DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31st DECEMBER 1993

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Directors

Chairman. Sir Anthony Tuke

Managing Director G R C Shepard, C B E.,

M B Radcliffe, M A., Sir Michael Richardson,
H Morton Neal, C B E., B Sc. (Resigned 17th May, 1993),
Sir George Christie, D L., J. Kemp-Welch,
Sir Oliver Wright, G.C M G., G.C V O., D.S C.,
Mrs. C. S Price, W. R. L Leigh, F.C.A.,
The Hon Rocco Forte, M.A., F.C.A., D A. Main, C A.,
Sir Ewen Fergusson, G.C.M.G., G C V.O (Appointed 13th July, 1993),
The Hon. John Sinclair (Appointed 14th September, 1993)

Secretary: W. R. L. Leigh, F.C.A.

Registered Office: 1 Savoy Hill, London WC2R 0BP

Auditors. Coopers & Lybrand

The following were Non-Executive Directors during 1993:

Sir Anthony Tuke, aged 73
Former Chairman, Barclays Bank PLC, and The Rio Tinto Zinc Corporation PLC

J. Kemp-Welch, aged 58
Joint Senior Partner, Cazenove & Co.

Mrs. C. S. Price, aged 53
Director, Sotheby's Holdings Inc.

Sir Oliver Wright, aged 73
Former British Ambassador to Copenhagen, Bonn and Washington

D. A. Main, aged 59
Director, Forte PLC

Sir Ewen Fergusson, aged 61
Chairman, Coutts & Co.

Sir George Christie, aged 59
Chairman, Glyndebourne Productions Limited

Sir Michael Richardson, aged 68
Chairman, Smith New Court PLC,
Vice-Chairman, N. M. Rothschild & Sons Limited

H. Morton Neal, aged 62
Chairman, Harry Neal (City) Limited

The Hon. Rocco Forte, aged 49
Chairman, Forte PLC

The Hon. John Sinclair, aged 40
Chief Executive,
Granfel Holdings Limited

Principal Subsidiary Companies

CLARIDGE'S HOTEL LIMITED

G R C Shepard, *Chairman* Lt Colonel The Rt Hon The Lord Charteris of Amisfield G C B, G C V O O B E Q S O Lt Colonel Sir John Johnston G C V O M C Mrs C S Price P I H Haigh *Directors* R F Jones, O B E, *Director and General Manager*

SAVOY MANAGEMENT LIMITED

G R C Shepard, *Chairman*, A S Edelmann, The Hon Hugh O'Neill, P I H Haigh, *Directors* H Striessnig, *Director and General Manager*

SIMPSON'S-IN-THE-STRAND LIMITED

G. R. C Shepard, *Chairman*, B Clivar, *Managing Director*, M. B Radcliffe, J C Wintle, T. O'Connell, P I.H Haigh, *Directors*

THE LYGON ARMS LIMITED

G R C Shepard, *Chairman*, K Ritchie, *Managing Director*, W B G. Bauer, J Harvey, P I.H Haigh, *Directors*, T Ashley, *Director and Secretary*

FOREST MERE LIMITED

Sir Robert Mark, G B.E, Q P M, *President*, Sir Greville Spratt, G B.E, T D, D L, J P, *Chairman*, Julia Hughes, *Managing Director* G. R C Shepard, Sir Anthony Tuke, *Directors*

*CAMELOT BARTHROPP LIMITED

G R C Shepard, *Chairman* J C Wintle, *Vice-Chairman* M B Radcliffe P I H Haigh, *Directors*

THE BERKELEY HOTEL COMPANY LIMITED

Sir Anthony Tuke *Chairman* G R C Shepard *Managing Director* Lady Joseph N I Henderson P I H Haigh *Directors* S Sebastiani *Director and General Manager*

THE CONNAUGHT HOTEL LIMITED

H Morton Neal *Chairman* P B Zago *Managing Director* M B Radcliffe Lt Colonel The Rt Hon The Lord Charteris of Amisfield, Sir Anthony Tuke, E J P Elliott, *Directors* C Hurrell *Secretary*

*SAVOY THEATRE LIMITED

A G I Wontner, M A, *Chairman*, G R C Shepard, W R L Leigh, Sir David Rowe Ham, G B E, F C A, Fiona Fullerton, *Directors* Julian Courtenay, *General Manager*

*HOTEL LANCASTER, SOCIÉTÉ ANONYME

M B Radcliffe, *Chairman*, G R C Shepard, H Morton Neal, *Directors*, F R Touzin, *Director and General Manager*, Hotel Lancaster, Rue de Berri, Champs Elysées, Paris, *Registered Office*

ST. QUENTIN LIMITED

G R C Shepard *Chairman* J C Wintle, *Vice-Chairman*, D Garnier, *Managing Director* The Hon Hugh O'Neill, W B G Bauer *Directors*

Directors of Other Subsidiary Companies

Patricia Egar, H H Morton, R. E Davidson, Jenifer Emery D M Goodyear, W J Robinson, P F Puddefoot, Jane Thorne, S Bodley Scott Gill Woolfson, A Beaven R Fernandes

The issued share capital in the above companies is all wholly owned and is held by The Savoy Hotel PLC All the companies are incorporated in Great Britain and registered in England and Wales except Hotel Lancaster, Societe Anonyme which is incorporated in France

The business goodwill property and assets of the subsidiaries (except where indicated*) have been transferred to The Savoy Hotel PLC These subsidiaries have been appointed as Managers to carry on these businesses on behalf of the Company

The country of operation of all companies is England except the Hotel Lancaster, Societe Anonyme, whose country of operation is France

Directors' Report

The Directors submit herewith the accounts for the year ended 31st December 1993 and report an operating profit of £1.5m against a loss of £57,000 last year. After taking into account investment proceeds of £589,000 (which includes a profit of £555,000 on the disposal of the Savoy Theatre's investment portfolio) and interest payable of £1.4m, the profit on ordinary activities before taxation amounted to £725,000. Taxation absorbed £215,000 leaving £510,000 available for distribution. After provision for the proposed dividend of £1,001,000, £491,000 was transferred from reserves.

