

**SURGEONS LODGE LIMITED T/A
TEN HILL PLACE HOTEL
ABBREVIATED ACCOUNTS
31 DECEMBER 2011**



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SURGEONS LODGE LIMITED T/A TEN HILL PLACE HOTEL
ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2011

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SURGEONS LODGE LIMITED T/A TEN HILL PLACE HOTEL

INDEPENDENT AUDITOR'S REPORT TO SURGEONS LODGE LIMITED T/A TEN HILL PLACE HOTEL

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of Surgeons Lodge Limited T/A Ten Hill Place Hotel for the year ended 31 December 2011 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. 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 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 for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin 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.

Opinion

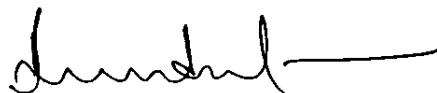
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Other information

On ~~23.12.12~~ 23.11.12 we reported as auditor to the members of the company on the financial statements prepared under Section 396 of the Companies Act 2006 and our report included the following paragraph:

Emphasis of matter - Going concern

In forming our opinion on the financial statements which is not qualified, we have considered the adequacy of the disclosure made in note 6 to the financial statements concerning the company's ability to continue as a going concern. The company during the year to 31 December 2011 reported net liabilities of £1,018,514. The directors have received formal confirmation of the continued availability of existing loan facilities from its parent company as disclosed in note 6 to the financial statements. In view of the significance of this matter we should like to draw this to your attention however re-iterate that our opinion is not qualified in this respect.



KENNETH McDOWELL (Senior Statutory Auditor)

For and on behalf of

CHIENE + TAIT

Chartered Accountants & Statutory Auditor

61 Dublin Street

Edinburgh

EH3 6NL

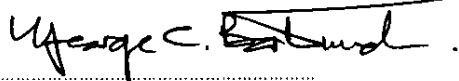
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SURGEONS LODGE LIMITED T/A TEN HILL PLACE HOTEL**ABBREVIATED BALANCE SHEET****31 DECEMBER 2011**

	Note	£	2011 £	2010 £
Fixed assets	2			
Tangible assets			<u>75,471</u>	<u>14,786</u>
Current assets				
Stocks		17,679		18,538
Debtors		318,450		203,216
Cash at bank and in hand		705,907		1,027,480
		<u>1,042,036</u>		<u>1,249,234</u>
Creditors: amounts falling due within one year		<u>2,136,021</u>		<u>2,693,183</u>
Net current liabilities			<u>(1,093,985)</u>	<u>(1,443,949)</u>
Total assets less current liabilities			<u>(1,018,514)</u>	<u>(1,429,163)</u>
Capital and reserves				
Called-up equity share capital	4		100	100
Share premium account			1,999,900	1,999,900
Profit and loss account			<u>(3,018,514)</u>	<u>(3,429,163)</u>
Deficit			<u>(1,018,514)</u>	<u>(1,429,163)</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These abbreviated accounts were approved by the directors and authorised for issue on 29 June 2012, and are signed on their behalf by:



G C Borthwick

Company Registration Number: SC256751

SURGEONS LODGE LIMITED T/A TEN HILL PLACE HOTEL

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2011

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements have been prepared on a going concern basis on the grounds that The Royal College of Surgeons of Edinburgh, the company's parent undertaking, has confirmed to the directors that it will continue to support the company. If the company was unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet value of assets to their recoverable amounts and to provide for further liabilities that might arise.

Turnover

The turnover shown in the Profit and Loss Account represents amounts earned during the year, exclusive of Value Added Tax and trade discounts.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Tenants Improvements	- 10% straight line from completion
Machinery & Equipment	- 25% straight line
Furniture & Fixtures	- 20% straight line
Computer Equipment	- 25% straight line

Stocks

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

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is provided using the liability method to take account of timing differences between the treatment of certain items for the purposes of the financial statements and their treatment for tax purposes. Tax deferred is accounted for in respect of all material timing differences. Deferred tax assets are only recognised to the extent that they are regarded as recoverable.

Financial instruments

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.

SURGEONS LODGE LIMITED T/A TEN HILL PLACE HOTEL
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2011

2. Fixed assets

	Tangible Assets £
Cost	
At 1 January 2011	16,237
Additions	69,682
At 31 December 2011	85,919
Depreciation	
At 1 January 2011	1,451
Charge for year	8,997
At 31 December 2011	10,448
Net book value	
At 31 December 2011	75,471
At 31 December 2010	14,786

3. Related party transactions

During the year the company carried out various transactions in the normal course of business with The Royal College of Surgeons of Edinburgh, the sole shareholder of the company.

Details of the relevant transactions are as follows:

Property rental expenses: £557,200 (2010: £277,300)

Management charges: £36,000 (2010: £29,984)

Recharge of staff costs by the College: £107,085 (2010: £65,260) Interest on intercompany loan: £63,907 (2010: £83,833)

Sales by the company to the College: £259,408 (2010: £233,784)

At 31 December 2011, the following balances were outstanding:

Due to The Royal College of Surgeons of Edinburgh: £1,756,529 (2010: £2,422,016).

4. Share capital

Allotted, called up and fully paid:

	2011		2010	
	No	£	No	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

5. Ultimate parent company

In the opinion of the directors the ultimate controlling party is The Royal College of Surgeons of Edinburgh, by way of being the sole shareholder of the company.

6. Going concern

The company's financial statements for the financial year ended 31 December 2011 present a deficit of assets over liabilities. This arose due to exceptional impairment charges relating to the valuation of a previously held fixed asset in the year ended 31 December 2009. Against this background the directors have considered the going concern basis of preparation. The directors are satisfied, based on projections prepared by management and approved by the board, that the company can meet its obligations as they fall due. The directors have also sought and received formal confirmation of the continued availability of existing loan facilities from the company's parent company. On this basis the accounts have been prepared on a going concern basis.