

Peat Marwick McLintock

WASHINGTON HOTEL (LONDON) LIMITED

GENERAL STATEMENTS

1 SEPTEMBER 1967

423000

WASHINGTON HOTEL (LONDON) LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their annual report and financial statements for the year ended 30 September 1987.

Activities

The company did not trade during the year.

Financial

The directors propose that no dividend be paid in respect of the year.

Directors

The directors during the year together with those subsequently appointed are as follows:

JC Harrison	
ES Trippe	(resigned 23 December 1987)
MA Cairns	(appointed 23 December 1987)

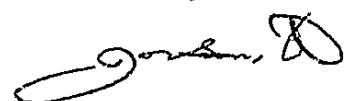
The director retiring by rotation is Mr Cairns who, being eligible, offers himself for re-election.

The directors who held office at the end of the financial year had no interest in the shares of any group company at that date or at 1 October 1986.

Auditors

Our auditors, KMG Thomson McLintock, have merged with Peat, Marwick, Mitchell & Co. and are now practising under the name of Peat Marwick McLintock. Accordingly they have signed the audit report in their new name. At the forthcoming annual general meeting the directors are to seek the approval of the company to make itself exempt from the requirement to appoint auditors, taking into account the dormant status of the company.

By order of the board

 JR SMITH

Secretary

8 January 1988



Peat Marwick McLintock

PO Box 486
1 Puddle Dock
Blackfriars
London EC4V 3PD

AUDITORS' REPORT TO THE MEMBERS OF
WASHINGTON HOTEL (LONDON) LIMITED

We have audited the financial statements on pages 3 and 4 in accordance with approved Auditing Standards.

There were no transactions on the revenue account during the year and in our opinion the balance sheet gives a true and fair view of the state of the company's affairs at 30 September 1987 and has been properly prepared in accordance with the Companies Act 1985.

PEAT MARWICK McLINTOCK

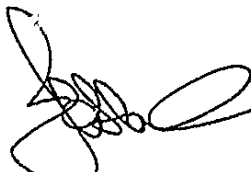

Chartered Accountants

8 January 1988

BALANCE SHEET

As at 30 September 1987

	<u>Notes</u>	<u>1987</u>	<u>1986</u>
CURRENT ASSETS			
Debtors			
Amounts owed by holding company		£ 430,100 =====	£ 430,100 =====
CAPITAL AND RESERVES			
Called up share capital	2	£ 300	£ 300
Share premium account		<u>429,800</u>	<u>429,800</u>
		£ 430,100 =====	£ 430,100 =====

	JG HARRISON	Director
	MA CAIRNS	Director

NOTES

(forming part of the financial statements)

1 PROFIT AND LOSS ACCOUNT

The company did not trade during the year and therefore no profit and loss account has been prepared. The balance sheet has been prepared under the historical cost convention.

2 SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted, called up and fully paid</u>	
	<u>No</u>		<u>No</u>	
Amounts at the beginning and end of the year:				
5.0% Redeemable cumulative preference shares of £1 each	40,000	£ 40,000	-	£ -
'A' shares of 5p each	5,000	250	5,000	250
'B' shares of 5p each	1,000	50	1,000	50
	46,000	£ 40,300	6,000	£ 300
	=====	=====	=====	=====

3 5.0% REDEEMABLE CUMULATIVE PREFERENCE SHARES

The shareholders have waived their entitlement to the cumulative dividend on these shares.

4 ULTIMATE HOLDING COMPANY

The ultimate holding company is Grand Metropolitan Public Limited Company, a company incorporated in Great Britain.

5 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the board of directors on 8 January 1988.