DIVIDEND

Although the 1992 dividend was maintained at the level of the previous year, it was paid entirely out of reserves since an early end to the recession had been anticipated. This did not take place as swiftly as expected, with business only beginning to pick up from mid September. Although this improvement is being maintained in 1994, the Directors recommend a reduced dividend of 35% compared with 70% last year. The dividend will absorb the profits of £510,000 with £491,000 being transferred from reserves, and will be paid on 23rd May, 1994 to shareholders on the register at the close of business on 5th May, 1994.

MAIN ACTIVITY

The main activities of the Company and of its principal subsidiaries are the ownership and management of hotels and restaurants and ancillary related services.

1993 TRADING CONDITIONS

The effects of the recession continued throughout the first half of the year but from mid September business started to show a considerable improvement, the second half turnover having increased on the same period in 1992 by over 13%. Staff costs rose in total by only 2.3% although raw materials and consumables increased, partly as a result of improved business, by 5%. Borrowings were slightly higher during the year, but the charge for interest was reduced by £190,000 due to lower interest rates. The first half loss, which at £1.75m was similar to that for 1992, was therefore eliminated during the second half with a profit of £2.5m, resulting in a pre-tax profit for the year of £725,000.

CAPITAL EXPENDITURE

Capital expenditure for the year amounted to £6.4m. Major projects included completion of both the Savoy Theatre and of The Savoy Fitness Gallery, further improvements to the air-conditioning system at The Savoy, centralisation of floor service at The Berkeley as well as the continuing upgrading of the Group's computer systems.

OUTLOOK FOR 1994

Business since the beginning of the year has shown a marked improvement over the same period of 1993 with higher overall occupancies and increased activity in the restaurants and private rooms.

The improving economic situation in both the UK and the USA is encouraging, although Europe is still suffering from recession.

THE SAVOY FITNESS GALLERY

The Fitness Gallery above the Savoy Theatre, providing a swimming pool, an aerobics area, fitness equipment and massage facilities, was opened by H.R.H. The Prince Edward on 28th June, 1993 and is proving very popular with clients.

THE SAVOY THEATRE

The restoration of the Savoy Theatre was successfully completed during the year and was re-opened by H.R.H. The Princess of Wales on 19th July, 1993 at a Gala evening featuring the English National Ballet. The Theatre was then the venue for The Times

World Chess Championship which ran for eight weeks and provided considerable television coverage of both the Theatre and The Savoy. This was followed by Noel Coward's "Relative Values" which was very popular and which ran from early November until 19th March this year. The current production for a limited season is the Royal Shakespeare Company's production of "Travesties" starring Antony Sher.

PROPERTY ASSETS

Properties not used directly for hotel, restaurant or theatrical purposes or ancillary thereto, are included among the Group's assets as investment properties. These are shown at their current value which, in the opinion of the Directors, is not less than £4.5m. Following the restoration of the Savoy Theatre which was mainly covered by insurance proceeds, and the construction of The Savoy Fitness Gallery, D. E. & J. Levy, surveyors and property consultants, were instructed to revalue these assets and have advised that in their opinion the value of the freehold land and buildings at 31st December, 1993 was £7m. This valuation has been incorporated in the Group's balance sheets. The remainder of the Group's freehold and leasehold properties has, in the Directors opinion, a value that exceeds the net book value at 31st December, 1993 by more than £125m. The residual values of the Group's freehold and leasehold properties are, in the opinion of the Directors, at least equal to the values shown in the Group's balance sheet.

DIRECTORS

The names of the Directors of the Company during the year and at the present time are shown on page 10 and the interests that they held in the share and loan capital at 1st January, 1993 and 31st December, 1993 are shown on page 29 and are deemed to be part of this report. Sir Anthony Tuke, who has attained the age of 73, retires by rotation and, being eligible, offers himself for re-election. Mr M. B. Radcliffe and Mr J. Kemp-Welch also retire by rotation and, being eligible, offer themselves for re-election. Sir Ewen Fergusson and The Hon. John Sinclair, both having been appointed since the last Annual General Meeting, retire and, being eligible, offer themselves for election. Of the Directors proposed for re-election, Mr M. B. Radcliffe has a service contract with the Company which expires on 31st December, 1996. Sir Oliver Wright has indicated his wish to retire at the Annual General Meeting. He joined the Board in 1987, after a most distinguished career in the Diplomatic Service which culminated in his appointment as the British Ambassador to Bonn and then to Washington. The Board wishes to acknowledge his outstanding contribution during his seven years as a Director.

No contract of significance subsisted during the financial year, or at the end of the year, in which any Director is or was materially interested.

During the year the Company maintained insurance in respect of its Directors and Officers against liabilities in relation to the Company.

CORPORATE GOVERNANCE

The Board supports the recommendations of the Cadbury Committee and the Company complies in all material respects with the Code of Best Practice in its current state of development.

The Board meets regularly throughout the year to determine overall Group strategy, and to monitor Group operating performance. The Board is considering procedures for the Directors to take independent professional advice, if necessary.

All non-executive Directors are selected through a formal process, and according to the Articles of Association retire by rotation at an Annual General Meeting and offer themselves for re-appointment.

