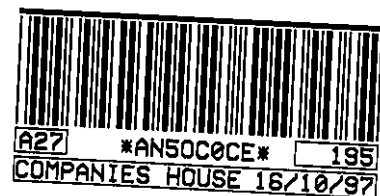


Registered Number 1517581

**PROJECT CASTLE LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31ST DECEMBER 1996**



## PROJECT CASTLE LIMITED

### DIRECTORS' REPORT

The directors present their Annual Report and financial statements for the year ended 31st December 1996.

#### 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. The Company manages the business of PROJECT CASTLE on behalf of The Savoy Hotel PLC.

#### DIRECTORS

A J Fort	Appointed 11.10.96
D Garnier	Managing Director
R Pajares	Appointed 11.10.96
J C Wintle	Retired 7.2.96

Mr R Pajares and Mr A J Fort, having been appointed since the last AGM, retire and being eligible offer themselves for re-election.

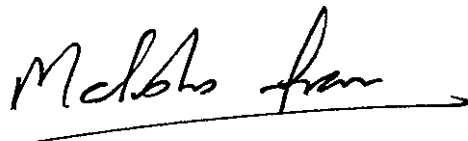
The interests of the directors, other than directors of the ultimate holding company, in the shares and debentures of the company and its ultimate holding company at 1st January and 31st December 1996 were:

	1st January 1996	31st December 1996
(a) The Company	Nil	Nil
(b) The Savoy Hotel PLC - the ultimate holding company		
Beneficial		
J C Wintle		
A Ordinary shares of 10p each	100	Nil
Non-beneficial		
J C Wintle		
B Ordinary shares of 5p each	630	Nil
4% First Mortgage Perpetual Debenture Stock	£600	Nil

#### TAX STATUS

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

BY ORDER OF THE BOARD



M R France  
Secretary, 1 Savoy Hill, London WC2R 0BP  
Registered in England No: 1517581


PROJECT CASTLE LIMITED

BALANCE SHEET FOR THE YEAR ENDED 31ST DECEMBER 1996

	Note	1996 £	1995 £
CREDITORS - amounts owed to ultimate holding company falling due after more than one year		<u>718,514</u>	<u>718,514</u>
NET CURRENT LIABILITIES		<u>(718,514)</u>	<u>(718,514)</u>
CAPITAL AND RESERVES			
Called-up share capital	4	200	200
Share premium account		118,025	118,025
Profit and loss account - deficit		<u>(836,739)</u>	<u>(836,739)</u>
		<u>(718,514)</u>	<u>(718,514)</u>

The accounts on pages 2 to 3 were approved on 19th September 1997 by the board of directors.

The company was dormant throughout the financial year.



A J Fort  
Director

## PROJECT CASTLE LIMITED

### NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1996

#### 1 ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting standards in the United Kingdom.

#### 2 TRADING:

The company did not trade during the year

#### 3 EMOLUMENTS OF DIRECTORS

Directors' emoluments were nil (1995 nil).

#### 4 SHARE CAPITAL

Authorised, allotted, called up  
and fully paid

200 Ordinary shares of £1 each	<u>200</u>	<u>200</u>
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#### 5 ULTIMATE HOLDING COMPANY

The Company's ultimate holding company is The Savoy Hotel PLC, which is incorporated in Great Britain and registered in England and Wales. The statutory accounts of The Savoy Hotel PLC are available from its registered office at 1 Savoy Hill, London WC2R 0BP.

Under the terms of the Companies Act, 1985, The Savoy Hotel PLC is not a subsidiary of Forte PLC.