

29022.

The Savoy Hotel PLC

Annual report and accounts 1997





The restoration of The Savoy Group's hotels, completed in 1997, has recaptured the splendour and character of The Savoy, The Berkeley, Claridge's, The Connaught and The Lygon Arms. It has also introduced the most modern systems and services to equip the Group for the 21st century. These achievements, along with vigorous marketing, superb training and a total commitment to service, are attracting growing numbers of guests and unlocking the true value of the Group's hotels and restaurants. The Savoy Group continues to make rapid progress in every area of its business.

The Savoy Group's awards

Ramón Pajares Catey Special Award

The Savoy

Hotel of the Year

Best Hotel in the UK

Best rooms/suites

Best Restaurant

Silver medal for Hotel with the best communications and information service

Hotel of the Year Award

Best Hotel in London for business travellers

Listed in World's Top 100 hotels

Blue Ribbon Award

5 Red Stars

3 Rosettes for Food

The Berkeley

Best Business Hotel

Listed in the World's 50 best hotels

Listed in top 30 hotels in Europe

Listed in top 20 International city hotels

Blue Ribbon Award

5 Red Stars

Caterer & Hotelkeeper

Executive Travel Magazine

Executive Travel Magazine

Executive Travel Magazine

Executive Travel Magazine

Executive Travel Magazine

Egon Ronay

Euromoney Magazine

Institutional Investor Magazine

The Royal Automobile Club

The Automobile Association of Great Britain

The Automobile Association of Great Britain

World Travel Group

Travel Digest

Institutional Investor Magazine

Andrew Harper's hideaway report, USA

The Royal Automobile Club

The Automobile Association of Great Britain

Claridge's

Ranked 4th for Best Service in Europe

Listed in 100 best hotels

Listed in top 20 International city hotels

Ranked 3rd in list of top 30 hotels in Europe

Ranked 15th in list of top 100 hotels in the World

Blue Ribbon Award

5 Red Stars

The Connaught

Blue Ribbon Award

Ranked 7th in list of top 100 hotels in the World

Ranked 1st in list of European best hotels

5 Red Stars

3 Rosettes for Food

The Lygon Arms

Blue Ribbon Award

4 Red Stars

Travel & Leisure Magazine, USA

Travel & Leisure Magazine, USA

Andrew Harper's hideaway report, USA

Institutional Investor Magazine

Institutional Investor Magazine

The Royal Automobile Club

The Automobile Association of Great Britain

The Royal Automobile Club

Institutional Investor Magazine

Institutional Investor Magazine

The Automobile Association of Great Britain

The Automobile Association of Great Britain

The Royal Automobile Club

The Automobile Association of Great Britain

Financial highlights

(continuing businesses before exceptionals)

Turnover	up 15%	to £101.4m
Operating profit	up 54%	to £24.2m
Adjusted earnings	up 63%	to £18.1m
Dividend	up 20%	to £6m

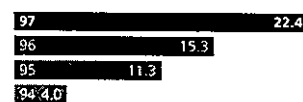
	1997 £m	1996 £m
Continuing businesses before exceptionals		
Turnover	101.4	88.4
Operating profit before exceptional items	24.2	15.7
Profit for the financial year before exceptional items	18.1	11.1
Dividend	6.0	5.0
Key ratios		
Operating profit margins %	23.8	17.7
Exceptional items charged to profit and loss	-	39.9
Adjusted earnings per share		
A ordinary shares of 10p each	63.3p	38.8p
B ordinary shares of 5p each	31.7p	19.4p
Dividends per share		
A ordinary shares of 10p each	21.0p	17.5p
B ordinary shares of 5p each	10.5p	8.7p
Equity shareholders' funds	398.1m	372.1m



Turnover (£m)



Operating profit (£m)



Profit before tax (£m)



Dividend (£m)

Chairman's statement



At this time last year, The Savoy Group's restoration programme was entering its final stages and we waited to see how the hard work of two and a half years would transform our financial performance.

The programme was completed in September 1997 and our expectations have been more than fulfilled in terms of our customers' response, the substantial and positive coverage in the UK and foreign press, the many awards which we have received for the standard of our service and – not least – the Group's remarkably successful financial results.

During 1997, revenues rose 15 per cent to £101.4 million. At £24.2 million, our operating profit was 54 per cent up on 1996 and ahead of both market expectations and our own target.

In view of the Group's improving performance and our optimism for the future we are proposing an annual dividend of £6 million, a 20 per cent increase. The Board intends to introduce an interim dividend in 1998. Our policy from now on will be to pay roughly a third of the expected full year distribution as an interim dividend.

Our guests now enjoy the comfort and quality of surroundings that befit the world's pre-eminent hotels. But even more important is the human element in the service. When staff are confident that their hotel is genuinely better than any other, they will clearly take greater pride in their work and be all the more determined to provide a superb experience for their guests. At every level in the Group, we have developed, by training and management motivation, a strong culture of excellence and a willingness to take personal responsibility.

Credit for this achievement must largely go to our Managing Director, Ramón Pajares, who has always believed in giving staff

the opportunity to excel and whose approach has been thoroughly vindicated. We were delighted when Ramón Pajares gained the 1997 Catey Special Award from *Caterer & Hotelkeeper* magazine for his services to the industry, and we congratulate him on his achievement.

Ramón Pajares has been well supported by the Finance Director, Alan Fort, and by his General Managers. During the year, Paolo Zago, retired from The Connaught after twenty five years' service, and we thank him warmly for his contribution. Duncan Palmer after two years at The Savoy has now moved to The Connaught. We welcome Michael Shepherd to The Savoy and Seamus McManus to Claridge's as it celebrates its centenary in 1998. Both bring significant international experience which together with the skills of Jean-Jacques Pergant at The Berkeley and Kirk Ritchie at The Lygon Arms give us a senior management team of enormous talent.

As we look to the future, our strategy is to focus on our strengths. The business in which we have proved superbly competent is running five-star luxury hotels and restaurants that are pre-eminent among five-star luxury hotels and restaurants. We are being careful not to allow our focus on this to be

distracted. That, for instance, is why we have sold St Quentin Brasserie and Grill to Groupe Chez Gérard.

However given our responsibility to develop the shareholders' interest, the Board will be looking for further opportunities to capitalise on the value and reputation of the Savoy name. Such opportunities may arise either in the UK or abroad, and must clearly be compatible with the quintessential skills of The Savoy Group. Further announcements will be made when there is progress to report.

Our ability to develop the Group depends, of course, on the financial resources at our disposal. This in turn means resolving, in due course, some of the uncertainties in our present share structure. Until such a resolution, our ambitions must necessarily be limited. Nevertheless, our priority remains to enhance the value of the Group by improving the performance of our existing business and seeking appropriate opportunities beyond it.

Through 1997, we were increasingly confident that our faith in the Group's potential was well-founded. As the refurbished hotels returned to full service, our confidence turned to certainty. We welcome the challenge of continuing to develop an outstandingly successful company.



Sir Ewen Fergusson, Chairman, 23rd March 1998

The Savoy Hotel Ltd.

Managing Director's review



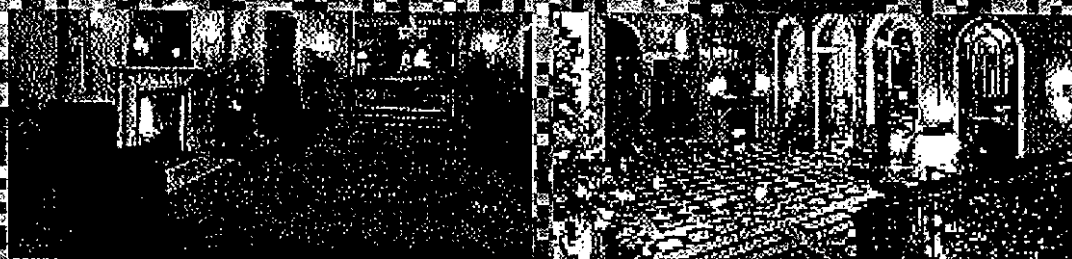
During 1997 we continued our mission of making The Savoy Group the pre-eminent luxury hotel group in the world. The year saw the parallel achievements of completing the restoration programme and stepping up our financial performance.

The hard work of recent years is bearing fruit. In the last 12 months we have benefited from the superb quality of our restored hotels, our investment in people and technology and the skills of our enthusiastic and motivated sales, marketing and communications team. Helped also by a strong market,

The Savoy, The Berkeley, Claridge's and The Lygon Arms improved their occupancy and all our hotels achieved higher average room rates.

Performance The past year has seen our communications programme gathering pace and more people experiencing the superb service of our hotels, restaurants and banqueting facilities.

The Savoy gained additional business and achieved over 89 per cent occupancy during the last quarter of 1997.



Investment in quality in the highly competitive marketplace in which the Group operates. The restoration of the Group's premises using only the finest materials and craftsmanship. The restoration of the Group's premises has been carried out with great respect for the past and a keen understanding of the needs of the future.

Its restaurants and banqueting facilities had a superb last quarter with management and staff working hard to enhance relationships and build up a strong customer base.

The Berkeley's performance deserves special mention. In an excellent year, revenue improved by 23 per cent and operating profits by 61 per cent. Its refurbished health club, in association with Christian Dior, attracted much publicity and has become one of the most popular and exclusive health clubs in London.

At Claridge's (the last hotel to complete its restoration), the private rooms and banqueting facilities had a particularly successful last quarter. We look forward to the future of this elegant and stylish hotel with justified optimism.

At The Connaught, occupancy levels declined slightly but average room rates increased by 12 per cent over 1996 and the hotel continues to attract its regular clientele. The challenge for Duncan Palmer, General Manager, is to increase its occupancy while maintaining the average room rate.

The Lygon Arms continues to enchant its guests and increased both its occupancy and average room rate with pleasing financial results.

Vong, the exciting and contemporary restaurant at The Berkeley, has again proved extremely popular and a great success. At Simpson's-in-the-Strand, revenues have been constant with better management processes improving the results.

