

**GOODWOOD  
PARK HOTEL  
LIMITED**

**REPORT & ACCOUNTS**

**2 March 2000**

Registered number 1326672



# 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 (appointed 1st December 1999)  
Mr C A Leaver (resigned 20th April 2000)  
Mr N Kellock (resigned 23rd September 1999)  
Mr P G Manby (resigned 1st September 1999)

**SECRETARY:**

M R Buxton - Smith

**AUDITORS:**

Ernst & Young  
400 Capability Green  
Luton  
LU1 3LU

**BANKERS:**

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

**REGISTERED OFFICE:**

Chiswell Street  
London  
EC1Y 4SD

**REGISTERED NUMBER:**

1326672

## **DIRECTORS' REPORT**

### **Accounts**

The Directors submit to the shareholders their report and accounts for the year ended 2 March 2000.

### **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 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 profit for the year after tax amounted to £213,012 (27 February 1999 - £717,851). 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.

### **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' 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>2 March 2000</u>	<u>27 February 1999 or date of appointment</u>
D J Beswick	1,156	1,587
G R L Windle	18,442	16,502

**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 28.02.99 or appointment</u>	<u>Options granted</u>		<u>Options exercised</u>		<u>Options held at 02.03.00</u>
			<u>Number</u>	<u>Price</u>	<u>Number</u>	<u>Price</u>	
D J Beswick	b	987	528	549.7	(1,022)	440/584.2	493
G R L Windle	a	41,400	1,000	1,101.0			42,400
	b	3,033	-	-	(1,363)	440	1,670

- (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.

By order of the board



M R Buxton-Smith  
SECRETARY

20 March

2001

# **GOODWOOD PARK HOTEL LIMITED**

## **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 14 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.

**REPORT OF THE AUDITORS**

**to the members of Goodwood Park Hotel Limited**

We have audited the accounts on pages 6 to 14 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 page 9.

**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 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.

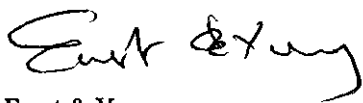
**Basis of opinion**

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 2 March 2000 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Registered Auditor  
London

20 March

2001

# GOODWOOD PARK HOTEL LIMITED

## PROFIT AND LOSS ACCOUNT

<u>Year ended 2 March 2000</u>	<u>Notes</u>	<u>1999/2000</u> £	1998/9 <u>(restated)</u> £
<b>TURNOVER</b>		<b>5,365,299</b>	5,211,177
Cost of sales		<u>(4,285,210)</u>	<u>(3,992,420)</u>
<b>GROSS PROFIT</b>		<b>1,080,089</b>	1,218,757
Administrative expenses		<u>(462,537)</u>	<u>(243,662)</u>
<b>OPERATING PROFIT</b>	2	<b>617,552</b>	975,095
Interest	4	<u>(370,599)</u>	<u>(364,921)</u>
<b>PROFIT BEFORE TAXATION</b>		<b>246,953</b>	610,174
Taxation	5	<u>(33,941)</u>	<u>107,677</u>
<b>RETAINED PROFIT FOR THE YEAR</b>	11	<u><b>213,012</b></u>	<u>717,851</u>

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

<b>PROFIT EARNED FOR SHAREHOLDERS</b>	<b>213,012</b>	717,851
Prior year adjustments for depreciation arising from the introduction of FRS15	<b>(15,540)</b>	-
<b>TOTAL PROFITS RECOGNISED SINCE PREVIOUS YEAR END</b>	<u><b>197,472</b></u>	<u>717,851</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

2 March 2000

	<u>Notes</u>	<u>2000</u> £	1999 <u>(restated)</u> £
<b>FIXED ASSETS</b>			
Tangible assets	6	<u>12,326,446</u>	<u>12,324,107</u>
<b>CURRENT ASSETS</b>			
Stocks - finished goods for resale		45,724	53,130
Debtors	7	135,727	206,514
Cash at bank and in hand		<u>386,906</u>	<u>2,000</u>
		568,357	261,644
<b>CREDITORS - amounts falling due within one year</b>	8	<u>(698,034)</u>	<u>(601,994)</u>
<b>NET CURRENT ASSETS</b>		<u>(129,677)</u>	<u>(340,350)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		12,196,769	11,983,757
<b>CREDITORS - amounts falling due after more than one year</b>	9	<u>(5,321,708)</u>	<u>(5,321,708)</u>
<b>TOTAL ASSETS LESS LIABILITIES</b>		<u><u>6,875,061</u></u>	<u><u>6,662,049</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	100,000	100,000
Revaluation reserve	11	2,079,565	2,079,565
Profit and loss account	11	<u>4,695,496</u>	<u>4,482,484</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	12	<u><u>6,875,061</u></u>	<u><u>6,662,049</u></u>

