

Registration number: 224163

Whitbread Hotel Company Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 3 March 2022

THURSDAY



ABDKR91P
A30 29/09/2022 #407
COMPANIES HOUSE

Whitbread Hotel Company Limited

Contents

Company Information	1
Directors' Report	2 to 3
Statement of Directors' Responsibilities	4
Income Statement	5
Balance Sheet	6 to 7
Statement of Changes in Equity	8
Notes to the Unaudited Financial Statements	9 to 26

Whitbread Hotel Company Limited

Company Information

Directors	S Ewins S Jones D Levere
Company secretary	D Lowry
Registered number	224163
Registered office	Whitbread Court Houghton Hall Business Park Porz Avenue Dunstable Bedfordshire LU5 5XE United Kingdom

Whitbread Hotel Company Limited

Directors' Report for the Year Ended 3 March 2022

The directors present their annual report and the unaudited financial statements for the year ended 3 March 2022.

Principal activity

The principal activity of the Company during the year was that of operating a Premier Inn hotel and a restaurant in Norwich.

Directors of the Company

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

S Ewins

H Patel (resigned 21 March 2022)

S Jones

The following director was appointed after the period end:

D Levere (appointed 21 March 2022)

Dividends

The directors do not recommend the payment of a dividend for the year (2021: £nil).

Employment of disabled persons

All employee services are provided to the Company by Whitbread Group PLC. For further information on the Company's policy on the employment of disabled persons please refer to the Annual Report and Accounts of Whitbread PLC for the year ended 3 March 2022 which are available from Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE and do not form part of this report.

Employee involvement

All employee services are provided to the Company by Whitbread Group PLC. For further information on employee involvement please refer to the Annual Report and Accounts of Whitbread PLC for the year ended 3 March 2022 which are available from Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE and do not form part of this report.

Future developments

The Company will continue to operate a Premier Inn hotel and restaurant in Norwich.

Going concern

The Company has access to considerable financial resources and, as a consequence, the Directors believe that the Company is well placed to manage its business risk.

The accounts have been prepared on the going concern basis on the grounds that the entity is in a net current asset position at the period end, with sufficient resources for the next twelve months from the date of the approval of these accounts. Further details may be found in Note 2 of these financial statements.

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.

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 and 415A of the Companies Act 2006.

Events after the balance sheet date

There were no significant events after the balance sheet date which would require disclosure in these accounts.

Approved by the Board on 21/09/2022. and signed on its behalf by:

Whitbread Hotel Company Limited

Directors' Report for the Year Ended 3 March 2022 (continued)

A handwritten signature in black ink that reads "Daniel Levere". The signature is written in a cursive style with a long horizontal stroke at the end.

D Levere
Director

Whitbread Hotel Company 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

Whitbread Hotel Company Limited

Income Statement for the Year Ended 3 March 2022

	Note	Year ended 3 March 2022 £ 000	Year ended 25 February 2021 £ 000
Revenue	4	4,108	1,652
Operating costs		(2,793)	(1,899)
Other operating income	5	127	266
Operating profit	6	1,442	19
Finance income	7	5,845	5,886
Finance costs	8	(62)	(59)
		5,783	5,826
Profit before tax		7,225	5,846
Tax expense	10	(1,426)	(1,131)
Profit for the year attributable to the equity shareholder of the company		5,799	4,715

The above results were derived from continuing operations.

There are no items to be included in the Statement of Comprehensive Income.

The notes on pages 9 to 26 form an integral part of these financial statements.

Whitbread Hotel Company Limited

(Registration number: 224163)
Balance Sheet as at 3 March 2022

	Note	3 March 2022 £ 000	25 February 2021 £ 000
Assets			
Non-current assets			
Property, plant and equipment	11	22,442	21,821
Investments	13	21,024	21,024
Right of use assets	12	415	419
		<u>43,881</u>	<u>43,264</u>
Current assets			
Inventories	14	16	8
Trade and other receivables	15	189,343	183,603
Cash and cash equivalents		34	16
		<u>189,393</u>	<u>183,627</u>
Total assets		<u>233,274</u>	<u>226,891</u>
Liabilities			
Current liabilities			
Trade and other payables	16	(699)	(330)
Current tax liabilities	10	(1,414)	(1,204)
Current portion of long term lease liabilities	17	0	-
		<u>(2,113)</u>	<u>(1,534)</u>
Non-current liabilities			
Long term lease liabilities	17	<u>(537)</u>	<u>(544)</u>
Deferred tax liabilities	10	<u>(12)</u>	<u>0</u>
Total liabilities		<u>(2,662)</u>	<u>(2,078)</u>
Net assets		<u>230,612</u>	<u>224,813</u>
Equity			
Called up share capital	18	15,006	15,006
Share premium reserve		126,236	126,236
Capital redemption reserve		3,294	3,294
Retained earnings		86,076	80,277
Total equity		<u>230,612</u>	<u>224,813</u>

