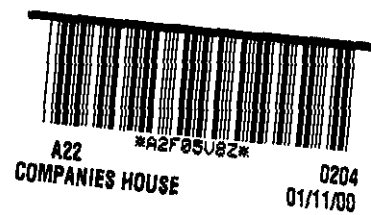


**CHISWELL
PROPERTIES LIMITED**

REPORT & ACCOUNTS

4 March 2000

Registered number 231137



CONTENTS

Pages

Company information	1
Directors' report	2-3
Directors' responsibilities	4
Auditors' report	5
Profit and loss account	6
Balance sheet	7
Accounting policies	8
Notes to the accounts	9-10

CHISWELL PROPERTIES LIMITED

DIRECTORS:	S C Barratt C J Wilkins
SECRETARY:	M R Buxton-Smith
AUDITORS:	Ernst & Young London
REGISTERED OFFICE:	Chiswell Street London EC1Y 4SD
REGISTERED NUMBER:	231137

DIRECTORS' REPORT

Accounts

The Directors submit to the shareholders their report and accounts for the year ended 4 March 2000.

Principal activity and review of business development

The directors report that the company has not traded during the year ended 4 March 2000.

Results and dividends

The profit for the year after taxation amounted to £nil.

The directors do not propose a final dividend.

Year 2000

The company is a subsidiary of Whitbread PLC and is included in the Whitbread Group programme addressing the impact of the year 2000. Details of this programme can be found in the report and accounts of Whitbread PLC. Copies can be obtained from Chiswell Street, London EC1Y 4SD.

Directors

The Directors of the company during the year and up to the date of this report are listed on page 1.

Directors' interests

According to the register maintained as required under the Companies Act 1985, the beneficial interests of the directors in shares and options over the ordinary shares in the parent undertaking, Whitbread PLC including shares under the Whitbread PLC Share Ownership Scheme are as follows:

Ordinary shares	<u>4 March 2000</u>	<u>27 February 1999</u>
S C Barratt	2,775	4,406
C J Wilkins	7,791	6,299

DIRECTORS' REPORT**Directors' interests (cont)****Options over ordinary shares**

During the year the following movements in options over the ordinary share capital of the parent undertaking, Whitbread PLC, took place:-

	Options held	<u>Options granted</u>		<u>Options exercised</u>		Options held
	<u>at 28.02.99</u>	<u>Number</u>	<u>Price (p)</u>	<u>Number</u>	<u>Price (p)</u>	<u>at 4.03.00</u>
S C Barratt	a 14,200	9,000	1101.0	-	-	23,200
	b 843	1,448	549.7	-	-	2,291
C J Wilkins	a 71,900	4,000	1101.0	(2,900)	456.8	73,000
	b 3,033	1,227	549.7	(1,363)	440.0	2,897

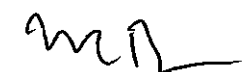
(a) the Executive Share Option Scheme

(b) the Savings Related Share Option Scheme

Auditors

Ernst & Young have expressed their willingness to continue in office as auditors of the company.

On behalf of the board



SECRETARY

18th September 2000

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN
RELATION TO FINANCIAL STATEMENTS**

The following statement, which should be read in conjunction with the auditors' statement of auditors' responsibilities set out on page 5, is made with a view to distinguishing the respective responsibilities of the directors and of the auditors in relation to the financial statements.

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for the financial year.

The directors consider that in preparing the financial statements on pages 6 to 10 the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all applicable Accounting Standards have been followed. The financial statements have been prepared on a going concern basis.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

REPORT OF THE AUDITORS

to the members of Chiswell Properties Limited

We have audited the accounts on pages 6 to 10 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4, the company's directors are responsible for the preparation of accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

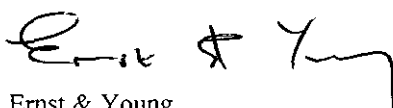
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 4 March 2000 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor
London

22/9/

2000

PROFIT AND LOSS ACCOUNT**Year ended 4 March 2000**

	<u>Notes</u>	<u>Year ended</u> <u>4 March 2000</u>	<u>Year ended</u> <u>27 February 1999</u>
		£	£
LOSS EARNED FOR SHAREHOLDERS		-	-
Ordinary dividends	1	-	(55,100,713)
		<hr/>	<hr/>
RETAINED LOSS FOR THE YEAR	3	<hr/> <hr/> -	<hr/> <hr/> (55,100,713)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There were no recognised gains or losses in the year other than those reported in the profit and loss account.

BALANCE SHEET**4 March 2000**

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
		£	£
CURRENT ASSETS			
Debtors - amounts owed by group undertakings		428,984,171	428,984,171
		<hr/>	<hr/>
TOTAL ASSETS LESS LIABILITIES		<u><u>428,984,171</u></u>	<u><u>428,984,171</u></u>
CAPITAL AND RESERVES			
Called up share capital	2	428,799,324	428,799,324
Profit and loss account	3	<u>184,847</u>	<u>184,847</u>
EQUITY SHAREHOLDERS' FUNDS	4	<u><u>428,984,171</u></u>	<u><u>428,984,171</u></u>

Director
18/3/2000


S. CHAPMAN

ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

Cash flow

As permitted by Financial Reporting Standard No.1 (revised) a cashflow has not been prepared as the company is a wholly owned subsidiary of a European Community parent whose consolidated accounts are publicly available.

CHISWELL PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

1. ORDINARY DIVIDENDS

	<u>1999/2000</u>	<u>1998/9</u>
	<u>£</u>	<u>£</u>
No dividend proposed (1999: 12.85 pence per share)	<u>-</u>	<u>55,100,713</u>

2. SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted, called up and fully paid</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Ordinary shares of £1 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>428,799,324</u>	<u>428,799,324</u>

3. PROFIT AND LOSS ACCOUNT

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Opening balance	184,847	55,285,560
Loss retained	-	(55,100,713)
Closing balance	<u>184,847</u>	<u>184,847</u>

4. MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Opening shareholders' funds	428,984,142	484,084,855
Dividends	-	(55,100,713)
Closing shareholders' funds	<u>428,984,142</u>	<u>428,984,142</u>

NOTES TO THE ACCOUNTS

5. RELATED PARTIES

The company is a wholly owned subsidiary of Whitbread PLC and has taken advantage of the exemption given in Financial Reporting Standard No.8 not to disclose transactions with other group companies.

6. PARENT UNDERTAKING

The ultimate parent undertaking is Whitbread PLC, registered in England and Wales.

The smallest and largest group of undertakings for which group accounts are drawn up and of which the company is a member is Whitbread PLC, registered in England and Wales. Copies of their accounts can be obtained from Chiswell Street, London EC1Y 4SD.