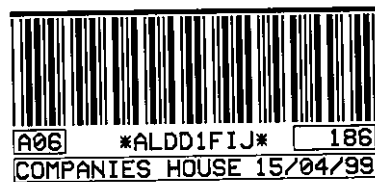


Registered Number 90365

**B P & S (1906) LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER, 1998**



B P & S (1906) LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements of the company for the year ended 31st December, 1998.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company did not trade during the year and the directors do not therefore recommend the payment of a dividend.

During the year, The Savoy Hotel Plc de-listed and changed its name to The Savoy Hotel Ltd, following a successful Offer for both A and B shares of the company by Blackstone Hotel Acquisitions Company ('BHAC'). On 5 January 1999, following the restructuring described above, the company changed its name to Claridge's Hotel Ltd.

The company manages the business of B P & S (1906) on behalf of Claridge's Hotel Ltd.

DIRECTORS

A J Fort

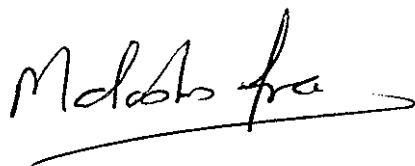
R Pajares

M B Radcliffe

retired 30 June 1998

Mr. R Pajares and Mr. A J Fort are directors of the ultimate holding company, Claridge's Hotel Ltd, and as such their interests in the shares and debentures of the company, its fellow subsidiary companies and its ultimate holding company at 1 January and 31 December 1998 are disclosed in the statutory accounts of Claridge's Hotel Ltd.

BY ORDER OF THE BOARD



M R France  
Secretary,  
1 Savoy Hill,  
London WC2R 0BP

1 April 1999

Registered in England No: 90365

B P & S (1906) LIMITED

BALANCE SHEET AT 31ST DECEMBER 1998

	Notes	1998 £	1997 £
ASSETS			
DEBTORS			
Amount owed by ultimate holding company falling due after more than one year		<u>9,759</u>	<u>9,759</u>
NET ASSETS		<u>£ 9,759</u>	<u>£ 9,759</u>
Financed by:			
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	5	8,007	8,007
PROFIT AND LOSS ACCOUNT		<u>1,752</u>	<u>1,752</u>
		<u>£ 9,759</u>	<u>£ 9,759</u>

The company was dormant (within the meaning of section 250 of the Companies Act 1985) throughout the year ended 31st December 1998.

The financial statements on pages 2 and 3 were approved by the board of directors on 1 April, 1999 and are signed on its behalf by:



A J Fort  
Director

B P & S (1906) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST DECEMBER 1998

1. ACCOUNTING POLICY - BASIS OF ACCOUNTING

The financial statements have been prepared on the historical cost basis of accounting.

2. TRADING

The company did not trade during the year.

3. DIRECTORS' EMOLUMENTS

No remuneration was paid to any director by the company during the year (1997 : Nil).

4. PROPOSED DIVIDEND

No dividend has been provided in 1998 (1997 : Nil). The 6% cumulative preference shares are in arrears in respect of dividends to 1998: £714 (1997: £669).

5. CALLED UP SHARE CAPITAL

	<u>1998</u> £	<u>1997</u> £
Authorised:		
1,000 6% (4.5% plus tax credit) cumulative preference shares of £1 each	1,000	1,000
9,000 Ordinary shares of £1 each	<u>9,000</u>	<u>9,000</u>
	<u>£10,000</u>	<u>£10,000</u>
Allotted, called up and fully paid:		
1,000 6% (4.5% plus tax credit) cumulative preference shares of £1 each	1,000	1,000
7,007 Ordinary shares of £1 each	<u>7,007</u>	<u>7,007</u>
	<u>£ 8,007</u>	<u>£ 8,007</u>

6. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Claridge's Hotel Ltd, which is incorporated in Great Britain.

7. RELATED PARTY TRANSACTIONS

There have been no related party transactions during the year.