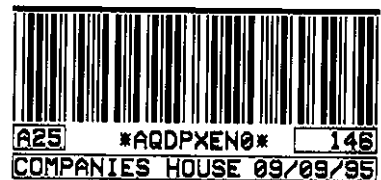


# CHISWELL PROPERTIES LIMITED

## REPORT AND ACCOUNTS

25 FEBRUARY 1995



Registered Number: 231137

CHISWELL PROPERTIES LIMITED

DIRECTORS: M D Hampson  
C J Wilkins  
S C Barratt

SECRETARY: N J Fenton

REGISTERED OFFICE: Chiswell Street  
London  
EC1Y 4SD

AUDITORS: Ernst & Young  
London

REGISTERED NUMBER 231137

# CHISWELL PROPERTIES LIMITED

## DIRECTORS' REPORT

### **Accounts**

The directors submit to the shareholders their report and accounts for the year ended 25 February 1995.

### **Principal activity and review of business development**

The principal activity of the company during the year was the ownership and letting of industrial and licensed retail land and buildings. During the year the company sold all its property interests to its parent undertaking and various fellow subsidiaries.

### **Results and Dividends**

The profit for the year, after tax, amounted to £94,957,724 (1993/94 - £34,095,078), which has been transferred to reserves.

The directors do not recommend the payment of a dividend.

### **Fixed assets**

The movements of fixed assets during the year are set out in note 6 to the accounts.

### **Directors**

The directors of the company at 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 holding company, Whitbread PLC, including shares held under the Whitbread PLC Share Ownership Scheme, are as follows:-

### **Ordinary shares**

	<u>25 February 1995</u>	<u>27 February 1994</u>
M D Hampson	194	142
C J Wilkins	6,950	4,964
S C Barratt	-	-

# CHISWELL PROPERTIES LIMITED

## DIRECTORS' REPORT

### Directors' interests

### Options over ordinary shares

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

		<u>Options held</u> <u>at 27/2/94</u>	<u>Options granted</u> <u>Number</u>	<u>Price</u>	<u>Options exercised</u> <u>Number</u>	<u>Price</u>	<u>Options held</u> <u>at 25/2/95</u>
M D Hampson	a	46,500	5,600	537.6p	-	-	52,100
	b	2,371	681	440.0p	-	-	3,052
C J Wilkins	a	61,700	2,200	537.6p	-	-	63,900
	b	4,370	1,363	440.0p	1,877	319.5p	3,856
S C Barratt	a	27,300	6,400	537.6p	-	-	33,700

(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.

By order of the Board

*Nicole J Fenton*

SECRETARY

29 August 1995

**CHISWELL PROPERTIES LIMITED**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO FINANCIAL STATEMENTS**

The following statement, which should be read in conjunction with the auditors' statement of their 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 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 fraud and other irregularities.

CHISWELL PROPERTIES LIMITED

AUDITORS' REPORT

REPORT OF THE AUDITORS

to the members of Chiswell Properties Limited

We have audited the accounts on pages 6 to 12 which have been prepared under the historical cost convention, as modified by the revaluation of property, 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 accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company at 25 February 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young*

Ernst & Young  
Chartered Accountants  
Registered Auditor  
London

*2 September* 1995

**CHISWELL PROPERTIES LIMITED****PROFIT AND LOSS ACCOUNT****Year ended 25 February 1995**

	Notes	1994/95 £	1993/94 £
<b>TURNOVER</b>	1	34,501,199	45,095,017
Cost of sales		(498,627)	(578,174)
<b>GROSS PROFIT</b>		34,002,572	44,516,843
Administrative expenses		(152,861)	(479,683)
<b>OPERATING PROFIT</b>	2	33,849,711	44,037,160
<b>Non operating items:</b>			
Profit on sale of properties		72,383,552	88,454
<b>PROFIT BEFORE INTEREST</b>		106,233,263	44,125,614
Sundry interest receivable		-	31
<b>PROFIT BEFORE TAXATION</b>		106,233,263	44,125,645
Taxation	4	(11,275,539)	(10,030,567)
<b>PROFIT EARNED FOR ORDINARY SHAREHOLDERS</b>		94,957,724	34,095,078
Dividend	5	-	(41,500,000)
<b>RETAINED PROFIT/(DEFICIT) FOR THE YEAR</b>	11	94,957,724	(7,404,922)

