

Registration number: 00017030

# Whitbread East Pennines Limited

Annual Report and Financial Statements

for the Year Ended 3 March 2016



## **Whitbread East Pennines Limited**

### **Contents**

Company Information	1
Directors' Report	2
Statement of Directors' Responsibilities	3
Independent Auditor's Report	4 to 5
Profit and Loss Account	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 to 15

## **Whitbread East Pennines Limited**

### **Company Information**

<b>Directors</b>	D Lowry Whitbread Directors 1 Limited Whitbread Directors 2 Limited
<b>Company secretary</b>	Whitbread Secretaries Limited
<b>Registered number</b>	00017030
<b>Registered office</b>	Whitbread Court Houghton Hall Business Park Porz Avenue Dunstable Bedfordshire LU5 5XE
<b>Auditor</b>	Deloitte LLP 2 New Street Square London EC4A 3BZ

## Whitbread East Pennines Limited

### Directors' Report for the Year Ended 3 March 2016

The directors present their report and the financial statements for the year ended 3 March 2016.

#### Principal activity

The primary purpose of the Company is maintain and realise its obligations with respect to payments to complete the lease terms of properties no longer in use and to hold intercompany balances. It does not trade or hold investments in subsidiaries.

#### Directors of the Company

The directors who held office during the year were as follows:

D Lowry

Whitbread Directors 1 Limited

Whitbread Directors 2 Limited

#### Qualifying third party indemnity provisions

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 the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given, and should be interpreted, in accordance with the provisions of Section 418 of the Companies Act 2006.

#### Reappointment of auditor

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

#### Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 23/11/16 and signed on its behalf by:



Director

D Lowry

## **Whitbread East Pennines Limited**

### **Statement of Directors' Responsibilities**

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

## **Whitbread East Pennines Limited**

### **Independent Auditor's Report to the members of Whitbread East Pennines Limited**

We have audited the financial statements of Whitbread East Pennines Limited for the year ended 3 March 2016, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 3), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 3 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

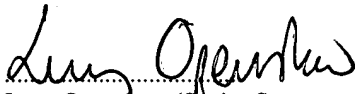
**Whitbread East Pennines Limited**

**Independent Auditor's Report to the members of Whitbread East Pennines Limited  
(continued)**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.



Lucy Openshaw (Senior Statutory Auditor)

For and on behalf of Deloitte LLP, Chartered Accountant and Statutory Auditor

2 New Street Square  
London  
EC4A 3BZ

Date: 25/11/2016

## Whitbread East Pennines Limited

### Profit and Loss Account for the Year Ended 3 March 2016

	Note	Year ended 3 March 2016 £ 000	Year ended 26 February 2015 £ 000
Turnover		-	-
Administrative expenses		<u>(371)</u>	<u>(135)</u>
Operating loss		(371)	(135)
Other interest receivable and similar income	4	171	168
Interest payable and similar charges	5	<u>(15)</u>	<u>(10)</u>
(Loss)/profit before tax		(215)	23
Tax on (loss)/profit on ordinary activities	8	<u>43</u>	<u>(5)</u>
(Loss)/profit for the year		<u><u>(172)</u></u>	<u><u>18</u></u>

The above results were derived from continuing operations.

There were no recognised gains and losses for 2016 or 2015 other than those included in the Profit and Loss Account.

The notes on pages 9 to 15 form an integral part of these financial statements.



**Whitbread East Pennines Limited**

**(Registration number: 00017030)**

**Balance Sheet as at 3 March 2016**

	Note	3 March 2016 £ 000	26 February 2015 £ 000
<b>Current assets</b>			
Debtors	9	3,666	3,485
Income tax asset	8	<u>43</u>	<u>-</u>
		3,709	3,485
<b>Creditors: Amounts falling due within one year</b>			
Income tax liability	8	<u>-</u>	<u>(5)</u>
Total assets less current liabilities		3,709	3,480
Provisions for liabilities	10	<u>(959)</u>	<u>(558)</u>
Net assets		<u>2,750</u>	<u>2,922</u>
<b>Capital and reserves</b>			
Called up share capital	11	2,740	2,740
Share premium reserve		136	136
Profit and loss account		<u>(126)</u>	<u>46</u>
Shareholders' funds		<u>2,750</u>	<u>2,922</u>

Approved by the Board on 23/11/16..... and signed on its behalf by:



Director

D WAINWRIGHT

The notes on pages 9 to 15 form an integral part of these financial statements.