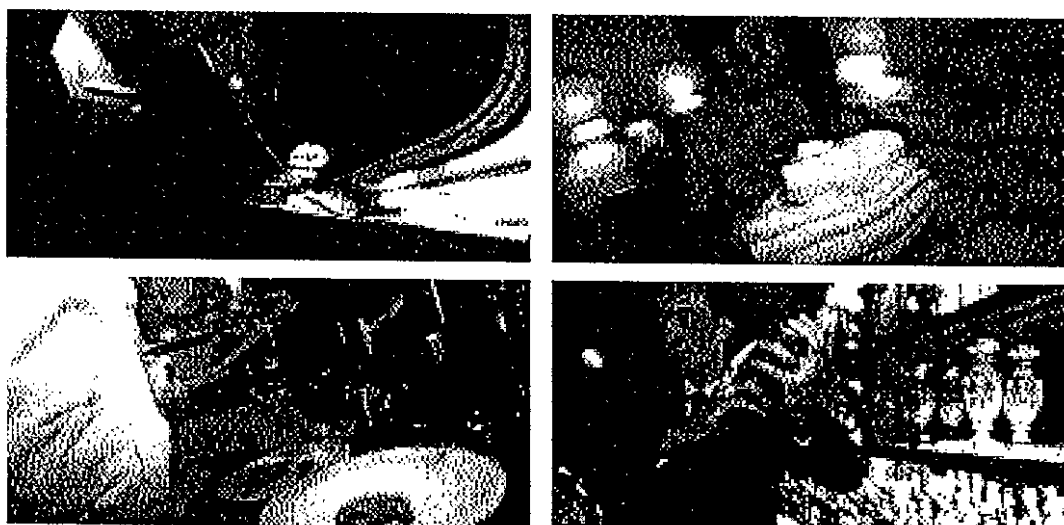
Our people We owe our improving results not only to the quality of our hotels but even more to the skills of our management and staff.

The training and development of our people remains one of our most important objectives. The past year has seen a number of programmes to give all our staff at all levels the skills they need to ensure our success in a competitive and demanding marketplace.

Our philosophy is to devolve responsibility as far down the organisation as possible; to create an environment in which people are free to take the initiative, able to make decisions and enthused to give their best. There can be no doubt that our staff are taking greater pride in their jobs and are keen to offer even better service to our guests.

The result of staff taking greater responsibility is reflected in better attention to our customers' needs and greater efficiency.

In creating such an environment, we are greatly helped by



Investment in people The most important aspect of the Group's business is the welcome extended by the staff. Employees at every level are highly trained and encouraged to take personal responsibility for the comfort of their guests. The resulting quality of service has been recognised in a long list of awards.

having a professional, committed and internationally experienced management team, working together throughout the company to provide support and leadership for our staff. I am proud of the loyalty and achievements of all our people and would like to thank them for their contribution to the year's success. We continue working together to ensure even greater successes in the future.

Sales, marketing and communications Our sales, marketing and communications team has responded well to the needs of the

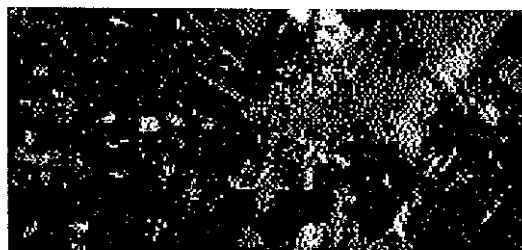
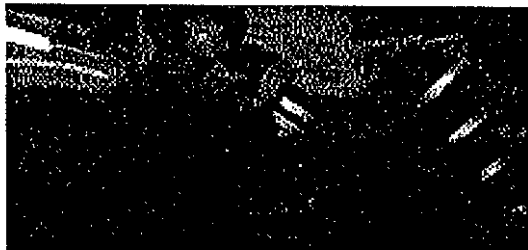
company and are working hard to consolidate the recent year's achievements while developing further markets and relationships. Our efforts have been rewarded by excellent publicity during the year in the USA, the UK, Europe and the Far East and this has greatly helped to attract guests to our hotels.

Despite the strength of sterling, we have managed to increase the number of customers from continental Europe. The greatest growth, however, has been in visitors from the UK (4,000 more room nights than in 1996) and, most notably, from the USA (17,000 more room nights). One reason for this increase



The extra service In 1997 The Savoy Group unveiled another luxury service. A fleet of specially-commissioned, chauffeur-driven Rolls-Royce and Bentley cars is now available to take guests wherever they wish to go. The new service sets a new standard in personal attention.

12 The Savoy Hotel plc



Smooth organisation The Savoy Group has a reputation for the most glittering banquets and functions. Every aspect from administering the booking to selecting the wine reflects superb organisation, attention to detail and a determination to delight the guests.

has been the work of our US marketing office which has now completed its first year. Through a busy programme of road-shows, events, conferences, exhibitions and personal contact, the US office has been very successful at developing relationships with potential US clients.

More success has come from our joint promotions with prestigious UK companies. In association with Rolls-Royce, for example, we now offer chauffeur-driven luxury cars for use of our guests in London.

Awards Our work has been rewarded with a number of prestigious awards for our hotels. The list for 1997 includes The Savoy Hotel being awarded the Hotel of the Year award from *Executive Travel* magazine – the first time in 15 years that the title has gone to a hotel outside Asia.

Looking forward In our efforts to try and constantly improve what we have and what we do for our customers, and staff,

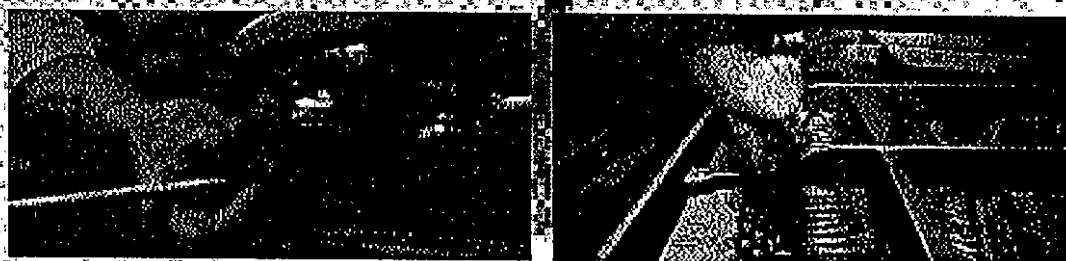
which inevitably benefit and maximise value for our shareholders, we continue to try and find ways to create new and additional services and facilities for our guests, and to enhance those services and facilities already available.

To add further additional value to the company, we are restoring and refurbishing the building the Company owns adjacent to The Connaught which will provide four luxurious and well-appointed large apartments which can be serviced from The Connaught. This will add value to the Company and bring extra revenue to it.

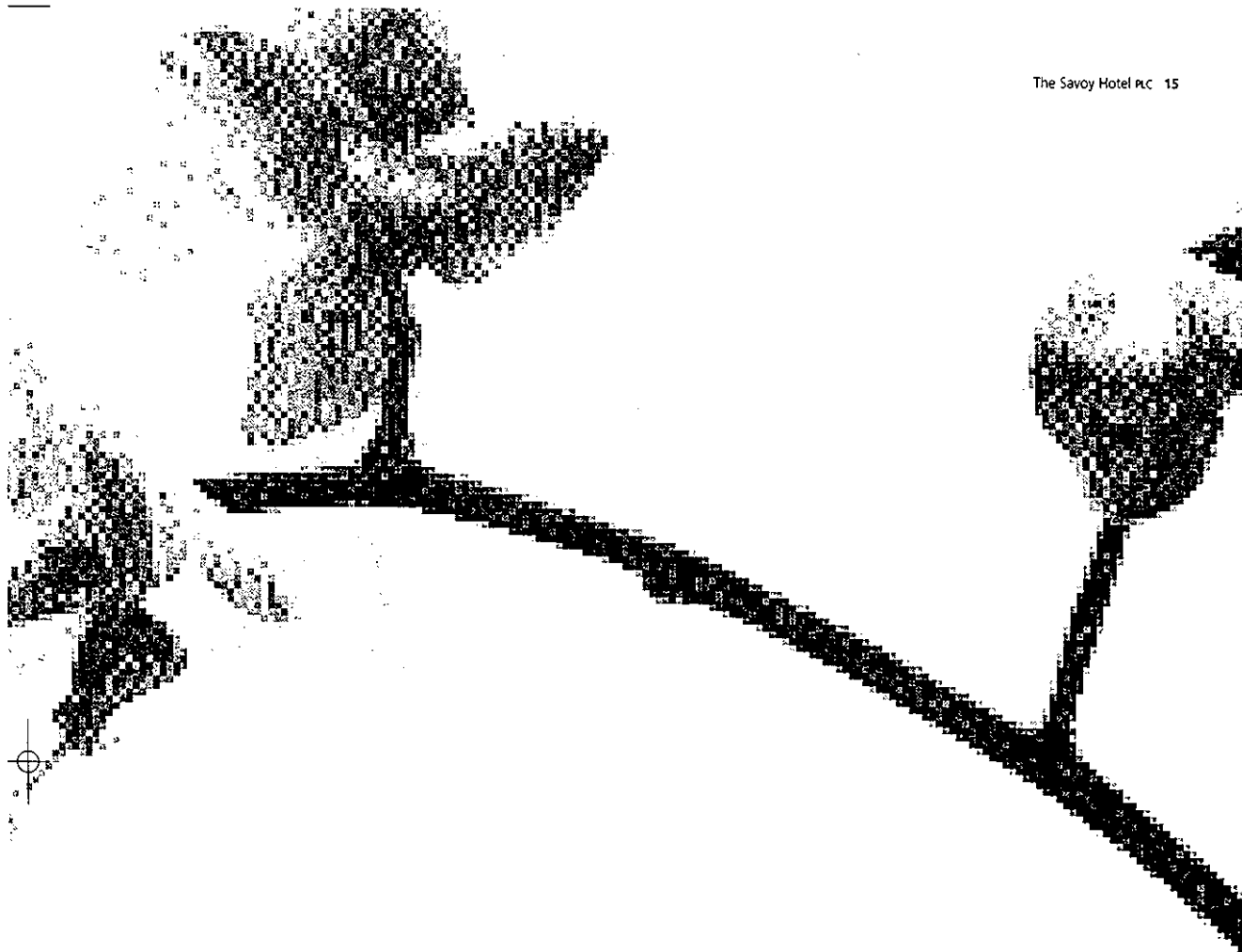
At Simpson's-in-the-Strand, we have been carefully planning the restoration of these facilities and, in keeping with our commitment to care for all the excellent values and traditions of our Company and buildings, we intend to improve all the services there and to create additional, contemporary and exciting facilities to unlock the potential of Simpson's.

