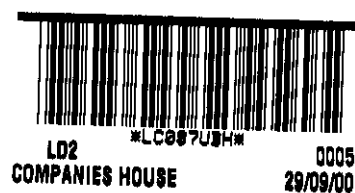


THE PELICAN GROUP PLC

REPORT & ACCOUNTS

4 March 2000

Registered number 425057



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DIRECTORS:

R B Simpson	(resigned 10th August 2000)
S J Warner	(resigned 10th August 2000)
M A Johnson	
N P Barbour	(appointed 10th August 2000)
M Mansigani	(appointed 10th August 2000)
J L Cumming	(resigned 20th July 1999)

SECRETARY:

R N C Franklin	(resigned 3rd March 2000)
M R Buxton- Smith	(appointed 3rd March 2000)

AUDITORS:

Ernst & Young
Becket House
1 Lambeth Palace Road
London
SE1 7EU

REGISTERED OFFICE:

Chiswell Street
London
EC1Y 4SD

REGISTERED NUMBER:

425057

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 principal activity of the company throughout the year was that of operating restaurants. The company intends to continue this activity for the foreseeable future.

The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future, and therefore have used the going concern basis in preparing the financial statements.

Results and dividends

The loss for the year after tax amounted to £18,579,321 (1999 - loss of £24,120,901). The directors do not recommend the payment of a dividend.

Fixed Assets

Following the introduction of Financial Reporting Standard 11 (Impairment of Fixed Assets and Goodwill), an impairment review has been conducted on the carrying values of the fixed assets of the company. The fixed assets have been written down to their recoverable amount and an operating charge has been made as described in note 1 to the accounts.

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.

Supplier payment policy

The company adheres to the payment terms which have been agreed with a supplier. Where payment terms have not been specifically agreed, it is the company's policy to settle invoices close to the end of the month following the month of invoicing. Adherence to these terms is dependant upon suppliers sending accurate and adequately detailed invoices to the correct address on a timely basis.

The company makes purchases on behalf of other group undertakings and recharges them on an arms length basis. The company had 26 days purchases outstanding at the year end (1998/9 - 25), based on trade creditors, accruals outstanding at that date and purchases made during the year.

DIRECTORS' REPORT

Employment of disabled persons

The company's policy is that, wherever it is practicable and reasonable within existing legislation, all employees, including disabled persons, are treated in the same way in matters relating to employment, training, career development and promotion. Every effort is made to retain and assist any individuals disabled during their employment. Full and fair consideration is given to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities.

Employee involvement

The board recognises the importance of employees being fully informed of events which directly affect them and their working conditions and to this end regular meetings are held with them. The involvement of employees in the success of the business is further encouraged through participation in the employee share option scheme of the ultimate parent undertaking.

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>
R B Simpson	36,670	36,641
S J Warner	2,217	157
M A Johnson	221	186

DIRECTORS' REPORT**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 at 28.02.99	Options granted		Options exercised		Options held at 04.03.00
			Number	Price (p)	Number	Price (p)	
R B Simpson	a	88,700	1,700	1101.0			90,400
	b	3,138					3,138
	c	15,662	(96) *	-			15,566
S J Warner	a	19,900	3,100	1101.0	(1,900)	498.8	17,300
					(500)	456.8	
					(3,300)	581.8	
	b	3,109	1,227	549.7	(1,363)	440.0	2,973
M A Johnson	a	34,800	13,900	1101.0			48,700
	b	2,618					2,618

(a) the Executive Share Option Scheme

(b) the Savings Related Share Option Scheme

(c) the Long Term Incentive Plan

* included within this figure are 8,458 options which lapsed during the year.

Long Term Incentive Plan

Under the Long Term Incentive Plan R B Simpson was awarded 8,362 shares.

Details of the Long Term Incentive Plan are set out in the Whitbread PLC Annual Report and Accounts 1999/2000

Auditors

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

By order of the board

H. Mansy -

DIRECTOR

25 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 6, 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 7 to 16 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 The Pelican Group PLC

We have audited the accounts on pages 7 to 16 which have been prepared under the historical cost convention as modified by the revaluation of properties and on the basis of the accounting policies set out on pages 9 and 10.

Respective responsibilities of directors and auditors

As described on page 5, 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 accounts 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.

