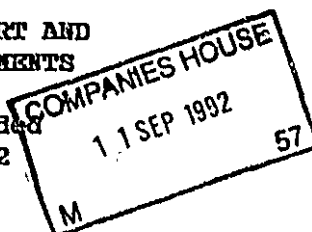


FOLEY LODGE HOTELS plc

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

for the year ended
29 February 1992



Company No. 2233431

There are no pages 1 - 4 in this document

FOLEY LODGE HOTELS plc

DIRECTORS

A B M Good FIPR (Chairman)
R P Smithson MCIMA (Managing Director)
H W Biggs BA
D J Corbett NDA
Sarah M Corbett
M Morris FCCA

SECRETARY

Sarah M Corbett

REGISTERED OFFICE

Foley Lodge Hotel
Stockcross
Newbury
Berkshire RG16 8JU

AUDITORS

BDO Binder Hamlyn
Sundial House
Cheap Street
Newbury
Berkshire RG14 5DH

BANKERS

National Westminster Bank PLC
15 Bishopsgate
London EC2P 2AP

SOLICITORS

Cole and Cole
Sterling House
19-23 High Street
Kidlington
Oxford OX5 2DH

FOLEY LODGE HOTELS plc**DIRECTORS' REPORT**
for the year ended 29 February 1992**FINANCIAL STATEMENTS**

The directors present their report and group financial statements for the year ended 29 February 1992.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The group's principal activity is the development and management of country house hotels.

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £181,261 which will be added to the accumulated deficit at the beginning of the year. The directors are unable to propose a dividend.

FIXED ASSETS

Details of movements in fixed assets during the year are set out in Note 7 to the financial statements.

FUTURE DEVELOPMENTS

The directors intend to continue the management policies of innovation and development.

The directors will propose to shareholders that a rights issue be made to extend the equity capital of the company. The directors and certain shareholders have already guaranteed to underwrite the rights issue by a minimum amount of £200,000. The company's bankers have agreed to a temporary extension of the overdraft facility pending receipt of the proceeds of the rights issue.

DIRECTORS

The directors during the year were as follows:

A B M Good
R P Smithson
H W Biggs
D J Corbett
Sarah M Corbett
M Morris
Mary Brown (resigned 25 April 1991)

FOLEY LODGE HOTELS plc**DIRECTORS' REPORT**

for the year ended 29 February 1992

DIRECTORS' INTERESTS IN SHARES

The directors who held office at 29 February 1992 had the following interests in the shares of the company at the beginning and end of the financial year:

	"A"		"B"	
	£1 Ordinary shares	£1 Ordinary shares	£1 Ordinary shares	£1 Ordinary shares
	1992	1991	1992	1991
A B M Good	-	-	40,000	40,000
R P Smithson	55,000	55,000	-	-
H W Biggs	116,266	116,266	-	-
D J Corbett	97,970	97,970	-	-
Sarah M Corbett	91,739	91,739	-	-
M Morris	-	-	13,333	13,333

SHARE OPTION SCHEMES

Options have been granted to directors to subscribe for 'A' £1 ordinary shares of Foley Lodge Hotels plc. Details of the options outstanding at 29 February 1992 are given in Note 16 to the financial statements.

POLITICAL AND CHARITABLE CONTRIBUTIONS

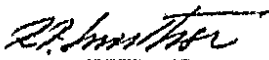
During the year the company made charitable donations in the UK of £252 (1991:£608). The company made no political donations in the year (1991: £NIL)

AUDITORS

Finnie and Co resigned as auditors of the company during the year and BDO Binder Hamlyn were appointed by the Board as their successors.

In accordance with Section 384 of the Companies Act 1985, a resolution proposing that BDO Binder Hamlyn be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 29 May 1992



R Smithson

AUDITORS' REPORT
to the members of Foley Lodge Hotels plc

We have audited the financial statements on pages 9 to 25 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company and group at 29 February 1992 and of the loss and source and application of funds of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

