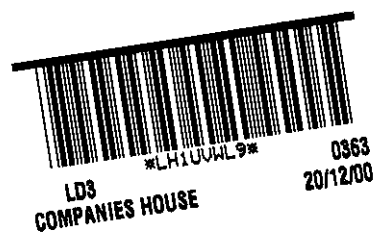


Tennis Club Management
International Limited

Report and Financial Statements

◆ *Year Ended 5 March 2000* ◆



COMPANY NO: 2003730

TENNIS CLUB MANAGEMENT INTERNATIONAL LIMITED

CONTENTS

	Page
Company information	1
Report of the Directors	2 - 3
Auditors' report to the shareholders of Tennis Club Management International Limited	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7-8

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 their report and financial statements for the year ended 5 March 2000.

Principal activities and future developments

The Company did not trade during the year. It does not intend to commence trading in the next year.

Directors and their 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>5 March 2000</u>	<u>1 March 1999</u>
Stephen Philpott	666	615
Mark Phillips	968	613

Options over ordinary shares

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

		Options held at						
28.02.99 or date of appointment		<u>Options granted</u>		<u>Options exercised</u>		<u>Options lapsed</u>	<u>Options held at 05.03.00</u>	
		Number	Price (p)	Number	Price (p)	Number		
Stephen Philpott	90,300	(a)	1,600	1,101	-	-	-	91,900
	2,701	(b)	-	-	-	-	-	2,701
	15,366	(c)	8,362	-	-	-	8,298	15,430
Mark Phillips	21,600	(a)	400	1,101	-	-	-	22,000
	3,031	(b)	613	549	681	440	-	2,963

- (a) the Executive Share Option Scheme
- (b) the Savings Related Share Option Scheme
- (c) the Long Term Incentive Plan

Details of the performance criteria for the Long Term Incentive Plan are set out in the Whitbread PLC annual report and accounts for 1999/2000.

REPORT OF THE DIRECTORS
(Continued)

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.

Group Accounts

The Company has not prepared group accounts, as required by the Companies Act 1985, as it has taken the exemption provided by Financial Reporting Standard No. 2 as the Company is a wholly owned subsidiary undertaking of a company established under the law of a member state of the European Community.

Year 2000 compliance


Our year 2000 "Readiness" programme, the associated business continuity plans and specific strategic replacement projects were all completed before the end of 1999. No major problems emerged over the millennium changeover period or since.

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 *5 DECEMBER* 2000 and signed on its behalf by:

Director

 5/12/00

TENNIS CLUB MANAGEMENT INTERNATIONAL LIMITED

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

We have audited the accounts on pages 5 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 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.

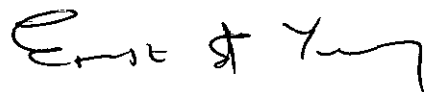
Basis of opinion

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 as at 5 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor

London
5/12/2000

TENNIS CLUB MANAGEMENT INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 5 March 2000

	Note	<u>1999/2000</u> £	<u>1998/9</u> £
Amount written off investments and write back of amount due to group companies		<u>2,261</u>	<u>-</u>
PROFIT BEFORE TAXATION		2,261	-
Taxation		<u>-</u>	<u>-</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR	6	<u>2,261</u>	<u>-</u>

There were no recognised gains or losses other than those reported above.

TENNIS CLUB MANAGEMENT INTERNATIONAL LIMITED

BALANCE SHEET at 5 March 2000

	Note	2000 £	1999 £
Fixed assets			
Investments	3	<u>-</u>	<u>15,000</u>
Current assets			
Cash at bank and in hand		<u>-</u>	<u>6</u>
Creditors: Amounts falling due within one year	4	<u>(167,552)</u>	<u>(184,819)</u>
Net current liabilities		<u>(167,552)</u>	<u>(184,813)</u>
Total assets less current liabilities		<u>(167,552)</u>	<u>(169,813)</u>
Net liabilities		<u>(167,552)</u>	<u>(169,813)</u>
Capital and reserves			
Called up share capital	5	2	2
Profit and loss account	6	<u>(167,554)</u>	<u>(169,815)</u>
		<u>(167,552)</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 *5 DECEMBER* 2000 and signed on its behalf by:



Director

TENNIS CLUB MANAGEMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5 March 2000

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

	2000 £	1999 £
Investments comprise the following:		
(a) Shares in subsidiary undertaking:		
Farnridge Limited	15,000	15,000
Less: amount provided	<u>(15,000)</u>	<u>-</u>
	-	15,000
(b) Shares in related company:		
David Lloyd Meridian Travel Club Limited	5,000	5,000
Less: amount provided	<u>(5,000)</u>	<u>(5,000)</u>
	-	-
	<u>-</u>	<u>15,000</u>

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%	28 February	Dormant
David Lloyd Meridian Travel Club Limited	England	50%	30 October	Dormant

TENNIS CLUB MANAGEMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5 March 2000

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Amount owed to parent undertaking	164,113	164,113
Amount owed to fellow subsidiary undertaking	<u>3,439</u>	<u>20,706</u>
	<u>167,552</u>	<u>184,819</u>

5. SHARE CAPITAL

	2000 £	1999 £
Authorised		
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted and fully paid		
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

6. RECONCILIATION OF SHAREHOLDERS FUNDS AND MOVEMENT ON RESERVES

	<u>Share capital</u> £	<u>Profit and loss account</u> £	<u>Total shareholders funds</u> £
At 28 February 1999	2	(169,815)	(169,813)
Profit for the year	-	2,261	2,261
	<u>2</u>	<u>(167,554)</u>	<u>(167,552)</u>
At 5 March 2000	2	(167,554)	(167,552)

7. ULTIMATE PARENT COMPANY

At 5 March 2000, the Company was a wholly owned subsidiary of David Lloyd Leisure Ltd. At the same date, the ultimate parent company was Whitbread PLC, a company registered in the United Kingdom. Copies of the group accounts are available from the Company Secretary of Whitbread PLC at Chiswell Street, London EC1Y 4SD.