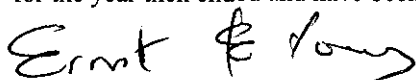
Basis of opinion

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 of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor
London

28 September 2000

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

	Notes	<u>1999/2000</u> £	1998/9 <u>(restated)</u> £
TURNOVER		81,545,475	80,906,647
Cost of sales		<u>(22,025,134)</u>	<u>(22,554,244)</u>
GROSS PROFIT		59,520,341	58,352,403
Administrative expenses		<u>(77,866,713)</u>	<u>(81,997,948)</u>
OPERATING LOSS	2	(18,346,372)	(23,645,545)
NON-OPERATING ITEMS			
Profit on disposal of retail property		293,736	603,330
Loss on disposal of retail property		<u>-</u>	<u>(381,967)</u>
LOSS BEFORE INTEREST		(18,052,636)	(23,424,182)
Interest	4	<u>(1,270,656)</u>	<u>(870,597)</u>
LOSS BEFORE TAXATION		(19,323,292)	(24,294,779)
Taxation	5	743,971	173,878
RETAINED LOSS FOR THE YEAR	12	<u>(18,579,321)</u>	<u>(24,120,901)</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	<u>Year ended</u> <u>4 March 2000</u> £	<u>Year ended</u> <u>27 February 1999</u> £
LOSS FOR FINANCIAL YEAR	(18,579,321)	(24,120,901)
Prior year adjustments for depreciation arising from the introduction of FRS 15	(2,634,125)	-
TOTAL RECOGNISED LOSSES SINCE PREVIOUS YEAR END	<u>(21,213,446)</u>	<u>(24,120,901)</u>

The difference between the loss on ordinary activities before taxation and the retained loss for the period stated above, and their historical cost equivalents is not material

BALANCE SHEET**4 March 2000**

	Notes	2000 £	1999 (restated) £
FIXED ASSETS			
Tangible fixed assets	6	38,438,032	52,908,857
Investments	7	<u>7,145,617</u>	<u>7,796,875</u>
		45,583,649	60,705,732
CURRENT ASSETS			
Stock - finished goods and consumables		2,493,493	2,586,200
Debtors	8	2,194,811	2,659,207
Cash at bank and in hand		<u>16,011,956</u>	<u>3,517,989</u>
		20,700,260	8,763,396
CREDITORS - amounts falling due within one year	9	<u>(46,133,058)</u>	<u>(31,775,285)</u>
NET CURRENT LIABILITIES		<u>(25,432,798)</u>	<u>(23,011,889)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		20,150,851	37,693,843
PROVISIONS FOR LIABILITIES AND CHARGES	10	<u>(2,536,329)</u>	<u>(1,500,000)</u>
TOTAL ASSETS LESS LIABILITIES		<u>17,614,522</u>	<u>36,193,843</u>
CAPITAL AND RESERVES			
Called up share capital	11	44,802,302	44,802,302
Share premium account	12	17,095,974	17,095,974
Revaluation reserve	12	1,389,953	2,187,294
Profit and loss account	12	<u>(45,673,707)</u>	<u>(27,891,727)</u>
SHAREHOLDERS' FUNDS	13	<u>17,614,522</u>	<u>36,193,843</u>

U. Mansley
 Director
 28 September

2000

ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention as modified by the revaluation of property, and in accordance with applicable Accounting Standards. In accordance with the exemption granted by s228 Companies Act 1985, the company does not prepare consolidated group accounts.

Tangible fixed assets

Prior to the adoption of FRS15 in the 1999/2000 financial year, properties were regularly revalued on a cyclical basis. Since the adoption of FRS15, the group policy has been not to revalue its properties. Consequently the transitional provisions of FRS15 have been applied and, while previous valuations have been retained, they have not been updated. Details of the last revaluations are given in note 6. Other fixed assets are stated at cost.

Depreciable fixed assets are written off on a straight line basis over their estimated useful lives as follows:

- Freehold land is not depreciated.
- Freehold buildings are depreciated to their estimated residual values over periods up to 50 years.
- Leasehold properties are depreciated to their estimated residual values over the shorter of 50 years, their estimated useful lives and their remaining lease periods.
- Retail furniture, fixtures and equipment are depreciated over 4 to 25 years.
- Motor vehicles are depreciated over 4 to 10 years.

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. Any impairment in the value of the fixed assets below depreciated historical cost is charged to the profit and loss account. Profits and losses on disposal of fixed assets reflect the difference between net selling price and net book value at the date of disposal.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken to the profit and loss account for the year.

ACCOUNTING POLICIES

Turnover

Turnover is the value of goods and services sold, within the UK, as part of the company's continuing ordinary activities after deducting sales based taxes.