The following sub committees, consisting entirely of non executive Directors have been established by the Board

a Remuneration Committee – established since 1985 The objects of the Committee are to recommend terms of service and remuneration of all members of the Board
The Remuneration Committee comprises Mr J Kemp Welch Sir Michael Richardson and The Hon Rocco Forte

an Audit Committee was established on 9th November, 1993 The Committee meets at least three times a year to review the effectiveness of financial controls and practices, and other appropriate matters
The Audit Committee comprises Sir Michael Richardson, Mr D A Main and Sir Ewen Fergusson.

a Nomination Committee was also established on 9th November, 1993 The function of the Committee is to select potential non executive Directors and to make recommendations to the Board
The Nomination Committee comprises Sir Oliver Wright, The Hon Rocco Forte and The Hon John Sinclair

STAFF

A Company which seeks, above all, to provide first class service for all its clients must regard as a most important asset the loyalty, competence and professionalism of its staff
Consultation and contact are continuously maintained and encouraged between members of the Group's various undertakings
The recruitment, training and retention of young people is of paramount importance to ensure the future well-being of the Group Every attention will continue to be given to this vital aspect of the business.
Those beginning their careers are given all possible assistance in learning their duties
The Group's Training Centre and its training schemes, which are universally respected throughout the industry, are added and valued advantages for young people working with us.
Training, career development and promotion opportunities, based on individual ability and aptitude, are available to all employees.
The Group continues its policy of encouraging the employment of registered disabled persons and offers, where appropriate, suitable training If any employee becomes disabled during employment, every effort is made to retain that employee's services.

HEALTH, SAFETY AND THE ENVIRONMENT

The Group recognises the importance of health and safety as well as environmental issues in all areas of operation. Standards are regularly monitored by an independent Health and Safety Consultant and waste is re-cycled wherever possible

CLOSE COMPANY STATUS

The Company is not a close company within the meaning of the Income and Corporation Taxes Act 1988.

CHARITABLE DONATIONS

The Group made charitable donations during the year amounting to £43,895

AUDITORS

Coopers & Lybrand have indicated their willingness to continue as auditors and, in accordance with Section 384 of the Companies Act 1985, a Resolution proposing their re-appointment will be put to the Annual General Meeting

ANTHONY TUKE, *Chairman*

12th April, 1994.

W. R. L. LEIGH, *Secretary*

Statement of Directors' Responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 the Group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and the Group.

Report of the Auditors

TO THE MEMBERS OF THE SAVOY HOTEL PLC

We have audited the accounts on pages 16 to 28.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described above the Company's Directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the accounts, 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 accounts 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 accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of affairs of the Company and the Group at 31st December, 1993 and of the profit, total recognised gains, and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

London
12th April, 1994.

COOPERS & LYBRAND
Chartered Accountants and Registered Auditors

Consolidated Profit and Loss Account

For the year ended 31st December 1993	Note	1993 £000	1992 £000
Turnover	1	83,269	76,762
Operating costs		74,783	70,400
Gross trading profit	2	8,486	6,362
Depreciation	12	6,941	6,419
Operating profit/(loss)		1,545	(57)
Investment proceeds	3	589	229
		2,134	172
Interest payable	4	1,409	1,599
Profit/(loss) on ordinary activities before taxation		725	(1,427)
Taxation	5	215	(1,066)
Profit/(loss) for the financial year	6	510	(361)
Dividend		1,001	2,003
Transfer from reserves	23	491	2,364
Earnings per share	7		
A Ordinary Shares of 10p each		1.8p	(1.3)p
B Ordinary Shares of 5p each		0.9p	(0.6)p

Statement of Recognised Gains and Losses

For the year ended 31st December, 1993		1993 £000	1992 £000
Profit/(loss) for the financial year		510	(361)
Other recognised gains and losses for the year.			
Exchange (loss)/gain on consolidation of subsidiaries' net assets	22	(252)	762
Unrealised surplus on revaluation of properties	22	4,273	
Total gains recognised since the last annual report		4,531	401

Balance Sheet

At 31st December 1993	Note	Group 1993 £000	Group 1992 £000	Company 1993 £000	Company 1992 £000
FIXED ASSETS					
Investment properties	11	4,500	4,500	4,500	4,500
Tangible assets	12	95,442	[illegible]	76,562	[illegible]
		99,942	[illegible]	80,062	81,772
Investments	14	2,407	2,407	20,103	24,709
		102,349	98,934	100,965	106,481
CURRENT ASSETS					
Stocks	15	6,002	6,776	5,905	6,587
Debtors	16	10,230	9,047	13,246	12,267
Investments	17	-	199	-	
Cash at bank and in hand		1,082	1,140	1,029	1,083
		17,314	17,162	20,180	19,937
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR					
Loans and overdrafts	18	15,015	13,281	13,027	13,093
Creditors	19	12,719	11,939	12,014	11,431
Dividends		1,001	2,003	1,001	2,003
		28,735	27,223	26,042	26,527
NET CURRENT LIABILITIES		11,421	10,061	7,862	6,590
TOTAL ASSETS LESS CURRENT LIABILITIES		90,928	88,884	101,103	99,891
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
Loans and overdrafts	18	3,242	5,617	3,162	4,537
Creditors	19	733	625	11,046	11,706
		3,975	5,242	14,208	16,243
PROVISION FOR LIABILITIES AND CHARGES					
Deferred taxation	20	249	468	149	429
		4,224	5,710	14,357	16,672
NET ASSETS		86,704	83,174	86,746	83,219
CAPITAL AND RESERVES					
Called up share capital	21	2,861	2,861	2,861	2,861
Share premium account	23	3,128	3,128	3,128	3,128
Revaluation reserves	23	11,554	7,318	15,640	12,279
Other reserves	23	2,743	2,495	-	
Profit and loss account	23	66,918	67,372	65,117	64,951
SHAREHOLDERS' FUNDS		86,704	83,174	86,746	83,219

These accounts were approved by the Board on 12th April 1994 and signed on its behalf by

