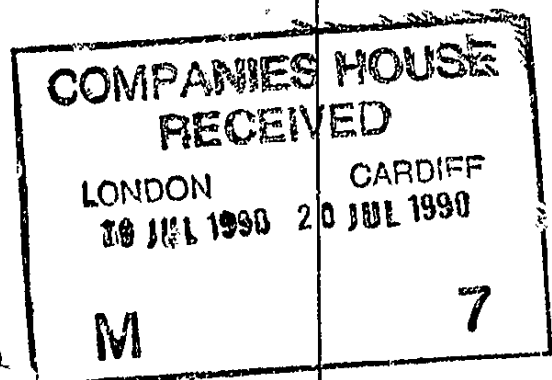


REPORT and ACCOUNTS

1989

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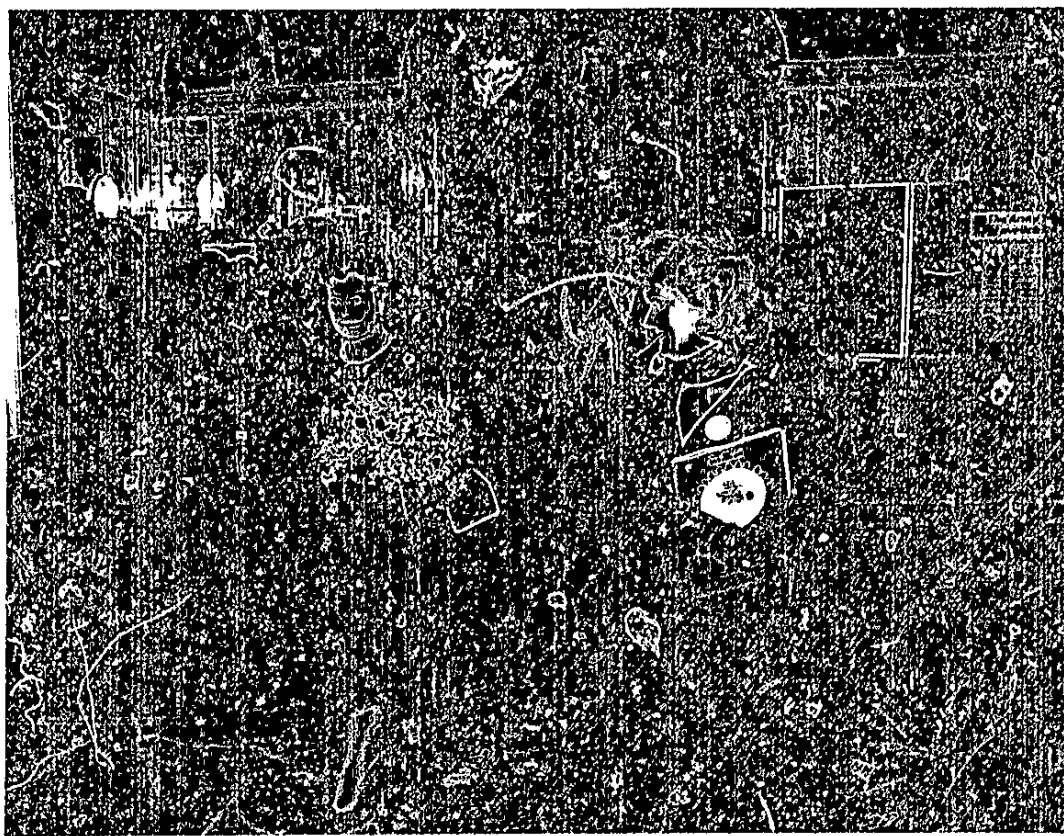

The Park Lane Hotel

PICCADILLY

A Corner of Brixow's Restaurant



Her Majesty the Queen arriving at the Park Lane Fair in aid of Lord Roberts Workshop



The Park Lane Hotel plc

REPORT AND ACCOUNTS 31st December 1989

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The Park Lane Hotel plc

Directors	Clive E.B.L. Carr, (<i>Chairman and managing director</i>) Eileen Armstrong Frederick W. Davis Carol Gault Paul H.T. Hanson
Secretary	G.B. Baker, F.S.C.A.
Registered office	49 Brick Street London W1Y 8EB
Auditors	KPMG Peat Marwick McLintock Chartered Accountants 76 Cavendish Street Keighley West Yorkshire BD21 3SR
Solicitors	Heald Nickinson 48 Bedford Square London WC1B 3DS
Registrars	Ravensbourne Registration Services Limited Bourne House 34 Beckenham Road Beckenham BR3 4TU

