

Registered Number: SC 208806

**ORCHARD INCORPORATION
(13S) LIMITED**

REPORT & ACCOUNTS

28 February 2008

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COMPANIES HOUSE

ORCHARD INCORPORATIONS (13S) LIMITED

Directors: J A M Orr
P Findlay (Executor for AP Doolan)
A D M MacDonald
P C Flaum
C Elliot

Secretary: Queensferry Secretaries Limited

Auditors: Ernst & Young LLP
400 Capability Green
Luton
LU1 3LU

Registered Office: Lindsays solicitors
Caledonian Exchange
19a Canning Street
Edinburgh
EH3 8HE
Scotland

Registered Number: SC 208806

ORCHARD INCORPORATIONS (13S) LIMITED

DIRECTORS' REPORT

For the year ended 28 February 2008

The Directors present their report and accounts for the year ended 28 February 2008.

Principal activities and review of the business

The company did not trade during the year and the directors do not recommend the payment of a dividend.

Directors

Details of directors who served during the period are as follows:

Colin Elliot
Patricia Findlay
Paul Flaum
Angus MacDonald
James Orr

All fees paid to the directors as remuneration are borne by Whitbread Group PLC.

Directors' indemnity

A qualifying indemnity provision (as defined in Section 236 (1) of the Companies Act 2006) is in force for the benefit of the directors.

Disclosure of information to auditors

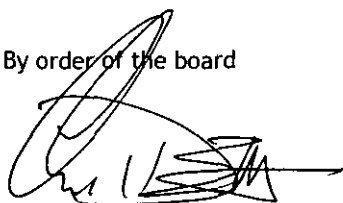
The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Ernst & Young LLP have expressed their willingness to continue as auditor of the company.

By order of the board



Director

2008

41121

STATEMENT OF DIRECTORS' RESPONSIBILITIES

For the year ended 28 February 2008

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

INDEPENDENT AUDITORS' REPORT
to the members of Orchard Incorporations (13S) Limited

We have audited the company's financial statements for the year ended 28 February 2008 which comprise the balance sheet and the related notes 1 to 5. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

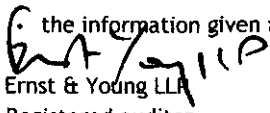
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 February 2008;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.


Ernst & Young LLP
Registered auditor

Luton

2008

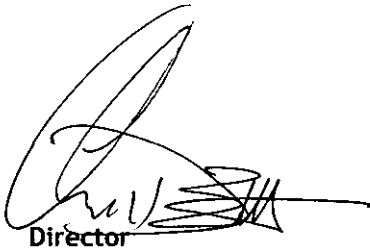
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ORCHARD INCORPORATIONS (13S) LIMITED

BALANCE SHEET

At 28 February 2008

	Notes	<u>2008</u> £	<u>2007</u> £
FIXED ASSETS			
Investments	2	<u>2,483,674</u> <u>2,483,674</u>	<u>2,483,674</u> <u>2,483,674</u>
CREDITORS - amounts falling due after more than one year			
Morrison Street Hotel Limited		<u>(2,483,574)</u>	<u>(2,483,574)</u>
TOTAL ASSETS LESS LIABILITIES		<u>100</u>	<u>100</u>
CAPITAL AND RESERVES			
Called up share capital	3	<u>100</u>	<u>100</u>
EQUITY SHAREHOLDERS' FUNDS	4	<u><u>100</u></u>	<u><u>100</u></u>



Director

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ORCHARD INCORPORATIONS (13S) LIMITED

NOTES TO THE ACCOUNTS

For the year ended 28 February 2008

1. ACCOUNTING POLICIES

Authorisation

The financial statements of Orchard Incorporations (13S) Limited for the year ended 28 February 2008 were authorised for issue by the Board of Directors on 4/12/2008.

Accounting convention

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

Profit and loss account

The company did not trade during the year and therefore has not presented a profit and loss account.

Other investment are accounted for at the lower of cost or net realisable value.

2. UNLISTED INVESTMENT

	2008	2007
	£	£
At 1 March 2007	2,483,674	2,483,674
At 28 February 2008	2,483,674	2,483,674

The investment is 100% of the preference shares of Morrison Street Hotel Limited, a company registered in Scotland, which is also the main area of its operation.

3. SHARE CAPITAL

Authorised

	2008	2007
	£	£
A ordinary shares of £1 each	40	40
B ordinary shares of £1 each	60	60
	100	100

Allotted, called up and fully paid

	2008	2007	2008	2007
	No.	No.	£	£
Ordinary shares of £1 each	100	100	100	100

ORCHARD INCORPORATIONS (13S) LIMITED

NOTES TO THE ACCOUNTS

For the year ended 28 February 2008

4.SHAREHOLDERS' FUNDS

	2008	2007
	£	£
Equity shareholders' funds at 1 March 2007	100	100
Equity shareholders' fund at 28 February 2008	100	100

5. PARENT UNDERTAKING

60% of the shareholding is held by its directors as shown in the directors report. The remaining 40% of the issued share capital of the company is owned by Whitbread Group PLC.