

Registered number: 17030

WHITBREAD EAST PENNINES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 MARCH 2012



WHITBREAD EAST PENNINES LIMITED

COMPANY INFORMATION

DIRECTORS	Whitbread Directors 1 Limited Whitbread Directors 2 Limited D Lowry
COMPANY SECRETARY	Whitbread Secretaries Limited
COMPANY NUMBER	17030
REGISTERED OFFICE	Whitbread Court Houghton Hall Business Park Porz Avenue Dunstable Bedfordshire LU5 5XE
AUDITORS	Ernst & Young LLP Apex Plaza Forbury Road Reading Berkshire RG1 1YE

WHITBREAD EAST PENNINES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 1 MARCH 2012**

The Directors present their report and the financial statements for the year ended 1 March 2012

PRINCIPAL ACTIVITIES

For the year ended 1 March 2012 and the previous year the Company was engaged in the management of claims in relation to property contracts

DIRECTORS

The Directors who served during the year were

Whitbread Directors 1 Limited
Whitbread Directors 2 Limited
D Lowry

All fees paid to directors as remuneration are borne by the parent company and it is not practical to allocate the amount for services in respect of this company

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

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that

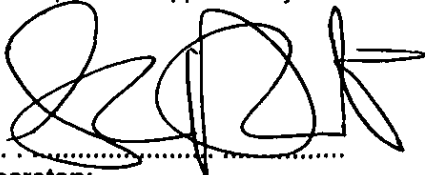
- so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information

AUDITORS

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board and signed on its behalf



Secretary

S BARRATT, FOR + ON BEHALF OF WHITBREAD SECRETARIES LTD
Date 16 NOVEMBER 2012

WHITBREAD EAST PENNINES LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 1 MARCH 2012**

The Directors are responsible for preparing the Directors' 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 AUDITORS' REPORT TO THE SHAREHOLDERS OF WHITBREAD EAST PENNINES LIMITED

We have audited the financial statements of Whitbread East Pennines Limited for the year ended 1 March 2012, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

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 Auditors' 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 AUDITORS

As explained more fully in the Directors' Responsibilities Statement, 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 Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 1 March 2012 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 year for which the financial statements are prepared is consistent with the financial statements.

WHITBREAD EAST PENNINES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WHITBREAD EAST PENNINES 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 in preparing the Directors' Report

Ernst & Young LLP

Debbie O'Hanlon (Senior Statutory Auditor)

for and on behalf of

Ernst & Young LLP

Statutory Auditor

Reading

Date *20 November 2012*

WHITBREAD EAST PENNINES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 1 MARCH 2012**

	Note	Year ended 1 March 2012 £	Year ended 3 March 2011 £
EXCEPTIONAL ITEMS			
Other exceptional items	6	<u>(239,970)</u>	<u>(219,631)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		<u>(239,970)</u>	<u>(219,631)</u>
Interest receivable and similar income	4	198,804	-
Interest payable and similar charges	5	<u>(7,489)</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(48,655)</u>	<u>(219,631)</u>
Tax on loss on ordinary activities	7	<u>12,733</u>	<u>78,735</u>
LOSS FOR THE FINANCIAL PERIOD	11	<u><u>(35,922)</u></u>	<u><u>(140,896)</u></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and Loss Account


The notes on pages 7 to 11 form part of these financial statements

WHITBREAD EAST PENNINES LIMITED
REGISTERED NUMBER: 17030

BALANCE SHEET
AS AT 1 MARCH 2012

	Note	1 March 2012 £	3 March 2011 £
CURRENT ASSETS			
Debtors	8	<u>3,089,301</u>	<u>2,877,764</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,089,301	2,877,764
PROVISIONS FOR LIABILITIES			
Other provisions	9	<u>(448,047)</u>	<u>(200,588)</u>
NET ASSETS		<u>2,641,254</u>	<u>2,677,176</u>
CAPITAL AND RESERVES			
Called up share capital	10	2,739,576	2,739,576
Share premium account	11	135,842	135,842
Profit and loss account	11	<u>(234,164)</u>	<u>(198,242)</u>
SHAREHOLDERS' FUNDS		<u>2,641,254</u>	<u>2,677,176</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by


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Director
D Lowey
Date 16 NOVEMBER 2012

The notes on pages 7 to 11 form part of these financial statements

WHITBREAD EAST PENNINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 1 MARCH 2012**

1. ACCOUNTING POLICIES

1.1 Authorisation

The financial statements of Whitbread East Pennines Ltd for the year ended 1 March 2012 were authorised for issue by the Board of Directors on 16 November 2012

