

WHITBREAD EAST PENNINES LIMITED

REPORT & ACCOUNTS

27 February 1999

Registered number 17030



WHITBREAD EAST PENNINES LIMITED

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WHITBREAD EAST PENNINES LIMITED

DIRECTORS: S C Barratt
C J Wilkins

SECRETARY: M R Buxton-Smith

AUDITORS: Ernst & Young
London

REGISTERED OFFICE: Chiswell Street
London
EC1Y 4SD

REGISTERED NUMBER: 17030

DIRECTORS' REPORT

Accounts

The Directors submit to the shareholders their report and accounts for the year ended 27 February 1999.

Principal activity and review of business development

The directors report that the company has not traded during the year ended 27 February 1999.

Results and dividends

The profit for the year after taxation amounted to £nil (1997/8 - £nil).

The directors propose a final dividend of 73 pence per share (1997/8 - nil).

Year 2000

The company is a subsidiary of Whitbread PLC and is included in the Whitbread Group programme addressing the impact of the year 2000. Details of this programme can be found in the report and accounts of Whitbread PLC. Copies can be obtained from Chiswell Street, London EC1Y 4SD.

Directors

The Directors of the company during the year and up to the date of this report are listed on page 1.

Directors' 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 parent undertaking, Whitbread PLC including shares under the Whitbread PLC Share Ownership Scheme are as follows:

Ordinary shares	<u>27 February 1999</u>	<u>28 February 1998</u>
S C Barratt	4,406	123
C J Wilkins	6,299	6,160

WHITBREAD EAST PENNINES LIMITED

DIRECTORS' REPORT

Directors' interests (cont)

Options over ordinary shares

During the year the following movements in options over the ordinary share capital of the parent undertaking, Whitbread PLC, took place:-

		Options held	Options granted		Options exercised		Options held
		at 01.03.98	Number	Price (p)	Number	Price (p)	at 27.02.99
S C Barratt	a	41,100	4,300	1,027	-4,600	416	14,200
					-1,000	457	
					-4,000	499	
					-6,400	538	
					-15,200	594	
	b	540	303	638			843
C J Wilkins	a	68,800	3,100	1,027			71,900
	b	3,033					3,033

(a) the Executive Share Option Scheme

(b) the Savings Related Share Option Scheme

Auditors

Ernst & Young have expressed their willingness to continue in office as auditors of the company.

On behalf of the board



SECRETARY

27 August

1999

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO FINANCIAL STATEMENTS

The following statement, which should be read in conjunction with the auditors' statement of auditors' responsibilities set out on page 5, is made with a view to distinguishing the respective responsibilities of the directors and of the auditors in relation to the financial statements.

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for the *financial year*.

The directors consider that in preparing the financial statements on pages 6 to 10 the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all applicable Accounting Standards have been followed. The financial statements have been prepared on a going concern basis.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

REPORT OF THE AUDITORS

to the members of Whitbread East Pennines Limited

We have audited the financial statements on pages 6 to 10 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

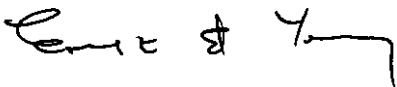
Basis of opinion

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 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 affairs of the company at 27 February 1999 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor
London

27 AUG 1999

1999

WHITBREAD EAST PENNINES LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 27 February 1999

	Notes	Year ended <u>27 February 1999</u>	Year ended <u>28 February 1998</u>
		£	£
LOSS EARNED FOR SHAREHOLDERS		-	-
Ordinary dividends	1	(1,999,890)	-
		<hr/>	<hr/>
RETAINED LOSS FOR THE YEAR	4	<u>(1,999,890)</u>	<u>-</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

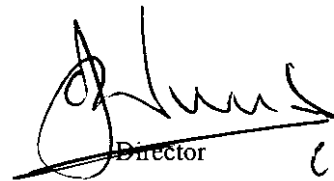
There were no recognised gains or losses in the year other than those reported in the profit and loss account.

WHITBREAD EAST PENNINES LIMITED

BALANCE SHEET

27 February 1999

	<u>Notes</u>	<u>1999</u>	<u>1998</u>
		£	£
CURRENT ASSETS			
Debtors - amounts owed by group undertakings		2,879,635	4,879,525
NET CURRENT ASSETS		<u>2,879,635</u>	<u>4,879,525</u>
TOTAL ASSETS LESS LIABILITIES		<u>2,879,635</u>	<u>4,879,525</u>
CAPITAL AND RESERVES			
Called up share capital	2	2,739,576	2,739,576
Share premium account	3	135,842	135,842
Profit and loss account	4	<u>4,217</u>	<u>2,004,107</u>
EQUITY SHAREHOLDERS' FUNDS	5	<u>2,879,635</u>	<u>4,879,525</u>


 Director
 27 August 1999
 C J WILKINS

ACCOUNTING POLICIES

Accounting convention

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

Cash flow

As permitted by Financial Reporting Standard No.1 (revised) a cashflow has not been prepared as the company is a wholly owned subsidiary of a European Community parent whose consolidated accounts are publicly available.

WHITBREAD EAST PENNINES LIMITED

NOTES TO THE ACCOUNTS

1. ORDINARY DIVIDENDS

	<u>1999</u>	<u>1998</u>
	£	£
Proposed at 73 pence per share (1998: nil pence per share)	<u>1,999,890</u>	<u>-</u>

2. SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	£	£	£	£
Ordinary shares of £1 each	<u>2,872,500</u>	<u>2,872,500</u>	<u>2,739,576</u>	<u>2,739,576</u>

3. SHARE PREMIUM ACCOUNT

	<u>1999</u>	<u>1998</u>
	£	£
Opening balance	135,842	135,842
Movements	-	-
Closing balance	<u>135,842</u>	<u>135,842</u>

4. PROFIT AND LOSS ACCOUNT

	<u>1999</u>	<u>1998</u>
	£	£
Opening balance	2,004,107	2,004,107
Loss retained	(1,999,890)	-
Closing balance	<u>4,217</u>	<u>2,004,107</u>

5. MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>1999</u>	<u>1998</u>
	£	£
Opening shareholders' funds	4,879,525	4,879,525
Loss earned for ordinary shareholders	-	-
Dividends	(1,999,890)	-
Closing shareholders' funds	<u>2,879,635</u>	<u>4,879,525</u>

NOTES TO THE ACCOUNTS

6. RELATED PARTIES

The company is a wholly owned subsidiary of Whitbread PLC and has taken advantage of the exemption given in Financial Reporting Standard No.8 not to disclose transactions with other group companies.

7. PARENT UNDERTAKING

The ultimate parent undertaking is Whitbread PLC, registered in England and Wales.

The smallest and largest group of undertakings for which group accounts are drawn up and of which the company is a member is Whitbread PLC, registered in England and Wales. Copies of their accounts can be obtained from Chiswell Street, London EC1Y 4SD.