The Park Lane Hotel plc

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the seventy-first Annual General Meeting of the company will be held at The Park Lane Hotel on Wednesday 13th June 1990 at 12.30pm for the following purposes:

1. To receive and adopt the directors' report and accounts for the year ended 31st December 1989.
2. To approve dividends.
3. To re-elect directors.
4. To renew the authority of the directors to allot relevant securities under article 4 of the Articles of Association.
5. To re-appoint KPMG Peat Marwick McLintock as auditors and to authorise the directors to fix their remuneration.
6. To transact any other ordinary business of the company.

49 Brick Street
London W1Y 8EB
17th May 1990

By order of the Board
G.B. Baker
Secretary

A member entitled to vote 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.

Accounts are sent to all members of the company but only ordinary shareholders are entitled to vote at this meeting.

The Park Lane Hotel plc

CHAIRMAN'S STATEMENT

Trading in 1989

It is with great pleasure that I am able to report pre-tax profits of £3,068,000 for 1989. This result, an improvement of £788,000 - or 34.6% - on last year, was comfortably the highest in your Company's history. This achievement was particularly remarkable despite a poor summer tourist season. Great credit is due to all our Managers and Staff and I would single out the Banqueting and Function Department where sales, following a rise of 36% last year, were up by a further 22.8%.

This outstanding result at the end of the decade naturally led us to review the statistics of the 1980's and for your interest we have included on page 16 figures for the last 10 years instead of the usual 5.

More pertinent for Shareholders perhaps has been the performance of your Company during the 14 years under my stewardship and set out below are the comparative figures for 1975 - the last complete year before I became your Chairman and Chief Executive - and 1989.

	1989 £'000	1975 £'000	Times Increase
Tangible Fixed Assets	12,012	738	16.3
Profits Before Tax	3,068	141	21.8
Ordinary Dividends	1,000	56	17.9
Retained Shareholders Funds	12,540	2,152	5.8

Figures taken from the published accounts for 1975 and 1989 indicate that sales per member of staff increased from £4,866 to £42,865, equivalent to an annual compound growth of 16.8%. During the same period the average payroll cost per member of staff grew by the equivalent of 14.6% per annum compound, almost 70% faster than the compound annual increase in the Retail Price Index.

These results and general progress have been achieved without the necessity to resort to bank borrowings or calls on shareholders.

Dividends

Your board are delighted that the record results of your Company enables them to recommend a substantially increased final dividend of 18.5pence per share. This, together with the interim dividend of 6.5pence per ordinary share, represents an increase compared with 1988 of 44.9%.

If approved, total dividends to ordinary shareholders will therefore be £1,000,000, which is the equivalent of the nominal value of the issued ordinary shares of the Company.

Development

The refurbishment of Bracewells Restaurant, the Lounge and The Oak Room have all been welcomed by guests as great improvements, whilst retaining the pleasant character and ambience which is the tradition of the Hotel. We have also upgraded the Staff Canteen.

In order to meet the extra requirements of the Hotel, we have installed a new Electrical Switchboard and an additional Water Tank.

A minor improvement, but important to our guests, has been the installation of satellite television. We now offer, in addition to the four normal channels, Sky One, Sky News, Eurosport and Sky Movie Programme. The major development during 1990, however, will be an extension of our air-conditioning plant to cover the Ballroom, Rose Room and Oak Room. This capacity will also enable us to proceed with the next stage, which will include Bracewells Restaurant and The Lounge.

Trading in 1990

Since the start of 1990, there have been further indications of downturn in important sections of the UK economy and high rates of interest have continued. These factors, together with the prevailing fluctuations in international currency exchange rates, must all have an adverse effect on our business. Our trading in the first quarter was ahead of that for the same period in 1989 but the outlook for the rest of the year must be viewed with caution.