ANTHONY TUKE
Chairman

G. R. C. SHEPARD
Managing Director

Consolidated Cash Flow Statement

For the year ended 31st December 1993	Note	1993 £000	1992 £000
NET CASH INFLOW FROM OPERATING ACTIVITIES	A	7,091	[illegible]
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Investment proceeds		584	[illegible]
Interest received		90	[illegible]
Interest paid		(1,314)	[illegible]
Interest element of finance leases		(104)	[illegible]
Dividend paid		(2,003)	(2,003)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(2,747)	(3,403)
TAXATION:			
Corporation tax received/(paid) (including advance corporation tax)		315	(668)
INVESTING ACTIVITIES			
Purchase of tangible fixed assets		(6,010)	(8,966)
Sale of tangible fixed assets		147	452
Purchase of fixed asset investments		–	(21)
Sale of fixed asset investments		–	347
Purchase of subsidiary		–	(402)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(5,863)	(8,571)
NET CASH OUTFLOW BEFORE FINANCING		(404)	(6,066)
FINANCING:			
Debentures and loans		(400)	(794)
Repayment of principal under finance leases		(219)	(128)
NET CASH OUTFLOW FROM FINANCING	D	(619)	(922)
DECREASE IN CASH AND CASH EQUIVALENTS	B	(1,023)	(6,988)

For the year ended 31st December 1993

	1993 £000	1992 £000
A RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Operating profit (loss)	1,565	(57)
Depreciation of tangible fixed assets	6,941	6,419
Profit on sale of tangible fixed assets	(60)	(158)
Profit on sale of fixed asset investment	–	(104)
Interest paid on finance leases	104	75
Decrease in stocks	774	401
(Increase)/decrease in trade debtors	(253)	346
(Increase)/decrease in other debtors	(709)	460
Increase in prepayments and accrued income	(952)	(401)
Increase in trade creditors	73	560
Increase/(decrease) in other taxation and social security	580	(799)
Increase in other creditors	72	166
Decrease in accruals and deferred income	(244)	(332)
NET CASH INFLOW FROM OPERATING ACTIVITIES	7,891	6,576

B ANALYSIS OF CHANGES IN CASH, CASH EQUIVALENTS AND OTHER LIQUID INVESTMENTS DURING THE YEAR		
At 1st January	(11,542)	(4,514)
Net cash outflow	(1,023)	(6,988)
Exchange differences	7	(40)
At 31st December	(12,558)	(11,542)

C ANALYSIS OF CHANGES IN CASH, CASH EQUIVALENTS AND OTHER LIQUID INVESTMENTS AS SHOWN IN THE BALANCE SHEET

	1993 £000	Change in the year £000	1992 £000	Change in the year £000	1991 £000
Cash at bank and in hand	1,082	(58)	1,140	(381)	1,521
Current asset investments	–	(199)	199	–	199
Bank loans and overdrafts	(13,640)	(759)	(12,881)	(6,654)	(6,227)
	(12,558)	(1,016)	(11,542)	(7,028)	(4,514)

D ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share Capital 1993 £000	Loans and finance lease obligations 1993 £000	Share Capital 1992 £000	Loans and finance lease obligations 1992 £000
At 1st January	2,861	5,816	2,861	6,104
New finance leases	–	423		634
Net cash outflow from financing	–	(619)		(922)
At 31st December	2,861	5,620	2,861	5,816

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

These accounts have been prepared on the historical cost basis of accounting, modified to include the revaluation of certain assets, and in accordance with applicable accounting standards in the UK.

BASIS OF CONSOLIDATION

The consolidated accounts include the results of the Company and its subsidiaries. The results of subsidiaries are included from the date of acquisition. Goodwill arising on consolidation is written off against reserves.

FIXED ASSETS

Expenditure on development of the Group's hotels and restaurants, including major replacement and restoration of assets and re-equipment and modernisation of hotel rooms and other facilities is disclosed as Land and Buildings, Plant and Machinery or Fixtures and Fittings. Land and Buildings includes the costs associated with structural modifications to freehold and long term leasehold properties. The cost of replacement of soft furnishings, glass and china and certain other loose equipment of hotels and restaurants is charged to revenue in the year in which it is incurred.

DEPRECIATION AND AMORTISATION

Having regard to the high level of expenditure on general maintenance, the long anticipated lives and high residual values of the Group's hotels and restaurants, the resultant amount of any further depreciation on carrying value is not considered to be material. No depreciation or amortisation is therefore charged on freehold and long term leasehold properties, nor on investment properties.

The appraisal of residual values for each property is based on prices prevailing at the time of acquisition or subsequent valuation of the property in question. In the event of any diminution in property value below historical cost, provision is made in the profit and loss account.

Short term leasehold properties are amortised over the period of the lease.

Depreciation and amortisation of other tangible fixed assets is provided on a straight line basis over the following useful lives:

Plant and Machinery: between 4 and 20 years
Fixtures and Fittings: between 5 and 20 years

TURNOVER

Turnover excludes value added tax.

FIXED ASSET INVESTMENTS

Shares in subsidiary companies are stated at their net asset value, which is considered by the Directors to be an appropriate carrying value.
Other unlisted investments are shown at cost.

DEFERRED TAXATION

Provision is made for deferred taxation using the liability method.

EXCHANGE RATES

All assets, liabilities and transactions of overseas subsidiaries have been translated to sterling at the rate ruling at the date of the balance sheet. Other transactions in foreign currencies have been translated at average rates. Foreign currency borrowings against which foreign currency receipts are offset have been translated at the historic rate.
Differences on translation of foreign subsidiaries are transferred to reserves.

STOCKS

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

LEASING

Leases are accounted for either as operating leases or finance leases as appropriate.

PENSIONS

Contributions to the Group's pension schemes are charged to the profit and loss account so as to spread the cost of pensions at a substantially level percentage of payroll costs over employees working lives with the Group.