Although all our hotels are unique and have their own character and image, they share the same dedication to

14 The Savoy Hotel PLC



Attention to detail. The Savoy Group's distinction lies very much in attention to detail. The care lavished on polishing a staircase or tuning a piano is repeated again and again in the presentation of the rooms, the serving of the meals and the countless little acts that go to creating a memorable experience.



perfection. This is a road without an end - a constant commitment to respecting the past, understanding the future, providing superlative service and enhancing the reputation of The Savoy Group.

Our restoration programme, the commitment and enthusiasm of our people and the quality of training we now provide have come together to produce an excellent financial result. At the same time, the consolidation of our business in the last two to three years has created a sound platform on which to develop.

The result has been to add value both to our capital assets and to the skills and knowledge of our people. From this strong position, we look forward to the many exciting opportunities which the future has to offer.

Ramón Pajares, Managing Director, 23rd March 1998

Financial review

Trading Revenue was up 15 per cent to £101.4m from our continuing operations with growth in all areas of the business. Growth in the rooms division came from higher average room rates and higher occupancy from our available rooms.

Good management of the room stock and the use of the yield systems enabled The Savoy, The Berkeley, Claridge's and The Lygon Arms to increase their occupancy. Since the restoration of Claridge's was completed at the end of September it has received a very positive reaction from our guests and has been much acclaimed by travel agents.

The increase in our London hotels' performance since 1995 is shown in the table and compares very favourably with the whole of the De Luxe market.

The better management of room stock also enabled the Group to achieve increases in average room rate of 9.3 per cent in the year. This reflects the continuing reduction in discounts as well as an increase in rack rates.

	Occupancy (%)			Occupancy (%)		
	Total rooms			Available rooms		
	1995	1996	1997	1995	1996	1997
The Savoy	69.4	75.2	85.3	77.6	86.4	90.1
The Berkeley	66.0	70.6	82.4	70.6	86.2	87.5
Claridge's	58.6	42.6	56.1	70.9	84.9	86.6
The Connaught	65.7	69.3	68.8	68.4	74.1	73.2
London comparison (De Luxe hotels)	75.5	76.2	78.9	75.5	76.2	78.9

Improved planning and control enabled the Group to continue the improvement in its operating margins from 17.7 per cent to 23.8 per cent. Since 1994 the operating margin has improved from 5.2 per cent to its current level.

Income from our restaurants, banqueting and private rooms is an important area of the Group's activities. In 1997 it represented 44 per cent of total hotel and restaurant revenue and pleasingly in the last quarter there was substantial growth in our banqueting. Of our standalone restaurants, Vong continues to be very popular and Simpson's is well patronised.

Property costs and capital expenditure In 1997 we capitalised £29 million of expenditure on our buildings. This completes the original refurbishment programme. The challenge is now to maintain, update and improve our hotels on a regular basis. In 1997 we started our Perfect Rooms Programme which is aimed at maintaining the standard of our rooms. As part of this programme our expenditure on repairs and maintenance will increase. In 1997 we spent £2.7 million, on our continuing businesses, compared to £2.0 million in 1996 and £2.2 million in 1995. This will be a continuous trend and we expect to spend between £3.5 million and £4.0 million in a normal year.

As part of our strategy to improve the utilisation of our space, we are investing over £2 million to create four wonderful serviced apartments next to The Connaught and at the same time refurbish this beautiful building.

Revaluation of properties Our hotel properties were revalued at 31 December 1997 by DE & J Levy to reflect the effect of completion of the restoration programme. The new valuation is £421.5 million, compared to £384.3 million reported in 1996.

Financing With the completion of the restoration programme and the payment of the increased dividend to shareholders, average debt in 1997 was significantly higher than in 1996. This, together with higher interest rates in the second half of the year, resulted in net interest charges up from £0.4 million to £1.8 million. Despite the increased interest charge, the company is conservatively financed with interest covered 13 times and gross debt as a percentage of shareholder equity of only 6 per cent.

The availability of all our rooms will generate strong cash flow in 1998, reducing our borrowings. This will occur primarily in the second half as the dividend and the majority of our capital expenditure is planned for the first half of the year.

Dividends The 20 per cent increase in dividend to £6.0 million is part of the company's policy to pay a progressive dividend. The dividend is covered 3 times. With effect from the 1998 financial year we propose introducing an interim dividend. Our policy from now on will be to pay roughly a third of the expected full year distribution as an interim dividend.

Tax The tax rate of 20 per cent in the year results from tax relief relating to the restoration programme. However, over the next couple of years, the rate is expected to rise as this effect reduces.

Creditors It is our policy to negotiate with our suppliers individually on the basis of price, quality and payment terms. Normally we pay 30 days after the month in which the goods or services are received. In line with these payment terms trade creditors represent 55 days purchases at the year end.

Year 2000 As is well known, many computer and operating systems have to be amended or replaced due to the effects of the Year 2000 problem. We are working with our suppliers on this issue. To this end we will be upgrading and investing in new hardware and software to achieve compliance.

Directors and advisors

Sir Ewen Fergusson, GCMG, GCVQ, * age 65

Appointed July 1993

Chairman, appointed January 1995

Chairman, Coutts & Co Group.

Non-Executive Director of British Telecommunications Plc.

Joined the company after 36 years' service in HM Diplomatic Service, ending as Ambassador to Paris 1987-92.

Chairman of Nominations Committee, and member of Remuneration and Audit Committees.

R Pajares, FHCIMA, age 62

Managing Director, appointed November 1994

Has 44 years' experience in hotels and leisure. Joined the

Company from The Four Seasons Group, where he was

Vice President, Europe and General Manager,

Inn on the Park, London (later Four Seasons) for 19 years.

Member of Executive Committee of Leading Hotels of the World.

Member of Nominations Committee.

A J Fort, ACA, age 41

Finance Director, appointed November 1995

Joined the Company from BET plc, where he was employed in a range of finance and general management roles for 13 years.

He qualified with Price Waterhouse in 1980.

Sir George Christie, DL, * age 63

Appointed January 1985

Chairman, Glyndebourne Productions Ltd, since 1956, and of other family companies.

Member of Arts Council of Great Britain 1988-92;

Founder Chairman, The London Sinfonietta 1968-88.

J Kemp-Welch, * age 61

Appointed July 1985

Chairman, The London Stock Exchange.

Deputy Chairman, Financial Reporting Council.

Member of Panel on Takeovers and Mergers.

Chairman, Scottish Eastern Investment Trust;

Director, Royal & Sun Alliance.

Member of Remuneration, Nominations and Audit Committees.

The Rt. Hon. The Viscount Thurso, FHCIMA, * age 44

Appointed September 1993

Chief Executive, Fitness & Leisure Holdings Ltd

Has significant experience of the hotel industry, having trained with The Savoy Group, and, prior to his current role, was

Director and General Manager of Cliveden; also previously

Chief Executive of Granfel Holdings Limited.

Non-Executive Director of Walker Greenbank and Royal

Olympic Cruise Lines Inc.

Liberal Democrat spokesman on Tourism.

Chairman of Remuneration Committee, and member of Nominations and Audit Committees.

J Leigh Pemberton, CBE, * age 64

Appointed July 1995

Chairman of Mid Kent Holdings plc, Morgan Grenfell Equity Income Trust plc, Business Link (Kent) Limited, and Fleming Fledgling Investment Trust Plc, and a director of London & Manchester Group plc.

Chairman of Audit Committee, and member of Remuneration Committee.

G Robinson, * age 49

Appointed May 1996

Chairman, Granada Group

Joined Granada in 1991 from Compass Group. Previous career includes Lesney Products, Lex Service Group and Grand Metropolitan.

Chairman, BSkyB.

Chairman of the Arts Council of England.

A Bernstein, * age 61

Appointed May 1996

Former Granada Group Chairman 1979-96. Joined Granada 1959. Managing Director, Granada TV Rental 1962-67; Joint Managing Director, Granada Television 1971-75; Chairman, Granada TV Rental 1977-86. Appointed to Group Board 1964.

P F C Begg, age 50

Company Secretary

The Savoy Hotel PLC

Registered Office

1 Savoy Hill

London WC2R 0BP

Registered in England and Wales No 29022

Auditors

Coopers & Lybrand

Brokers

Cazenove & Co

Financial advisors

Baring Brothers International Limited

Registrars

Lloyds Bank Registrars

Solicitors

Slaughter and May

* Non-Executive Directors

Directors' report

Directors' report for the year ended 31st December, 1997

The Directors submit herewith their report and the audited accounts for the year ended 31st December, 1997.

Principal activities The principal activities of the Group are unchanged from last year and are the ownership and management of hotels and restaurants.

Review of business The consolidated profit and loss account and the statement of total recognised gains and losses for the year are shown on pages 28 and 29.

During the year we disposed of our independent restaurants, St Quentin's Grill and St Quentin's Brasserie, to Groupe Chez Gérard PLC for £2.0 million cash.

The Directors expect that the present level of activity will at least be sustained for the foreseeable future, in the absence of unforeseen circumstances.

A detailed review is included in the Chairman's Statement and Managing Director's Review on pages 4 to 15.

