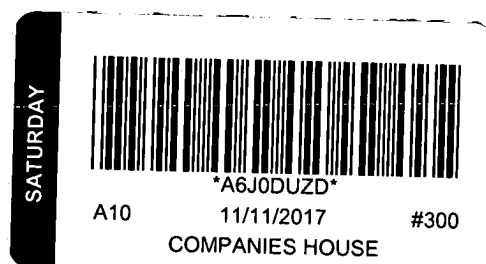


Registration number: 6190419

Costa Beijing Limited

Annual Report and Financial Statements

for the Year Ended 2 March 2017



Costa Beijing Limited

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Costa Beijing Limited
Company Information

Directors D Paul
S Highfield

Company secretary D Lowry
R Fairhurst

Registered number 6190419

Registered office Whitbread Court
Houghton Hall Business Park
Porz Avenue
Dunstable
Bedfordshire
LU5 5XE

Auditor Deloitte LLP
2 New Street Square
London
EC4A 3BZ

Costa Beijing Limited

Directors' Report for the Year Ended 2 March 2017

The directors present their report and the financial statements for the year ended 2 March 2017.

Principal activity

The principal activity of the Company is that of a holding company.

Directors of the Company

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

S Barratt (resigned 18 September 2017)

D Paul (appointed 20 June 2016)

S Highfield

C Rogers (resigned 20 June 2016)

Future developments

No significant developments are expected as the Company is not trading.

Going concern

The financial position of the Company is set out in these financial statements. As at 2 March 2017, the Company's liabilities exceeded its assets by £317,000.

The accounts have been prepared on the going concern basis on the grounds that the parent company has confirmed its current intention to provide support so the Company may continue operations for the next twelve months from the date of the approval of these accounts.

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.

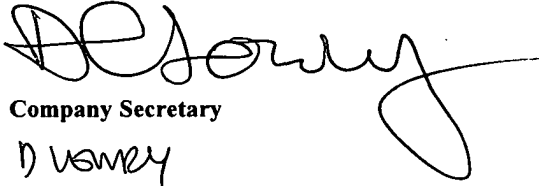
Small companies provision statement

The Company has taken advantage of the exemption from preparing a Strategic Report, and disclosures in the Directors' Report, applying to small companies in accordance with the provisions of section 414b of the Companies Act 2006.

Costa Beijing Limited

Directors' Report for the Year Ended 2 March 2017

Approved by the Board on 1/11/2017 and signed on its behalf by:



Company Secretary
D. WONG

Costa Beijing 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; 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 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.

Costa Beijing Limited

Independent Auditor's Report to the members of Costa Beijing Limited

We have audited the financial statements of Costa Beijing Limited for the year ended 2 March 2017, 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 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, 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 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 2 March 2017 and of its profit 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, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Costa Beijing Limited

Independent Auditor's Report to the members of Costa Beijing Limited

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; or
- 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, Statutory Auditor

2 New Street Square
London
EC4A 3BZ

Date: 1/11/2017

Costa Beijing Limited

Profit and Loss Account for the Year Ended 2 March 2017

	Note	52 weeks to 2 March 2017 £ 000	53 weeks to 3 March 2016 £ 000
Turnover		-	-
Administrative expenses		<u>418</u>	<u>164</u>
Operating profit	4	418	164
Other interest receivable and similar income	5	179	149
Interest payable and similar charges	6	<u>(275)</u>	<u>(294)</u>
Profit before tax		322	19
Tax on profit on activities	9	<u>(60)</u>	<u>(16)</u>
Profit for the year		<u><u>262</u></u>	<u><u>3</u></u>

There is no other comprehensive income for 2017 or 2016 other than that included in the Profit and Loss Account.

The above results were derived from continuing operations.

The notes on pages 10 to 15 form an integral part of these financial statements.

