

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2003
FOR
ROYAL HOTEL (WSM) LIMITED



ROYAL HOTEL (WSM) LIMITED

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ROYAL HOTEL (WSM) LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2003

DIRECTORS: C W Eggington
Mrs J Eggington
C H Eggington

SECRETARY: C W Eggington

REGISTERED OFFICE: 34 Boulevard
Weston-super-Mare
North Somerset
BS23 1NF

REGISTERED NUMBER: 04205821

AUDITORS: T P Lewis & Partners
Chartered Accountants
and Registered Auditors
34 Boulevard
Weston-super-Mare
Somerset
BS23 1NF

**REPORT OF THE INDEPENDENT AUDITORS TO
ROYAL HOTEL (WSM) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages three to six, together with the full financial statements of the company for the year ended 30 June 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

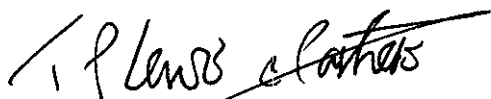
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages three to six are properly prepared in accordance with those provisions.



T P Lewis & Partners
Chartered Accountants
and Registered Auditors
34 Boulevard
Weston-super-Mare
Somerset
BS23 1NF

9 March 2004

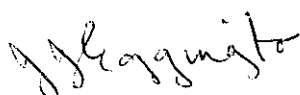
ROYAL HOTEL (WSM) LIMITED

**ABBREVIATED BALANCE SHEET
30 JUNE 2003**

		<u>2003</u>		<u>2002</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	2		2,024,778		2,052,167
CURRENT ASSETS:					
Stocks		18,366		20,646	
Debtors		55,612		22,191	
Cash at bank and in hand		<u>26,688</u>		<u>30,307</u>	
		100,666		73,144	
CREDITORS: Amounts falling due within one year	3	<u>595,018</u>		<u>306,557</u>	
NET CURRENT LIABILITIES:			<u>(494,352)</u>		<u>(233,413)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,530,426		1,818,754
CREDITORS: Amounts falling due after more than one year	3		<u>1,989,946</u>		<u>2,033,657</u>
			<u>£(459,520)</u>		<u>£(214,903)</u>
CAPITAL AND RESERVES:					
Called up share capital	4		300		300
Profit and loss account			<u>(459,820)</u>		<u>(215,203)</u>
SHAREHOLDERS' FUNDS:			<u>£(459,520)</u>		<u>£(214,903)</u>

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

ON BEHALF OF THE BOARD:



Mrs J Eggington - Director

Approved by the Board on 9 March 2004

The notes form part of these abbreviated accounts

ROYAL HOTEL (WSM) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2003

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared on the going concern basis which assumes that the company will continue to trade. At the balance sheet date the company was technically insolvent, but subsequently £1.2m of the bank borrowings were repaid by the directors. The directors have confirmed their ongoing support and shall not be seeking repayment of the loan made by them until all other borrowings have been cleared.

Furthermore, the directors have prepared future cash flow projections, which indicate the company should begin to trade profitably. Therefore, they consider it appropriate to adopt the going concern basis in preparing the financial statements.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

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

Freehold property	- 2% on cost of buildings
Improvements to property	- 2% on cost
Fixtures and fittings	- 15% on reducing balance
Computer equipment	- Straight line over 3 years

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

ROYAL HOTEL (WSM) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2003

2. TANGIBLE FIXED ASSETS

	<u>Total</u>
	£
COST:	
At 1 July 2002	2,132,797
Additions	<u>33,793</u>
At 30 June 2003	<u>2,166,590</u>
DEPRECIATION:	
At 1 July 2002	80,630
Charge for year	<u>61,182</u>
At 30 June 2003	<u>141,812</u>
NET BOOK VALUE:	
At 30 June 2003	<u>2,024,778</u>
At 30 June 2002	<u>2,052,167</u>

3. CREDITORS

The following secured debts are included within creditors:

	2003	2002
	£	£
Bank loans	<u>2,032,653</u>	<u>2,072,786</u>

Creditors include the following debts falling due in more than five years:

	2003	2002
	£	£
Repayable by instalments		
Bank loans	<u>1,665,108</u>	<u>1,766,821</u>

ROYAL HOTEL (WSM) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2003

4. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2003 £	2002 £
1,000,000	Ordinary	£1	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2003 £	2002 £
300	Ordinary	£1	<u>300</u>	<u>300</u>

5. TRANSACTIONS WITH DIRECTORS

The directors have given limited personal guarantees for the mortgage and bank overdraft. The mortgage is also secured by a first legal charge over certain properties owned by the directors.