

**GOODWOOD
PARK HOTEL
LIMITED**

REPORT & ACCOUNTS

3 March 2001



Registered number 1326672

GOODWOOD PARK HOTEL LIMITED

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GOODWOOD PARK HOTEL LIMITED

DIRECTORS: The Duke of Richmond and Gordon
Mr R N Fabricius
Mr G R L Windle (Chairman)
The Earl of March and Kinrara
Mr D J Beswick
Mr C A Leaver (resigned 20th April 2000)

SECRETARY: M R Buxton - Smith

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

BANKERS: National Westminster Bank plc
32 Corn Street
Bristol
Avon
BS99 7UG

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

REGISTERED NUMBER: 1326672

DIRECTORS' REPORT

Accounts

The Directors submit to the shareholders their report and accounts for the year ended 3 March 2001.

Principal activity and review of business development

The principal activity of the company during the year was the operation of one hotel incorporating golf and country club, the Goodwood Park Marriott Hotel & Country Club. This hotel traded under the Marriott brand as part of a franchise agreement with with Marriott International.

Sales have grown ahead of last year, largely as a result of the increase in occupancy.

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

Results and dividends

The loss for the year after tax amounted to £25,034 (2 March 2000 profit - £213,012). The directors do not recommend the payment of a dividend.

Supplier payment policy

Since purchases of goods and services are dealt with through the parent undertaking, Whitbread PLC, the company does not have any trade creditors. It is not, therefore, appropriate to disclose the number of days taken to pay creditors. For invoices paid by Whitbread PLC, 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.

Directors

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

DIRECTORS' REPORT

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	<u>3 March 2001</u>	2 March 2000 or <u>date of appointment</u>
D J Beswick	148	1,156
G R L Windle	20,976	18,442

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:-

		<u>Options held at 03.03.00 or appointment</u>	<u>Options granted</u>		<u>Options exercised/ (Options lapsed)</u>		<u>Options held at 03.03.01</u>
			<u>Number</u>	<u>Price</u>	<u>Number</u>	<u>Price</u>	
D J Beswick	b	493	2,345	-	(493)	-	2,345
G R L Windle	a	42,400	24,000	542.4	7,800	451.2	58,600
	b	1,670	3,268	413	(1,080)	-	3,858

- (a) the Executive Share Option Scheme
(b) the Savings Related Share Option Scheme

Auditors

On 28 June 2001, Ernst & Young, the Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors have consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001.

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

By order of the board



M R Buxton-Smith
SECRETARY

13 December 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 accounts.

The directors are required by the Companies Act 1985 to prepare accounts 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 accounts on pages 6 to 13 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 accounts 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 accounts 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.

GOODWOOD PARK HOTEL LIMITED

INDEPENDENT AUDITORS REPORT

to the members of Goodwood Park Hotel Limited

We have audited the company's accounts for the year ended 3 March 2001 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement, Statement of Total Recognised Gains and Losses, and the related notes 1 to 15. These accounts have been prepared on the basis of the accounting policies set out therein.

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 accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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 company 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.

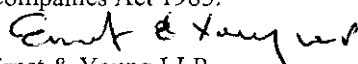
Basis of opinion

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 the accounts. It also includes an assessment of the significant estimates and disclosures in 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 financial statements give a true and fair view of the state of affairs of the company at 3 March 2001 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young LLP
Registered Auditor
London

13 December 2001

GOODWOOD PARK HOTEL LIMITED

PROFIT AND LOSS ACCOUNT

<u>Year ended 3 March 2001</u>	<u>Notes</u>	<u>2000/01</u> £	<u>1999/2000</u> £
TURNOVER		5,611,955	5,365,299
Cost of sales		<u>(4,641,424)</u>	<u>(4,285,210)</u>
GROSS PROFIT		970,531	1,080,089
Administrative expenses		<u>(798,988)</u>	<u>(462,537)</u>
OPERATING PROFIT	1	171,543	617,552
Interest	3	<u>(357,460)</u>	<u>(370,599)</u>
(LOSS) / PROFIT BEFORE TAXATION		(185,917)	246,953
Taxation	4	<u>160,883</u>	<u>(33,941)</u>
RETAINED (LOSS) / PROFIT FOR THE YEAR	10	<u>(25,034)</u>	<u>213,012</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