Costa Beijing Limited
(Registration number: 6190419)
Balance Sheet as at 2 March 2017

	Note	2 March 2017 £ 000	3 March 2016 £ 000
Fixed assets			
Investments	10	6,541	5,524
Current assets			
Cash at bank and in hand		159	169
Creditors: Amounts falling due within one year			
Trade and other creditors	11	(6,971)	(6,272)
Income tax liability	9	(46)	-
Creditors: Amounts falling due within one year		<u>(7,017)</u>	<u>(6,272)</u>
Net current liabilities		<u>(6,858)</u>	<u>(6,103)</u>
Net liabilities		<u>(317)</u>	<u>(579)</u>
Capital and reserves			
Called up share capital	12	-	-
Profit and loss account		<u>(317)</u>	<u>(579)</u>
Shareholders' deficit		<u>(317)</u>	<u>(579)</u>

Approved by the Board on 1/11/2017 and signed on its behalf by:

Director

D. PAUL

The notes on pages 10 to 15 form an integral part of these financial statements.

Costa Beijing Limited

Statement of Changes in Equity for the Year Ended 2 March 2017

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 27 February 2015	-	(582)	(582)
Profit for the year	-	3	3
Total comprehensive income	-	3	3
At 3 March 2016	-	(579)	(579)
At 4 March 2016	-	(579)	(579)
Profit for the year	-	262	262
Total comprehensive income	-	262	262
At 2 March 2017	-	(317)	(317)

The notes on pages 10 to 15 form an integral part of these financial statements.

Costa Beijing Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

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 are presented in pounds sterling, which is the functional currency, and all values are rounded to the nearest thousand except when otherwise stated.

The financial statements of Costa Beijing Limited for the year ended 2 March 2017 were authorised for issue by the Board of Directors on 1/11/2017

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

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 transitioned from reporting under UK GAAP to FRS 101 'Reduced Disclosure Framework'. The financial statements have therefore been prepared in accordance with FRS 101.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, because it is included in the group accounts of Whitbread Group PLC. The group accounts of Whitbread Group PLC are available to the public and can be obtained at Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE.

The financial year represents 52 weeks to 2 March 2017 (prior financial year: 53 weeks to 3 March 2016).

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, 2012-2014;
- IAS 1 Disclosure Initiative - Amendments to IAS 1;
- IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation - Amendments to IAS 16 and IAS 38;
- IAS 16 and IAS 41 Bearer Plants - Amendments to IAS 16 and IAS 41;
- IAS 27 Equity Method in Separate Financial Statements - Amendments to IAS 27;
- IFRS 10, IFRS 12 and IAS 28 Investment Entities - Applying the Consolidation Exception - Amendments to IFRS 10, IFRS 12 and IAS 28; and
- IFRS 11 Accounting for Acquisitions of Interests in Joint Operations - Amendments to IFRS 11.

Costa Beijing Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

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 share-based payments, non-current assets held for sale, 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.

Going concern

The financial position of the Company is set out in these financial statements. As at 2 March 2017, the Company's liabilities exceeded its assets by £317,000.

The accounts have been prepared on the going concern basis on the grounds that the parent company has confirmed its current intention to provide support so the Company may continue operations for the next twelve months from the date of the approval of these accounts.

Interest receivable

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

Tax

The tax expense for the period comprises current 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.

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.

Investments

Investments in securities are classified on initial recognition as available-for-sale and are carried at fair value, except where their fair value cannot be measured reliably, in which case they are carried at cost, less any impairment.

Unrealised holding gains and losses other than impairments are recognised in other comprehensive income. On maturity or disposal, net gains and losses previously deferred in accumulated other comprehensive income are recognised in income.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Investment income

Income from fixed asset investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

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.

Costa Beijing Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

Financial liabilities

Classification

Financial liabilities are classified as 'other financial liabilities'.

Recognition and measurement

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3 Critical accounting judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The Directors have considered whether there are any such sources of estimation or critical accounting judgements in forming the financial statements and do not determine there to be any for the purposes of disclosure.

