Registered No. 992321

JOHNSTON HOTELS LIMITED

ABBREVIATED ACCOUNTS

for the year ended 30 April 2002



PEARSON MAY

CHARTERED ACCOUNTANTS
Originated 1841

BATH TROWBRIDGE WARMINSTER CHIPPENHAM

ABBREVIATED ACCOUNTS: ACCOUNTANTS REPORT

The following reproduces the text of the accountants report prepared in respect of the company's annual accounts, from which the abbreviated accounts set out on pages 2 to 4 have been prepared.

ACCOUNTANTS' REPORT

to the directors of **JOHNSTON HOTELS LIMITED**

In accordance with instructions given to us we have prepared accounts for the company for the year ended 30 April 2002 according to the accounting provisions of the Companies Act 1985. You have confirmed that the company is totally exempt from the audit requirement, and we have not carried out an audit.

The accounts on pages 4 to 9 are therefore based on the information shown in the accounting records and on the information and explanations you have supplied to us.

PEARSON MAY
Chartered Accountants
5 Wicker Hill, Trowbridge

14 November 2002

JOHNSTON HOTELS LIMITED
ABBREVIATED BALANCE SHEET
as at 30 April 2002

	Notes	2002		2001	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	(2)		**236,532**		238,424
CURRENT ASSETS					
Stocks		**10,663**		13,943	
Debtors		**20,526**		29,393	
Cash at Bank and in Hand		**800**		800	
		31,989		44,136	
CREDITORS: amounts falling due within one year	(3)	**(199,282)**		(176,244)	
NET CURRENT LIABILITIES			**(167,293)**		(132,108)
TOTAL ASSETS LESS CURRENT LIABILITIES			**69,239**		106,316
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred Taxation			**(19,895)**		(16,789)
			49,344		89,527
CAPITAL AND RESERVES					
Called Up Share Capital	(4)		**1,000**		1,000
Profit and Loss Account			**48,344**		88,527
SHAREHOLDERS' FUNDS			**49,344**		89,527

The notes on page 3 and 4 form part of these abbreviated accounts.

For the financial year ended 30 April 2002 the company was entitled to the exemption from audit under section 249A (1) Companies Act 1985; and no notice had been deposited under section 249B (2). The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the year and of its profit or loss for the financial year in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Companies Act 1985, so far as applicable to the company.

These abbreviated accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

Signed on behalf of the board of directors

R Johnston
(director)

Y V Johnston
(director)

Approved by the board: 14 November 2002

1. ACCOUNTING POLICIES

Basis of Preparation of Accounts

The accounts are prepared under the historical cost convention.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Depreciation

Depreciation, calculated on the reducing balance and straight-line methods is expected to write off the cost of the fixed assets within their useful lives, with the exception that no depreciation is provided on freehold property. It is the company's policy to maintain the property in a state of good repair and the directors consider that the residual value of the property is such that any depreciation charge would not be material. The rates of depreciation used during the year were as follows:

Leasehold Improvements	10%	(straight-line)
Freehold Land & Buildings	Nil	
Fixtures Fittings and Equipment	15%	(reducing balance)
Motor Vehicles	25%	(reducing balance)

Deferred Taxation

Deferred taxation comprises the estimated future liability at current rates of tax in respect of depreciation of fixed assets claimed at a faster rate for tax purposes than that charged in the accounts.

Turnover

Turnover represents the invoiced amounts of services provided net of value added tax.

Pension Costs

Contributions in respect of the company's defined contribution pension schemes are charged to the profit and loss account for the year in which they are payable to the scheme.

Leased Assets

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

2. TANGIBLE FIXED ASSETS

Cost:	£
At 1 May 2001	596,412
Additions	31,605
Disposals	(53,418)
At 30 April 2002	**574,599**
Depreciation:	
At 1 May 2001	357,988
On Disposals	(41,545)
Charged in year	21,624
At 30 April 2002	**338,067**
Net Book Value:	
At 30 April 2002	**236,532**
At 30 April 2001	238,424

3. CREDITORS

Creditors include a bank overdraft of £100,001 (2001 £80,132) which is secured by a first mortgage over the land and buildings.

4. SHARE CAPITAL

	Authorised	Allotted Issued and Fully Paid
Ordinary shares of £1 each	1,000	1,000

5. RELATED PARTY TRANSACTIONS

The company pays rent for the use of the property owned by Mr R and Mrs YV Johnston. During the year to 30 April 2002 the sum of £22,500 (2001 £22,500) has been accounted for as being payable to the directors.
The rent has been agreed by a qualified valuer and is believed to be a market rent.

During the year the directors current accounts with the company were overdrawn as follows:

	Balance at 1 May 2001 £	Maximum Balance During the Year	**Balance at 30 April 2002 £**
Mr and Mrs Johnston	9,049	9,049	–
D C Sharland	–	3,300	**3,300**

The loan was repaid within nine months of the year end.

During the year Mr R Johnston and D C Sharland and his wife bought motor cars from the company. These transactions were believed to be undertaken on an arms length basis.