(LOSS) / PROFIT EARNED FOR SHAREHOLDERS	(25,034)	213,012
Prior year adjustments for depreciation arising from the introduction of FRS15	-	(15,540)
TOTAL (LOSSES)/PROFITS RECOGNISED SINCE PREVIOUS YEAR END	<u>(25,034)</u>	<u>197,472</u>

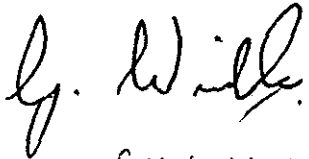
There is no difference between the profit on ordinary activities before taxation and the retained profit for the period stated above, and their historical cost equivalents.

GOODWOOD PARK HOTEL LIMITED

BALANCE SHEET

3 March 2001

	<u>Notes</u>	<u>2001</u> £	<u>2000</u> £
FIXED ASSETS			
Tangible assets	5	<u>12,249,904</u>	<u>12,326,446</u>
CURRENT ASSETS			
Stocks - finished goods for resale		62,763	45,724
Debtors	6	326,332	135,727
Cash at bank and in hand		<u>2,280</u>	<u>386,906</u>
		391,375	568,357
CREDITORS -amounts falling due within one year	7	<u>(901,610)</u>	<u>(698,034)</u>
NET CURRENT ASSETS		<u>(510,235)</u>	<u>(129,677)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,739,669	12,196,769
CREDITORS -amounts falling due after more than one year	8	<u>(4,889,642)</u>	<u>(5,321,708)</u>
TOTAL ASSETS LESS LIABILITIES		<u><u>6,850,027</u></u>	<u><u>6,875,061</u></u>
CAPITAL AND RESERVES			
Called up share capital	9	100,000	100,000
Revaluation reserve	10	2,053,694	2,079,565
Profit and loss account	10	<u>4,696,333</u>	<u>4,695,496</u>
EQUITY SHAREHOLDERS' FUNDS	11	<u><u>6,850,027</u></u>	<u><u>6,875,061</u></u>


 G. L. WINDER
 Director
 17 December 2001

GOODWOOD PARK HOTEL LIMITED

CASH FLOW STATEMENT

Year ended 3 March 2001

	Notes	2000/01		1999/2000	
		£	£	£	£
OPERATING ACTIVITIES					
Operating profit			171,543		617,552
Depreciation	5		527,909		491,127
Other non-cash movements			1,311		(3,160)
(Increase) / Decrease in stocks			(17,039)		7,406
(Increase) / Decrease in debtors			(80,743)		73,947
Increase in creditors			142,418		41,594
NET CASH INFLOW FROM OPERATING ACTIVITIES			745,399		1,228,466
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest paid			<u>(357,460)</u>		<u>(127,599)</u>
NET CASH (OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			(357,460)		(127,599)
TAXATION					
UK Corporation Tax (paid) / received			8,807		(16,985)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT					
Purchase of property and plant			<u>(499,783)</u>		<u>(514,019)</u>
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES			(499,783)		(514,019)
NET CASH (OUTFLOW) / INFLOW BEFORE FINANCING			(103,037)		569,863
Loan:					
Loan capital repaid	12		-		-
Net funding from group and parent undertakings:					
Loan capital repaid	12		(432,066)		
Other	12		-		(32,074)
INCREASE / (DECREASE) IN CASH	12		<u>(535,103)</u>		<u>537,789</u>

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

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 5. 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.

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.

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.