Dividend The Directors recommend an increase in the dividend to 21.0p for each A share and 10.5p for each B share a total of £6.0 million. The recommended dividend reflects the improvement in performance in the year and the Directors' confidence in the future. If approved it will be paid on 26th May, 1998 to shareholders on the Register at the close of business on 3rd April, 1998.

Property assets The Group's freehold and leasehold hotel properties were revalued at 31st December, 1997 at £421.5 million. The freehold land and buildings of the Savoy Theatre

were revalued at 31st December, 1993 to a figure of £7m.

In the opinion of the Directors, this valuation is still appropriate. These valuations are included in the Group's balance sheet.

Directors The names and biographies of the present Directors of the Company are shown on pages 18 and 19. The interests that the Directors at 31st December, 1997, held in the share and loan capital at 1st January, 1997 and 31st December, 1997 are shown on page 44 and are deemed to be part of this report.

Sir George Christie, Mr A.J. Fort and Mr J. Leigh Pemberton retire by rotation and, being eligible, offer themselves for re-election. Details of their service contracts are included in the Report of the Remuneration Committee on page 25.

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.

Staff The Group's policy is to consult with employees concerning matters likely to affect their interests.

All employees are involved in and informed about the business in which they work through newsletters, monthly meetings, presentations and reports (including an Annual Employee Report). These briefing processes, together with a Group-wide incentive scheme, are aimed at achieving a common awareness on the part of all employees of the factors, economic and financial, which affect the Group's performance.

Well-trained and motivated staff are recognised as critical to the Group's success and we shall continue to invest in this area to develop the skills of all our staff.

The Group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, where possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Health safety and the environment The Group recognises the importance of health and safety as well as environmental issues in all areas of the operation. Standards are regularly monitored by an independent Health and Safety Consultant. The Group's commitment to the conservation of the environment is synonymous with our efforts to improve guest service. Senior management are involved at every stage and fully support energy conservation and recycling initiatives. At the hotels we know that our guests are attracted by properties that demonstrate they care for customers beyond immediate service issues. Profits are accentuated by lower operating costs of our buildings. During any product restoration or enhancement we design with savings in mind. We insist on using renewable and sustainable materials. When purchasing daily consumables, our buyers carefully consider the opportunity to exploit reusable items. Servicing guests and the environment is today not only desirable and necessary, but also economically sound business.

As part of our policy to make our facilities available to all, we have incorporated disabled facilities into all our hotels during major restoration work.

Charitable donations The Group made charitable donations during the year amounting to £18,490.

Credit payment policy The company's current policy concerning the payment of its trade creditors is to follow the CBI's Prompt Payment Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU). For other suppliers, the company's policy is to:

- 1 Settle the terms of payment with those suppliers when agreeing the terms of each transaction;
- 2 Ensure that those suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- 3 Pay in accordance with its contractual and other legal obligations.

The payment policy applies to all payment to creditors for revenue and capital supplies of goods and services without exception. At the year end creditors represented 55 days purchases.

Pre-emption rights Resolution 7 establishes the Directors authority to allot shares for cash up to a maximum of five per cent of the issued share capital of the Company other than pro rata to existing shareholdings. This power will only be exercised in accordance with the guidelines for such issues published by the institutional shareholder committees.

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.

P F C Begg, Secretary, 23rd March 1998



Corporate governance

The Board supports the highest standards of corporate governance and is pleased to confirm that the Company has complied in all material respects throughout the period with the operative provisions of the Code of Best Practice published by the Cadbury Committee on the financial aspects of corporate governance.

Board composition The Board currently comprises two Executive and seven Non-Executive Directors. The Board is chaired by Sir Ewen Fergusson and meets seven times a year. The Board is responsible for the overall direction and strategy of the Group and for securing the optimum performance of Group assets.

All Non-Executive Directors are selected through a formal process and according to the Articles of Association a certain number retire by rotation at an Annual General Meeting and offer themselves for re-election.

Board Committees The Remuneration Committee recommends terms of service and remuneration of all members of the Board. The committee comprises J Kemp-Welch, Sir Ewen Fergusson, The Rt. Hon. The Viscount Thurso and J Leigh Pemberton. During the year The Rt. Hon. The Viscount Thurso took over the Chairmanship from J Kemp-Welch.

The Audit Committee meets at least three times a year to monitor compliance with statutory and regulatory standards and to enquire, as appropriate, into any financial matters relating to the Group. The Committee comprised throughout the year J Leigh Pemberton, Chairman, Sir Ewen Fergusson, The Rt. Hon. The Viscount Thurso and J Kemp-Welch.

The auditors are invited to attend all meetings of the Committee.

The Nominations Committee makes recommendations to the Board about the nomination of Non-Executive Directors. The Committee comprises: Sir Ewen Fergusson, Chairman, R Pajares, The Rt. Hon. The Viscount Thurso and J Kemp-Welch.

A Committee of Directors has been established to deal with matters affecting the Company arising from approaches that the Board of the Company has received which may or may not lead to an offer being made for the issued share capital of the Company. The committee comprises Sir Ewen Fergusson, Chairman, R Pajares, A J Fort and J Kemp-Welch.

Going concern After making appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Group's financial statements.

Internal financial controls The Board of Directors is responsible for the Group's system of internal financial controls. It should be recognised that such a system can provide only reasonable and not absolute assurance against material misstatement or loss. The Board has reviewed the effectiveness of the system of internal financial controls and reports on the key procedures established as follows.

Control environment The Group's control environment is the responsibility of the Group's Directors and managers at all

levels. The Group's organisational structure has clear lines of responsibility. Day to day operating and financial responsibility is delegated to operating units. The Board has communicated ethical policies to all personnel.

Identification of business risks The Group's management have a clear responsibility for identifying risks facing each of the Group's businesses and for developing systems to mitigate and monitor risks. Both the Board's Executive Directors and its Non-Executive Directors monitor this process.

Major corporate information systems The Group's accounting manual sets out the Group's policies and financial and accounting procedures. The Group operates a comprehensive budgeting and financial reporting system, which, as a matter of routine, compares actual results to budget. Management accounts are produced on a monthly basis. Variances from plan are thoroughly investigated and revisions to forecasts are made. Cash flow statements are prepared on a regular basis to ensure that the Group has adequate funds and resources for the foreseeable future.

Main control procedures Operating management establish control procedures in response to each of the key risks identified. Operating management report whether its key controls have functioned effectively. Standard financial control procedures operate throughout the Group to ensure the integrity of the Group's financial statements. The Board has procedures for authorisation of capital expenditure budgets.

Monitoring system used by the Board The Board reviews and approves budgets and monitors the Group's performance against those budgets. Variances from the expected outcome are investigated fully. The Board receives reports on any deficiencies in internal control from the Audit Committee and external auditors. Where lapses are detected, action is taken to prevent further breaches of the Group's procedures. The Audit Committee also reviews the work programmes and findings of the external auditors.

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 Group for that period. In preparing those accounts, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements 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, or any member of the Group, 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 and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

P F C Begg, Secretary, 23rd March 1998



Report of the remuneration committee

Remuneration of Executive Directors The remuneration of Executive Directors is determined by the Remuneration Committee ("The Committee") comprising The Rt. Hon. The Viscount Thurso, J Kemp-Welch, Sir Ewen Fergusson and J Leigh Pemberton. The Company has complied throughout the period with Section A of the best practice provisions for directors' remuneration annexed to the London Stock Exchange Listing Rules, which concerns the membership and operation of the remuneration committee. Fees of the Non-Executive Directors are recommended by the Committee and determined by the Board as a whole. In determining that policy it has given full consideration to Section B of the best practice provisions for directors' remuneration annexed to the London Stock Exchange Listing Rules. The committee follows certain fundamental principles in deciding appropriate levels and forms of remuneration for the Executive Directors including a policy reflecting:

- the decentralised nature of our operations and a focus on gaining market share
- the importance of recruiting and retaining international management of the appropriate calibre
- a strong link between reward and performance against agreed targets, specifically recognising the return provided to shareholders and the long-term performance of both the business and the individual.

The Committee has applied these principles in the development of reward plans which:

- pay a mid-market base salary while providing a highly competitive total pay package, but only when warranted by performance
- recognising the importance of attaining targets set in the Company's budgets and five year plans
- directly align the interests of Executives with those of the shareholders.

The following is intended as a summary of the remuneration packages for Executive Directors. Copies of the full documentation covering the various plans, together with the Executive Directors' employment contracts are available for inspection by shareholders.

Details of each Director's remuneration, including, but not restricted to basic salary and fees, bonuses, compensation for loss of office, together with the total for each Director for the period to 31st December, 1997 and the corresponding period to 31st December, 1996, are disclosed as part of this report.

Base salary and benefits The base salaries and benefits (typically including car and life and health insurance) of Executive Directors and other senior executives are reviewed, normally annually by the Committee, having regard to competitive market practice supported by external, independent surveys and advice. Any increase reflects both individual and business performance.

Annual and longer-term incentive plans The Savoy Hotel PLC operates a systematic, annual planning and budgeting review process covering each business. The targets arising out of this process are reviewed and approved by the Board and the Committee, and used to incentivise all staff including Executive Directors.

Executive Directors' incentive scheme R Pajares earns a bonus of 30 per cent of basic salary if 80 per cent of budgeted profit before tax ("entry point") is achieved and an additional 1 per cent of basic salary for each incremental 1 per cent of budgeted profit before tax achieved above the entry point, up to 100 per cent of budgeted profit before tax, at which point the maximum of 50 per cent of basic salary is earned.

A J Fort earns 5 per cent of annual basic salary at 95 per cent of budgeted profits before tax rising in stages to 32 per cent of annual base salary, at 115 per cent of budgeted profits. In addition, he can receive up to a further 8 per cent of annual base salary, dependent on the achievement of certain personal objectives.

