

HOLIDAY INNS OF AMERICA (U.K.) LIMITED

ACCOUNTS - 29th DECEMBER, 1978 AND 30th DECEMBER, 1977

TOGETHER WITH DIRECTORS' AND AUDITORS' REPORTS

HOLIDAY INNS OF AMERICA (U.K.) LIMITED

DIRECTORS' REPORT FOR THE YEARS ENDED

29th DECEMBER, 1978 AND 30th DECEMBER, 1977

The directors present their report on the affairs of the Company, together with the auditors' reports for the years ended 29th December, 1978 and 30th December, 1977.

ACTIVITIES:

The Company has not traded since 30th December, 1972.

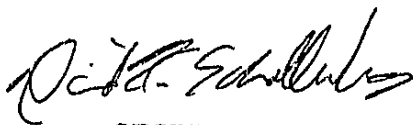
DIRECTORS:

The directors who served during the two years ended 29th December, 1978, were -

| | | |
|----------------|-----------|----------------------------------------------------------|
| K. Wilson | (U.S.A.) | (resigned 6th June 1978) |
| W.E. Johnson | (U.S.A.) | (resigned 6th June 1978) |
| W.B. Walton | (U.S.A.) | (resigned 6th June 1978) |
| C.M. Collins | (U.S.A.) | (resigned 6th June 1978) |
| R. Van Lil | (Belgium) | (resigned 31st July 1977) |
| J. Corson | (U.K.) | (appointed 10th December 1976) |
| J.D. Mackinlay | (U.K.) | (appointed 14th December 1977 resigned 6th June 1978) |
| N.S. Petts | (U.K.) | (appointed 14th December 1977 resigned 6th June 1978) |
| S.R. Bergmann | (German) | (appointed 6th June 1978) |
| J.D. Duncan | (U.K.) | (appointed 25th September 1978) |

No director had at any time during the years any direct beneficial interest in the shares of the Company or any group company incorporated in Great Britain.

BY ORDER OF THE BOARD,

X 

SECRETARY

10 Jan 1983

ARTHUR ANDERSEN & Co.

19 NEWHALL STREET
BIRMINGHAM B3 3NP

To the Members of Holiday Inns of America (U.K.), Limited:

We have examined the balance sheets of HOLIDAY INNS OF AMERICA (U.K.), LIMITED at 29th December, 1978, and 30th December, 1977.

In our opinion, the accompanying balance sheets give a true and fair view of the state of affairs of the Company at 29th December, 1978 and 30th December, 1977, and comply with the Companies Acts 1948 and 1967.

Arthur Andersen & Co.

19th February, 1979


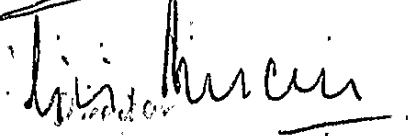
HOLIDAY INNS OF AMERICA (U.K.), LIMITED

BALANCE SHEETS -- 29th DECEMBER, 1978 AND 30th DECEMBER, 1977

| | <u>1978</u> | <u>1977</u> |
|--------------------------------------------------------------------------|-------------------|-------------------|
| AMOUNT DUE TO IMMEDIATE PARENT COMPANY | £(879,594) | £(879,594) |
| AMOUNT RECEIVABLE AS BARE TRUSTEE (Note 3) | £36,661 | £37,372 |
| Less: Amount due to ultimate holding company (Note 3) | <u>(36,661)</u> | <u>(37,372)</u> |
| | <u>£(879,594)</u> | <u>£(879,594)</u> |
| SHAREHOLDERS' INVESTMENT: | | |
| Share capital - | | |
| Authorized, issued and fully-paid, 100,000 ordinary shares of £1 each | £ 100,000 | £ 100,000 |
| Accumulated deficit | <u>(979,594)</u> | <u>(979,594)</u> |
| | <u>£(879,594)</u> | <u>£(879,594)</u> |

Notes:

1. The Company is incorporated in Great Britain. Its immediate parent company is Holiday Inns (U.K.) Inc. and the ultimate holding company is Holiday Inns Inc. Both of these companies are incorporated in the State of Tennessee, U.S.A.
2. The Company has not traded since 30th December, 1972.
3. The amount shown as due to ultimate holding company represents rental income from a property in the United Kingdom. The Company is a bare trustee of this income and has no beneficial interest in it whatsoever.

Date 6/1/82

Date 10.1.83

ADDENDUM TO DIRECTORS REPORT

Company Name HOLIDAY INNS OF AMERICA (UK) LIMITED
Number 891885

The attached accounts, which do not comply with the provisions of the Companies Act 1976 (Sections 1(1), 2(4), 3(5)), were prepared for the period21st December 1976..... to ..29th December 1978..
.....for the following reason(s):-

The company has not traded since 30th December 1972 and it was thought appropriate to lay out the Balance Sheets as at 29th December 1978 and 30th December 1977 on the same sheet of paper.

We undertake that the next and future accounts have been and/or will be prepared for each accounting reference period in compliance with the Companies Act 1976.

Signed
Director (on behalf of the Board)