B D O Binder Hamlyn

Chartered Accountants
Registered Auditor
29 May 1992

POLEY LODGE HOTELS plc

GROUP PROFIT AND LOSS ACCOUNT
for the year ended 29 February 1992

	Notes	1992 £	1991 (Notes 17 and 21) £
Turnover	2	2,056,840	2,495,539
Cost of materials used		(431,891)	(580,691)
Staff costs		(582,071)	(783,055)
Depreciation of tangible fixed assets		(180,595)	(168,629)
Other operating charges		(518,793)	(615,287)
Operating profit	3	343,490	347,877
Interest payable and similar charges	4	(524,751)	(569,131)
Loss on ordinary activities before taxation		(181,261)	(221,254)
Tax on loss on ordinary activities	5	-	(2,040)
Loss on ordinary activities after taxation		(181,261)	(223,294)
Extraordinary items after taxation	6	-	(22,084)
Loss for the financial year	17	£(181,261)	£(245,378)

POLEY LODGE HOTELS plcGROUP BALANCE SHEET
as at 29 February 1992

	Notes	1992		1991 (Notes 17 and 21)	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		4,226,743		4,396,386
CURRENT ASSETS					
Stocks	9	18,894		21,284	
Debtors	10	209,059		314,427	
Cash at bank and in hand		909		6,925	
		228,862		342,636	
CREDITORS: amounts falling due within one year	11	(874,570)		(1,581,437)	
Net current liabilities			(645,708)		(1,238,801)
Total assets less current liabilities			3,581,035		3,157,585
CREDITORS: amounts falling due after more than one year	12		(3,059,906)		(2,456,695)
Net assets			£521,129		£700,890
CAPITAL AND RESERVES					
Called up share capital	16		1,398,541		1,397,541
Share premium account	17		173,587		173,087
Profit and loss account	17		(1,050,999)		(869,738)
			£521,129		£700,890

POLKY LODGE HOTELS plcCOMPANY BALANCE SHEET
as at 29 February 1992

	Notes	1992	1991 (Notes 17 and 21)
		£	£
FIXED ASSETS			
Tangible assets	7	4,226,743	4,396,386
Investments	8	192,308	460,000
		<hr/>	<hr/>
		4,419,051	4,856,386
CURRENT ASSETS			
Stocks	9	18,894	21,284
Debtors	10	721,596	306,736
Cash at bank and in hand		909	2,600
		<hr/>	<hr/>
		741,399	330,620
CREDITORS: amounts falling due within one year	11	(1,579,415)	(2,266,535)
		<hr/>	<hr/>
Net current liabilities		(838,016)	(1,935,915)
		<hr/>	<hr/>
Total assets less current liabilities		3,581,035	2,920,471
CREDITORS: amounts falling due after more than one year	12	(3,059,906)	(2,456,695)
		<hr/>	<hr/>
Net assets		£521,129	£463,776
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	16	1,398,541	1,397,541
Share premium account	17	173,587	173,087
Profit and loss account	17	(1,050,999)	(1,106,852)
		<hr/>	<hr/>
		£521,129	£463,776
		<hr/>	<hr/>

The financial statements on pages 9 to 25 were approved by the Board on 29 May 1992.

R Smithson



POLZY LODGE HOTELS plcGROUP STATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the year ended 29 February 1992

<u>SOURCE OF FUNDS</u>	<u>1992</u>	<u>1991</u> (Note 21)
	£	£
Loss on ordinary activities before taxation	(181,261)	(81,862)
Extraordinary item before taxation	-	(22,084)
	<hr/>	<hr/>
	(181,261)	(103,946)
Adjustment of items not involving the movement of funds:		
Depreciation	180,595	29,237
Profit on disposal of tangible fixed assets	-	(544)
	<hr/>	<hr/>
Total funds generated/(absorbed) by operations	(666)	(75,253)
Funds from other sources	<hr/>	<hr/>
Proceeds of share issue	1,500	5,000
Proceeds of disposal of tangible fixed assets	-	16,592
Loans	490,000	-
	<hr/>	<hr/>
	491,500	21,592
	<hr/>	<hr/>
Total funds generated/(absorbed)	490,834	(53,661)
<u>APPLICATION OF FUNDS</u>	<hr/>	<hr/>
Purchase of tangible fixed assets	-	83,687
Finance lease repayments	53,339	56,701
	<hr/>	<hr/>
	53,339	140,388
	<hr/>	<hr/>
<u>NET SOURCE/(APPLICATION) OF FUNDS</u>	<u>£437,495</u>	<u>£(194,049)</u>
<u>MOVEMENT IN WORKING CAPITAL</u>	<hr/>	<hr/>
Stocks	(2,390)	(6,869)
Debtors	(105,368)	44,269
Creditors	142,329	109,644
	<hr/>	<hr/>
	34,571	147,044
Movement in net liquid funds		
Cash at bank and in hand	(6,016)	5,471
Bank overdraft	408,940	(346,564)
	<hr/>	<hr/>
	£437,495	£(194,049)
	<hr/>	<hr/>

