

Registered Number 1517581

PROJECT CASTLE LIMITED

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1997



PROJECT CASTLE LIMITED

DIRECTORS' REPORT

The directors present their Annual Report and financial statements for the year ended 31st December 1997.

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

D Garnier

R Pajares


Retired 14.11.97

Mr. R Pajares and Mr. A J Fort are directors of the ultimate holding company, the Savoy Hotel PLC 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 1997 are disclosed in the statutory accounts of the Savoy Hotel PLC.

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 1997

	Note	1997 £	1996 £
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 31st March, 1998 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 1997

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 (1996 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.

6. RELATED PARTY TRANSACTIONS

There have been no related party transactions during the year.