The Eighties

The following is a brief personal recollection of some of the highlights of the decade:-

1980 - The plunge in the numbers of visitors from the USA and Canada because of the exchange rate - which reached approximately US\$2.40/£1 - was met by The Park Lane with a guarantee of \$2/£1 as a fixed rate. This novel scheme, which enabled us to reduce our tariff to these two countries whilst maintaining them everywhere else was highly successful, bringing much needed extra business and considerable publicity.

1981 - Mid-summer marked the bottom of the recession for the London Hotel Industry. It coincided with a general realisation that the modernisation programme, started in 1977, had brought about a fundamental advance in the competitive position of The Park Lane Hotel. Our trading has been on an upward trend since then.

Amongst the major improvements in our amenities during the year was the building and installation of two fast service lifts to a new centralised Floor Service preparation area in the middle of the main kitchen.

During the year we started our association with the Institute of Directors, which has been and continues to be such an outstanding success.

1982 - This year saw the end of the most intensive stage of the redevelopment programme. After three and a half years of continuous work, the main contractors moved out of the Hotel. During this time, they and their sub-contractors occupied some 20 bedrooms and half of our old French Restaurant as offices, canteens and stores. When work was at its peak, there were about 150 men employed by 14 firms spread all over the Hotel. Inevitably, standards suffered with all the noise, dust, interruptions and general inconvenience and we lost a considerable amount of business. However, our staff were magnificent and their enthusiasm and resilience did much to minimise the problems.

The Park Lane Hotel plc

CHAIRMAN'S STATEMENT (continued)

1983 - This year saw the implementation of the Scheme of Arrangement eliminating the uncertainty of the division of surplus assets in the event of a "winding up". Several attempts had been made to solve this situation but all previous proposals had failed. In the event the necessary Resolutions were passed by an overwhelming majority of the Shareholders. These clarified the rights attaching to the Ordinary and Deferred Shares and at the same time simplified and increased the Share Capital. It greatly improved the marketability of the Shares and was probably the most significant event of the decade for our Shareholders.

1984 - This was the year that the Hotel became fully committed to computerisation. That of the Reception/Cashiers Department was started, which resulted in improved speed of service to our guests. This has enabled us to maximise room revenue when demand is high. It was not until the end of 1986 that we completed this programme with the incorporation of the Accounts Department thereby accelerating the production of financial information.

We enlarged and redecorated Bracewells Bar - incorporating the final shop on the west side of our Piccadilly frontage.

1985 - The record number of visitors to London also brought to the hotel our greatest occupancy levels: a total of 155,514 guest nights was achieved. This meant that, every night throughout the year, we averaged the phenomenal figure of 1.3 guests per room. With our current higher standards, for instance more room space per bed, this would no longer be achievable in 1990; but, of course, improved standards are reflected in higher profit margins.

The Brasserie On The Park was created, replacing the three rather dingy shops on the east side of our Piccadilly frontage.

1986 - In August, the Hotel staged the World Chess Championship between G. Kasparov and A. Karpov. It was the first occasion that this country had hosted the Championship which was extremely successful and The Park Lane received world wide publicity.

Our Kosher Kitchen was installed, which added a new dimension to our banqueting activities.

1987 - This was the Diamond Jubilee year of the Hotel, an event which was celebrated most happily on Friday 29th May at a Jubilee Banquet attended by many Shareholders.

We completed the modernisation of the Reception area, installed high speed modern lifts, renovated the roof with new tiling and dormer windows and cleaned the whole facade of the Hotel. We opened a well-equipped Fitness Centre which is popular not only with guests but also local residents and business executives.

The resultant transformation, which enhanced the standing of the hotel, contributed greatly to the annual assessment in the Ronay Guide. This was increased by 4 percentage points to 80% - which represented great progress, as we had been 73% when I became Chairman.

1988 - The Rose Room was created out of the Tudor Room, which had become dowdy and rather out-dated and no longer a competitive venue for functions. The Rose Room was an instant success and is generally regarded as one of the finest Banqueting rooms of its size in London.

1989 - Bracewells was refurbished and, with the wood restored to its original condition, it is now possible to see the wonderful details of the carvings. The Oak Room was also redecorated.

We joined the prestigious Steigenberger Reservation Service (SRS) as an "International Deluxe Hotel".

We were also voted by readers of "Executive Travel" as runners-up in the Best London Hotel Category.