Notes to the Accounts

For the year ended 31st December, 1993

	1993	1992
1 TURNOVER	£000	£000
Hotel, restaurant and ancillary business receipts	81,600	75,668
Property rentals and theatre revenue	1,799	[illegible]
	83,399	76,762

2 GROSS TRADING PROFIT		
Gross trading profit is stated after:		
Raw materials and consumables	16,279	13,602
Staff costs (note 8)	34,479	33,704
Repairs and maintenance	2,989	2,824
Operating leases:		
Land and buildings	515	495
Other assets	198	183
Interest paid on finance leases	184	75
Profit on sale of associate company	–	(104)
Profit on sale of tangible fixed assets	(489)	(158)
Profit on sale of surplus wine	(291)	–
Auditors' remuneration – the Company	161	145
– Subsidiaries	50	50

Remuneration of the Company's auditors for provision of non-audit services to the Company and its UK subsidiaries was £274,000 (1992 £219,000)

3 INVESTMENT PROCEEDS		
Proceeds from listed investments	571	49
Other interest receivable and similar income	18	180
	589	229

Proceeds from listed investments includes a profit on disposal of £555,000 (1992 Nil)

4 INTEREST PAYABLE		
On bank loans, overdrafts and other loans		
Repayable within five years, not by instalments	1,131	1,113
Repayable wholly or partly in more than five years	278	486
	1,409	1,599

5 TAXATION		
UK taxation		
Tax credit on franked investment income	4	9
Corporation tax for the year at 33% (1992 33%)	400	
Utilisation of current year losses in prior years	–	(527)
Overprovision of corporation tax in respect of prior years	–	(528)
Release of deferred tax provisions	(219)	(57)
	185	(1,103)
Overseas taxation:		
Charge on profits for the year	30	37
	215	(1,066)

For the year ended 31st December, 1993

6 PROFIT/(LOSS) FOR THE FINANCIAL YEAR	1993	1992
	£000	£000
Dealt with in the accounts of		
The Company	1,167	(565)
Subsidiaries	(657)	204
	510	(361)

As permitted by Section 230 of the Companies Act 1985 a profit and loss account is not presented for the Compar

The profit/(loss) shown above does not materially differ from that which would be derived on an unmodified historical cost basis

7 EARNINGS PER SHARE

This is calculated on the net basis using the totals of 27 962,739 A Ordinary Shares of 10p each and 1,306,267 B Ordinary Shares of 5p each in issue and on the profit on ordinary activities after taxation of £510,000

8 EMPLOYEES	1993	1992
The average weekly number of persons employed by the Group was	2,801	2,872

	1993	1992
	£000	£000
Staff costs during the year amounted to:		
Wages and salaries	30,627	30,104
Social security costs	3,069	3,000
Other pension costs	774	600
	34,470	33,704

9 PENSIONS

The Company and most of its subsidiaries operate retirement pension plans, which cover the majority of employees (including Directors) in the Group Benefits under defined benefit schemes depend on service and final pensionable pay Benefits under defined contribution schemes depend on the contribution levels The Company also makes supplementary pension payments on a benevolent basis

The assets of the major schemes are held separately from those of the Company in funds administered by insurance companies

The total pension cost to the Group, including benevolent pensions, was £774,000 (1992 £600,000) of which £81,000 (1992 £72,000) relates to overseas schemes

The contributions in the main scheme are determined by an independent qualified actuary on the basis of triennial valuations using the projected unit method and the latest valuation was as at 1st April, 1992 The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries It was assumed that the investment return would be 9% per annum compound and that the rate of salary growth would be 7% per annum compound and that future pensions would increase at the rate of 5% per annum

The actuarial valuation at 1st April, 1992 showed that the market value of the scheme s assets was £10,867,000 The actuarial value of those assets represented 126% of the benefits that had accrued to members, after allowing for expected future increases in earnings As a result, the trustees have decided to adopt a flexible retirement age between 60 and 65 for both male and female members

A prepayment of £55,000 (1992 £28,000) is included in debtors and an accrual of £32,000 (1992 £339,000) is included in creditors, being the differences between the accumulated amounts paid into the pension funds and the accumulated pension costs

For the year ended 31st December, 1993

10 Remuneration of Directors

	1993 £000	1992 £000
Staff costs include the following remuneration in respect of Directors of the Company		
Fees	25	28
Remuneration	359	339
Pension contributions	45	40
	429	407
Directors fees paid to third parties	11	10
	440	417

The number of Directors within each of the following ranges of remuneration, exclusive of pension contributions, was:

	1993	1992		1993	1992
£ 0 to £ 5,000	5	2	£ 75,001 to £ 80,000	–	1
£ 5,001 to £10,000	5	6	£ 80,001 to £ 85,000	1	–
£30,001 to £35,000	1	1	£150,001 to £155,000	–	1
£55,001 to £60,000	–	1	£160,001 to £165,000	1	–
£60,001 to £65,000	1				

Included are the Chairman's emoluments of £34,117 (1992 £32,181). Also included are the emoluments of the highest paid Director of £161,306 (1992 £153,571).

11 Investment Properties

	Group 1993 £000	Group 1992 £000	Company 1993 £000	Company 1992 £000
Freehold land and buildings				
At 31st December	4,500	4,500	4,500	4,500

Investment properties are shown at the Directors' estimate of their open market value at 31st December. If these properties had not been revalued they would have been shown at their historical cost of £450,000 (1992 £450,000). The revaluation surplus of £4,050,000 (1992 £4,050,000) is included in Revaluation Reserves.

In accordance with SSAP 19 the value of these properties is considered annually and any surplus or deficit arising is transferred to an investment revaluation reserve. No depreciation is therefore provided in respect of these properties.

