

SPROWSTON MANOR HOTEL LIMITED

(A wholly owned subsidiary of Swallow Group plc which is incorporated in England and Wales)

DIRECTORS : N T GOSSAGE (resigned 8th February 1999)
C J STOREY
T G WALKER (appointed 9th June 1999)

SECRETARY : M I HODGSON

REGISTERED OFFICE: The Brewery
Sunderland
SR1 3AN

COMPANY NUMBER: 2158432

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30th September 1999.

Directors

Both of the directors are directors of the parent company and their interests in the shares of the parent company are disclosed in its accounts.

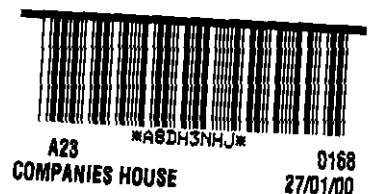
Activities and business review

The company has not traded during the financial period, nor has it incurred liabilities and consequently has made neither a profit nor a loss.

WASHINGTON
15TH DECEMBER 1999



C J STOREY
DIRECTOR & SECRETARY



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BALANCE SHEET AT 30TH SEPTEMBER 1999

	<u>1999</u> <u>£</u>	<u>1998</u> <u>£</u>
CURRENT ASSETS		
Amount due from parent company	<u>7,945,156</u>	<u>7,945,156</u>
SHARE CAPITAL		
Authorised:		
Ordinary Shares at £1 each	8,000,000	8,000,000
Called up, allotted and fully paid:		
Ordinary Shares of £1 each	8,000,000	8,000,000
Profit and Loss Account	<u>(54,844)</u>	<u>(54,844)</u>
	<u>7,945,156</u>	<u>7,945,156</u>

The company was dormant throughout the financial year. The directors are required by company law to ensure that accounts are prepared which give a true and fair view of the state of affairs of the company at the end of the financial year. The directors are also responsible for ensuring that accounting records are maintained.

The accounts were approved by the directors on 15th December 1999 and are signed on their behalf by:-



C. J. Storey - Director

The ultimate parent company is Swallow Group plc, whose accounts can be obtained from Swallow House, PO Box 30, Parsons Road, Washington, NE37 1QS