COMPANY REGISTRATION NUMBER 5630879

OYSTER HOTELS LIMITED

ABBREVIATED ACCOUNTS

31 MARCH 2011

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ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2011

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INDEPENDENT AUDITOR'S REPORT TO OYSTER HOTELS LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts, together with the financial statements of Oyster Hotels Limited for the year ended 31 March 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 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 disclosures made in note 1 of the financial statements concerning the company's ability to continue as a going concern

These conditions indicate the existence of a material uncertainty which may cast doubt about the ability of the company to continue as a going concern The financial statements do not include any adjustments that would result if the company were unable to continue as a going concern

Menzies LLP

ANDREW COOK FCA (Senior Statutory Auditor)
For and on behalf of
MENZIES LLP
Chartered Accountants
& Statutory Auditor

Ashcombe House
5 The Crescent
Leatherhead
Surrey
KT22 8DY

13/12/11

OYSTER HOTELS LIMITED

ABBREVIATED BALANCE SHEET

31 MARCH 2011

	Note	2011 £	2011 £	2010 £	2010 £
FIXED ASSETS	2				
Intangible assets			-		-
Tangible assets			3,432,187		3,500,000
			3,432,187		3,500,000
CURRENT ASSETS					
Stocks		23,698		31,170	
Debtors		89,114		120,092	
Cash at bank and in hand		25,345		1,600	
		138,157		152,862	
CREDITORS: Amounts falling due within one year	3	370,571		362,967	
NET CURRENT LIABILITIES			(232,414)		(210,105)
TOTAL ASSETS LESS CURRENT LIABILITIES			3,199,773		3,289,895
CREDITORS: Amounts falling due after more than one year	4		3,554,897		3,641,146
PROVISIONS FOR LIABILITIES			2,132		9,000
			(357,256)		(360,251)
CAPITAL AND RESERVES					
Called-up equity share capital	5		100		100
Profit and loss account			(357,356)		(360,351)
DEFICIT			(357,256)		(360,251)

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 25/11/11, and are signed on their behalf by

R P G Howe

Company Registration Number 5630879

The notes on page 2 form part of these abbreviated accounts.

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)

Going Concern

The company had net current liabilities and overall net liabilities at the year end The directors continue to review expenditure with the aim of returning to profitability In addition, the directors continue to provide long term support through their loans provided and would intend to provide such additional support, if required, through short term loans, to ensure that the company continues to operate within its banking facilities

The company's management information identifies that it has returned to profitability for the six months to 30 September 2011 and the management contracts for three hotels, renewed in the second quarter of 2011, continue to enhance the revenue streams arising from its core business Whilst these management contracts remain on a two year rolling basis the directors have no reasons to consider that these will not continue for the foreseeable future The directors have prepared detailed projections and cash flow forecasts through to March 2013 which indicate that the company will continue to be profitable through that period and will be able to work within its current bank facilities available whilst reducing total bank debt

In considering these forecasts, the directors are cognisant of the fact that in the current economic conditions there are inherent risks surrounding the achievability of forecast sales However, having considered these uncertainties and their intention to continue to provide ongoing financial support, the directors have a reasonable expectation that the company will have adequate financial resources to continue in operational existence for the foreseeable future Consequently, the directors are satisfied that the company will continue to operate as a going concern and the accounts are accordingly drawn up on this basis

Turnover

The turnover shown in the profit and loss account represents amounts receivable for goods and services provided during the year in the normal course of business, net of trade discounts, VAT and other sales and related taxes

Amortisation

Amortisation 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

Goodwill	-	5% on cost

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

Freehold Property	-	1% - 20% on cost
Plant & Machinery	-	6 7% - 20% on cost
Fixtures & Fittings	-	6 7% - 20% on cost

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable

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

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such in the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to equity instruments are debited direct to equity

2. FIXED ASSETS

	Intangible Assets £	Tangible Assets £	Total £
COST			
At 1 April 2010	181,692	3,728,005	3,909,697
Additions	-	9,647	9,647
At 31 March 2011	181,692	3,737,652	3,919,344
DEPRECIATION			
At 1 April 2010	181,692	228,005	409,697
Charge for year	-	77,460	77,460
At 31 March 2011	181,692	305,465	487,157
NET BOOK VALUE			
At 31 March 2011	-	3,432,187	3,432,187
At 31 March 2010	-	3,500,000	3,500,000

3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2011 £	2010 £
Bank loans and overdrafts	81,581	78,000

The company's overdraft facility is secured by a personal guarantee given by the directors, P Neil and R Howe

4. CREDITORS: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2011 £	2010 £
Bank loans and overdrafts	2,554,478	2,559,146

The bank loan is repayable in instalments over a 25 year period and interest is payable at 4% Instalments of £2,121,000 (2010 £2,210,000) are payable after more than five years

Directors' loans of £1,082,000 are subordinated to the bank loan and the whole amount will be repayable after more than five years

5. SHARE CAPITAL

Authorised share capital:

	2011 £	2010 £
70,000 'A' Ordinary shares of £1 each	70,000	70,000
30,000 'B' Ordinary shares of £1 each	30,000	30,000
	100,000	100,000

Allotted, called up and fully paid.

	2011 No	2011 £	2010 No	2010 £
70 'A' Ordinary shares of £1 each	70	70	70	70
30 'B' Ordinary shares of £1 each	30	30	30	30
	100	100	100	100

6. ULTIMATE CONTROLLING PARTY

The company is controlled by R P G Howe by virtue of his 70% holding in the company's issued share capital (70,000 'A' ordinary shares)