Shareholders Discounts

We have retained the very popular discount scheme. Shareholders may benefit from either a 20% discount off the single room rate, or occupy a twin/double room at the single rate. Executive Rooms and Court Suites are also available to shareholders at 25% discount.

The scheme has been extended to 31st March 1991 and shareholders may make their reservations by calling our Reservations Manager on 071-499 6321 giving their shareholders' promotion number 001/SD.

Personnel

Denis Rutland resigned as a Director in February 1990. We are all indebted to him for his tremendous work and wise counsel during the past 17 years. We are delighted that he has agreed to continue as a Trustee and Administrator of our Pension Schemes.

Zoe Jenkins joined the Company as Conference and Banqueting Manager last August. She has already brought about considerable improvements in our standards.

The reputation of our Staff for friendly, efficient service continues. The following were jointly elected Employees Of The Year for 1989:

Vivien Miller	Accounts	Paul Crawley	Maintenance
Rita Herbert	Banqueting	Andrew Hopgood	Reception

I am sure that Shareholders will wish to join me in offering congratulations to them and also thanks to all our Staff for their enthusiasm and friendliness which are such important assets of the Hotel.

CLIVE E. B. L. CARR,
Chairman.

The Park Lane Hotel plc

DIRECTORS' REPORT

The directors present their annual report together with the accounts of the company for the year ended 31st December 1989.

Results and dividends

The profit for the year before taxation is £3,068,000 and details are contained in the profit and loss account on page 7. The retained profit for the year is £1,107,000.

The dividend on the 5.6% cumulative preference shares of £1 each was paid on 1st January 1990. The directors recommend the payment of a dividend of 10.5 pence per share on the second preference shares of £1 each.

An interim dividend of 6.5 pence per share on the ordinary 25 pence shares was paid on 21st November 1989 and the directors recommend the payment of a final dividend of 18.5 pence per share making 25 pence per share for the year compared with 17.25 pence per share for 1988. Together with the related tax credit this represents a gross equivalent of 33.3 pence per share (1988 - 23 pence per share). These recommended dividends will, if approved, be paid on 4th July 1990 to shareholders registered on 7th June 1990.

State of affairs

The directors consider that the state of the company's affairs is satisfactory.

Principal activity

The principal activity of the company was the operation of The Park Lane Hotel.

Business review

A review of the company's business during the financial year, and of the position at the end of the year and of future prospects, is given in the statement by the Chairman on pages 4 and 5.

Market value of land and buildings

The directors are unable to express an opinion on the market value of the company's properties since this is dependent on factors outside their control.

Fixed assets

Changes in the fixed assets of the company are shown in note 6 to the accounts.

Directors and their interests

F.W. Davis and Mrs C. Gault are the directors to retire by rotation and, being eligible, offer themselves for re-election. The directors of the company during the year ended 31st December 1989 and their interests in the shares of the company were as follows:-

	31st December 1989			1st January 1989		
	Ordinary	Preference	Second Preference	Ordinary	Preference	Second Preference
C.E.B.L. Carr	167,658	7,815	2,573	167,658	7,815	2,573
Mrs E. Armstrong	991,061	18,320	23,433	991,061	18,320	23,433
F.W. Davis	1,316,433	11,978	49,237	1,316,433	11,978	49,237
Mrs C. Gault	164,884	152	2,699	164,884	152	2,699
P.H.T. Hanson	447,325	5,803	30,921	410,325	5,803	30,921
D.A. Rutland	7,500	676	576	7,500	676	576

Certain of the holdings include the same shares more than once in relation to non-beneficial holdings.

D.A. Rutland resigned as a director of the company on 5th February 1990.

Donations

Donations to charitable organisations amounted to £4,878 (1988: £2,243). There were no political contributions during the year.

Employment of disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. All disabled employees are eligible for training and promotion and within the limits of their disabilities are given equal consideration with other applicants.

Close company status

The close company provisions of the Income and Corporation Taxes Act 1988 apply to the company.

