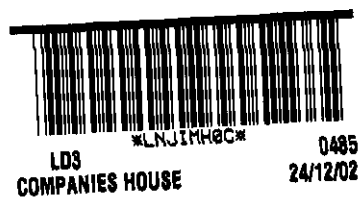


DAVID LLOYD SPORTS
CENTRES LIMITED

Report and Financial Statements

Year ended 3 March 2002



David Lloyd Sports Centres Limited

Registered Number 1636589

DIRECTORS

M Fearn	(appointed 1 January 2002)
S Miller	(appointed 15 May 2002)
MR Phillips	(resigned 1 January 2002)
LM Weedall	

SECRETARY

MR Buxton-Smith	(resigned 25 September 2002)
EA Thorpe	(appointed 25 September 2002)

AUDITORS

Ernst & Young LLP
Becket House
1 Lambeth Palace Road
London
SE1 7EU

REGISTERED OFFICE

Whitbread House
Park Street West
Luton
Bedfordshire
LU1 3BG

David Lloyd Sports Centres Limited

REPORT OF THE DIRECTORS

The directors present their report and audited financial statements for the year ended 3 March 2002.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company did not trade during the year. As the Company does not intend to commence trading in the future, the directors propose to have the Company struck off.

RESULTS

The results for the year are set out on page 6. The Company made a loss for the year of £2,622 (2001 - £nil).

DIRECTORS AND THEIR INTERESTS

The directors who served during the year ended 3 March 2002 are listed on page 1. None of the directors had any beneficial interest in the shares of the Company.

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	3 March 2002	4 March 2001 or date of appointment
M Fearn	63	76
S Miller	29,101	20,856
L Weedall	-	-

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

	Options held at 4 March 2001 or date of appointment		Option granted		Options exercised		Options lapsed	Options held at 3 March 2002
			Number	Price (p)	Number	Price (p)	Number	
M Fearn	17,300	(a)	12,000	661.4	-	-	-	29,300
	1,876	(b)	-	-	-	-	-	1,876
S Miller	133,700	(a)	50,000	661.4	6,800	537.6	-	176,900
	2,902	(b)	614	431.0	-	-	-	3,516
	47,816	(c)	-	-	-	-	-	47,816
L Weedall	21,800	(a)	11,000	661.4	-	-	-	32,800
	2,345	(b)	-	-	-	-	-	2,345

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

The Long Term Incentive Plan is available to directors and other nominated senior executives. It is designed to motivate them to deliver superior performance and increase shareholder value, so aligning their own long-term interests with those of the Company and its shareholders.

David Lloyd Sports Centres Limited

REPORT OF THE DIRECTORS

DIRECTORS AND THEIR INTERESTS (continued)

The Plan rewards executives with shares rather than cash benefits. Awards are based on three-year performance periods and are calculated by taking half of the executives salary at the start of the period and dividing it by the Whitbread share price averaged over the five business days preceding the start of the performance period.

The comparator used to measure the Company's relative Total Shareholder Return performance under the Plan is a group of 24 peer companies in related industries. These companies are the same as those used as a peer group comparison for pay benchmarking purposes. The performance threshold at which payments are made is the 50th percentile (i.e. 12th out of 24) measured against the comparator group.

AUDITORS

A resolution to re-appoint Ernst & Young LLP will be put to the members at the annual general meeting.

The report of the directors was approved by the board on 19/12/02 and signed on its behalf by:



Director

David Lloyd Sports Centres Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year 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 those 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; 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.

David Lloyd Sports Centres Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DAVID LLOYD SPORTS CENTRES LIMITED

We have audited the Company's financial statements for the year ended 3 March 2002, which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 7. These financial statements have been prepared on the basis of the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities, the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

This report has been prepared for the members of the company pursuant to Section 235 of the Companies Act 1985 (the 'Act') and for no other purpose.

No person is entitled to rely on this report unless such person:

- i) is a person who is entitled to rely on this report by virtue of and for the purposes of the Act; or
- ii) has been expressly authorised to do so by our prior written consent.

Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 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 with the Company 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.

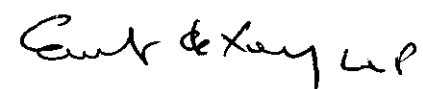
BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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 as at 3 March 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London

19 December 2002

David Lloyd Sports Centres Limited

PROFIT AND LOSS ACCOUNT for the year ended 3 March 2002

		2002	2001
	note	£	£
Amounts written off loans due from group companies		(2,622)	-
		<u> </u>	<u> </u>
LOSS FOR THE FINANCIAL YEAR		(2,622)	-
Tax on profit on ordinary activities		-	-
		<u> </u>	<u> </u>
TRANSFER FROM RESERVES	(5)	(2,622)	-
		<u> </u>	<u> </u>

There are no recognised gains or losses or movements in shareholders' funds other than those reported above.


David Lloyd Sports Centres Limited

BALANCE SHEET

As at 3 March 2002

	note	2002 £	2001 £
CURRENT ASSETS			
Debtors	(3)	-	2,622
		<u> </u>	<u> </u>
NET ASSETS		-	2,622
		<u> </u>	<u> </u>
CAPITAL AND RESERVES			
Called up share capital	(4)	10,000	10,000
Profit and loss account	(5)	(10,000)	(7,378)
		<u> </u>	<u> </u>
EQUITY SHAREHOLDERS' FUNDS	(6)	-	2,622
		<u> </u>	<u> </u>

The financial statements were approved by the board on 19th March 2002 and signed by:


Director

David Lloyd Sports Centres Limited

NOTES TO THE FINANCIAL STATEMENTS

As at 3 March 2002

1) ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted by the directors are described below

Accounting convention

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

2) DIRECTORS' REMUNERATION

None of the directors received any remuneration from the Company in respect of their services as directors.

3) DEBTORS

	2002	2001
	£	£
Amounts owed by parent undertaking	-	2,622
	<u> </u>	<u> </u>

4) SHARE CAPITAL

	2002	2001
	£	£
<i>Authorised</i>		
10,000 ordinary shares of £1 each	10,000	10,000
	<u> </u>	<u> </u>
<i>Allotted, called up and fully paid</i>		
10,000 ordinary shares of £1 each	10,000	10,000
	<u> </u>	<u> </u>

David Lloyd Sports Centres Limited

NOTES TO THE FINANCIAL STATEMENTS

As at 3 March 2002

5) STATEMENT OF MOVEMENTS ON RESERVES

	Profit and loss account £
As at 4 March 2001	(7,378)
Loss retained for the year	(2,622)
As at 3 March 2002	<u>(10,000)</u>

6) RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Opening shareholders' funds as published	2,622	2,622
Loss attributable to ordinary shareholders	(2,622)	-
Closing shareholders' funds	<u>-</u>	<u>2,622</u>

7) ULTIMATE PARENT UNDERTAKING

As at 3 March 2002, the Company was a wholly owned subsidiary of David Lloyd Leisure Limited. At the same date, the ultimate parent company was Whitbread PLC, a company incorporated in the United Kingdom.

Copies of the group accounts are available from the Company Secretary of Whitbread PLC at Park Street West, Luton, Bedfordshire, LU1 3BG.