In 1997 the Group achieved profits before tax of greater than £20 million. Under the terms of their service contracts if this profit target is exceeded Mr R Pajares and Mr A J Fort receive one off payments of £150,000 and £100,000 respectively. These payments are included in their 1997 remuneration.

Remuneration of Non-Executive Directors The remuneration of the Non-Executive Directors is determined by the Board with the assistance of independent advice concerning comparable organisations and appointments.

Neither the Chairman nor the other Non-Executive Directors receive any pension or other benefits from the Company, nor do they participate in any of the bonus or incentive schemes or share option schemes.

The Chairman and the other Non-Executive Directors do not have service contracts with the Company.

Retirement benefits The company paid £33,600 (1996: £28,455) in the year to provide a pension for R Pajares, and 20 per cent of basic salary to provide a pension for A J Fort, which in 1997 was £18,745 (1996: £16,440). These are money purchase schemes.

Entitlement to notice R Pajares currently has a notice period of two years. This reduces to one year after 7th November, 1998. This was an element of the contract required to attract him to The Savoy Hotel PLC from an international competitor.

A J Fort currently has a notice period of six months.

Sir George Christie and J Leigh Pemberton, who retire by rotation, and, being eligible, offer themselves for re-election, have no service contract. A biographical note detailing Sir George Christie's and J Leigh Pemberton's experience is shown on pages 18 and 19 of this report.

Report of the remuneration committee continued

Directors' detailed emoluments Details of individual Directors' emoluments for the year are as follows:

	Salary & Fees £	Benefits £	Incentive Payments £	Total 1997 £	Total 1996 £
Executive					
R Pajares	280,496	22,788	250,000	553,284	281,635
A J Fort	93,725	8,579	123,103	225,407	131,710
M B Radcliffe					114,165
Non-Executive					
Sir Ewen Fergusson	50,000			50,000	40,000
Sir George Christie	12,500			12,500	8,750
J Kemp-Welch	15,000			15,000	10,000
Mrs C S Price	3,125			3,125	8,750
The Hon. Sir Rocco Forte	—			—	2,500
The Rt. Hon. The Viscount Thurso	15,000			15,000	20,000
Sir Anthony Tennant	—			—	2,500
J Leigh Pemberton	17,500			17,500	11,250
G J Robinson	12,500			12,500	6,771
A Bernstein	12,500			12,500	6,771
	512,346	31,367	373,103	916,816	644,802

Reports of the auditors

To the Members of The Savoy Hotel PLC We have audited the accounts on pages 28 to 43.

Respective responsibilities of Directors and Auditors As described on page 23 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 judgements 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 1997 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
Coopers & Lybrand Chartered Accountants and
Registered Auditors

London
23rd March, 1998

Report of the Auditors to The Savoy Hotel PLC on Corporate Governance matters In addition to our audit of the accounts, we have reviewed the directors' statement on pages 22 and 23 concerning the Company's compliance with the paragraphs of the Cadbury Code of Best Practice specified for our review by the London Stock Exchange and their adoption of the going concern basis in preparing the accounts. The objective of our review is to draw attention to non-compliance with the Listing Rules 12.43(j) and 12.43(v).

Basis of opinion We carried out our review in accordance with the guidance issued by the Auditing Practices Board. That guidance does not require us to perform the additional work necessary to, and we do not, express any opinion on the effectiveness of either the Group's system of internal financial control or its corporate governance procedures, nor on the ability of the Group or Company to continue in operational existence.

Opinion With respect to the Directors' statement on internal financial control on pages 22 and 23 and going concern on page 22, in our opinion the directors have provided the disclosures required by the Listing Rules referred to above and such statements are not inconsistent with the information of which we are aware from our audit work on the accounts.

Based on enquiry of certain Directors and officers of the Company, and examination of relevant documents, in our opinion the Directors' statement on pages 22 and 23 appropriately reflects the Company's compliance with the other aspects of the Code specified for our review by Listing Rule 12.43(j).

Coopers & Lybrand
Coopers & Lybrand Chartered Accountants

London
23rd March, 1998

Consolidated profit and loss account

For the year ended 31st December 1997

	Note	1997 Total £'000	1996 Excluding Exceptionals £'000	1996 Exceptionals £'000	1996 Restated Total £'000
Turnover	1				
Continuing		101,356	88,380	—	88,380
Discontinued		1,129	3,913	—	3,913
		102,485	92,293	—	92,293
Operating costs	2, 3	73,067	70,633	16,512	87,145
Gross trading profit		29,418	21,660	(16,512)	5,148
Depreciation	2, 3, 13	5,731	5,976	23,429	29,405
Operating profit/(loss)	2, 3				
Continuing		24,171	15,672	(39,941)	(24,269)
Discontinued		(484)	12	—	12
Operating profit/(loss)		23,687	15,684	(39,941)	(24,257)
Profit on sale of discontinued operations	4	314			362
		24,001			(23,895)
Investment income	5	279			227
		24,280			(23,668)
Interest payable	6	2,082			642
Profit/(loss) on ordinary activities before taxation		22,198			(24,310)
Taxation	7	4,474			2,527
Profit/(loss) for the financial year	8	17,724			(26,837)
Dividend		6,009			5,008
Transfer to/(from) reserves		11,715			(31,845)
Earnings (loss) per share:	9				
A Ordinary Shares of 10p each		62.0p			(93.8p)
B Ordinary Shares of 5p each		31.0p			(46.9p)
Adjusted earnings per share:	9				
A Ordinary Shares of 10p each		63.3p			38.8p
B Ordinary Shares of 5p each		31.7p			19.4p

Statement of total recognised gains and losses

For the year ended 31st December 1997

	Note	1997 £'000	1996 £'000
Profit/(loss) for the financial year		17,724	(26,837)
Other recognised gains for the year:			
Unrealised revaluation surplus on land and buildings	21	13,330	312,490
Total gains recognised since the last annual report		31,054	285,653
Note of historical cost profits and losses			
Reported profit/(loss) on ordinary activities before taxation		22,198	(24,310)
Realisation of property valuation surplus of previous year		-	4,050
		22,198	(20,260)
Historical cost profit/(loss) for the year retained after taxation and dividends		11,715	(27,795)
Reconciliation of movement in shareholders' funds			
Profit/(loss) for the financial year		17,724	(26,837)
Dividend on equity shares		(6,009)	(5,008)
		11,715	(31,845)
Goodwill on disposals	21	977	232
Unrealised revaluation surplus on land and buildings	21	13,330	312,490
Net addition to shareholders' funds		26,022	280,877
At 31st December 1996		372,083	91,206
At 31st December 1997		398,105	372,083

Balance sheets

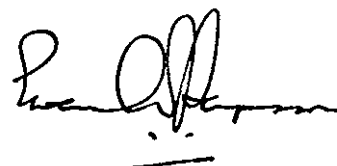
At 31st December 1997

	Note	Group 1997 £'000	Group 1996 £'000	Company 1997 £'000	Company 1996 £'000
Fixed Assets					
Tangible assets	13	438,970	402,958	431,034	390,796
Investments		—	—	10,554	10,554
		438,970	402,958	441,588	401,350
Current assets					
Stocks	14	3,630	3,478	3,622	3,471
Debtors: amounts falling due after more than one year	15	—	4,313	—	4,313
Debtors: amounts falling due within one year	15	16,593	10,585	20,110	14,495
Investments		300	300	300	300
Cash at bank and in hand		57	1,084	54	1,077
		20,580	19,760	24,086	23,656
Creditors – amounts falling due within one year					
Loans and overdrafts	16	21,731	18,471	21,712	18,670
Creditors	17	28,006	20,755	28,410	21,331
Dividends		6,009	5,008	6,009	5,008
		55,746	44,234	56,131	45,009
Net current liabilities		35,166	24,474	32,045	21,353
Total assets less current liabilities		403,804	378,484	409,543	379,997
Creditors – amounts falling due after more than one year					
Loans and overdrafts	16	1,330	2,042	1,250	1,962
Creditors	17	1,229	935	13,291	12,985
		2,559	2,977	14,541	14,947
Provisions for liabilities and charges					
Deferred taxation	18	367	315	—	—
Deferred profit on disposal	19	2,773	3,109	3,877	4,213
		3,140	3,424	3,877	4,213
		5,699	6,401	18,418	19,160
Net assets		398,105	372,083	391,125	360,837
Capital and reserves					
Called up share capital	20	2,861	2,861	2,861	2,861
Share premium account	21	3,128	3,128	3,128	3,128
Revaluation reserves	21	333,069	319,739	333,219	315,721
Other reserves	21	1,741	1,741	—	—
Profit and loss account	21	57,306	44,614	51,917	39,127
Equity shareholders' funds		398,105	372,083	391,125	360,837

The accounts on pages 28 to 43 were approved by the Board of Directors on 23rd March 1998, and were signed on its behalf by:

Sir Ewen Fergusson Chairman

Ramón Pajares Managing Director

Consolidated cash flow statement

For the year ended 31st December 1997

	Note	1997 £'000	1996 £'000
Net cash inflow from operating activities	A	29,007	11,539
Returns on investments and servicing of finance	B	(1,894)	(496)
Taxation		(1,631)	(3,714)
Capital expenditure and financial investment	B	(25,363)	(30,875)
Acquisitions and disposals	B,E	1,854	6,760
Equity dividends paid		(5,008)	(4,006)
Cash outflow before use of liquid resources and financing		(3,035)	(20,792)
Management of liquid resources		-	-
Financing			
Decrease in debt and lease financing	B	(940)	(699)
Decrease in cash in the period		(3,975)	(21,491)
Reconciliation of net cash flow to movement in net debt			
Decrease in cash in the period		(3,975)	(21,491)
Cash outflow from decrease in debt and lease financing		940	699
Change in net debt resulting from cash flows		(3,035)	(20,792)
New finance leases	D	(853)	(707)
Movement in net debt in the period		(3,888)	(21,499)
Net debt as 1st January 1997		(20,812)	687
Net debt at 31st December 1997	C	(24,700)	(20,812)