FOLEY LODGE HOTELS plc**NOTES TO THE FINANCIAL STATEMENTS**
for the year ended 29 February 1992**1. ACCOUNTING POLICIES****Accounting convention**

The financial statements are prepared under the historical cost convention, and on a going concern basis which assumes that the group will have access to sufficient facilities from its bankers or other sources in order to meet its liabilities as they become due.

Basis of consolidation

The group financial statements consolidate the financial statements of Foley Lodge Hotels plc and all its subsidiary undertakings to the end of February each year.

No profit and loss account for Foley Lodge Hotels plc has been presented as permitted by Section 230 of the Companies Act 1985.

Turnover

Turnover represents amounts receivable for goods and services provided in the UK net of trade discounts, VAT and other sales related taxes.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets, other than freehold property, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life as follows:

Motor vehicles	25%
Fixtures and fittings	20%
Equipment	5%

Depreciation is not provided on freehold property because it is the Group's practice to maintain this asset in a continual state of sound repair and to extend and make improvements thereto from time to time and, accordingly, the directors consider that the life of this asset is so long and residual value so high that its depreciation is insignificant.

Investments

Investments in subsidiary undertakings are stated at cost less provision for permanent diminution in value.

POLEY LODGE HOTELS plcNOTES TO THE FINANCIAL STATEMENTS

for the year ended 29 February 1992 (continued)

1. ACCOUNTING POLICIES (continued)

Leasing and hire purchase commitments

Assets obtained under leases and hire purchase contracts which result in the transfer to the company of substantially all the risks and rewards of ownership (finance leases) are capitalised as tangible fixed assets at the estimated present value of underlying lease payments and are depreciated in accordance with the above policy. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the rental payment is charged to the profit and loss account over the period of the lease or hire purchase contract so as to produce a constant periodic rate of charge on the outstanding balance of the net obligation in each period.

Rentals paid under other leases (operating leases) are charged against income on a straight line basis over the lease term.

Stocks

Stocks are stated at the lower of purchase cost and net realisable value which represents estimated selling prices.

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

Compliance with accounting standards

The financial statements have been prepared in accordance with applicable accounting standards.

2. TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The directors consider that there is only one class of business and that the only market is the U.K.

3. OPERATING PROFIT is stated after charging:	1992 £	1991 £
Depreciation: owned fixed assets	46,118	28,181
Depreciation: assets under finance leases	134,477	140,448
Operating lease rentals		
- motor vehicles	21,156	9,985
Hire of equipment	56,886	74,502
Auditors' remuneration	15,800	26,000
	<u> </u>	<u> </u>

FOLKY LODGE HOTELS plcNOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 1992 (continued)

4. INTEREST PAYABLE	1992 £	1991 £
On loan and overdraft repayable:		
within 5 years not by instalments	80,894	104,478
wholly or partly in more than 5 years	327,326	341,641
	<hr/>	<hr/>
	408,220	446,119
On finance leases:		
terminating within 5 years	115,181	56,193
terminating after 5 years	1,350	66,819
	<hr/>	<hr/>
	£524,751	£569,131
	<hr/>	<hr/>
5. TAXATION		
UK current year taxation		
Irrecoverable ACT	-	£2,040
	<hr/>	<hr/>
6. EXTRAORDINARY ITEMS		
Extraordinary charges:		
Loss on the sale of assets of a subsidiary company	-	12,084
Other closure costs	-	10,000
	<hr/>	<hr/>
Extraordinary items before taxation	-	22,084
	<hr/>	<hr/>
Extraordinary items after taxation	-	£22,084
	<hr/>	<hr/>

FOLEY LODGE HOTELS plcNOTES TO THE FINANCIAL STATEMENTS

for the year ended 29 February 1992 (continued)