Leases

Rental payments in respect of operating leases are charged against operating profit on a straight line basis over the period of the lease.

Vacant properties

Provision is made for the future net rental costs of leasehold properties which are vacant or sub-let below passing rent. The provision is based on estimated future net cash out flows discounted to net present value.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all timing differences to the extent that it is probable that the liability will crystallise or tax will be recoverable within the foreseeable future.

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.

Pension Funding

Pension costs are charged to the profit and loss account over the average expected service life of current employees. Actuarial surpluses are amortised over the expected remaining service lives of current employees, using the percentage of pensionable salaries method. Differences between the amount charged in the profit and loss account and payments made to the schemes are treated as assets or liabilities in the balance sheet.

NOTES TO THE ACCOUNTS

1. CHANGES TO ACCOUNTING POLICIES

FRS15 (Tangible Fixed Assets) has been adopted in the year. Under previous accounting standards, where retail properties were maintained in such a state of repair that their residual value was at least equal to their net book value and the corresponding depreciation would not be material, depreciation need not be charged. However, FRS15 now requires that retail properties are disaggregated and that depreciation is charged on the separate components. The effects of this are as follows:

- Freehold and leasehold retail properties are now depreciated in accordance with the accounting policies set out in page 9.
- Fixtures and fittings in retail properties were previously included within retail property in the fixed asset note and furniture and equipment were included in plant and machinery. These two categories are now combined under the heading "Retail furniture, fixtures and equipment" and depreciated in accordance with the accounting policies set out in page 9. As permitted by FRS15, because the group's assets have been disaggregated into different components, with significantly differing economic lives for depreciation purposes, the above changes have been accounted for as prior year adjustments. An adjustment has been made to account for backlog depreciation on fixtures and fittings which would have been charged in previous years had the revised accounting policies been in place when the current fixed asset portfolio was acquired.

The effect of the changes on the balance sheet can be seen in note 13. The effect on the profit and net assets is to reduce both as follows.

Impact of FRS15	1999/2000		1998/9	
	Operating Profit	Net Assets	Operating Profit	Net Assets
	£	£	£	£
Pelican Group PLC	<u>(915,320)</u>	<u>(3,549,445)</u>	<u>(302,024)</u>	<u>(2,634,125)</u>

2. PROFIT AND LOSS ACCOUNT DETAILS

	1999/2000	1998/9
	£	(restated) £
Operating loss is stated after charging:		
Auditors' remuneration	66,250	111,168
Depreciation of fixed assets (note 6)	4,198,482	1,224,417
Profit/Loss on disposal of fixed assets	293,736	354,382
Operating lease rentals	8,884,246	8,458,671
- land and buildings		
- other	283,826	190,459
Hire of plant and machinery	81,381	99,069
Exceptional item:	-	
Impairment of fixed assets (note 6)	12,809,311	25,444,308

The exceptional item has no taxation effect.

3. INFORMATION ON DIRECTORS AND EMPLOYEES

	1999/2000	1998/9
	£	(restated) £
Staff costs		
Wages and salaries	31,607,603	28,310,789
Social security costs	2,419,189	2,963,962
	<u>34,026,792</u>	<u>31,274,751</u>

The average monthly number of employees (including directors) during the year was made up as follows:

	No.	No.
Administration	69	87
Restaurant	3,362	3,603
	<u>3,431</u>	<u>3,690</u>

NOTES TO THE ACCOUNTS

Directors' emoluments	£	£
Emoluments	502,239	438,911
The amounts in respect of the highest paid director are:	£	£
Emoluments	204,305	111,616
Pension Costs	9,481	-
	213,786	111,616

The directors are members of the Whitbread PLC principal group pension scheme. Details of the Whitbread PLC pension scheme are set out in the Whitbread PLC Annual Report and Accounts 1999/2000.