Notes to the consolidated cash flow statement

For the year ended 31st December 1997

A Reconciliation of operating profit/(loss) to operating cash flows	Continuing operations 1997 £'000	Continuing operations 1996 £'000	Discontinued operations 1997 £'000	Discontinued operations 1996 £'000	Total 1997 £'000	Total 1996 £'000
Operating profit/(loss)	24,171	(24,269)	(484)	12	23,687	(24,257)
Depreciation charges	5,681	5,658	50	318	5,731	5,976
Profit on asset disposals	(3)	(107)	-	-	(3)	(107)
Asset and investment write-down	-	25,529	-	-	-	25,529
Finance lease interest included in operating profit	91	93	-	-	91	93
(Increase)/decrease in stocks	(212)	(537)	-	7	(212)	(530)
(Increase)/decrease in debtors	(1,894)	510	113	72	(1,781)	582
Increase/(decrease) in creditors	1,825	4,492	(331)	(239)	1,494	4,253
Net cash inflow/(outflow) from operating activities	29,659	11,369	(652)	170	29,007	11,539
B Analysis of cash flows for headings netted in the cash flow statement					1997 £'000	1996 £'000
Returns on investments and servicing of finance:						
Interest received					279	252
Interest paid					(2,082)	(655)
Interest element of finance leases					(91)	(93)
Net cash outflow for returns on investments and servicing of finance					(1,894)	(496)
Capital expenditure and financial investment:						
Purchase of tangible fixed assets					(25,399)	(30,988)
Sale of plant and machinery					36	113
Net cash outflow for capital expenditure and financial investment					(25,363)	(30,875)
Net cash inflow from disposals						
Cash proceeds net of costs					1,854	6,905
Cash disposed					-	(145)
					1,854	6,760
Financing:						
Repayment of loans					(400)	(400)
Capital element of finance lease repayments					(540)	(299)
					(940)	(699)

C Analysis of net debt	As at 1 Jan 97 £'000	Cash flow £'000	Other non-cash Changes £'000	As at 31 Dec 97 £'000
Cash at bank, in hand and overdrafts	(16,987)	(3,975)	–	(20,962)
Debt due after 1 year	(2,042)	–	712	(1,330)
Debt due within 1 year	(400)	400	(712)	(712)
Finance leases	(1,383)	540	(853)	(1,696)
Total	(20,812)	(3,035)	(853)	(24,700)

D Major non-cash transactions

During the year the Group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £853,000 (1996: £707,000)

E Sale of Business during the year	St Quentin and Other £'000
Net assets disposed of:	
Fixed assets and stock	563
Goodwill	977
	1,540
Profit on disposal	314
	1,854
Satisfied by:	
Cash proceeds net of costs	1,854

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 the Companies Act 1985 and applicable accounting standards in the UK.

The principle accounting policies laid down for the preparation of the accounts have been reviewed and are appropriate to the Group and are consistent with prior years.

Basis of consolidation The consolidated accounts include the results of the company and its subsidiaries. The results of subsidiaries, sold or acquired, are included in the consolidated profit and loss account up to, or from, the date control passes.

Fixed assets Expenditure on development of the Group's hotels and restaurants, including major replacement and improvement of assets and re-equipment and modernisation of hotel rooms and other facilities, is disclosed as Land and Buildings, Plant, Machinery, Fixtures and Fittings. Land and Buildings includes the costs associated with structural improvements to freehold and long-term leasehold properties. The cost of replacement of glass and china and certain other loose equipment of hotels and restaurants is charged to revenue in the year in which it is acquired. Antiques are valued by external valuers based on market value. Hotels are valued by external valuers on the basis of existing use. They will be valued on a regular basis.

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. Long leaseholds have a lease of more than 50 years remaining.

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.

No depreciation is charged on antiques as they are maintained in good condition and their residual values are expected to be so high that the depreciation charge is immaterial.

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 1 and 25 years.

Fixtures and Fittings: between 5 and 15 years.

Turnover Turnover excludes value added tax and sales between Group companies.

Interest Interest charges incurred in financing the restoration of our properties is not capitalised. All interest is charged against profits as it arises.

Fixed asset investments Investments in subsidiary companies are stated at their historical cost.

Current asset investments Investments held for resale are stated at director's valuation.

Deferred taxation Provision is made for deferred taxation using the liability method on all material timing differences to the extent to which they are expected to reverse in the foreseeable future.

Exchange rates Transactions in foreign currencies are converted at the rate of exchange on the transaction date.

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

Leasing Assets acquired under finance leases are included under the relevant category of tangible fixed assets and depreciated accordingly. The capital element of future lease rentals payable is included as appropriate under creditors due within or after more than one year. The interest element of lease rentals is charged to the profit and loss account. Rentals under operating leases are charged to profit, as incurred, over the terms of the leases.

Pensions and other post retirement benefits 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. The cost of providing post retirement benefits is recognised on an accruals basis.

Notes to the accounts

For the year ended 31st December 1997

	1997 £'000	1996 £'000
--	---------------	---------------

1 Turnover

Hotel, restaurant and ancillary business receipts	101,691	91,031
Property rentals and theatre revenue	794	1,262
	102,485	92,293

2 Operating profit

Operating profit on continuing business before exceptional items is stated after:

Raw materials and consumables	15,800	15,134
Staff costs (note 10)	31,313	30,154
Repairs and maintenance	2,715	2,028
Operating leases:		
Land and Buildings	366	482
Other assets	227	355
Interest paid on finance leases	91	93
(Profit) on sale and write off of tangible fixed assets	(3)	(104)
Auditors remuneration – the Company	123	118
– Subsidiaries	12	12
Other operating costs	20,860	18,778
Total operating costs of continuing businesses	71,504	67,050

Operating profits/(losses) on discontinued business before exceptional items is stated after:

Raw materials	424	1,309
Staff costs (note 10)	566	1,237
Repairs and maintenance	34	195
Operating leases:		
Land and buildings	248	208
Other assets	2	3
Other operating costs	289	631
Total operating costs of discontinued businesses	1,563	3,583
Total operating costs before exceptional items	73,067	70,633

Remuneration of the company's auditors for the provision of non-audit services to the Company and its UK subsidiaries was £143,000 (1996: £252,000), primarily for taxation advice.

Depreciation related to discontinued businesses is £50,000 (1996: £318,000)

3 Exceptional items included in operating profits/(losses)

Exceptional operating items comprise the following:

Repair costs	–	11,545
Write down of current asset investments	–	2,100
Advertising and promotional activities	–	1,890
Staff costs (note 10)	–	545
Costs to protect the trade in the Offer Period	–	432
Exceptional items included in operating costs	–	16,512
Asset write down and accelerated depreciation disclosed as depreciation	–	23,429
Total exceptional items	–	39,941

Notes to the accounts

For the year ended 31st December 1997

	1997 £'000	1996 £'000
--	---------------	---------------

4 Profit on sale of discontinued operations

Profit on disposal	1,291	594
Goodwill previously written off to reserves (note 21)	(977)	(232)
Profit on disposal of discontinued operations	314	362

The profits on disposal of discontinued businesses relate to the disposal of St Quentin Grill and Brasserie and other non core activities. The tax liability relating to these disposals is £50,000 (1996: £840,000)

5 Investment income

Interest Receivable	279	227
---------------------	-----	-----

6 Interest payable

Bank loans and overdrafts	2,026	589
Debentures and other loans	56	53
Total interest on bank loans, overdrafts and other loans	2,082	642
Finance leases included in operating costs	91	93
Total financing costs	2,173	735

7 Taxation

UK taxation:		
Corporation tax for the year at 31.5% (1996: 33%)	4,428	1,660
Capital gains tax arising on disposal of businesses	50	840
(Over)/under provision of corporation tax in respect of prior years	(56)	11
Deferred tax charge	52	16
	4,474	2,527

The taxation charge is discussed in the Financial Review on page 17.

8 Profit/(loss) for the financial year

Profit for the financial year dealt with in the accounts of the Company was £18,799,000 (1996: loss (£26,598,000)).

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

9 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 £17,724,000 (1996 loss: (£26,837,000)).

Adjusted earnings per share from continuing operations 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 £18,100,000 (1996: £11,111,000). Adjusted earnings is calculated on continuing businesses' profit before exceptional items and their related tax charge. Profit before tax from continuing businesses before exceptionals is £22,368,000 (1996: £15,257,000) and their related tax charge is £4,268,000 (1996: £4,146,000).

10 Employees

	1997 £'000	1996 £'000
Staff costs during the year including exceptionals amounted to:		
Wages and salaries	28,735	28,735
Social security costs	2,340	2,297
Pension costs (note 11)	804	904
	31,879	31,936
The average number of persons employed by the Group was	1,921	2,235

Wages and salaries include exceptional costs of £nil (1996: £545,000) relating to redundancy payments to employees following the rationalisation of certain of the Group's operations.

11 Pensions and similar obligations

The Group operates one fully funded pension scheme which is defined benefit. The scheme has two sections – Staff and Senior Staff. The scheme is open to all staff if they meet the eligibility criteria. The company actively encourages staff to join the scheme as it believes this is an important element of the remuneration package. The wages scheme which was a defined contribution scheme ceased in April 1997.

The pension cost relating to the schemes is assessed in accordance with the advice of an independent qualified actuary using the attained age method. The latest actuarial valuation of those schemes was at 1 April 1995. The assumptions that have the most significant effect on the valuation are those relating to the rate of return on investments, rate of increase in dividends and the rates of increase in pension and salaries. It was assumed the investment return would be 8½% per annum, dividends increase would be 4% per annum, salary increases would average 6% per annum and present and future pensions would increase at the rate of 4½% per annum.

At the date of the latest actuarial valuation, the market value of the assets of the schemes was £19.6m and the actuarial value of the assets was sufficient to cover 119% of the benefits which have accrued to members, after allowing for expected future increases in earnings.