7. TANGIBLE FIXED ASSETS

Group and company summary

	Freehold property	Equipment, fixtures and fittings	Motor vehicles	Total
Cost	£	£	£	£
1 March 1991	3,458,042	1,273,892	9,270	4,741,204
Additions	-	10,952	-	10,952
Disposals	-	-	(500)	(500)
29 February 1992	3,458,042	1,284,844	8,770	4,751,656
Depreciation				
1 March 1991				
- as originally stated	-	199,908	5,518	205,426
- prior year adjustments (Note 17)	-	139,392	-	139,392
Charge for the year	-	178,403	2,192	180,595
Disposals	-	-	(500)	(500)
29 February 1992	-	517,703	7,210	524,913
Net book value				
Owned assets	3,458,042	435,746	-	3,893,788
Leased assets	-	331,395	1,560	332,955
29 February 1992	£3,458,042	£767,141	£1,560	£4,226,743
Owned assets				
- as originally stated	3,458,042	583,272	425	4,041,739
- prior year adjustments	-	(101,833)	-	(101,833)
- as restated	3,458,042	481,439	425	3,939,906
Leased assets				
- as originally stated	-	490,712	3,327	494,039
- prior year adjustments	-	(37,559)	-	(37,559)
- as restated	-	453,153	3,327	456,480
28 February 1991 as restated	£3,458,042	£934,592	£3,752	£4,396,386

The value of land included within freehold property is £450,000 based on a current directors' valuation.

FOLEY LODGE HOTELS plcNOTES TO THE FINANCIAL STATEMENTS

for the year ended 29 February 1992 (continued)

8. FIXED ASSET INVESTMENTS

Investment in subsidiary undertakings

Cost	Shares £
1 March 1991	
As originally stated	721,492
Prior year adjustment (Note 17)	(261,492)
	<hr/>
As restated	460,000
	<hr/>
29 February 1992	460,000
	<hr/>
Provision for diminution in value	
1 March 1992	-
Reduction in net worth following proposed distribution	267,692
	<hr/>
29 February 1992	267,692
	<hr/>
Net book value	
29 February 1992	£192,308
	<hr/>
1 March 1991	
As originally stated	721,492
Prior year adjustment	(261,492)
	<hr/>
As restated	£460,000
	<hr/>

The subsidiary undertakings are Sarah and Mary Limited and Foley Lodge Limited. Both are registered in England and Wales and are wholly owned by Foley Lodge Hotels plc.

The business of Sarah and Mary Limited was disposed of on 31 March 1991 to Mary Brown, a director who resigned during the year. The company had made up its financial statements for a 13 months period to that date. The disposal of the business and the results for the 13 months period were included in the group's 1991 financial statements. Sarah and Mary Limited has not traded since 1 April 1991, however certain accounting adjustments have been made during the year (Note 17). Foley Lodge Limited was dormant throughout the year.

9. STOCKS

	Group and company 1992	1991
Consumables	£18,894	£21,284
	<hr/>	<hr/>

FOURKY LODGE HOTELS plcNOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 1992 (continued)

10. DEBTORS	Group		Company	
	1992 £	1991 £	1992 £	1991 £
Trade debtors	193,093	246,867	193,093	239,176
Other debtors	11,710	28,781	11,710	28,781
Prepayments and accrued income	4,256	19,093	4,256	19,093
Director's loan account (Note 19)	-	19,686	-	19,686
Dividend receivable	-	-	512,537	-
	<u>£209,059</u>	<u>£314,427</u>	<u>£721,596</u>	<u>£306,736</u>

11. CREDITORS: amounts falling due within one year

	Group		Company	
	1992 £	1991 £	1992 £	1991 £
Bank loan (Note 13)	-	150,000	-	150,000
Bank overdraft	468,405	877,345	468,405	877,345
Payments received on account	22,160	6,728	22,160	6,728
Obligations under finance leases (Note 14)	66,813	72,411	66,813	72,411
Trade creditors	168,070	351,750	168,070	347,201
Amounts owed to subsidiary undertakings	-	-	704,845	716,024
Other taxes and social security costs	107,471	29,881	107,471	26,387
Other creditors	454	24,969	454	5,551
Accruals and deferred income	41,197	68,353	41,197	64,788
	<u>£874,570</u>	<u>£1,581,437</u>	<u>£1,579,415</u>	<u>£2,266,535</u>

The bank overdraft is secured by a legal mortgage over the company's freehold property.