1.2 Basis of preparation of financial statements

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

1.3 Going concern

The Company's business activities together with the factors likely to effect its future development, performance and position are set out above. The financial position of the Company is set out in the following accounts

The Company has adequate 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

1.4 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.5 Provisions

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation

2. AUDITORS' REMUNERATION

Audit fees for the year 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 report and financial statements for the year ended 1 March 2012

3. STAFF COSTS

The Company has no employees other than the Directors, who did not receive any remuneration (2011 - £NIL). All fees paid to directors as remuneration are borne by the parent company 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 1 MARCH 2012**

4. INTEREST RECEIVABLE

	Year ended 1 March 2012 £	Year ended 3 March 2011 £
Interest receivable from group companies	<u>198,804</u>	<u>-</u>

5. INTEREST PAYABLE

	Year ended 1 March 2012 £	Year ended 3 March 2011 £
Interest unwinding on provisions	<u>7,489</u>	<u>-</u>

6. EXCEPTIONAL ITEMS

	Year ended 1 March 2012 £	Year ended 3 March 2011 £
Costs associated with onerous contracts (Note 9)	39,970	219,631
Litigation provision (Note 9)	200,000	-
	<u>239,970</u>	<u>219,631</u>

7. TAXATION

	Year ended 1 March 2012 £	Year ended 3 March 2011 £
Analysis of tax credit in the year		
UK corporation tax credit on loss for the year	(12,733)	(61,497)
Adjustments in respect of prior periods	-	(17,238)
	<u>(12,733)</u>	<u>(78,735)</u>

WHITBREAD EAST PENNINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 1 MARCH 2012

7. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2011 - lower than) the standard rate of corporation tax in the UK of 26 17% (2011 - 28%) The differences are explained below

	Year ended 1 March 2012 £	Year ended 3 March 2011 £
Loss on ordinary activities before tax	<u>(48,655)</u>	<u>(219,631)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26 17% (2011 - 28%)	(12,733)	(61,497)
Effects of:		
Adjustments to tax charge in respect of prior periods	-	(17,238)
Current tax credit for the year (see note above)	<u>(12,733)</u>	<u>(78,735)</u>

Factors that may affect future tax charges

The Finance Act 2011 reduced the main rate of UK corporation tax to 26% from 1 April 2011 and to 25% from 1 April 2012

In his budget of 21 March 2012, the Chancellor of the Exchequer announced an additional 1% reduction in the rate of corporation tax, with effect from 1 April 2012 Further changes to corporation tax are also proposed, to reduce the main rate by 1% per annum to 22% by 1 April 2014 These changes had not been substantively enacted at the balance sheet date and consequently, in accordance with UK accounting standards, are not reflected in these financial statements

The rate change will impact the amount of the future cash tax payment to be made by the Company

8. DEBTORS

	1 March 2012 £	3 March 2011 £
Amounts owed by group undertakings	3,076,568	2,799,029
Tax recoverable	12,733	78,735
	<u>3,089,301</u>	<u>2,877,764</u>

WHITBREAD EAST PENNINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 1 MARCH 2012**

9. PROVISIONS

	Onerous Contracts £	Litigation Provision £	Total £
At 4 March 2011	200,588	-	200,588
Additions	39,970	200,000	239,970
Discounted adjustments	7,489	-	7,489
At 1 March 2012	<u>248,047</u>	<u>200,000</u>	<u>448,047</u>

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

10. SHARE CAPITAL

	1 March 2012 £	3 March 2011 £
Allotted, called up and fully paid		
2,739,576 Ordinary shares of £1 each	<u>2,739,576</u>	<u>2,739,576</u>

11. RESERVES

	Share premium account £	Profit and loss account £
At 4 March 2011	135,842	(198,242)
Loss for the year	-	(35,922)
At 1 March 2012	<u>135,842</u>	<u>(234,164)</u>

WHITBREAD EAST PENNINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 1 MARCH 2012**

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1 March 2012 £	3 March 2011 £
Opening shareholders' funds	2,677,176	2,818,072
Loss for the year	(35,922)	(140,896)
Closing shareholders' funds	<u>2,641,254</u>	<u>2,677,176</u>

13. RELATED PARTY TRANSACTIONS

The Company is a wholly-owned subsidiary of Whitbread PLC, the ultimate controlling entity of the group, and has taken advantage of the exemption given in Financial Reporting Standard No 8 not to disclose transactions with other group companies

14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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.