**Whitbread East Pennines Limited**

**Statement of Changes in Equity for the Year Ended 3 March 2016**

	<b>Share capital £ 000</b>	<b>Share premium £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
At 28 February 2014	2,740	136	28	2,904
Profit for the period	-	-	18	18
Total comprehensive income	-	-	18	18
At 26 February 2015	2,740	136	46	2,922
	<b>Share capital £ 000</b>	<b>Share premium £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
At 27 February 2015	2,740	136	46	2,922
Loss for the period	-	-	(172)	(172)
Total comprehensive income	-	-	(172)	(172)
At 3 March 2016	2,740	136	(126)	2,750

The notes on pages 9 to 15 form an integral part of these financial statements.

## **Whitbread East Pennines Limited**

### **Notes to the Financial Statements for the Year Ended 3 March 2016**

#### **1 General information**

The Company is a private company limited by share capital incorporated and domiciled in England and Wales.

The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Directors' report on page 2.

The financial statements of Whitbread East Pennines Limited for the year ended 3 March 2016 were authorised for issue by the Board of Directors on

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of preparation**

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' as issued by the Financial Reporting Council (FRC). Accordingly, in the year ended 3 March 2016, the Company has undergone transition from reporting under UK GAAP to FRS 101 'Reduced Disclosure Framework'. The financial statements have therefore been prepared in accordance with FRS 101. This transition is not considered to have had a material effect on the financial statements. Further details can be found in Note 14.

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The parent undertaking of the smallest group of undertakings for which group accounts are drawn up and of which the Company is a member, is Whitbread Group PLC. Copies of their accounts can be obtained from Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE.

The financial year represents 53 weeks to 3 March 2016 (prior financial year: 52 weeks to 26 February 2015).

The Company has adopted the following standards and interpretations which have been assessed as having no financial impact or disclosure requirements at this time:

- The IASB's annual improvement process, 2010-2012;
- The IASB's annual improvement process, 2011-2013;
- IFRIC Interpretation 21 Levies (IFRIC 21); and
- IAS 19 Defined Benefit Plans: Employee Contributions - Amendment to IAS 19.

##### **Summary of disclosure exemptions**

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

Where required, equivalent disclosures are given in the consolidated financial statements of the Group.

## **Whitbread East Pennines Limited**

### **Notes to the Financial Statements for the Year Ended 3 March 2016 (continued)**

#### **2 Accounting policies (continued)**

##### **Going concern**

The financial statements have been prepared on a going concern basis. The financial position of the Company is set out in these financial statements. The Company has considerable financial resources and, as a consequence, the directors believe that the Company is well placed to manage its business risks.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **Interest receivable**

Interest income is recognised as the interest accrues, using the effective interest method.

##### **Tax**

The tax expense represents the sum of the tax currently payable and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current and deferred tax are recognised in profit or loss.

The tax currently payable is based on taxable profit for the year. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

##### **Provisions**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

## **Whitbread East Pennines Limited**

### **Notes to the Financial Statements for the Year Ended 3 March 2016 (continued)**

#### **2 Accounting policies (continued)**

##### **Financial assets**

###### ***Classification***

Financial assets are classified into the following specified category: 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

###### ***Recognition and measurement***

###### **Loans and receivables**

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

#### **3 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported as assets and liabilities at the balance sheet date and the amounts reported as revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates. In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

##### **Onerous contracts provisions**

Judgement involving estimates is used in determining the value of provisions carried for onerous contracts. This is primarily based around assumptions on rent and property-related costs for the period the property is vacant as well as assumptions of future rental incomes or potential reverse lease premiums paid. Note 10 provides details of the value of the provisions carried.

## Whitbread East Pennines Limited

### Notes to the Financial Statements for the Year Ended 3 March 2016 (continued)

#### 3 Critical accounting judgements and key sources of estimation uncertainty (continued)

##### Taxation

The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items, where the tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority. The final resolution of some of these items may give rise to material income statement and/or cash flow variances.

Corporation tax is calculated on the basis of income before taxation, taking into account the relevant local tax rates and regulations. The current income tax expense is calculated and differences between the accounting and tax base are determined, resulting in deferred tax assets or liabilities.

Assumptions are also made around the assets which qualify for capital allowances and the level of disallowable expenses and these affect the income tax calculation. Provisions may be made for uncertain exposures or recoveries, which can have an impact on both deferred and current tax.

Assumptions are also made around the tax net book value of assets to which capital allowances apply, the level of capital allowances, the extent of rollover gains, indexation thereon and the tax base into which they have been rolled.

A deferred tax asset shall be recognised for the carry forward of unused tax losses, pension deficits and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Detailed amounts of the carrying value of corporation and deferred tax can be found in Note 8.