12. CREDITORS: amounts falling due after more than one year

	Group and company	
	1992 £	1991 £
Bank loan (Note 13)	2,600,000	1,960,000
Obligations under finance leases (Note 14)	459,906	496,695
	<u>£3,059,906</u>	<u>£2,456,695</u>

POLKY LODGE HOTELS plcNOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 1992 (continued)

13. LOAN

(a) Analysis	1992	1991
Secured bank loan		
1.5% above Libor - repayable in annual instalments by 2004	£2,600,000	£2,110,000

(b) Maturity

Bank loan

The repayment terms of the loan were suspended during the year and no amount of the loan is regarded by the directors as repayable within one year. Discussions are to be held with the group's bankers in November 1992 at which time the directors will submit proposals for the repayment of the loan to commence after 28 February 1993.

(c) Security

The loan is secured by a legal charge on the freehold property.

14. OBLIGATIONS UNDER FINANCE LEASES

The net obligation under finance leases is repayable as follows:

	Group and company	
	1992	1991
	£	£
In one year or less	66,813	72,411
Between one and five years	456,145	459,550
In five years or more	3,761	37,145
	<u>£526,719</u>	<u>£569,106</u>

POLEY LODGE HOTELS plc**NOTES TO THE FINANCIAL STATEMENTS**
for the year ended 29 February 1992 (continued)**15. PROVISIONS FOR LIABILITIES AND CHARGES**

Deferred tax

The total potential deferred tax position is as follows:

Group and company

	Provided		Potential	
	1992	1991	1992	1991
	£	£	£	£
Accelerated capital allowances	97,340	56,410	97,340	56,410
Other timing differences	(49,386)	(28,157)	(49,386)	(28,157)
Tax losses available	(47,954)	(28,253)	(47,954)	(28,253)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

16. CALLED UP SHARE CAPITAL

	1992		1991	
(a) Authorised	Number	£	Number	£
£1 Ordinary "A" shares	1,000,000	1,000,000	1,000,000	1,000,000
£1 Ordinary "B" shares	1,000,000	1,000,000	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
(b) Allotted and fully paid				
£1 Ordinary "A" shares	859,000	859,000	859,000	859,000
£1 Ordinary "B" shares	539,541	539,541	538,541	538,541
	<u>1,398,541</u>	<u>£1,398,541</u>	<u>1,397,541</u>	<u>£1,397,541</u>

(c) Contingent rights to the allotment of shares

Options have been granted to some of the directors to subscribe for £1 ordinary "A" shares of the company as follows:

Director's Name	Number	Subscription price per share	Exercise Period
S Corbett	25,000	£1.00	25 March 1988 to 25 March 1993
R Smithson	25,000	£1.00	25 March 1988 to 25 March 1993
D Corbett	12,500	£1.00	25 March 1988 to 25 March 1993
H Biggs	12,500	£1.00	25 March 1988 to 25 March 1993
R Smithson	15,000	£1.10	26 March 1991 to 25 March 1992
R Smithson	20,000	£1.20	26 March 1992 to 25 March 1993

Details of directors' interests in shares and debentures of the company are included in the accompanying Directors' report.

FOLSY LODGE HOTELS plcNOTES TO THE FINANCIAL STATEMENTS

for the year ended 29 February 1992 (continued)

17. RESERVES

(a) Share premium

Group and company

	£
1 March 1991	173,087
Premium on shares issued during the year	500
	<hr/>
29 February 1992	£173,587
	<hr/>

(b) Profit and loss account

Group

	1992 £	1991 £
Deficit brought forward as originally stated	(730,346)	(624,360)
Prior year adjustment	(139,392)	-
	<hr/>	<hr/>
As restated	(869,738)	(624,360)
Result for year restated	(181,261)	(245,378)
	<hr/>	<hr/>
Deficit carried forward as restated	£(1,050,999)	£(869,738)
	<hr/>	<hr/>

The prior year adjustments arise from two fundamental errors in the 1991 financial statements in relation to depreciation (Note 21):

- i) £76,375 of depreciation was credited in the profit and loss account for the year ended 28 February 1991 as an exceptional item (Note 3) arising on a revision to estimated useful lives of assets; and
- ii) £63,017 of depreciation was not charged on equipment and fixtures and fittings in respect of the year ended 28 February 1991.