4 Operating profit

Arrived at after charging/(crediting)

	Year ended 2 March 2017	Year ended 3 March 2016
	£ 000	£ 000
Foreign exchange (gains) / losses	<u>(427)</u>	<u>(172)</u>

5 Other interest receivable and similar income

	Year ended 2 March 2017	Year ended 3 March 2016
	£ 000	£ 000
Other finance income	<u>179</u>	<u>149</u>

6 Interest payable and similar charges

	Year ended 2 March 2017	Year ended 3 March 2016
	£ 000	£ 000
On loans from group undertakings	<u>275</u>	<u>294</u>

7 Staff costs

The Company has no employees (2016: no employees) other than the directors, who did not receive any remuneration (2016: £NIL). All fees paid to directors as remuneration are borne by a parent company Whitbread Group PLC and it is not practical to allocate the amount for services in respect of this Company.

Costa Beijing Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

8 Auditor's remuneration

Audit fees for the year of £1,000 (2016: £1,000) were paid by a 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 2 March 2017.

9 Taxation

Tax charged in the Profit and Loss Account

	Year ended 2 March 2017 £ 000	Year ended 3 March 2016 £ 000
Current taxation		
UK corporation tax	46	-
Foreign tax	<u>14</u>	<u>16</u>
Tax expense in the income statement	<u>60</u>	<u>16</u>

	Year ended 2 March 2017 £ 000	Year ended 3 March 2016 £ 000
Profit before tax	<u>322</u>	<u>19</u>
Corporation tax at standard rate of 20% (2016: 20.08%)	64	4
Increase/(decrease) arising from overseas tax suffered (expensed)	14	16
Increase/(decrease) from effects of double taxation relief	<u>(18)</u>	<u>(4)</u>
Total tax charge	<u>60</u>	<u>16</u>

The Finance (No 2) Act 2015 reduced the main rate of UK corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. The effect of these rates was included in the financial statements in 2015/16. The Finance Act 2016 further reduced the main rate of UK corporation tax to 17% with effect from 1 April 2020. The rate changes will impact the amount of the future cash tax payments to be made by the Company.

The corporation tax balance is a liability of £46,425 (2016: liability of £nil).

Costa Beijing Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

10 Investments

Joint ventures

	Loans to joint ventures £ 000	Investment in joint ventures £ 000	Total £ 000
Cost or valuation			
At 4 March 2016	2,824	2,700	5,524
Additions	568	-	568
Interest on loan	179	-	179
Foreign exchange movement	395	-	395
Repayments	(125)	-	(125)
At 2 March 2017	<u>3,841</u>	<u>2,700</u>	<u>6,541</u>
Carrying amount			
At 2 March 2017	<u>3,841</u>	<u>2,700</u>	<u>6,541</u>
At 3 March 2016	<u>2,824</u>	<u>2,700</u>	<u>5,524</u>

Details of the joint ventures as at 2 March 2017 are as follows:

Name of Joint-ventures	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2017	2016
Hualian Costa (Beijing) Food & Beverage Management Company Limited	Coffee retailer	Room 520 and 524, 5th floor, East Tower, Sichuan Building, 1 Fu Wai Avenue, Xicheng District, Beijing, China. China	50%	50%

Costa Beijing Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

11 Trade and other payables

	2 March 2017	3 March 2016
	£ 000	£ 000
Amounts due to group undertakings	<u>6,971</u>	<u>6,272</u>

Amounts due to related parties are repayable on demand and carry an average quarterly interest rate based upon the group funding.

12 Share capital

	2 March 2017	3 March 2016
	£	£
Alloted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

The shares have attached to them full voting rights.

13 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.

14 Parent and ultimate parent undertaking

The immediate parent undertaking is Costa International Limited. The ultimate parent undertaking and controlling party 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 the registered address at 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 the registered address at Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE.