

# **STONESHELL LIMITED**

## **REPORT & ACCOUNTS**

**31 January 2003**

Registered number 496062



# STONESHELL LIMITED

**DIRECTORS:** C J Wilkins  
S C Barratt

**SECRETARY:** E A Thorpe (appointed 25 September 2002)  
M R Buxton-Smith (resigned 25 September 2002)

**AUDITORS:** Ernst & Young LLP  
Becket House  
1 Lambeth Palace Road  
London  
SE1 7EU

**REGISTERED OFFICE:** Whitbread House  
Park Street West  
Luton  
LU1 3BG

**REGISTERED NUMBER:** 496062

## DIRECTORS' REPORT

### Accounts

The Directors submit to the shareholders their report and accounts for the year ended 31 January 2003.

### Principal activity and review of business development

The company's principal activity was to provide funding to the ultimate parent company.

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 profit for the year after tax amounted to £2,100,000 (2001/2 - £2,100,000). The directors do not propose payment of a dividend for the year.

### 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 holding company, Whitbread PLC including shares under the Whitbread PLC Share Ownership Scheme are as follows:

Ordinary shares	31 January 2003	31 January 2002
C J Wilkins	4,586	4,556
S C Barratt	3,539	3,443

### Options over ordinary shares

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

		Options held at 01.02.02	Options granted		Options lapsed		Options held at 31.01.03
			Number	Price (p)	Number	Price (p)	
C J Wilkins	a	117,000	20,000	641.0	-	-	137,000
	b	3,337	856	441.2	(590)	-	3,603
S C Barratt	a	70,200	24,000	641.0	-	-	94,200
	b	2,291	-	-	(303)	-	1,988

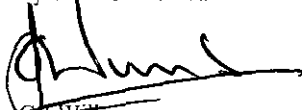
(a) the Executive Share Option Scheme

(b) the Savings Related Option Scheme

### Auditors

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

By order of the board

  
C J Wilkins  
DIRECTOR

14/07 2003

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

The following statement, which should be read in conjunction with the auditors' statement of their responsibilities set out on page 4, is made with a view to distinguishing for shareholders 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 5 to 9 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 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.

## **INDEPENDENT AUDITORS' REPORT**

### **to the members of Stoneshell Limited**

We have audited the company's financial statements for the year ended 31 January 2003 which comprise the Profit and Loss Account, Balance Sheet, Accounting Policies, and related notes 1 to 9. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

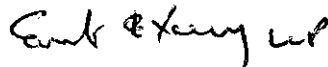
#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 January 2003 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered Auditor  
London

14 July 2003

**PROFIT AND LOSS ACCOUNT**

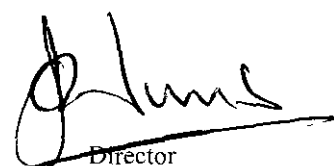
<b><u>Year ended 31 January 2003</u></b>	<b><u>Notes</u></b>	<b><u>2002/3</u></b> <b>£</b>	<b><u>2001/2</u></b> <b>£</b>
Interest receivable	1	<u>3,000,000</u>	<u>3,000,000</u>
<b>PROFIT BEFORE TAXATION</b>		<b>3,000,000</b>	<b>3,000,000</b>
Taxation	2	<b>(900,000)</b>	<b>(900,000)</b>
<b>RETAINED PROFIT FOR THE YEAR</b>	6	<b><u>2,100,000</u></b>	<b><u>2,100,000</u></b>

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

**BALANCE SHEET**

**31 January 2003**

	Notes	<u>2003</u> £	<u>2002</u> £
<b>CURRENT ASSETS</b>			
Debtors	3	56,392,668	53,092,668
Cash at bank and in hand		<u>5,883,831</u>	<u>5,883,831</u>
		62,276,499	58,976,499
<b>CREDITORS - amounts falling due within one year</b>	4	<u>(1,923,750)</u>	<u>(723,750)</u>
<b>NET CURRENT ASSETS</b>		<u><u>60,352,749</u></u>	<u><u>58,252,749</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	5	51,000,000	51,000,000
Profit and loss account	6	<u>9,352,749</u>	<u>7,252,749</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	7	<u><u>60,352,749</u></u>	<u><u>58,252,749</u></u>

  
Director

14 July 2003

## **ACCOUNTING POLICIES**

### **Accounting convention**

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

### **Cash flow statement**

As permitted by Financial Reporting Standard No. 1 (revised), a cash flow statement has not been prepared by the company.



# NOTES TO THE ACCOUNTS

## 1. INTEREST

Interest received on loan to parent undertaking

<u>2003</u>	<u>2002</u>
£	£
3,000,000	3,000,000
<u>3,000,000</u>	<u>3,000,000</u>

## 2. TAXATION

### Current taxation on profits for the year

U.K. Corporation Tax at 30% (2001/2 - 30%)

Adjustments to UK Corporation Tax for earlier periods

### Total current taxation

900,000	900,000
-	-
<u>900,000</u>	<u>900,000</u>

### Factors affecting the tax charge for the year

Profit before tax

Tax at current UK Corporation tax rate of 30% (2001/2 - 30%)

3,000,000	3,000,000
900,000	900,000

## 3. DEBTORS

Loan account

Other amounts owed by group undertakings

The above amounts have no fixed repayment date.

<u>2003</u>	<u>2002</u>
£	£
50,000,000	50,000,000
6,392,668	3,092,668
<u>56,392,668</u>	<u>53,092,668</u>

## 4. CREDITORS- amounts falling due within one year

Corporation tax

Other creditors

<u>2003</u>	<u>2002</u>
£	£
1,800,000	600,000
123,750	123,750
<u>1,923,750</u>	<u>723,750</u>

## 5. SHARE CAPITAL

Ordinary shares of £1 each as at 31 January 2003 and 31 January 2002

<u>Authorised</u>	<u>Allotted, called up and fully paid</u>
£	£
61,000,000	51,000,000

## NOTES TO THE ACCOUNTS

### 6. PROFIT AND LOSS ACCOUNT

	<u>2003</u>	<u>2002</u>
	£	£
31 January 2002	7,252,749	5,152,749
Profit retained	<u>2,100,000</u>	<u>2,100,000</u>
31 January 2003	<u><u>9,352,749</u></u>	<u><u>7,252,749</u></u>

### 7. MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>2003</u>	<u>2002</u>
	£	£
Shareholders' funds at 31 January 2002	58,252,749	56,152,749
Profit earned for ordinary shareholders	<u>2,100,000</u>	<u>2,100,000</u>
Shareholders' funds at 31 January 2003	<u><u>60,352,749</u></u>	<u><u>58,252,749</u></u>

### 8. 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.

### 9. PARENT UNDERTAKING

The parent undertaking of the 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 City Point, One Ropemaker Street, London, EC2Y 9HX.

The parent undertaking of the smallest group of undertakings for which group accounts are drawn up and of which the company is a member is Whitbread Group PLC, registered in England and Wales. Copies of their accounts can be obtained from City Point, One Ropemaker Street, London, EC2Y 9HX.