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****Year ended 25 February 1995**

<b>PROFIT EARNED FOR ORDINARY SHAREHOLDERS</b>	94,957,724	34,095,078
Unrealised deficit on revaluation of fixed assets	-	(4,435,662)
<b>TOTAL GAINS AND LOSSES RECOGNISED SINCE PREVIOUS YEAR END</b>	94,957,724	29,659,416

CHISWELL PROPERTIES LIMITED

BALANCE SHEET

25 February 1995

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
<b>FIXED ASSETS</b>			
Tangible assets	6	-	376,243,227
Investments	7	-	11,907
		<u>-</u>	<u>376,255,134</u>
<b>CURRENT ASSETS</b>			
Debtors	8	495,360,424	41,160,191
Cash at bank and in hand		-	33,151
		<u>495,360,424</u>	<u>41,193,342</u>
<b>CREDITORS - amounts falling due within one year</b>	9	<u>(11,275,539)</u>	<u>(28,321,315)</u>
<b>NET CURRENT ASSETS</b>		<u>484,084,885</u>	<u>12,872,027</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>484,084,885</u>	<u>389,127,161</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	428,799,324	428,799,324
Revaluation reserve	11	-	(72,861,769)
Profit and loss account	11	<u>55,285,561</u>	<u>33,189,606</u>
<b>SHAREHOLDERS' FUNDS</b>	12	<u>484,084,885</u>	<u>389,127,161</u>

 Director

CJ WILKINS

29 August 1995



**ACCOUNTING POLICIES**

**a) Accounting Convention**

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

**b) Depreciation**

Fixed assets include properties professionally valued by Chartered Surveyors employed by Whitbread PLC. Other fixed assets are stated at valuation or cost. Freehold and leasehold industrial buildings and plant and machinery are written off by equal instalments over their estimated useful lives.

While it is the company's policy to depreciate relevant fixed assets, the nature of the licensed trade requires that, in order to protect that trade, licensed premises are maintained in such a state of repair that the aggregate of their residual values is at least equal to their book value. In the opinion of the directors, any depreciation of freehold licensed premises and leasehold licensed premises where the lease has over 20 years to run would not be material. Depreciation is not provided on freehold land.

The cost or valuation of fixed assets is depreciated by equal annual instalments as follows:

Freehold industrial and office buildings	over their estimated useful lives
Freehold licensed premises and leasehold licensed premises where the lease has over 20 years to run	nil
Plant and machinery	mainly over 10 years

**c) Deferred taxation**

Provision is made for deferred taxation, using the liability method, on all timing differences to the extent that it is probable that the liability will crystallise in the foreseeable future.

**d) Turnover**

Turnover is the value of goods and services sold to third parties as part of the company's continuing ordinary activities, after deducting sales based taxes.

**e) Cash flow statement**

As permitted by Financial Reporting Standard No. 1, a cash flow statement has not been prepared as the company is a wholly owned subsidiary of a European Community parent.

# CHISWELL PROPERTIES LIMITED

## NOTES TO THE ACCOUNTS

### 1. SEGMENTAL ANALYSIS OF TURNOVER, PROFIT AND NET ASSETS

Turnover was derived from a single class of business, all within the UK. The company's net assets are all held in the UK and primarily consisted of industrial and licensed retail land and buildings which were leased out.

### 2. PROFIT AND LOSS ACCOUNT DETAILS

	1994/95 £	1993/94 £
Turnover - property rents receivable	34,501,199	45,095,017
Cost of sales	(498,627)	(578,174)
Gross profit	34,002,572	44,516,843
Administration and other costs	(154,211)	(481,033)
	33,848,361	44,035,810
Investment income - listed investments	1,350	1,350
Operating profit	33,849,711	44,037,160
Profit before taxation is stated after charging:		
Depreciation of fixed assets (note 6)	295,184	354,876
Auditors' remuneration	8,000	4,000

### 3. DIRECTORS' EMOLUMENTS

No directors' remuneration was paid by the company in the year, or in the previous year.