Notes to the accounts

For the year ended 31st December 1997

	1997 £'000	1996 £'000
--	---------------	---------------

12 Remuneration of Directors

Detailed disclosure of Directors' individual remuneration and pension arrangements are given in the Report of the Remuneration Committee on pages 24, 25 and 26.

Aggregate emoluments	892	625
Company pension contributions to money purchase schemes	52	45
Sums paid to third parties for directors' services	25	19
	969	689

	1997 £	1996 £
--	-----------	-----------

Emoluments paid to the highest paid director are as follows

Aggregate emoluments	553,284	281,635
Company pension contributions to money purchase schemes	33,600	28,455
	586,884	310,090

13 Tangible fixed assets

Group	Land and Buildings		Leasehold Short-term £'000	Fixtures, Fittings, Plant and Machinery £'000	Total £'000
	Freehold £'000	Leasehold Long-term £'000			
Cost or valuation					
At 1st January 1997	245,467	124,094	1,881	69,118	440,560
Additions in the year	16,427	—	—	12,525	28,952
Revaluation in the year	7,080	6,250	—	—	13,330
Disposals in the year	—	—	(1,054)	(9,272)	(10,326)
At 31st December 1997	268,974	130,344	827	72,371	472,516
Depreciation					
At 1st January 1997	—	—	1,254	36,348	37,602
Charge for the year	—	—	57	5,674	5,731
Disposals in the year	—	—	(819)	(8,968)	(9,787)
At 31st December 1997	—	—	492	33,054	33,546
Net book value					
At 31st December 1997	268,974	130,344	335	39,317	438,970
At 1st January 1997	245,467	124,094	627	32,770	402,958

13 Tangible fixed assets continued

	Land and Buildings		Leasehold	Fixtures, Fittings, Plant and Machinery	Total
	Freehold £'000	Leasehold Long-term £'000	Short-term £'000	£'000	£'000
Company					
Cost or valuation					
At 1st January 1997	234,298	124,094	1,881	67,907	428,180
Additions in the year	16,427	—	—	12,519	28,946
Revaluation in the year	11,248	6,250	—	—	17,498
Disposals in the year	—	—	(1,054)	(9,272)	(10,326)
At 31st December 1997	261,973	130,344	827	71,154	464,298
Depreciation					
At 1st January 1997	—	—	1,254	36,130	37,384
Charge for the year	—	—	57	5,610	5,667
Disposals in the year	—	—	(819)	(8,968)	(9,787)
At 31st December 1997	—	—	492	32,772	33,264
Net book value					
At 31st December 1997	261,973	130,344	335	38,382	431,034
At 1st January 1997	234,298	124,094	627	31,777	390,796

The freehold and long leasehold hotel properties which the Group occupies were valued as at 31st December 1997 on the basis of existing use value as defined by the Appraisal and Valuation Manual published by The Royal Institute of Chartered Surveyors in the United Kingdom by D E & J Levy, Chartered Surveyors, acting in the capacity of external valuers. One of the properties is primarily long leasehold and therefore the whole of the property has been classified as long leasehold.

In the opinion of D E & J Levy the value of the hotels is £421.5 million (1996: £384.3 million).

Antiques which the Group owns, were valued independently as at 31st December 1995 on the basis of market value by an independent Fine Art and Chattels Valuer, Mr A F Acquier BA, FSVA. In the opinion of the Directors the value of these assets had not materially changed at 31st December 1997 and they are therefore included at the 1995 valuation. It is the intention of the Directors to have these assets independently valued every 5 years. These assets are used by the Group as operational assets within Fixtures and Fittings at a value of £7.0 million, the carrying cost is insignificant.

	1997 £'000	1996 £'000
Freehold and long leasehold properties of the Group at cost or valuation comprise		
At valuation in 1997	390,848	—
At valuation in 1996	—	361,091
At valuation in 1993, 1994 and 1995	7,000	7,000
At valuation in 1962	260	260
At historical cost	1,210	1,210
	399,318	369,561
At historical cost	71,426	54,999

Fixtures, fittings, plant and machinery held by the Group and Company includes assets held under finance leases with net book value of £1,298,000 (1996: £670,000). The depreciation charge for the year on these assets was £225,000 (1996: £1,038,000).

Notes to the accounts

For the year ended 31st December 1997

	Group 1997 £'000	Group 1996 £'000	Company 1997 £'000	Company 1996 £'000
--	------------------------	------------------------	--------------------------	--------------------------

14 Stocks

Raw materials and consumables	3,630	3,478	3,622	3,471
-------------------------------	-------	-------	-------	-------

15 Debtors

Amounts falling due within one year:

Trade debtors	7,282	5,559	7,162	5,500
Advance corporation tax recoverable	1,502	1,252	1,502	1,252
Amounts owed by subsidiaries	-	-	4,233	3,962
Deferred payments on sale of Subsidiaries	4,313	336	4,313	336
Other debtors	1,085	845	505	920
Prepayments and accrued income	2,411	2,593	2,395	2,525
	16,593	10,585	20,110	14,495

Deferred payments on sale of subsidiaries include an amount of £168,000 (1996: £504,000) relating to the sale of Camelot Barthropp Ltd and £4,145,000 (1996: nil) relating to the sale of The Lancaster Hotel. The payment relating to Camelot Barthropp Ltd is due on 31st March 1998 and the payment relating to The Lancaster Hotel is due on 30th April 1998. In 1996 these amounts were disclosed as amounts falling due after more than one year.

Amounts falling due after more than one year:

Other debtors	-	4,313	-	4,313
---------------	---	-------	---	-------

These amounts are now disclosed under debtors falling due within one year.

16 Loans and overdrafts

Amounts falling due within one year:

Bank loans and overdrafts	21,419	18,471	21,400	18,670
Secured loan repayable in 1998 (interest at building society rates)	312	-	312	-
	21,731	18,471	21,712	18,670

Amounts falling due after more than one year:

Secured loan repayable in 1998 (interest at building society rates)	-	312	-	312
4% First Mortgage Perpetual Debenture Stock	450	450	450	450
Bank loans:				
Repayable within five years	800	1,200	800	1,200
Savoy Theatre Limited:				
4% First Mortgage Perpetual Debenture Stock	80	80	-	-
	1,330	2,042	1,250	1,962

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

The Company has a ten year loan repayable in annual instalments of £400,000 with £1,200,000 (1996: £1,600,000) outstanding at the year end. Of this total £400,000 (1996: £400,000) is included in amounts falling due within one year and £800,000 (1996: £1,200,000) repayable within five years.

	Group 1997 £'000	Group 1996 £'000	Company 1997 £'000	Company 1996 £'000
17 Creditors				
Amounts falling due within one year:				
Trade creditors	8,116	4,310	8,069	4,246
Corporation tax including ACT payable	6,786	3,745	6,786	3,754
Other taxation and social security payable	4,085	1,505	4,056	1,453
Other creditors	1,075	876	1,712	1,595
Obligations under finance leases	467	448	467	448
Accruals and deferred income	7,477	9,871	7,320	9,835
	28,006	20,755	28,410	21,331
Amounts falling due after more than one year:				
Amounts owed to subsidiaries	-	-	12,062	12,050
Obligations under finance leases				
repayable - between one and two years	430	294	430	294
- between two and five years	799	641	799	641
	1,229	935	13,291	12,985
18 Deferred taxation				
Amounts provided for accelerated capital allowances	367	315	-	-
Potential liability:				
Accelerated capital allowances	9,813	4,299	9,446	3,986
Other timing differences	(286)	(286)	(286)	(286)
	9,527	4,013	9,160	3,700
Deferred taxation movements:				
At 1st January 1997	315	299	-	-
Charge for the year	52	16	-	-
At 31st December 1997	367	315	-	-

The potential tax liability which might arise in the event of the disposal of revalued properties is not quantified as the Directors do not consider it to constitute timing differences.

The Directors envisage that if a disposal were to occur then the proceeds would be reinvested in or more properties of a similar nature, in which case the disposal would be subject to rollover relief.

19 Deferred profit on disposal

Included in provisions for liabilities and charges is an amount of £2,773,000 (1996: £3,109,000) which is the Group's deferred profit on the sale of The Lancaster Hotel. The deferred profit will be recognised in the profit and loss account when the deferred payment of £4,145,000 is received in April 1998. The deferred profit in the Company is £3,877,000 (1996: £4,213,000).

The 1996 figures for the Group and Company included an amount of £336,000 that related to the sale of Camelot Barthropp Ltd which has been recognised in the profit and loss account during 1997.

Notes to the accounts

For the year ended 31st December 1997

	1997 £'000	1996 £'000
20 Called up share capital		
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

The A and B Ordinary Shares rank *pari passu* in all respects other than their voting rights. A Ordinary Shares of 10p carry 1 vote per 10 shares. B Ordinary Shares of 5p carry 10 votes per 5 shares.

21 Share premium account and reserves

	Share Premium £'000	Revaluation Reserve £'000	Other Reserves £'000	Profit and Loss Account £'000
Group				
At 1st January 1997	3,128	319,739	1,741	44,614
Profit for the financial year	-	-	-	17,724
Dividend	-	-	-	(6,009)
Revaluation surplus in the year	-	13,330	-	-
Goodwill on disposal	-	-	-	977
At 31st December 1997	3,128	333,069	1,741	57,306
Company				
At 1st January 1997	3,128	315,721	-	39,127
Profit for the financial year	-	-	-	18,799
Dividend	-	-	-	(6,009)
Revaluation surplus in the year	-	17,498	-	-
At 31st December 1997	3,128	333,219	-	51,917

The accumulated goodwill written off to Group reserves as at 31st December 1997 is £nil (1996: £977,000).