*lg. Wills*

CRLWINNLE

Director

20 March

2001



# GOODWOOD PARK HOTEL LIMITED

## CASH FLOW STATEMENT

Year ended 2 March 2000

	Notes	1999/2000	1998/9 (restated)
		£	£
<b>OPERATING ACTIVITIES</b>			
Operating profit		617,552	975,095
Depreciation	6	491,127	359,778
Other non-cash movements		(3,160)	(4,311)
Decrease in stocks		7,406	(5,315)
Decrease in debtors		73,947	10,898
Increase in creditors		41,594	163,791
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<b>1,228,466</b>	<b>1,499,936</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest paid		<u>(127,599)</u>	<u>(608,553)</u>
<b>NET CASH (OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		<b>(127,599)</b>	<b>(608,553)</b>
<b>TAXATION</b>			
UK Corporation Tax (paid) / received		(16,985)	169,951
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Purchase of property and plant		<u>(514,019)</u>	<u>(1,046,125)</u>
<b>NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES</b>		<b>(514,019)</b>	<b>(1,046,125)</b>
<b>NET CASH INFLOW BEFORE FINANCING</b>		<b>569,863</b>	<b>15,209</b>
<b>Loan:</b>			
Loan capital repaid	13	-	(333,000)
<b>Net funding from group and parent undertakings:</b>			
Other	13	(32,074)	(96,670)
<b>INCREASE / (DECREASE) IN CASH</b>	13	<u><u>537,789</u></u>	<u><u>(414,461)</u></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 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.

### **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.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 12. The effect on the profit and net assets is to reduce both as follows.

#### Impact of FRS15

	<u>1999/2000</u>		<u>1998/9</u>	
	Operating Profit	Net Assets	Operating Profit	Net Assets
	£	£	£	£
Goodwood Park Hotel Limited	<u>(85,354)</u>	<u>(100,894)</u>	6,137	<u>(15,540)</u>

### 2. PROFIT AND LOSS ACCOUNT DETAILS

	<u>1999/2000</u>	<u>1998/9</u>
	£	(restated) £
Profit is stated after charging:		
Depreciation of fixed assets (note 6)	491,127	359,778
Operating lease rentals - plant and machinery	5,452	1,580
Hire of plant and machinery	<u>20,989</u>	<u>25,143</u>

Day to day transactions with The Goodwood Estate Co. Ltd amounted to £60,345 (1998/9 - £66,253) charged to the company on an arms length basis. All other costs, amounting to £3,981,663 (1998/9 - £3,810,051), are incurred by Whitbread PLC on behalf of the company and recharged to the company.

### 3. 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.

### 4. INTEREST

	<u>1999/2000</u>	<u>1998/9</u>
	£	£
Interest payable on loan from parent undertaking	364,450	364,450
Other interest	<u>6,149</u>	<u>471</u>
	<u>370,599</u>	<u>364,921</u>

# GOODWOOD PARK HOTEL LIMITED

## NOTES TO THE ACCOUNTS

### 5. TAXATION

	1999/2000	1998/9
	£	£
Current taxation on profits for the year		
U.K. Corporation Tax at 31% (1998/9 - 30.08%)	(40,903)	23,947
Adjustments to earlier periods		
Corporation Tax	6,962	(131,624)
	<u>(33,941)</u>	<u>(107,677)</u>

The charge for U.K. Corporation Tax has been relieved by £102,340 (1998/9 - £174,472) 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 £1,297,501 (1998/9 - £1,195,161) in respect of accelerated capital allowances. 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.

### 6. TANGIBLE FIXED ASSETS

	Land & buildings £	Furniture, fixtures & equipment £	Total £
Gross amounts 27 February 1999 reanalysed	9,253,956	4,055,707	13,309,663
Additions	181,129	312,337	493,466
Gross amounts 2 March 2000	<u>9,435,085</u>	<u>4,368,044</u>	<u>13,803,129</u>
Depreciation 27 February 1999 - reanalysed	-	(970,016)	(970,016)
Adjust for backlog depreciation as at 28 February 1998		(21,677)	(21,677)
Adjust for 1998/9 depreciation	-	6,137	6,137
Depreciation 27 February 1999 - restated	-	(985,556)	(985,556)
Depreciation for the year	(81,854)	(409,273)	(491,127)
Depreciation 2 March 2000	<u>(81,854)</u>	<u>(1,394,829)</u>	<u>(1,476,683)</u>
Net book amounts 2 March 2000	<u>9,353,231</u>	<u>2,973,215</u>	<u>12,326,446</u>
Net book amounts 27 February 1999	<u>9,253,956</u>	<u>3,070,151</u>	<u>12,324,107</u>