4. INTEREST

	1999/2000 £	1998/9 (restated) £
Interest payable and similar charges		
Bank loans and overdrafts	-	-
Loan from parent undertaking	1,281,000	945,000
Other	15,959	6,004
	1,296,959	951,004
Interest receivable		
Other	(26,303)	(80,407)
	1,270,656	870,597

5. TAXATION

	2000 £	1999 £
Current taxation on losses for the year		
U.K. Corporation Tax at 30.08% (1998/9 - 31%)	(804,347)	200,700
Adjustments to earlier periods		
Corporation Tax	60,376	(374,578)
	(743,971)	(173,878)

6. TANGIBLE FIXED ASSETS

	Manufacturing, logistics & administration		Retail		Total
	Land & Buildings £	Furniture, fixtures & equipment £	Land & Buildings £	Furniture, fixtures & equipment £	£
Gross amounts 27 February 1999 - reanalysed	146,171	45,985	32,575,703	31,774,923	64,542,782
Additions	165,191	143,660	1,915,870	2,259,465	4,484,186
Disposals	(146,171)	(45,985)	(1,971,122)	(564,913)	(2,728,191)
Impairments	-	-	(7,374,170)	(5,435,141)	(12,809,311)
Transfers from group companies	-	255,801	-	-	255,801
Gross amounts 4 March 2000	165,191	399,461	25,146,281	28,034,334	53,745,267
Depreciation 27 February 1999	-	(17,013)	(3,535,620)	(5,447,167)	(8,999,800)
Adjust for backlog depreciation as at 28 February 1998	-	-	-	(2,332,101)	(2,332,101)
Adjust for 1998/9 depreciation	-	-	-	(302,024)	(302,024)
Depreciation 27 February 1999 - restated	-	(17,013)	(3,535,620)	(8,081,292)	(11,633,925)
Depreciation for the year	(8,668)	(82)	(1,672,044)	(2,517,688)	(4,198,482)
Disposals	-	17,013	369,047	139,112	525,172
Depreciation 4 March 2000	(8,668)	(82)	(4,838,617)	(10,459,868)	(15,307,235)
Net book amounts 4 March 2000	156,523	399,379	20,307,664	17,574,466	38,438,032
Net book amounts 27 February 1999	146,171	28,972	29,040,083	23,693,631	52,908,857

NOTES TO THE ACCOUNTS**6. TANGIBLE FIXED ASSETS (cont)**

	<u>Freehold</u>	<u>Long leasehold</u>	<u>Short leasehold</u>	<u>Total</u>
	£	£	£	£
Net book amounts of properties				
4 March 2000	<u>1,810,593</u>	<u>-</u>	<u>18,653,594</u>	<u>20,464,187</u>
27 February 1999	<u>1,223,561</u>	<u>30,493,158</u>	<u>14,774,992</u>	<u>46,491,711</u>

The directors have previously carried out a valuation of the company's property. The property was valued at open market value for the purpose of its existing use by chartered surveyors employed by the parent company. If this and previous revaluations had not taken place, the values of the fixed assets would have been:

	<u>Manufacturing, logistics & administration</u>		<u>Retail</u>		
	<u>Land & Buildings</u>	<u>Furniture, fixtures & equipment</u>	<u>Land & Buildings</u>	<u>Furniture, fixtures & equipment</u>	<u>Total</u>
	£	£	£	£	£
Gross amounts	165,191	399,461	57,005,161	28,034,334	85,604,147
Depreciation	(8,668)	(82)	(5,268,972)	(10,459,868)	(15,737,590)
Net book amounts 4 March 2000	<u>156,523</u>	<u>399,379</u>	<u>51,736,189</u>	<u>17,574,466</u>	<u>69,866,557</u>
Net book amounts 27 February 1999	<u>146,171</u>	<u>28,972</u>	<u>48,676,579</u>	<u>23,693,631</u>	<u>72,545,353</u>

	<u>2000</u>	<u>1999</u>
	£	£
Capital commitments		
Contracted	<u>80,000</u>	<u>920,722</u>

NOTES TO THE ACCOUNTS**7. INVESTMENT IN SUBSIDIARY UNDERTAKINGS**

£

Shares at or under cost

27 February 1999	7,796,875
Disposal of subsidiary	(651,264)
Other movements	6
4 March 2000	<u>7,145,617</u>

	<u>Principal activities</u>	<u>Country of incorporation or registration</u>	<u>Country of principal operations</u>	<u>% equity holding</u>
Principal subsidiary undertakings				
Adamstar Limited	see below	England	England	100
Café Pelican Limited	see below	England	England	100
Café Rouge Limited*	see below	England	England	100
Dragon Inns & Restaurants Limited*	Restaurants	England	England	100
Heathgate Restaurants PLC	Restaurants	England	England	95
Yankee Noodle Restaurants Limited #	see below	England	England	100

The principle activity of Dragon Inns & Restaurants Limited and Heathgate Restaurants PLC throughout the year was that of the operation of restaurants. The remaining companies did not trade during the year and will remain dormant for the foreseeable future.

