

THE FOUR SEASONS HOTEL LIMITED

(A wholly owned subsidiary of Whitbread PLC which is incorporated in England and Wales)

DIRECTORS:

T G WALKER (resigned 22nd February 2000)
C J STOREY (resigned 22nd February 2000)
A C PARKER (appointed 22nd February 2000)
R W PARKER (appointed 22nd February 2000)
G R L WINDLE (appointed 22nd February 2000)

SECRETARY

E A THORPE & M R BUXTON-SMITH

REGISTERED OFFICE

WHITBREAD HOUSE
PARK STREET WEST
LUTON
LU1 3BG

REGISTERED NUMBER

3305786

DIRECTORS' REPORT

The directors present their report and the accounts for the period ended 4th March 2000.

Directors' Interests

According to the register maintained as required by the Companies Act 1985, the beneficial interests of the directors in shares and options over the ordinary shares in the parent undertaking Whitbread PLC including shares under the Whitbread PLC share ownership scheme are as follows:

Ordinary shares

22.2.00 (date of appointment)
& 4.3.00

R W Parker
A C Parker
G R L Windle

1,015
455
18,442



Options

Details of options over the ordinary share capital of the parent undertaking are shown below. There were no movements from the date of the directors appointments to the end of the period.

Options

4.3.00

R W Parker
A C Parker
G R L Windle

a.	25,400
b.	607
a.	96200
b.	3463
a.	42400
b.	1670

- a. Whitbread PLC Executive Share Option Scheme
- b. Whitbread PLC Sharesave Scheme

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Principal activities and business

The company acted as a hotel operator. The assets were transferred to Swallow Hotels Ltd on 18th March 1998. The company has not, on its own behalf traded during the financial period, nor has it incurred liabilities..

The directors recommend that no dividend is paid (1999 - nil). On the 6th January 2000 the immediate parent company Swallow Group plc was acquired by Whitbread plc. The company changed its year end to coincide with Whitbread plc.

Auditors

The auditors PricewaterhouseCoopers are not seeking re-appointment and a resolution to appoint Ernst & Young as auditors to the company will be proposed at the annual general meeting.

BY ORDER OF THE BOARD


SECRETARY

24 May 2000

THE FOUR SEASONS HOTEL LIMITED

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PROFIT AND LOSS ACCOUNT
for the period to 4th March 2000

		22 weeks to <u>4/3/2000</u>	52 weeks to <u>30/9/1999</u>
	Notes	<u>£000</u>	<u>£000</u>
TURNOVER	2	-	2,797
Cost of sales		-	<u>(1,859)</u>
Gross profit		-	938
Administrative expenses		-	<u>(248)</u>
OPERATING PROFIT	3	-	690
Interest payable	5	-	<u>(242)</u>
PROFIT ON ORDINARY			
ACTIVITIES BEFORE TAX		-	448
Tax on profit on ordinary activities		-	<u>(128)</u>
RETAINED PROFIT FOR THE PERIOD		-	<u>320</u>

Four Seasons Hotel Limited has no recognised gains or losses other than those above

There is no difference between the profits reported above and those on a historical cost basis.

All activities relate to discontinued operations.

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BALANCE SHEET at 4th March 2000

	Notes	<u>4/3/2000</u>	<u>30/9/1999</u>
		<u>£000</u>	<u>£000</u>
CURRENT ASSETS			
Amounts due from Group companies		<u>9,141</u>	<u>9,141</u>
		<u>9,141</u>	<u>9,141</u>
CAPITAL AND RESERVES			
Called up share capital	6	5,121	5,121
Capital reserve		1,095	1,095
Profit and loss account		<u>2,925</u>	<u>2,925</u>
Equity shareholders' funds		<u>9,141</u>	<u>9,141</u>

The financial statements were approved by the directors on 24 May 2000 and are signed on their behalf by:-


Director 

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by company law to ensure that accounts are prepared which give a true and fair view of the state of affairs of the company at the end of the financial year and of the results of the company for the period to that date. The accounts must be prepared in accordance with applicable accounting standards. In addition, the directors are responsible for selecting suitable accounting policies, applying them consistently and for making judgements and estimates that are reasonable and prudent. The directors are also responsible for ensuring that adequate accounting records are maintained and that systems are in place both to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF FOUR SEASONS HOTEL LIMITED

We have audited the financial statements on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

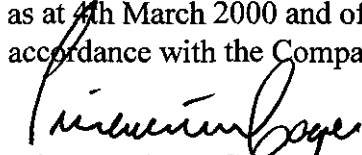
The directors are responsible for preparing the Annual Report. As described above, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance. 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 United Kingdom Companies Act. 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 is not disclosed. We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 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 the company's affairs as at 31st March 2000 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors

Newcastle upon Tyne

7TH JUNE 2000

THE FOUR SEASONS HOTEL LIMITED

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NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 4th MARCH 2000

1. ACCOUNTING POLICIES

a) Accounting convention

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

2. TURNOVER

Turnover represents the amounts derived from the provision of goods and services which fall within the group's ordinary activities stated net of value added tax.

3. OPERATING PROFIT

(a) This is stated after charging

	<u>22 weeks to</u> <u>4/3/2000</u> <u>£000</u>	<u>52 weeks to</u> <u>30/9/1999</u> <u>£000</u>
Staff costs (note 4)	-	790
Auditor's remuneration	-	3
Depreciation - owned	-	50
- leased	-	5
Operating lease rentals - plant and equipment	-	30

(b) Directors' remuneration

	<u>22 weeks to</u> <u>4/3/2000</u> <u>£000</u>	<u>52 weeks to</u> <u>30/9/1999</u> <u>£000</u>
Remuneration as executives	-	15
Pension contributions	-	1
	-	16

4. STAFF COSTS

	<u>22 weeks to</u> <u>4/3/2000</u> <u>£000</u>	<u>52 weeks to</u> <u>30/9/1999</u> <u>£000</u>
Wages and salaries	-	729
Social security costs	-	55
Other pension costs	-	6

The average weekly number of employees during the year was nil (1999 - 00)

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NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 4th MARCH 2000

5. INTEREST PAYABLE

	<u>22 weeks to</u> <u>4/3/2000</u> <u>£000</u>	<u>52 weeks to</u> <u>30/9/1999</u> <u>£000</u>
Bank loans and overdrafts repayable within five years	-	237
Hire purchase and finance lease charges	-	5
	-	<u>242</u>

6. SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted, called up</u> <u>and fully paid</u>	
Equity:	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Ordinary shares of £1 each:	10,000	10,000	5,121	5,121

7. ULTIMATE PARENT COMPANY

The ultimate parent company is Whitbread plc whose accounts can be obtained from Chiswell Street, London, EC1Y 4SD. The company has taken exemption from the requirement to disclose transactions with relating undertakings, whose share capital is 90% or more controlled within the group.

8. CASH FLOW STATEMENT

The company is a wholly owned subsidiary of Whitbread plc. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1.