Auditors

On 1st January 1990 our auditors changed the name under which they practice to KPMG Peat Marwick McLintock and accordingly have signed their report in their new name. In accordance with section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick McLintock as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

49 Brick Street
London W1Y 8EB
17th May 1990.

By order of the Board
G.B. Baker
Secretary

The Park Lane Hotel plc

PROFIT AND LOSS ACCOUNT For the year ended 31st December 1989

	Note	1989 £'000	1988 £'000
Turnover	1	13,717	11,111
Cost of sales		8,955	7,884
Gross profit		4,762	3,267
Administrative expenses		1,851	1,574
Operating profit	2	2,911	2,193
Income from investments and deposits	3	157	87
Profit on ordinary activities before taxation		3,068	2,280
Taxation on profit on ordinary activities	4	935	798
Profit on ordinary activities after taxation		2,133	1,482
Dividends	5	1,026	716
Retained profit for the financial year	13	1,107	766

The notes on pages 10 to 15 form part of these accounts

The Park Lane Hotel plc

BALANCE SHEET At 31st December 1989

	Note	1989		1988	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	6		12,012		11,031
Investments	7		85		81
			<u>12,097</u>		<u>11,112</u>
Current assets					
Stocks	8	615		562	
Debtors	9	2,080		1,901	
Short term deposits		1,000		900	
Cash at bank and in hand		523		422	
		<u>4,218</u>		<u>3,785</u>	
Creditors: amounts falling due within one year	10	<u>3,775</u>		<u>3,464</u>	
Net current assets			443		321
Net assets			<u>12,540</u>		<u>11,433</u>
Capital and reserves					
Called up share capital	12		1,320		1,320
Profit and loss account	13		11,220		10,113
			<u>12,540</u>		<u>11,433</u>

The notes on pages 10 to 15 form part of these accounts.

C.E.B.L. Carr
- Directors

F.W. Davis

Approved by the Board of Directors on 17th May 1990.

The Park Lane Hotel plc

FUNDS STATEMENT

Year ended 31st December 1989

	1989		1988	
	£'000	£'000	£'000	£'000
Source of funds				
Profit on ordinary activities before taxation		3,068		2,897
Adjustments for items not involving the movement of funds:				
Depreciation of tangible fixed assets	980		931	
Profit on sale of tangible fixed assets	(9)		(2)	
Profit on sale of investments	-		(2)	
	<u> </u>	971	<u> </u>	927
Funds generated from operations		<u>4,039</u>		<u>3,207</u>
Funds from other sources				
Proceeds of sale of tangible fixed assets	25		6	
Proceeds of sale of investments	-		14	
	<u> </u>	25	<u> </u>	20
		<u>4,064</u>		<u>3,227</u>
Application of funds				
Purchase of tangible fixed assets	1,977		1,376	
Purchase of investments	4		50	
Dividends paid	976		466	
Taxation paid	727		604	
	<u> </u>	(3,684)	<u> </u>	(2,496)
Increase in working capital		<u>380</u>		<u>731</u>
Components of increase in working capital				
Stock	53		52	
Debtors	143		283	
Creditors	(17)		218	
Short term deposits	100		300	
	<u> </u>	279	<u> </u>	853
Movement in net liquid funds:				
Cash at bank and in hand		<u>101</u>		<u>(122)</u>
		<u>380</u>		<u>731</u>

The Park Lane Hotel plc

NOTES TO THE ACCOUNTS

1 Accounting policies

- (a) Accounting convention
The accounts are prepared under the historical cost convention.
- (b) Stocks
Stocks are valued at the lower of cost and net realisable value.
- (c) Depreciation
With effect from 1st January 1977 expenditure on building improvements and plant and equipment are shown as additions to fixed assets. No depreciation is provided on freehold land and buildings where the estimated remaining life exceeds 50 years as it is the Company's policy to maintain its properties in good condition which prolongs their useful life and any depreciation involved would not be material. Leasehold properties are amortised over the unexpired terms of the leases. All other tangible fixed assets are depreciated on a straight line basis at rates of between 4% p.a. and 25% p.a.
- (d) Deferred taxation
Deferred taxation is provided using the liability method in respect of all material timing differences, to the extent that it is probable that liabilities will crystallise in the foreseeable future.
- (e) Advance corporation tax
Advance corporation tax is written off unless its recoverability is reasonably certain and foreseeable.
- (f) Turnover
Turnover represents the amounts receivable for goods sold and services provided net of value added tax.
- (g) Leasing commitments
Rentals paid under operating leases are charged to income as incurred.
- (h) Repairs
Repairs are charged to income as incurred.
- (i) Pension costs
The company operates a number of defined benefit pension schemes administered by trustees, the funds of which are separate from those of the company. Sufficient contributions are transferred to the trustees on a regular basis to secure the benefits provided under the rules of the schemes and to maintain at least 100% funding levels. Contributions are charged to revenue and are included in staff costs.