Comparative amounts

Comparative amounts are restated where necessary to conform to current presentation.

NOTES TO THE ACCOUNTS**1. PROFIT AND LOSS ACCOUNT DETAILS**

	<u>2000/01</u>	<u>1999/2000</u>
	£	£
Profit is stated after charging:		
Depreciation of fixed assets (note 5)	527,909	491,127
Operating lease rentals - plant and machinery	23,357	5,452
Hire of plant and machinery	-	20,989

Day to day transactions with The Goodwood Estate Co. Ltd amounted to £45,809 (1999/2000 - £60,345) charged to the company on an arms length basis. All other costs, amounting to £4,866,694 (1999/2000 - £3,981,663), are incurred by Whitbread PLC on behalf of the company and recharged to the company.

2. STAFF COSTS

Other costs of sales, including staff costs, are incurred by the parent undertaking and recharged to the company on an arms length basis. No director received any remuneration from the company during the year.

3. INTEREST

	<u>2000/01</u>	<u>1999/2000</u>
	£	£
Interest payable on loan from parent undertaking	357,460	364,450
Other interest	-	6,149
	<u>357,460</u>	<u>370,599</u>

4. TAXATION

	<u>2000/01</u>	<u>1999/2000</u>
	£	£
Current taxation on profits for the year		
U.K. Corporation Tax at 30% (1999/2000 - 31%)	111,173	(40,903)
Adjustments to earlier periods		
Corporation Tax	49,710	6,962
	<u>160,883</u>	<u>(33,941)</u>

The charge for U.K. Corporation Tax has been relieved by £121,489 (1999/2000 - £102,340) in respect of accelerated capital allowances, for which no provision for deferred taxation is considered necessary.

The potential amount of deferred taxation not provided in these accounts is £882,632 (1999/2000 - £761,144) in respect of accelerated capital allowances. In preparation for the introduction of full provision for deferred tax, as will be required in future accounts by FRS 19, the deferred tax balance has been recalculated for both 2001 and 2000. No provision has been made for any chargeable gains which might arise in the event of property being sold at its revalued amount, as in the ordinary course of business the property will be retained indefinitely.

GOODWOOD PARK HOTEL LIMITED

NOTES TO THE ACCOUNTS

5. TANGIBLE FIXED ASSETS

	Land & buildings £	Furniture, fixtures & equipment £	Total £
Gross amounts 2 March 2000	9,435,085	4,368,044	13,803,129
Additions	139,407	311,960	451,367
Gross amounts 3 March 2001	9,574,492	4,680,004	14,254,496
Depreciation 2 March 2000	(81,854)	(1,394,829)	(1,476,683)
Depreciation for the year	(82,752)	(445,157)	(527,909)
Depreciation 3 March 2001	(164,606)	(1,839,986)	(2,004,592)
Net book amounts 3 March 2001	9,409,886	2,840,018	12,249,904
Net book amounts 2 March 2000	9,353,231	2,973,215	12,326,446

The directors carried out a valuation of the company's property during 1994/5. 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:

	Land & buildings £	Furniture, fixtures & equipment £	Total £
Gross amounts	11,654,057	4,680,004	16,334,061
Depreciation	(164,606)	(1,839,986)	(2,004,592)
Net book amounts 3 March 2001	11,489,451	2,840,018	14,329,469
Net book amounts 2 March 2000	11,432,796	2,973,215	14,406,011

6. DEBTORS

	2001 £	2000 £
Trade debtors	178,801	102,189
Corporation Tax recoverable	111,173	-
Prepayments and accrued income	36,358	33,538
	326,332	135,727

Included above is £2,476 due from The Goodwood Estate Co. Ltd, a related party.