FOLEY LODGE HOTELS plcNOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 1992 (continued)17. RESERVES (continued)

	1992	1991
(b) Profit and loss account (continued)	£	£
Company		
Deficit brought forward as originally stated	(705,968)	(626,061)
Prior year adjustments	(400,884)	(261,492)
	<hr/>	<hr/>
As restated	(1,106,852)	(887,553)
Result for year as restated	55,853	(219,299)
	<hr/>	<hr/>
Deficit carried forward as restated	£(1,050,999)	£(1,106,852)
	<hr/>	<hr/>

The prior year adjustments arise from three fundamental errors in previous years financial statements in relation to the following (Note 21):

- i) £76,375 of depreciation was credited in the profit and loss account for the year ended 28 February 1991 as an exceptional item (Note 3) arising on a revision to estimated useful lives of assets;
- ii) £63,017 of depreciation was not charged on equipment and fixtures and fittings in respect of the year ended 28 February 1991; and
- iii) £261,492 has now been adjusted against the carrying cost of the investment in the subsidiary undertakings, Sarah and Mary Limited and Foley Lodge Limited, in order to reflect the underlying net asset values of the companies at 28 February 1990 and 31 March 1991 (Note 8).

(c) Loss for the year - Group	1992	1991
	£	£
	(Loss)/profit	
The loss for the year as reported in the group profit and loss account was attributable to:		
Parent company	(188,992)	(79,907)
Subsidiary undertakings	7,731	(26,079)
	<hr/>	<hr/>
	£(181,261)	£(105,986)
	<hr/>	<hr/>

FOLEY LODGE HOTELS plcNOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 1992 (continued)

17. RESERVES (continued)

(c) Loss for the year - Group (continued)

The loss of the parent company for the year ended 28 February 1992 is stated after eliminating the following inter-group transactions:

- i) a proposed distribution of £512,537 from Foley Lodge Limited;
- ii) the reduction in the carrying value of the investment in Foley Lodge Limited of £267,892 (Note 8).

18. FINANCIAL COMMITMENTS

Operating leases

At 29 February 1992 the group had annual commitments under non-cancellable operating leases for equipment fixtures and fittings as follows:

	1992	1991
	£	£
Expiry date:		
within one year	10,191	-
Between two and five years	9,831	17,655
	<hr/>	<hr/>
	£20,022	£17,655
	<hr/>	<hr/>

19. DIRECTORS

(a) Emoluments

The emoluments of directors of the company were:

Emoluments as executives (including pension contributions and benefits in kind)	76,230	108,098
Compensation for loss of office	22,084	-
	<hr/>	<hr/>
	£98,314	£108,098
	<hr/>	<hr/>

(b) Bandings

Emoluments disclosed above (excluding pension contributions) include amounts paid to:

The Chairman	Nil	Nil
The highest-paid director	£54,992	£64,064
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FOLEY LODGE HOTELS plcNOTES TO THE FINANCIAL STATEMENTS

for the year ended 29 February 1992 (continued)

19. DIRECTORS (continued)

(b) Bandings (continued)	1992	1991
Directors' emoluments (excluding pension contributions) were in the following ranges:	Number	Number
£0 - £ 5,000	4	4
£15,001 - £20,000	1	2
£20,001 - £25,000	1	-
£50,001 - £55,000	1	-
£60,001 - £65,000	-	1

(c) Loans

The following loans to directors were outstanding during the year:

Name	Principal terms	Amount outstanding		Maximum in year
		1992	1991	
R P Smithson	Loan of £19,686 at 15% interest p.a. repaid in 1992	Nil	£19,686	£19,686

20. EMPLOYEES

(a) Number of employees

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

	1992 Number	1991 Number
Administration and management	5	5
Sales and marketing	3	4
Operational	56	68
	64	77

In addition to the above permanent employees, the group also employed an average of 8 (1991: 59) part-time staff.

POLEY LODGE HOTELS plcNOTES TO THE FINANCIAL STATEMENTSfor the year ended 29 February 1992 (continued)**20. EMPLOYEES (continued)**

(b) Employment costs (including directors)	1992	1991
	£	£
Wages and salaries	507,993	723,437
Social security costs	42,524	57,762
Other pension costs	3,000	1,856
	<u>553,517</u>	<u>783,055</u>

21. PRIOR YEAR COMPARATIVE AMOUNTS

The prior year amounts shown for comparative purposes were audited by a firm of Chartered Accountants other than BDO Binder Hamlyn.