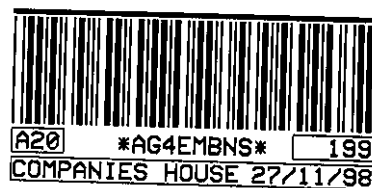


Tennis Club Management
International Limited

Report and Financial Statements

♦ *Year Ended 1 March 1998* ♦



COMPANY NO: 2003730

TENNIS CLUB MANAGEMENT INTERNATIONAL LIMITED

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TENNIS CLUB MANAGEMENT INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors M R Phillips
 S J R Philpott

Secretary M R Buxton-Smith

Registered office Whitbread PLC
 Chiswell Street
 London
 EC1Y 4SD

Registered number 2003730

Bankers Royal Bank of Scotland Plc
 Belgravia Branch
 24 Grosvenor Place
 London SW1X 7HP

Auditors Ernst & Young
 1 Lambeth Palace Road
 London
 SE1 7EU

TENNIS CLUB MANAGEMENT INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS

The directors present the report and financial statements for the year ended 1 March 1998.

Principal activities and future developments

The company was dormant and did not trade during the year. It does not intend to commence trading in the next year.

Directors and their interests

The present directors of the company are set out on page 1.

The directors who served throughout the year were as follows:-

J Clarke (resigned 27.02.98)
S J R Philpott
M R Phillips (appointed 02.03.98)

Those directors serving at the end of the year had no interest in the share capital of the company at 1 March 1998. Their interests in the share capital of the ultimate parent company, Whitbread PLC are shown in the financial statements of David Lloyd Leisure plc, the immediate parent company.

Respective responsibilities of the directors

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE DIRECTORS
(Continued)


Group Accounts

The company has not prepared group accounts, as required by the Companies Act 1985, as it has taken the exemption provided by FRS2 whereby the company is a wholly owned subsidiary undertaking of a company established under the law of a member state of the European Community.

Auditors

The auditors, Ernst & Young, will be seeking re-appointment at the forthcoming Annual General Meeting.

The report of the director was approved by the Board on *28th October* 1998 and signed on its behalf by:


Director

AUDITORS' REPORT TO THE SHAREHOLDERS OF TENNIS CLUB MANAGEMENT INTERNATIONAL LIMITED

We have audited the financial statements on pages 5 to 7 which have been prepared on the basis of the accounting policies set out on page 6.

Respective responsibilities of the directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

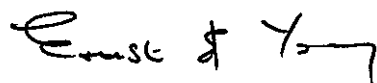
Basis of opinion

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 financial statements. It also includes an assessment of the significant estimates and judgements made by the director 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 as at 1 March 1998 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor

London
3/11 1998

TENNIS CLUB MANAGEMENT INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 1 March 1998

During the financial year and the preceding financial period the company did not trade and received no income and incurred no expenditure. Consequently, during those periods the company made neither a profit nor a loss.

BALANCE SHEET at 1 March 1998

	Note	1998 £	1997 £
Fixed assets			
Investments	3	15,000	15,000
		<u>15,000</u>	<u>15,000</u>
Current assets			
Cash at bank and in hand		6	6
		<u>6</u>	<u>6</u>
Creditors: Amounts falling due within one year	4	(184,819)	(184,819)
		<u>(184,819)</u>	<u>(184,819)</u>
Net current liabilities		(184,813)	(184,813)
		<u>(184,813)</u>	<u>(184,813)</u>
Net Assets		(169,813)	(169,813)
		<u>(169,813)</u>	<u>(169,813)</u>
Capital and reserves			
Called up share capital	5	2	2
Profit and loss account	6	(169,815)	(169,815)
		<u>(169,815)</u>	<u>(169,815)</u>
		(169,813)	(169,813)
		<u>(169,813)</u>	<u>(169,813)</u>

Throughout the financial year, the company was dormant within the meaning of Section 250 of the Companies Act 1985.

The financial statements were approved by the Board on 28th October 1998 and signed on its behalf by:


Director

NOTES TO THE FINANCIAL STATEMENTS

1 March 1998

1. ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared under the historical cost convention.

The accounts have been prepared on the going concern basis because the parent company has confirmed that it will provide funds to enable the company to meet its liabilities as they fall due.

2. GROUP ACCOUNTS

The financial statements present information about the company as an individual undertaking.

3. INVESTMENTS

	1998 £	1997 £
Investments comprise the following:		
(a) Shares in subsidiary undertaking: Farnridge Limited	15,000	15,000
	<hr/>	<hr/>
(b) Shares in related company: David Lloyd Meridian Travel Club Limited	5,000	5,000
Less: amount provided	(5,000)	(5,000)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
	15,000	15,000
	<hr/> <hr/>	<hr/> <hr/>

Details of the subsidiary and related company are as follows:

Company Name	Country of incorporation and operations	Holding	Year end	Principal Activity
Farnridge Limited	England	100%	1 March	Dormant

NOTES TO THE FINANCIAL STATEMENTS

1 March 1998

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998	1997
	£	£
Amount owed to parent undertaking	153,541	153,541
Amount owed to fellow subsidiary undertaking	20,706	20,706
Director's loan account	10,572	10,572
	<u>184,819</u>	<u>184,819</u>

5. SHARE CAPITAL

	1998	1997
	£	£
Authorised		
10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

6. PROFIT AND LOSS ACCOUNT

	£
Retained losses at 3 March 1997 and 1 March 1998	<u>169,815</u>

7. ULTIMATE PARENT COMPANY

At 1 March 1998, the company was a wholly owned subsidiary of David Lloyd Leisure PLC. At the same date, the ultimate parent company was Whitbread PLC, a company registered in the United Kingdom. Copies of the Group financial statements are available from the Company Secretary of Whitbread PLC at Chiswell Street, London EC1Y 4SD.

LIST OF PAST AND PRESENT MEMBERS

SCHEDULE TO FORM 363[illegible]

Continued overleaf

LIST OF PAST AND PRESENT MEMBERS (continued)

SCHEDULE TO FORM 363[illegible]