

LADBROKE EMPLOYEE SHARE TRUST LIMITED (Company No. 3348112)
DIRECTORS' REPORT - YEAR ENDED 31 DECEMBER 1999

Directors: J B H Jackson (chairman)
J R F Walls
D R Williams

Secretary: B S Taker

Registered Office: Maple Court, Central Park, Reeds Crescent, Watford, Herts
WD1 1HZ

The directors have pleasure in presenting their report and the company's accounts for the year ended 31 December 1999.

ACCOUNTS AND DIVIDENDS

The company has not traded during the year and accordingly has made neither a profit nor a loss. No profit and loss account has therefore been prepared and no dividend is recommended. It is not expected that the company will commence trading in the current year.

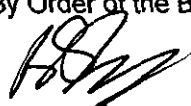
DIRECTORS

The current directors and those who served during the year are shown above.

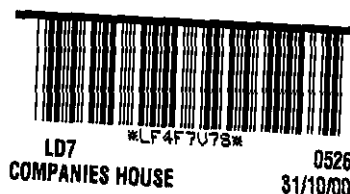
DIRECTORS' INTERESTS

The directors, who are also directors of Hilton Group plc, are not required to notify the company of any interests in any shares or debentures of this company or of Hilton Group plc or its subsidiaries. The required disclosure has been made within the consolidated financial statements of Hilton Group plc.

By Order of the Board



B S Taker
Secretary



LADBROKE EMPLOYEE SHARE TRUST LIMITED (Company No. 3348112)
BALANCE SHEET AT 31 DECEMBER 1999

	Note	1999 £	1998 £
Current Assets			
Amounts due from group companies	3	<u>2</u>	<u>2</u>
Capital and Reserves			
Called up share capital	4	<u>2</u>	<u>2</u>
EQUITY SHAREHOLDERS' FUNDS		<u>2</u>	<u>2</u>

The company was dormant within the meaning of section 250 of the Companies Act 1985 throughout the financial year ended 31 December 1999.

Director



LADBROKE EMPLOYEE SHARE TRUST LIMITED (Company No. 3348112)
NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1999

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention. They have been drawn up to comply, in all material respects, with applicable UK accounting standards.

2. DIRECTORS' EMOLUMENTS

The directors, who are also directors of Hilton Group plc, have given the required disclosures relating to directors' emoluments within the consolidated financial statements of Hilton Group plc.

3. AMOUNTS DUE FROM GROUP COMPANIES

Amounts due from group companies are included under amounts falling due within one year where there are no specified terms as to their recoverability.

4. CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised 1000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid ordinary shares of £1 each	2	2

5. CASH FLOW STATEMENT

The company has taken advantage of the provision within FRS 1 which exempts wholly owned subsidiaries from preparing a cash flow statement. The ultimate parent company, Hilton Group plc, has included the required consolidated cash flow statement within its consolidated financial statements.

6. RELATED PARTIES

The immediate and ultimate parent undertaking is Hilton Group plc (formerly Ladbroke Group PLC), a company registered in England and Wales, the accounts of which are available from the registered office at Maple Court, Central Park, Reeds Crescent, Watford, Herts, WD1 1HZ.

The company has taken advantage of provisions in FRS 8 which exempt subsidiary undertakings from disclosing transactions with other entities within the group. The ultimate parent undertaking, Hilton Group plc, has included the required related party disclosures within its group accounts.