For the year ended 31st December, 1993

12 TANGIBLE FIXED ASSETS

	Land and Buildings Freehold	Land and Buildings Leasehold Long term	Land and Buildings Leasehold Short term	Plant and Machinery	Fixtures and Fittings	Total
	£000	£000	£000	£000	£000	£000
Group						
Cost or valuation						
At 1st January, 1993	31,209	9,053	4,512	49,599	27,087	121,460
Additions in the year	753	4	-	4,792	884	6,433
Revaluation in the year	4,273	-	-	-	-	4,273
Assets fully depreciated	-	-	(44)	(324)	(675)	(1,043)
Translation differences	(154)	-	-	(1)	(146)	(301)
Disposals in the year	(37)	-	-	(393)	(7)	(437)
At 31st December, 1993	36,044	9,057	4,468	53,673	27,143	130,385
Depreciation						
At 1st January, 1993	-	-	1,881	15,391	12,150	29,422
Charge for the year	-	-	264	3,969	2,708	6,941
Assets fully depreciated	-	-	(44)	(324)	(675)	(1,043)
Translation differences	-	-	-	-	(84)	(84)
Disposals in the year	-	-	-	(290)	(3)	(293)
At 31st December, 1993			2,101	18,746	14,096	34,943
Net book value						
At 31st December, 1993	36,044	9,057	2,367	34,927	13,047	95,442
At 31st December, 1992	31,209	9,053	2,631	34,208	14,937	92,038
Company						
Cost or valuation						
At 1st January, 1993	19,996	9,053	3,314	47,806	23,060	103,229
Transfer on divisionalisation	-	-	1,199	421	421	2,041
Additions in the year	295	4	-	3,157	730	4,186
Assets fully depreciated	-	-	(44)	(287)	(675)	(1,006)
Group transfers	-	-	-	(7)	-	(7)
Disposals in the year	-	-	-	(196)	(3)	(199)
At 31st December, 1993	20,291	9,057	4,469	50,894	23,533	108,244
Depreciation						
At 1st January, 1993	-	-	1,477	14,550	9,930	25,957
Transfer on divisionalisation	-		464	244	165	813
Charge for the year			265	3,600	2,411	6,276
Assets fully depreciated			(44)	(287)	(675)	(1,006)
Group transfers		-	-	(7)	-	(7)
Disposals in the year	-		-	(150)	(1)	(151)
At 31st December, 1993	-		2,102	17,950	11,830	31,882
Net book value						
At 31st December, 1993	20,291	9,057	2,367	32,944	11,703	76,362
At 31st December, 1992	19,996	9,053	1,837	33,256	13,130	77,272

For the year ended 31st December, 1993

12 Tangible Fixed Assets continued

	1993	1992
	£000	£000
Freehold properties of the Group at cost or valuation comprise		
At valuation in 1948	1,281	1,281
At valuation in 1962	4,136	4,136
At valuation in 1993	7,000	-
At historical cost	23,627	25,792
	36,044	31,209
At historical cost	28,340	27,978

Plant and machinery includes assets held under finance leases with a net book value of £948,000 (1992 £764,000). The depreciation charge for the year on these assets was £239,000 (1992 £147,000). The freehold land and buildings of the Savoy Theatre were revalued at 31st December, 1993 by D. E. & J. Levy, surveyors and property consultants, at a carrying value of £7m. Of this amount, £4.3m has been credited to Revaluation Reserves.

13 Financial Commitments

	Group		Company	
	1993	1992	1993	1992
Capital Commitments	£000	£000	£000	£000
Authorised but not contracted	828	386	529	281
Contracted but not provided in the accounts	1,652	6,253	1,608	1,516
Operating Lease Commitment				
Land and buildings				
Expiring within one year	16	6	6	-
Expiring in two to five years	55	6	55	6
Expiring in more than five years	410	516	410	516
	481	528	471	522
Other assets				
Expiring within one year	9	26	9	22
Expiring in two to five years	144	139	134	132
Expiring in more than five years	22	23	17	19
	175	188	160	173
Annual commitments under non-cancellable leases	656	716	631	695

14 Fixed Asset Investments Unlisted

Group	Other Investments £000	Total £000
Cost		
At 1st January, 1993 and at 31st December, 1993	2,407	2,407

Company	Subsidiaries £000	Other Investments £000	Total £000
Cost or valuation			
At 1st January, 1993	22,309	2,400	24,709
Revaluation of subsidiaries during the year	(879)	-	(879)
Revaluation of the Savoy Theatre	4,273		4,273
At 31st December, 1993	25,703	2,400	28,103
Historical cost of investments	14,712	2,400	17,112

For the year ended 31st December 1993

15 Stocks

	Group		Company	
	1993	1992	1993	1992
	£000	£000	£000	£000
Raw materials and consumables	6,002	6,776	5,905	6,587

16 Debtors

Amounts falling due within one year				
Trade debtors	4,888	4,635	4,510	4,179
Advance corporation tax recoverable	911	691	911	661
Amounts owed by subsidiaries	–		4,132	4,046
Other debtors	1,139	1,291	566	1,155
Prepayments and accrued income	3,292	2,430	3,147	2,226
	10,230	9,047	13,246	12,267

17 Current asset investments

Listed investments at cost	–	199	–	–
Listed investments at market value	–	750	–	–

18 Loans and overdrafts

Amounts falling due within one year				
Bank loans and overdrafts	14,040	13,281	14,052	13,093
8¼% Mortgage Debenture Stock 19[illegible]	700		700	–
8½% Unsecured Loan Stock 1993/98	275		275	–
	15,015	13,281	15,027	13,093
Amounts falling due after more than one year				
Secured Loan repayable in 1998 (interest at building society rates)	312	312	312	312
4% First Mortgage Perpetual Debenture Stock	450	450	450	450
8¼% Mortgage Debenture Stock 1991/96	–	700	–	700
8½% Unsecured Loan Stock 1993/98	–	275	–	275
Bank loans:				
Repayable within five years	1,600	1,600	1,600	1,600
Repayable in more than five years	800	1,200	800	1,200
Savoy Theatre Limited.				
4% First Mortgage Perpetual Debenture Stock	80	80	–	
	3,242	4,617	3,162	4,537