### 4. TAXATION

#### Current taxation on profits for the year

U.K. Corporation Tax at 33% (1993/94 - 33%)	11,275,539	10,030,567
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#### Deferred taxation

The potential amount of deferred taxation (at 33%) not provided in these accounts is £nil (1994 - £28.9m) in respect of accelerated capital allowances. No provision has been made for any chargeable gains which might arise in the event of the property being sold at its revalued amount as this asset is required for use in the business.

### 5. DIVIDEND

1993/94 interim dividend of 9.68 pence per ordinary share	-	41,500,000
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# **CHISWELL PROPERTIES LIMITED**

## **NOTES TO THE ACCOUNTS**

<b>6. TANGIBLE FIXED ASSETS</b>	<b>Industrial property £</b>	<b>Retail property £</b>	<b>Plant &amp; machinery £</b>	<b>Total £</b>
Gross amounts 26 February 1994	12,041,535	364,359,610	162,707	376,563,852
Additions	-	5,275,198	-	5,275,198
Transfers to group companies	(12,041,535)	(369,330,658)	(162,707)	(381,534,900)
Disposals	-	(304,150)	-	(304,150)
Gross amounts 25 February 1995	-	-	-	-
Depreciation 26 February 1994	(169,845)	-	(150,780)	(320,625)
Depreciation for the year	(287,427)	-	(7,757)	(295,184)
Transfers to group companies	457,272	-	158,537	615,809
Depreciation 25 February 1995	-	-	-	-
Net book amounts 25 February 1995	-	-	-	-
Net book amounts 26 February 1994	11,871,690	364,359,610	11,927	376,243,227

In 1992/93 the directors carried out a revaluation of the company's properties in conjunction with the parent company's own professionally qualified staff and, principally Gerald Eve. In 1993/94 20% of the company's properties were similarly revalued. The properties were valued at open market value for the purpose of their existing use. If these and previous revaluations had not taken place, the values of the fixed assets would have been:

Net book amounts 25 February 1995	-	-	-	-
Net book amounts 26 February 1994	38,820,263	404,056,419	11,927	442,888,609

<b>Net book amounts of properties</b>	<b>Freehold</b>	<b>Long leasehold</b>	<b>Total</b>
25 February 1995	-	-	-
26 February 1994	360,451,350	15,779,950	376,231,300
<b>Capital expenditure for which no provision has been made:</b>		<b>1995</b>	<b>1994</b>
Committed		-	853,400
Authorised, not committed		-	86,000
		-	939,400

# CHISWELL PROPERTIES LIMITED

## NOTES TO THE ACCOUNTS

### 7. INVESTMENTS - LISTED

	1995 £	1994 £
Cost at 26 February 1994	11,907	11,907
Disposals	(11,907)	-
Cost at 25 February 1995	-	11,907
Market value	-	14,481

### 8. DEBTORS

Rents receivable	-	41,160,191
Amounts due from group and parent undertakings	495,360,424	-
	<u>495,360,424</u>	<u>41,160,191</u>

### 9. CREDITORS- AMOUNTS FALLING DUE WITHIN ONE YEAR

Corporation Tax	11,275,539	25,501,308
Amounts due to group and parent undertakings	-	2,816,007
Accruals and deferred income	-	4,000
	<u>11,275,539</u>	<u>28,321,315</u>

### 10. SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	1995	1994	1995	1994
	£	£	£	£
Ordinary shares of £1 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>428,799,324</u>	<u>428,799,324</u>

### 11. RESERVES

	Reval- uation reserve	Profit & loss account	Total
	£	£	£
26 February 1994	(72,861,769)	33,189,606	(39,672,163)
Realised revaluation deficit transferred to the profit and loss account	72,861,769	(72,861,769)	-
Profit retained	-	94,957,724	94,957,724
25 February 1995	<u>-</u>	<u>55,285,561</u>	<u>55,285,561</u>

## CHISWELL PROPERTIES LIMITED

### NOTES TO THE ACCOUNTS

#### 12. MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Shareholders' funds at 26 February 1994	389,127,161	400,967,745
Profit earned for ordinary shareholders	94,957,724	34,095,078
Dividend	-	(41,500,000)
Revaluation	-	(4,435,662)
Shareholders' funds at 25 February 1995	<u>484,084,885</u>	<u>389,127,161</u>

#### 13. PARENT UNDERTAKING

The parent undertaking of the 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 the accounts of Whitbread PLC can be obtained from Chiswell Street, London EC1Y 4SD.