	Group 1997 £'000	Group 1996 £'000	Company 1997 £'000	Company 1996 £'000
22 Financial commitments				
Capital commitments:				
Contracted but not provided in the accounts	2,838	14,000	2,838	14,000
Operating lease commitments:				
Land and buildings expiring – within one year	–	23	–	23
– in two to five years	–	61	–	61
– in more than five years	362	410	362	410
	362	494	362	494
Other Assets expiring – within one year	11	101	11	101
– in two to five years	377	395	377	395
– in more than five years	–	1	–	1
	388	497	388	497
Annual commitments under non-cancellable leases	750	991	750	991

23 Interest in Group undertakings

The principal trading subsidiary of the Company is:

	Country of incorporation and operation	Description of shares held	Proportion of nominal value of issued shares and voting rights held by the Company
Savoy Theatre Ltd	England & Wales	Ordinary shares of £5.50	100%

24 Related Party Disclosure

During the year there were no material transactions, apart from pension transactions as shown in note 11, involving any related party which requires disclosure.

Directors' interests and other major shareholdings

Interest at 31st December 1997 and at 1st January 1997

Directors' Beneficial Interests	Ordinary Share Capital			
	A Shares		B Shares	
	31st December 1997	1st January 1997	31st December 1997	1st January 1997
Sir George Christie	1,500	1,500		
J Kemp-Welch	3,000	3,000		
The Rt Hon. The Viscount Thurso	200	200	3	3
R Pajares	100	100		
J Leigh Pemberton	500	500	8	8

Directors' Interests as Trustees

R Pajares	630	630
-----------	-----	-----

R Pajares has an interest as trustee of £600 (1996: £600) in the 4% First Mortgage Perpetual Debenture Stock of The Savoy Hotel PLC.

The Rt. Hon. The Viscount Thurso has an interest as member on the Conseil d'Administration of La Fondation pour la Formation Hotelière in 155,163 B Shares.

There has been no change in directors' interest between 31st December, 1997 and 28th February, 1998.

Major Interests in the Ordinary Share Capital of the Company

As at 28th February, 1998 the Company had been notified of the following interests in its ordinary share capital:

	A Shares	B Shares	Percentage of Total Voting Rights
Forte PLC (a subsidiary of Granada Group PLC)	19,479,880	164,960	42.12
D'Oyly Carte Charitable Trust	1,044,758	329,021	14.10
Trustees of The Wontner Family Settlement	360,110	269,827	10.64
Trustees of The Savoy Educational Trust	1,278,424	245,819	11.45
La Fondation pour la Formation Hotelière	431	155,163	5.74
National Westminster Nominees Limited	822,443	65,357	3.94
Credit Suisse London Nominees Limited	928,400	—	1.72
Lloyds Bank S F Nominees Limited	548,514	—	1.01
Milbourne Investments Limited	49,800	26,819	1.08

Financial record

Year ended 31st December 1997

	1993 £'000	1994 £'000	1995 £'000	1996 £'000	1997 £'000
Turnover					
Continuing operations	73,827	82,127	85,826	88,380	101,356
Discontinued operations	9,442	9,930	10,220	3,913	1,129
	83,269	92,057	96,046	92,293	102,485
Operating profit/(loss)					
Continuing operations	1,912	4,266	11,840	15,672	24,171
Discontinued operations	(658)	411	(115)	12	(484)
Exceptional profit/(loss)	291	(181)	58	(39,941)	-
	1,545	4,496	11,783	(24,257)	23,687
Profit/(loss) on sale of discontinued operations	-	-	(706)	362	314
	1,545	4,496	11,077	(23,895)	24,001
Investment income	589	532	143	227	279
	2,134	5,028	11,220	(23,668)	24,280
Interest payable	1,409	798	657	642	2,082
Profit/(loss) on ordinary activities before taxation	725	4,230	10,563	(24,310)	22,198
Taxation	215	1,165	4,301	2,527	4,474
Profit/(loss) for the financial year	510	3,065	6,262	(26,837)	17,724
Dividend	1,001	2,003	4,006	5,008	6,009
Transfer to/(from) reserves	(491)	1,062	2,256	(31,845)	11,715
Adjusted earnings per share from continuing operations					
A Ordinary Shares of 10p each	2.0p	10.4p	27.3p	38.8p	63.3p
B Ordinary Shares of 5p each	1.0p	5.2p	13.6p	19.4p	31.7p
Earnings (loss) per share from total operations					
A Ordinary Shares of 10p each	1.8p	10.7p	21.9p	(93.8)p	62.0p
B Ordinary Shares of 5p each	0.9p	5.4p	10.9p	(46.9)p	31.0p
Net assets employed					
Fixed assets	102,349	100,715	96,884	402,958	438,970
Net current assets/(liabilities)	(11,421)	(8,811)	454	(24,474)	(35,166)
Total assets less current liabilities	90,928	91,904	97,338	378,484	403,804
Long-term creditors and provisions	982	1,179	3,690	4,359	4,369
Long-term loans and overdrafts	3,242	2,842	2,442	2,042	1,330
Net assets	86,704	87,883	91,206	372,083	398,105
Called up share capital	2,861	2,861	2,861	2,861	2,861
Reserves including share premium	83,843	85,022	88,345	369,222	395,244
Equity shareholders' funds	86,704	87,883	91,206	372,083	398,105

Notice of meeting

Notice is hereby given that the One Hundred and Ninth Annual General Meeting of The Savoy Hotel PLC will be held at The Savoy Hotel (River Entrance), London WC2R 0EU, on Monday 18th May 1998, at 12 noon, for the purpose of transacting the following business:

Resolutions

As ordinary business, to consider and, if thought fit, to pass Resolutions 1 to 6 as Ordinary Resolutions:

- 1 To receive and adopt the Directors' Report, the Consolidated Profit and Loss Account for the year ended 31st December, 1997, and the Balance Sheets as at 31st December, 1997.
- 2 To declare a dividend of 210% for the year ended 31st December, 1997.
- 3 To re-elect Sir George Christie, a Director retiring by rotation.
- 4 To re-elect J Leigh Pemberton, a Director retiring by rotation.
- 5 To re-elect A J Fort, a Director retiring by rotation.
- 6 To re-appoint Coopers & Lybrand as auditors to the Company and to authorise the Directors to determine their remuneration.

As special business, to consider and, if thought fit, to pass Resolution 7 as a Special Resolution:

- 7 That the Board of Directors be and is hereby empowered pursuant to section 95 of the Companies Act 1985, to allot equity securities (within the meaning of section 94 of the said Act) for cash, as if section 89(1) of the said Act did not apply to any such allotment, provided that this power shall be limited:

(A) to the allotment of equity securities in connection with a rights issue in favour of A and B Ordinary shareholders where the equity securities respectively attributable to the interests of the A and B Ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of A and B Ordinary Shares held by them (subject in each case to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in any territory or otherwise howsoever); and

(B) to the allotment (otherwise than pursuant to subparagraph (A) above) of equity securities up to an aggregate nominal value of £143,079

and shall expire at the conclusion of the next Annual General Meeting of the Company or fifteen months from the date on which this Resolution is passed, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

By Order of the Board
P F C Begg
Secretary
23rd March, 1998

Registered Office
1 Savoy Hill
London WC2R 0BP
Registered in England and Wales No 29022



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 them. A proxy need not be a member of the Company. To be valid, instruments of proxy must be deposited at the offices of Lloyds Bank Registrars, The Causeway, Worthing, W. Sussex BN99 6DB not less than 48 hours before the time approved 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.

The Company pursuant to Regulation 34 of the Uncertificated Securities Regulations 1995, specifies that only those shareholders registered in the register of members of the Company as at 6 p.m. on 16th May, 1998 shall be entitled to attend or vote at the aforesaid general meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after 6 p.m. on 16th May, 1998 shall be disregarded in determining the rights of any person to attend or vote at the meeting.

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 and the service contracts of Directors 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 together with service contracts of Directors will also be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the meeting.

Notes for shareholders

Registrars All communications to the Registrars should be addressed to Lloyds Bank Registrars, The Causeway, Worthing, West Sussex BN99 6DA.

Payments of dividends by BACS Many shareholders have already arranged for dividends to be paid by mandate directly to their bank or building society account. The Company have, for a number of years, been paying mandated dividends through the BACS ("Bankers Automated Clearing Service") system. The benefit to shareholders of the BACS payments method is that the Registrars will post the tax voucher directly to them, possibly reducing bank charges and providing timely confirmation of the actual dividend payment. Shareholders who have not yet arranged for their dividends to be paid direct to their bank or building society account who wish to benefit from this service should request Lloyds Bank Registrars, The Causeway, Worthing, West Sussex BN99 6DA (Telephone 01903 833 425) to send them a Dividend/Interest Mandate form.

Shareholder discount Appreciating that Savoy Group shareholders are quite often our guests and to thank you for your support we extend, as in the past, the offer of a 10% reduction on full rate accommodation at each of our hotels, to those with a minimum of 10 "A" or 5 "B" shares. Simply advise us when placing your reservation that you are a shareholder. We look forward to welcoming you soon.

The Savoy Group of hotels and restaurants

The Berkeley
Wilton Place, Knightsbridge
London SW1X 7RL
Telephone 0171 235 6000
Facsimile 0171 235 4330

Claridge's
Brook Street, Mayfair
London W1A 2JQ
Telephone 0171 629 8860
Facsimile 0171 499 2210

The Connaught
Carlos Place, Mayfair
London W1Y 6AL
Telephone 0171 499 7070
Facsimile 0171 495 3262

The Savoy
Strand
London WC2 0EU
Telephone 0171 836 4343
Facsimile 0171 240 6040

The Lygon Arms
Broadway
Worcestershire WR12 7DU
Telephone 01386 852255
Facsimile 01386 858611

Simpson's-in-the-Strand
100 Strand
London WC2R 0EW
Telephone 0171 836 9112
Facsimile 0171 836 1381

Edward Goodyear
Court Florist
45 Brook Street
London W1A 2JQ
Telephone 0171 629 1508
Facsimile 0171 495 0524

Savoy Theatre
Strand
London WC2 0ET
Telephone 0171 836 8888
Facsimile 0171 379 7322

Vong
Wilton Place
Knightsbridge
London SW1X 7LR
Telephone 0171 235 1010
Facsimile 0171 235 1011