2 Operating profit is stated after charging(crediting):

	1989 £'000	1988 £'000
Depreciation of tangible fixed assets	980	931
Profit on sale of tangible fixed assets	(9)	(2)
Directors emoluments		
As directors	41	39
Remuneration as executives (including pension contributions)	341	307
Hire of plant and machinery	12	10
Profit on sale of investments	-	(2)
Auditors remuneration	17	15

The Park Lane Hotel plc

NOTES TO THE ACCOUNTS *continued*

2 Operating profit is stated after charging: *(continued)*

Directors' emoluments.

Excluding pension contributions, the emoluments of the Chairman, who is also the highest paid director, were £189,519 (1988 - £157,949). The emoluments of the other directors were within the following ranges:

£
5,001 - 10,000
10,001 - 15,000

One director waived fees amounting to £6,900 (1988: £6,420).

The number of employees whose emoluments, excluding pension contributions, fell within the following ranges were:

£
30,001 - 35,000
35,001 - 40,000
40,001 - 45,000
45,001 - 50,000
55,001 - 60,000

The average weekly number of persons (including directors) employed by the company during the year was as follows:

Staff costs:

Wages and salaries
Social security costs
Other pension costs

3 Income from Investments and deposits

Listed
Short term deposits

4 Taxation

U.K. corporation tax at 35% (1988 - 35%)
on profits for the year
Tax credits on franked investment income
Deferred taxation
Corporation tax overprovided in earlier years

	1989	1988
	number	number
	3	3
	2	2
	-	1
	-	1
	1	1
	1	-
	1	-
	320	307
	£'000	£'000
	3,277	2,898
	301	252
	225	223
	3,803	3,373
	32	27
	125	60
	157	87
	980	832
	8	7
	(20)	(41)
	(33)	-
	935	798

The Park Lane Hotel plc

NOTES TO THE ACCOUNTS *continued*

				1989 £'000	1988 £'000
5 Dividends					
Preference 5.6% cumulative				9	9
Second 10.5% preference				17	17
Ordinary - interim				260	200
Ordinary - final				740	490
				<u>1,026</u>	<u>716</u>
6 Tangible fixed assets					
	Land and buildings	Short	Plant and		
	Freehold	leasehold	equipment		
	£'000	£'000	£'000	£'000	£'000
Cost:					
1st January	34	7,332	9,033	16,399	15,040
Additions	-	775	1,202	1,977	1,376
	<u>34</u>	<u>8,107</u>	<u>10,235</u>	<u>18,376</u>	<u>16,416</u>
Disposals	-	-	106	106	17
	<u>34</u>	<u>8,107</u>	<u>10,129</u>	<u>18,270</u>	<u>16,399</u>
Depreciation:					
1st January	-	1,355	4,013	5,368	4,450
Eliminated on disposals	-	-	90	90	13
	<u>-</u>	<u>1,355</u>	<u>3,923</u>	<u>5,278</u>	<u>4,437</u>
Current year charge	-	192	788	980	931
	<u>-</u>	<u>1,547</u>	<u>4,711</u>	<u>6,258</u>	<u>5,368</u>
Net book amount					
31st December	34	6,560	5,418	12,012	11,031

The Park Lane Hotel plc

NOTES TO THE ACCOUNTS *continued*

	1989 £'000	1988 £'000
7 Investments		
Cost:		
Listed	29	29
Unlisted	56	52
	<hr/> 85	<hr/> 81
Valuation:		
Listed - market value	691	577
Unlisted - directors' valuation	56	52
	<hr/> 747	<hr/> 629
The listed investments are quoted on a recognised stock exchange.		
8 Stocks		
Raw materials and consumables	615	562
	<hr/>	<hr/>
9 Debtors		
Trade debtors	1,377	1,420
Other debtors	156	31
Prepayments and accrued income	407	346
Advance corporation tax (see note 11)	140	104
	<hr/> 2,080	<hr/> 1,901
10 Creditors: amounts falling due within one year		
Trade creditors	724	669
Advance corporation tax	329	227
Corporation tax	1,312	1,170
Other taxes and social security	431	395
Other creditors	3	7
Accruals	210	280
Proposed dividends	766	716
	<hr/> 3,775	<hr/> 3,464