Bank loans and overdrafts incur interest at rates which vary with LIBOR

The 8¼% Mortgage Debenture Stock 1991/96 and the 8½% Unsecured Loan Stock 1993/98 were redeemed at par on 31st March, 1994

Amounts falling due within one year includes £400,000 (1992: £400,000) in respect of a ten year loan

For the year ended 31st December, 1993

19 Creditors

	Group 1993 £000	Group 1992 £000	Company 1993 £000	Company 1992 £000
Amounts falling due within one year				
Trade creditors	3,911	3,838	3,579	3,398
Corporation tax	(280)	(388)	(321)	(389)
Other taxation and social security payable	3,160	2,580	2,942	2,314
Other creditors	2,137	2,065	2,736	2,716
Obligations under finance leases	270	174	268	174
Accruals and deferred income	3,521	3,670	2,608	3,218
	12,719	11,939	12,814	11,431
Amounts falling due after more than one year				
Amounts owed to subsidiaries	–	–	10,317	11,081
Obligations under finance leases				
repayable between – one and two years	303	197	382	197
– two and five years	430	428	427	428
	733	625	11,046	11,706

20 Deferred taxation

	1993 £000	1992 £000	1993 £000	1992 £000
Amount provided:				
Accelerated capital allowances	345	539	245	500
Other timing differences	(96)	(71)	(96)	(71)
	249	468	149	429
Potential liability:				
Accelerated capital allowances	10,029	10,004	9,912	9,958
Revaluation and capital gains deferred by rollover and holdover relief	930	977	930	977
Other timing differences	(97)	(71)	(96)	(71)
	10,862	10,910	10,746	10,864
Deferred taxation movements				
At 1st January	468	525	429	486
Release for the year	(219)	(57)	(280)	(57)
At 31st December	249	468	149	429

21 Called up share capital

	1993 £000	1992 £000
Authorised		
48,780,490 A Ordinary Shares of 10p each	4,878	4,878
2,439,020 B Ordinary Shares of 5p each	122	122
	5,000	5,000
Allotted, called up and fully paid		
27,962,739 A Ordinary Shares of 10p each	2,796	2,796
1,306,267 B Ordinary Shares of 5p each	65	65
	2,861	2,861

For the year ended 31st December 1993

22 Reconciliation of Movements in Shareholders' Funds

	1993 £000	1992 £000
Profit/(loss) for the financial year	510	(361)
Dividend for the year	(1,001)	(2,003)
	(491)	(2,364)
Goodwill on acquisitions in the year written off	-	(402)
Other recognised gains for the year	4,021	762
Net additions/(reductions) to shareholders' funds	3,530	(2,004)
At 1st January	83,174	85,178
At 31st December	86,704	83,174

23 Share Premium Account and Reserves

	Share Premium £000	Revaluation Reserves £000	Other Reserves £000	Profit and Loss Account £000
Group				
At 1st January, 1993	3,128	7,318	2,495	67,372
Retained profit for the financial year	-	-	-	510
Dividend	-	-	-	(1,001)
Exchange loss on consolidation of subsidiaries	-	-	(252)	-
Revaluation of the Savoy Theatre	-	4,273	-	-
Realised on disposal of fixed asset	-	(37)	-	37
At 31st December, 1993	3,128	11,554	2,243	66,918
Company				
At 1st January, 1993	3,128	12,279	-	64,951
Retained profit for the financial year	-	-	-	1,167
Dividend	-	-	-	(1,001)
Revaluation of subsidiaries during the year	-	(879)	-	-
Revaluation of the Savoy Theatre	-	4,273	-	-
Exchange loss on balance with subsidiaries	-	(33)	-	-
At 31st December, 1993	3,128	15,640	-	65,117

The accumulated goodwill written off to reserves as at 31st December, 1993 is £1,945,000 (1992 £1,945,000). Goodwill written off prior to 31st December, 1984 has not been included because the Directors believe that its calculation would not be cost effective.

Directors' Interests and Other Major Shareholdings

Interests at 31st December 1993 and (shown in green) at 1st January 1993 (or * at date of appointment if later)

	Ordinary Share Capital			
	A Shares		B Shares	
Directors' Beneficial Interests				
Sir Anthony Tuke	1,500	1,500	-	
G. R. C. Shepard	11,335	11,335	11	11
M. B. Radcliffe	3,233	3,233		
Sir Michael Richardson	1,500	1,500		
Sir George Christie	1,500	1,500		
J. Kemp-Welch	3,000	3,000	-	
Sir Oliver Wright	500	500		
Mrs. C. S. Price	2,500	2,500	90	90
W. R. L. Leigh	100	100	-	
The Hon. John Sinclair	200	200*	3	3*
Directors' Interests as Trustees				
G. R. C. Shepard	-		630	630
M. B. Radcliffe	1,044,903	1,044,903	329,021	329,021
W. R. L. Leigh	-		630	630
The Hon. Rocco Forte	10	10	-	-
The Hon. John Sinclair	1,278,424	1,278,424*	245,819	245,819*

	Debenture and Loan Stocks					
	4%		8¼%†		8½%†	
Directors' Interests as Trustees	£	£	£	£	£	£
G. R. C. Shepard	600	600	2,000	2,000	-	-
M. B. Radcliffe	1,000	1,000	-	-	18,835	18,835
W. R. L. Leigh	600	600	2,000	2,000	-	-

Mr. G. R. C. Shepard has a beneficial interest of £307 (£307) and Mr. M. B. Radcliffe has a beneficial interest of £500 (£500) in the 4% First Mortgage Debenture Stock of Savoy Theatre Limited.

There have been no changes to the above holdings between the end of the year and 12th April, 1994.