GOODWOOD PARK HOTEL LIMITED

NOTES TO THE ACCOUNTS

7. CREDITORS- amounts falling due within one year

	2001	2000
	£	£
Bank overdraft	150,477	-
Amounts owed to Whitbread group undertakings	214,612	214,612
Corporation Tax	-	40,903
Other creditors	93,030	72,955
Accruals and deferred income	443,491	369,564
	<u>901,610</u>	<u>698,034</u>

8. CREDITORS - amounts falling due after more than one year

	2001	2000
	£	£
Debentures	1,621,708	1,621,708
Amount owed to parent undertakings	3,267,934	3,700,000
	<u>4,889,642</u>	<u>5,321,708</u>

The debentures, which are secured on the Marriott Goodwood Park Hotel, are interest free and repayable at the option of the company. The debentures are held by Country Club Hotels Limited (£1,115,396) and The Goodwood Estate Co. Ltd (£506,312) both of whom are related parties. The amount due to the parent undertaking is a loan secured on assets of the company, ranking after the debentures. The loan carries interest at 9.85% and is repayable by instalments between 2000 and 2006.

9. SHARE CAPITAL

	Authorised, allotted, called up and fully paid	
	2001	2000
	£	£
'A' ordinary shares of £1 each	30,000	30,000
'B' ordinary shares of £1 each	70,000	70,000
	<u>100,000</u>	<u>100,000</u>

The 'A' and 'B' shares rank pari passu in all respects save the number of directors which can be appointed by each share class.

10. RESERVES

	Revaluation reserve	Profit & loss account	Total
	£	£	£
2 March 2000	2,079,565	4,695,496	6,775,061
Depreciation transferred	(25,871)	25,871	-
Loss retained	-	(25,034)	(25,034)
3 March 2001	<u>2,053,694</u>	<u>4,696,333</u>	<u>6,750,027</u>

11. MOVEMENT IN SHAREHOLDERS' FUNDS

	2001	2000
	£	£
Shareholders' funds at 2 March 2000	6,875,061	6,677,589
Adjust for backlog depreciation as at 28 February 1998	-	(21,677)
Adjust for 1998/9 depreciation	-	6,137
Shareholders' funds at 2 March 2000 - restated	<u>6,875,061</u>	<u>6,662,049</u>
(Loss) / Profit earned for ordinary shareholders	<u>(25,034)</u>	<u>213,012</u>
Shareholders' funds at 3 March 2001	<u>6,850,027</u>	<u>6,875,061</u>

NOTES TO THE ACCOUNTS**12. BALANCE SHEET MOVEMENTS IN CASH AND CASH EQUIVALENTS AND NET BORROWINGS**

2000/01	2 March 2000 £	Cash flow £	3 March 2001 £
Cash at bank	386,906		2,280
Overdrafts	-		(150,477)
Net Cash	386,906	(535,103)	(148,197)
Net funding from group and parent undertaking			
Loan	(3,700,000)	432,066	(3,267,934)
Other	364,450	-	364,450
Loan capital over one year	(1,621,708)	-	(1,621,708)
Net borrowings	(4,570,352)	(103,037)	(4,673,389)

1999/2000	27 February 1999 £	Cash flow £	2 March 2000 £
Cash at bank	2,000		386,906
Overdrafts	(152,883)		-
Net Cash	(150,883)	537,789	386,906
Net funding from group and parent undertaking			
Loan	(3,700,000)	-	(3,700,000)
Other	332,376	32,074	364,450
Loan capital over one year	(1,621,708)	-	(1,621,708)
Net borrowings	(5,140,215)	569,863	(4,570,352)

13. LEASE COMMITMENTS

	2001 £	2000 £
Annual payments under operating leases which expire:	Plant and machinery	Plant and machinery
Under one year	-	-
Within two to five years	23,357	5,452
Over five years	-	-
	23,357	5,452

14. RELATED PARTIES

All the transactions and balances with related parties, Whitbread PLC and its subsidiaries and The Goodwood Estate Co. Ltd, are disclosed in the notes to these accounts.

15 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 Whitbread House, Park Street West, Luton, LU1 3BG.