The Park Lane Hotel plc

NOTES TO THE ACCOUNTS *continued*

	1989 £'000	1988 £'000
11 Provisions for liabilities and charges		
Deferred taxation		
Movement in provision		
Balance at 1st January	(104)	19
Profit and loss account	(20)	(41)
Advance corporation tax	(16)	(82)
	<hr/>	<hr/>
Balance at 31st December	(140)	(104)
	<hr/>	<hr/>
The amounts provided for deferred taxation and the amounts unprovided are set out below:		
Provided:		
Capital allowances		94
Short term timing differences	108	34
Advance corporation tax recoverable	(248)	(232)
	<hr/>	<hr/>
Balance at 31st December (see note 9)	(140)	(104)
	<hr/>	<hr/>
Unprovided:		
Capital allowances	1,802	1,665
	<hr/>	<hr/>
12 Share capital		
Authorised:		
Preference 5.6% cumulative shares of £1 each	160	160
Second 10.5% preference shares of £1 each	160	160
Ordinary shares of 25 pence each	2,000	2,000
	<hr/>	<hr/>
	2,320	2,320
	<hr/>	<hr/>
Allotted, called up and fully paid:		
Preference 5.6% cumulative shares of £1 each	160	160
Second 10.5% preference shares of £1 each	160	160
Ordinary shares of 25 pence each	1,000	1,000
	<hr/>	<hr/>
	1,320	1,320
	<hr/>	<hr/>

The Park Lane Hotel plc

NOTES TO THE ACCOUNTS *continued*

	1989 £'000	1988 £'000
13 Profit and loss account		
At 1st January	10,113	9,347
Retained profit for the financial year	1,107	766
	<hr/>	<hr/>
At 31st December	11,220	10,113
	<hr/>	<hr/>
14 Capital commitments		
Contracted	1,223	691
Authorised but not contracted	626	447
	<hr/>	<hr/>
	1,849	1,138
	<hr/>	<hr/>

15 Pensions

The company operates a number of pension schemes providing benefits based on final pensionable pay. The assets of the schemes are held separately from those of the company, being invested with insurance companies. Contributions to the schemes are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. Contributions to the principal schemes are determined by qualified actuaries on the basis of triennial valuations whereby the future expected income and outgoings are projected over 20 years. The most recent valuation of the principal scheme was carried out on 1st December 1986. 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 and pensions. It was assumed that the investment return would be 10.3% per annum, and that salaries and pensions would increase by 9.2% per annum. The most recent actuarial valuation showed that the scheme was over 100% funded. The pension charge for the year was £225,000 (1988: £223,000) and the contributions of the company and employees were approximately 7.9% and 5% of earnings respectively.

The Park Lane Hotel plc

REPORT OF THE AUDITORS

To the members of The Park Lane Hotel plc

We have audited the accounts set out on pages 7 to 15 in accordance with Auditing Standards. In our opinion the accounts give a true and fair view of the state of affairs of the company at 31st December 1989 and of the profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Keighley
17th May 1990

KPMG Peat Marwick McLintock
Chartered Accountants

TEN YEAR STATISTICS (£'000)

	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980
TURNOVER	13,717	11,651	10,961	9,127	10,280	8,323	6,238	4,011	3,040	3,188
PROFIT/(LOSS) BEFORE TAX	3,068	2,280	2,268	1,803	2,606	1,782	965	(80)	(244)	71
DIVIDENDS	1,026	716	666	546	516	326	176	108	104	104
SHAREHOLDERS' INVESTMENT	12,540	11,433	10,667	9,859	9,186	7,939	6,671	5,954	5,924	5,444
EARNINGS PER ORDINARY										
SHARE pence	52.7	36.4	30.2	29.8	43.4	39.2	21.6) NOT COMPARABLE		
DIVIDENDS PER ORDINARY) DUE TO CAPITAL		
SHARE pence	25.0	17.3	16.0	13.0	12.3	7.5	3.75) RECONSTRUCTION		