* Indicates held by a subsidiary undertaking. The percentage of voting rights held is the same as the percentage of the nominal value of the shares held.

Preference and ordinary shares held

8. DEBTORS

	<u>2000</u>	<u>1999</u>
	£	£
Trade debtors	447,713	535,069
Other debtors	100,327	339,376
Corporation Tax	804,347	-
Prepayments and accrued income	842,424	1,784,762
	<u>2,194,811</u>	<u>2,659,207</u>

9. CREDITORS- amounts falling due within one year

	<u>2000</u>	<u>1999</u>
	£	£
Trade creditors	1,895,127	4,131,569
Amounts owed to group undertakings	37,229,048	22,942,710
Corporation Tax	-	200,700
Other taxes and social security costs	676,626	17,492
Other creditors	413,931	1,347,655
Accruals and deferred income	5,918,326	3,135,159
	<u>46,133,058</u>	<u>31,775,285</u>

NOTES TO THE ACCOUNTS

10. PROVISIONS FOR LIABILITIES AND CHARGES

	Reorganisation Cost	Onerous contracts	Deferred Taxation	Total
	£	£	£	£
27 February 1999	-	1,500,000	-	1,500,000
Created	1,905,493	-	-	1,905,493
Used	(411,493)	(457,671)	-	(869,164)
4 March 2000	<u>1,494,000</u>	<u>1,042,329</u>	<u>-</u>	<u>2,536,329</u>

Provisions have not been discounted because the effect was not material. It is expected that the majority of the reorganisation provision will be used within one year of the balance sheet date.

The potential amount of deferred taxation not provided in these accounts in respect of accelerated capital allowances is £1,013,206 (1998/9 - £1,343,385). As a result of the high level of expenditure on additions to fixed assets which attract capital allowances, the timing differences between depreciation and taxation allowances are not expected to reverse in the foreseeable future and consequently a provision for deferred taxation is not required.

11. SHARE CAPITAL

	Authorised 2000	1999	Allotted, called up and fully paid 2000	1999
	£	£	£	£
Ordinary shares of 20p each	<u>150,000,000</u>	<u>150,000,000</u>	<u>44,802,302</u>	<u>44,802,302</u>

12. RESERVES

	Share premium account	Revaluation reserve	Profit & loss account	Total
	£	£	£	£
27 February 1999	17,095,974	2,187,294	(25,257,602)	(5,974,334)
Adjust for backlog depreciation as at 28 February 1998	-	-	(2,332,101)	(2,332,101)
Adjust for 1998/9 depreciation	-	-	(302,024)	(302,024)
27 February 1999 - restated	<u>17,095,974</u>	<u>2,187,294</u>	<u>(27,891,727)</u>	<u>(8,608,459)</u>
Profit retained	-	-	(18,579,321)	(18,579,321)
Transfer on disposal of property	-	(665,855)	665,855	-
Depreciation transferred to P&L reserve	-	(131,486)	131,486	-
4 March 2000	<u>17,095,974</u>	<u>1,389,953</u>	<u>(45,673,707)</u>	<u>(27,187,780)</u>

13. MOVEMENT IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Opening shareholders' funds	38,827,968	32,646,845
Adjust for backlog depreciation as at 28 February 1998	(2,332,101)	(2,332,101)
Adjust for 1998/9 depreciation	(302,024)	-
27 February 1999 - restated	<u>36,193,843</u>	<u>30,314,744</u>
New share capital subscribed	-	30,000,000
Loss retained	<u>(18,579,321)</u>	<u>(24,120,901)</u>
Closing shareholders' funds	<u>17,614,522</u>	<u>36,193,843</u>

NOTES TO THE ACCOUNTS**14. LEASE COMMITMENTS**

	2000		1999	
	<u>Property</u>	<u>Plant and machinery</u>	<u>Property</u>	<u>Plant and machinery</u>
	£	£	£	£
Annual payments under operating leases which expire:				
Under one year	-	-	53,000	-
Between two and five years	454,462	-	460,993	-
More than five years	8,374,721	-	8,800,537	-
	<u>8,829,183</u>	<u>-</u>	<u>9,314,530</u>	<u>-</u>

15. CONTINGENT LIABILITIES

The company acts as guarantor in respect of certain leases granted to subsidiary undertakings and in respect of leases which have been disposed of. It is not practical to quantify the extent of any liability which may arise.

16. RELATED PARTIES

The company is a 100% 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.

17. 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.