#### 4 Other interest receivable and similar income

	Year ended 3 March 2016 £ 000	Year ended 26 February 2015 £ 000
Interest receivable from group companies	<u>171</u>	<u>168</u>

#### 5 Interest payable and similar charges

	Year ended 3 March 2016 £ 000	Year ended 26 February 2015 £ 000
Interest unwinding on provisions	<u>15</u>	<u>10</u>

#### 6 Staff costs

The Company has no employees (2015 - no employees) other than the directors, who did not receive any remuneration (2015- £NIL). All fees paid to directors as remuneration are borne by the parent company Whitbread Group PLC and it is not practical to allocate the amount for services in respect of this Company.

## Whitbread East Pennines Limited

### Notes to the Financial Statements for the Year Ended 3 March 2016 (continued)

#### 7 Auditor's remuneration

Audit fees for the year of £1,000 (2015 - £1,000) were paid by the parent Company, Whitbread Group PLC. Information about the total audit fees paid by the Group can be found in the Whitbread PLC Annual Report and Accounts for the year ended 3 March 2016.

#### 8 Income tax

Tax charged/(credited) in the profit and loss account

	Year ended 3 March 2016 £ 000	Year ended 26 February 2015 £ 000
<b>Current taxation</b>		
UK corporation tax	<u>(43)</u>	<u>5</u>

#### Factors affecting the tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the losses on ordinary activities before tax at the standard rate of corporation tax in the UK of 20.08% (2015 - 21.17%).

#### Factors affecting the tax charge for future years

The Finance Act (No 2) 2015 reduced the main rate of UK corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. In his Budget of 16 March 2016, the Chancellor of the Exchequer announced an additional 1% reduction in the main rate of UK corporation tax to 17% with effect from 1 April 2020. The rate changes will impact the amount of future cash tax payments to be made by the Company.

The corporation tax balance is a debtor of £43,000 (2015: creditor of £5,000).

## Whitbread East Pennines Limited

### Notes to the Financial Statements for the Year Ended 3 March 2016 (continued)

#### 9 Debtors

	<b>3 March 2016</b>	<b>26 February 2015</b>
	<b>£ 000</b>	<b>£ 000</b>
Amounts owed by group undertakings	3,662	3,485
Prepayments and accrued income	4	-
<b>Total debtors</b>	<b>3,666</b>	<b>3,485</b>

Amounts receivable from group companies are repayable on demand and carry an average quarterly interest rate based upon the group funding.

#### 10 Provisions for liabilities

	<b>Onerous contracts £ 000</b>	<b>Litigation provision £ 000</b>	<b>Total £ 000</b>
At 27 February 2015	401	157	558
Increase in existing provisions	497	-	497
Provisions used	(38)	(73)	(111)
Unwinding of discount	15	-	15
At 3 March 2016	875	84	959
Non-current liabilities	875	84	959

#### Onerous Contracts

A provision was raised in relation to property reversions as a result of The Laurel Pub Company Limited entering administration in March 2008.

#### Litigation Provision

The litigation provision relates to costs associated with litigation claims brought against the Company.

#### 11 Share capital

	<b>3 March 2016</b>	<b>26 February 2015</b>
	<b>£</b>	<b>£</b>
Allotted, called up and fully paid 2,739,576 Ordinary shares of £1 each	2,739,576	2,739,576



## **Whitbread East Pennines Limited**

### **Notes to the Financial Statements for the Year Ended 3 March 2016 (continued)**

#### **12 Related party transactions**

The Company is a wholly-owned subsidiary of Whitbread PLC, the ultimate controlling entity, and has taken advantage of the exemption given in Financial Reporting Standard 101 (8(k)) not to disclose transactions with other group companies.

#### **13 Parent and ultimate parent undertaking**

The immediate parent undertaking is Whitbread Group PLC. The ultimate parent undertaking is Whitbread PLC.

The parent undertaking of the smallest group of undertakings for which group accounts are drawn up and of which the Company is a member is Whitbread Group PLC, registered in England and Wales. Copies of their accounts can be obtained from Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE.

The parent undertaking of the 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 Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE.

#### **14 Transition to FRS 101**

This is the first year that the Company has presented its financial statements under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council. The last financial statements under UK GAAP were for the year ended 26 February 2015 and the date of transition to FRS 101 was therefore 28 February 2014. There are no adjustments resulting from the transition from previous GAAP to FRS 101 which affect the financial position or financial performance of the Company.

There is no change to the amounts reported under previous UK GAAP for the year ended 26 February 2015 and those reportable under FRS101 for the same period. Accordingly the financial position of the company was not affected and no reconciliation of movements in Equity and the Statement of Comprehensive Income as a result of the transition are required.