risks, including non-compliance with laws and regulations and fraud, which may have a material effect on the financial statements. Our audit procedures included but were not limited to:

- enquiry of management and those charged with governance and review of any relevant correspondence with legal advisers regarding any instances of non-compliance with laws and regulations and any actual, suspected or alleged fraud;
- communicating identified laws and regulations and the risks of fraud with our engagement team and remaining alert to any indications of non-compliance or fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- examining supporting documents for all material balances, transactions and disclosures;
- review of accounting estimates for management override and bias;
- analytical procedures to identify any unusual transactions;
- identifying and testing journal entries.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FLAG HOTELS LIMITED**

YEAR ENDED 31 MARCH 2023

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.

David Gold BA, FCA
Senior statutory auditor
For and on behalf of Armstrong Watson Audit Limited
Statutory auditor
One Strawberry Lane
Newcastle upon Tyne
NE1 4BX
22 December 2023

FLAG HOTELS LIMITED
STATEMENT OF FINANCIAL POSITION
31 MARCH 2023

	Note	2023 £	£	2022 £	£
Fixed assets					
Investments	4		5,000		5,000
Creditors: amounts falling due within one year	5	(4,045)		(4,045)	
Net current liabilities			(4,045)		(4,045)
Total assets less current liabilities			<u>955</u>		<u>955</u>
Capital and reserves					
Called up share capital	6		1,000		1,000
Profit and loss account	7		(45)		(45)
Members funds			<u>955</u>		<u>955</u>

The company did not trade during the current year or prior year and has not made either a profit or loss.

The financial statements were approved by the board of directors and authorised for issue on 20 December 2023 and are signed on behalf of the board by:

Mr N Chawla
Director

Company registration number: 2561706

The notes on pages 9 to 11 form part of these financial statements.

FLAG HOTELS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 24 Woolsington Park South, Woolsington, Newcastle upon Tyne, Tyne & Wear, NE13 8BJ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Particulars of employees

No salaries or wages have been paid to employees, including the directors, during the year.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Edgeman Limited which can be obtained from the company's registered office. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

Income statement

The company is dormant as defined by section 1169 of the Companies Act 2006. The company received no income and incurred no expenditure during the current year or prior year and therefore no income statement is presented within these financial statements. There have been no movements in members funds during the current year or prior year.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Financial instruments

The company only has financial instruments and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are measured initially at transaction value and subsequently measured at their settlement value.

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

FLAG HOTELS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

4. Investments

	Shares in group undertakings £
Cost	
At 1 April 2022 and 31 March 2023	5,000
Impairment	
At 1 April 2022 and 31 March 2023	—
Carrying amount	
At 31 March 2023	5,000
At 31 March 2022	5,000

Subsidiaries, associates and other investments

	Class of share	Percentage of shares held
Subsidiary undertakings		
Smokies Entertainments Limited	Ordinary	100

5. Creditors: amounts falling due within one year

	2023 £	2022 £
Amounts owed to group undertakings	4,045	4,045

6. Called up share capital

Issued, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary shares of £0.01 each	100,000	1,000	100,000	1,000

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at meetings of the company. All ordinary shares rank equally with regard to the company's residual assets.

7. Reserves

The profit and loss account reserve records retained earnings and accumulated losses.

FLAG HOTELS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

8. Related party transactions

The company has been under the control of the directors throughout the current year. The directors own 100% of the issued share capital in Edgeman Limited, the ultimate holding company.

No director received remuneration from the company during the period, and no other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 102.

The accounts do not include disclosure of transactions between the company and entities that are part of the Edgeman Limited group of companies. This is because, as a subsidiary whose shares are 100% controlled within the group, it is exempt from the requirement to disclose such transactions under Financial Reporting Standard 102.

The Edgeman Limited group of companies consists of the parent company, Edgeman Limited, together with its 100% owned subsidiaries Smokies Entertainments Limited, Sunderland Hotels Limited, Craiglands Limited, Gosforth Park Hotels Limited, Flag Hotels Limited and Ailantus Hotels Limited.

The directors also own 100% of the issued share capital of George Washington Golf and Country Club Limited and Ashton House Care Limited, companies registered in England. No transactions with these companies took place during the year.

9. Controlling party

The company's immediate parent undertaking is Ailantus Hotels Limited, a company registered in England and Wales.

The company's ultimate parent undertaking is Edgeman Limited, a company also registered in England and Wales.

The directors own all of the issued share capital of Edgeman Limited and effectively control the company.