Other Major Interests in the Ordinary Share Capital at 31st March, 1994

The Company has been notified that Forte PLC is interested in 19,479,880 A Shares and 164,960 B Shares equal to 68.36% of the ordinary share capital of The Savoy Hotel PLC, which carries the right to 42.12% of the total votes. Under the terms of the Companies Act 1985, The Savoy Hotel PLC is not a subsidiary of Forte PLC.

The Company has also been informed of the interest as shown below of the trustees of The D'Oyly Carte Charitable Trust, which amounts to 25.19% of the B Shares in issue and 3.74% of the A Shares (equivalent to 14.10% of the total votes), the trustees of The Wontner Family Settlement, which amounts to 20.66% of the B Shares (equivalent with A Shares to 10.66% of the total votes) and of the trustees of The Savoy Educational Trust, which amounts to 18.82% of the B Shares and 4.57% of the A Shares (equivalent to 11.45% of the total votes).

The individual interest of each trustee, as notified to the Company, being their total interest in the A and B Ordinary Shares is as follows: Sir John Batten, Sir Martyn Beckett and J. A. McCracken 1,044,758 A Shares and 329,021 B Shares; E. J. P. Elliot 1,278,424 A Shares and 245,819 B Shares; M. B. Radcliffe 1,048,136 A Shares and 329,021 B Shares; Mrs. J. Sibley 1,278,434 A Shares and 245,819 B Shares; The Hon. John Sinclair 1,278,624 A Shares and 245,822 B Shares; Mrs. J. K. Thorne 1,045,528 A Shares and 329,026 B Shares; P. L. Thornton 1,278,429 A Shares and 245,819 B Shares; M. T. Parker 1,278,424 A Shares and 245,819 B Shares; Lady Wontner 277,353 B Shares.

Other major interests of which the Company has been notified are as follows: La Fondation pour la Formation Hoteliere has an interest in 155,163 B Shares (equivalent with A Shares to 5.74% of the total votes) M. B. Radcliffe is a member of its Conseil d'Administration. December Commercial (No. 1) Limited (in Receivership) formerly St. Anselm Development Co. Ltd. has 1,032,443 A Shares and 64,492 B Shares (equivalent to 4.29% of the total votes). Credit Suisse Zurich Nominees Ltd. has 928,400 A Shares representing 3.32% of the A Shares in issue. J. I. H. Wontner 90,915 B Shares representing 6.96% of the B Shares in issue. A. G. I. Wontner 45,457 B Shares representing 3.48% of the B Shares in issue. Mrs. J. C. S. Emery 82,000 B Shares representing 6.28% of the B Shares in issue.

†The 8¼% and 8½% Debenture and Loan Stocks were redeemed at par on 31st March, 1994.

[illegible]

	1989	1990	1991	1992	1993
	£000	£000	£000	£000	£000
Fixed assets	82,017	92,954	95,683	98,945	102,369
Net current liabilities	(1,296)	(3,939)	(4,535)	(10,061)	(11,621)
	80,721	89,015	90,948	88,884	91,928
Long term creditors and provisions	(1,845)	(2,042)	(759)	(1,093)	(982)
Debentures and loans	(1,817)	(4,817)	(5,011)	(4,617)	(3,242)
Net assets	77,059	82,156	85,178	83,174	86,704

Financed as follows					
Called up share capital	2,861	2,861	2,861	2,861	2,861
Reserves including share premium	73,959	79,295	82,317	80,313	83,843
Minority interest	239	-	-	-	-
	77,059	82,156	85,178	83,174	86,704

Profit/(loss) on ordinary activities before taxation	13,080	10,302	2,271	(1,427)	725
Taxation	(4,728)	(2,088)	2,744	1,066	(215)
Profit/(loss) for the financial year	8,352	8,214	5,015	(361)	510

Dividend	2,003	2,003	2,003	2,003	1,001

Earnings per share (net basis)					
A Ordinary shares of 10p each	29.4p	28.8p	17.5p	(1.3)p	1.8p
B Ordinary shares of 5p each	14.7p	14.4p	8.8p	(0.6)p	0.9p

NOTICE OF MEETING

Notice is hereby given that the One Hundred and Fifth Annual General Meeting of The Savoy Hotel PLC will be held at The Savoy Hotel (River Entrance) London WC 2R 0EU on Monday 16th May 1994 at 12 noon for the purpose of transacting the following business

Resolutions

1. To receive and adopt the Directors' Report, the Profit and Loss Account for the year ended 31st December, 1993, and the Balance Sheets as at 31st December 1993 and to declare a dividend of 35% for the year ended 31st December 1993

2. To re-elect Sir Anthony Tuke, a Director retiring by rotation who has attained the age of 73

3. To re-elect M B Radcliffe, a Director retiring by rotation

4. To re-elect J Kemp-Welch, a Director retiring by rotation

5. To elect Sir Ewen Fergusson, a Director appointed since the last Annual General Meeting.

6. To elect The Hon John Sinclair, a Director appointed since the last Annual General Meeting.

7. To re-appoint Coopers & Lybrand as auditors to the Company and to authorise the Directors to determine their remuneration

Registered Office.
1 Savoy Hill, London WC 2R 0BP
Registered in England No 29022

By Order of the Board,
W. R. L. LEIGH
Secretary
22nd April, 1994.

NOTES

A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company. To be valid, instruments of proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time appointed for holding the meeting. Ordinary Shareholders will find enclosed a form of proxy for use at the meeting.
Completion and return of the form of proxy will not prevent an Ordinary Shareholder attending and voting at the meeting in person.
A statement of the holdings and of all the transactions of each Director and his family interests in the equity share capital of the Company will be available for inspection by any member of the Company at the Registered Office of the Company during the usual business hours on any weekday (Saturdays and Bank Holidays excepted) from the date of this Notice until the date of the Annual General Meeting. This statement will also be available for inspection at the place of the Annual General Meeting for at least fifteen minutes prior to and during the meeting. Service contracts with Directors other than contracts expiring or determinable within one year without payment of compensation will also be available for inspection.