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	11,514,650	4,368,044	15,389,228
Depreciation	(81,854)	(1,394,829)	(1,476,683)
Net book amounts 2 March 2000	<u>11,432,796</u>	<u>2,973,215</u>	<u>13,912,545</u>
Net book amounts 27 February 1999	<u>7,792,232</u>	<u>3,070,151</u>	<u>10,862,383</u>

**NOTES TO THE ACCOUNTS****7. DEBTORS**

	<u>2000</u>	<u>1999</u>
	£	£
Trade debtors	102,189	182,240
Prepayments and accrued income	33,538	24,274
	<u>135,727</u>	<u>206,514</u>

Included above is £14,825 due from The Goodwood Estate Co. Ltd, a related party

**8. CREDITORS- amounts falling due within one year**

	<u>2000</u>	<u>1999</u>
	£	£
Bank overdraft	-	152,883
Amounts owed to Whitbread group undertakings	214,612	32,074
Corporation Tax	40,903	23,947
Other creditors	72,955	72,025
Accruals and deferred income	369,564	321,065
	<u>698,034</u>	<u>601,994</u>

**9. CREDITORS - amounts falling due after more than one year**

	<u>2000</u>	<u>1999</u>
	£	£
Debentures	1,621,708	1,621,708
Amount owed to parent undertakings	3,700,000	3,700,000
	<u>5,321,708</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.

# GOODWOOD PARK HOTEL LIMITED

## NOTES TO THE ACCOUNTS

### 10. SHARE CAPITAL

Authorised, allotted, called up and fully paid	
2000	1999
£	£
'A' ordinary shares of £1 each	30,000
'B' ordinary shares of £1 each	30,000
	70,000
	100,000
	100,000

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

### 11. RESERVES

	Revaluation reserve	Profit & loss account	Total
	£	£	£
27 February 1999	2,079,565	4,498,024	6,577,589
Adjust for backlog depreciation as at 28 February 1998	-	(21,677)	(21,677)
Adjust for 1998/9 depreciation	-	6,137	6,137
Restated	2,079,565	4,482,484	6,562,049
Profit retained	-	213,012	213,012
2 March 2000	2,079,565	4,695,496	6,775,061

### 12. MOVEMENT IN SHAREHOLDERS' FUNDS

	2000	1999
	£	£
Shareholders' funds at 27 February 1999	6,677,589	5,965,875
Adjust for backlog depreciation as at 28 February 1998	(21,677)	(21,677)
Adjust for 1998/9 depreciation	6,137	-
Shareholders' funds at 27 February 1999 - restated	6,662,049	5,944,198
Profit earned for ordinary shareholders	213,012	717,851
Shareholders' funds at 2 March 2000	6,875,061	6,662,049

## **NOTES TO THE ACCOUNTS**

### **13. BALANCE SHEET MOVEMENTS IN CASH AND CASH EQUIVALENTS AND NET BORROWINGS**

1999/2000	<u>27 February 1999</u>	<u>Cash flow</u>	<u>2 March 2000</u>
	£	£	£
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	<u>(5,140,215)</u>	<u>569,863</u>	<u>(4,570,352)</u>

1998/9	<u>28 February 1998</u>	<u>Cash flow</u>	<u>February 1999</u>
	£	£	£
Cash	263,578	(414,461)	(150,883)
Net funding from group and parent undertaking			
Loan	(3,700,000)	-	(3,700,000)
Other	235,706	96,670	332,376
Loan capital over one year	(1,954,708)	333,000	(1,621,708)
Net borrowings	<u>(5,155,424)</u>	<u>15,209</u>	<u>(5,140,215)</u>

### **14. LEASE COMMITMENTS**

	<u>2000</u>	<u>1999</u>
	£	£
Annual payments under operating leases which expire:	Plant and machinery	Plant and machinery
Under one year	-	-
Within two to five years	5,452	1,580
Over five years	-	-
	<u>5,452</u>	<u>1,580</u>

### **15. 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.

### **16. 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 Chiswell Street, London EC1Y 4SD.