

SURGEONS LODGE LIMITED

**DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED 31 MARCH 2004



SURGEONS LODGE LIMITED

COMPANY INFORMATION

Directors	J R C Foster	(Appointed 14 October 2003)
	J R C Logie	(Appointed 14 October 2003)
	B Davidson	(Appointed 14 October 2003)
Secretary	J R C Foster	
Company number	256751	
Registered office	The Royal College of Surgeons of Edinburgh Nicolson Street Edinburgh EH8 9DW	
Auditors	Geoghegan & Co 6 St Colme Street Edinburgh EH3 6AD	
Solicitors	Shepherd & Wedderburn WS Saltire Court 20 Castle Terrace Edinburgh EH1 2ET	

SURGEONS LODGE LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2004

The directors present their report and financial statements for the period from 29 September 2003 (date of incorporation) to 31 March 2004.

Principal activities

The principal activity of the company is that of the ownership and management of a hotel.

The company has not made profits or losses or incurred any revenue expenses during the period ended 31 March 2004. Therefore, no profit and loss account is attached. Furthermore, the company has no other recognised gains or losses in the period.

Directors

The following directors have held office since 29 September 2003:

I M C Meiklejohn	(Appointed 29 September 2003 and resigned 14 October 2003)
J R C Foster	(Appointed 14 October 2003)
J R C Logie	(Appointed 14 October 2003)
B Davidson	(Appointed 14 October 2003)

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary Share of £ 1 each	
	31 March 2004	29 September 2003
J R C Foster	-	-
J R C Logie	-	-
B Davidson	-	-

Auditors

Geoghegan & Co were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

SURGEONS LODGE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2004

Directors' responsibilities

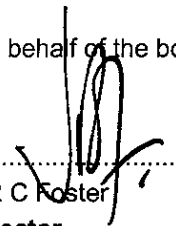
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

This report has 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


.....
J R C Foster

Director

26/1/05
.....

SURGEONS LODGE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SURGEONS LODGE LIMITED

We have audited the financial statements of Surgeons Lodge Limited on pages 5 to 7 for the period ended 31 March 2004. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

SURGEONS LODGE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF SURGEONS LODGE LIMITED

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and of its results for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Geoghegan & Co

Geoghegan & Co

Chartered Accountants

Registered Auditor

26 January 2005

6 St Colme Street

Edinburgh

EH3 6AD

SURGEONS LODGE LIMITED

BALANCE SHEET AS AT 31 MARCH 2004

	Notes	2004 £	£
Fixed assets			
Tangible assets	2		454,211
Creditors: amounts falling due within one year	3	(454,210)	
Net current liabilities			(454,210)
Total assets less current liabilities			<u>1</u>
Capital and reserves			
Called up share capital	4		<u>1</u>
Shareholders' funds			<u>1</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 26/1/05

J R C Foster

Director

SURGEONS LODGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2004

1 Accounting policies

1.1 Accounting convention

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

1.2 Profits, gains and losses

The company has not made profits or losses or incurred any revenue expenses during the period ended 31 March 2004. Therefore, no profit and loss account is attached. Furthermore, the company has no other recognised gains or losses in the period.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets consist of assets under construction capitalised at cost including any incidental costs of acquisition.

Depreciation has not been provided on these assets until such time as they come into use.

2 Tangible fixed assets

Land and buildings

£

Cost

At 29 September 2003

-

Additions

454,211

At 31 March 2004

454,211

Depreciation

At 29 September 2003 and at 31 March 2004

-

Net book value

At 31 March 2004

454,211

3 Creditors: amounts falling due within one year

2004

£

Amounts owed to parent undertaking

454,210

SURGEONS LODGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2004

4	Share capital	2004
		£
	Authorised	
	100 Ordinary Shares of £1 each	100
	Allotted, called up and fully paid	
	1 Ordinary Share of £1 each	1

5 Control

The ultimate controlling party is The Royal College of Surgeons of Edinburgh, being the sole shareholder.