The notes on pages 9 to 26 form an integral part of these financial statements.

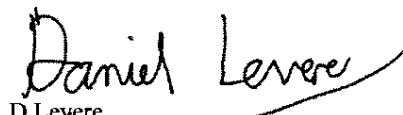
Whitbread Hotel Company Limited
(Registration number: 224163)
Balance Sheet as at 3 March 2022 (continued)

For the financial period ending 3 March 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved and authorised for issue by the Board on 21/09/2022. and signed on its behalf by:

A handwritten signature in black ink that reads "Daniel Levere". The signature is written in a cursive style with a long horizontal stroke at the end.

D Levere
Director

The notes on pages 9 to 26 form an integral part of these financial statements.

Whitbread Hotel Company Limited

Statement of Changes in Equity for the Year Ended 3 March 2022

	Share capital £ 000	Share premium £ 000	Capital redemption reserve £ 000	Retained earnings £ 000	Total equity £ 000
At 26 February 2021	15,006	126,236	3,294	80,277	224,813
Profit for the year	-	-	-	5,799	5,799
Total comprehensive income	-	-	-	5,799	5,799
At 3 March 2022	15,006	126,236	3,294	86,076	230,612

	Share capital £ 000	Share premium £ 000	Capital redemption reserve £ 000	Retained earnings £ 000	Total equity £ 000
At 1 March 2019	15,006	126,236	3,294	75,562	220,098
Profit for the year	-	-	-	4,715	4,715
Total comprehensive income	-	-	-	4,715	4,715
At 25 February 2021	15,006	126,236	3,294	80,277	224,813

The notes on pages 9 to 26 form an integral part of these financial statements.

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022

1 General information

The Company is a private company limited by share capital incorporated in the United Kingdom under the Companies Act 2006 and registered 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.

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 statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest thousand unless otherwise stated.

These financial statements were authorised for issue by the Board on **21/09/2022**

2 Accounting policies

Summary of significant accounting policies

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, 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, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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

The financial year represents 53 weeks to 3 March 2022 (prior financial year: 52 weeks to 25 February 2021).

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022 (continued)

2 Accounting policies (continued)

Going concern

The Company has access to considerable financial resources and, as a consequence, the Directors believe that the Company is well placed to manage its business risk.

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 these financial statements.

Other IFRS standards and interpretations

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

- COVID-19 related rent concessions beyond 30 June 2021 (Amendment to IFRS 16)
- Interest rate benchmark reform - Phase 2

Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired separately from a business are carried initially at cost. An intangible asset acquired as part of a business combination is recognised at fair value, separately from goodwill if the asset is separable, or arises from contractual or other legal rights, and its fair value can be measured reliably.

The carrying values are reviewed for impairment if events or changes in circumstances indicate that they may not be recoverable.

Amortisation

Amortisation is calculated on a straight-line basis over the estimated life of the asset as follows:

Asset class

IT software and technology

Amortisation method and rate

Over periods of three to ten years

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Gross interest costs incurred on the financing of qualifying assets are capitalised until the time that the assets are available for use.

The carrying values of property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Any impairment in the values of property, plant and equipment is charged to the income statement.

Profits and losses on disposal of property, plant and equipment reflect the difference between net selling price and carrying amount at the date of disposal and are recognised in the income statement.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as shown below. The residual values are reviewed annually.

Asset class

Land & buildings

Plant & equipment

Leases

Depreciation method and rate

Freehold land is not depreciated. Freehold and long leasehold buildings are depreciated to their estimated residual values over periods up to 50 years.

Over three to 25 years

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022 (continued)

2 Accounting policies (continued)

Right-of-use-assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use asset is depreciated over the shorter of its estimated useful life and lease term.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments and variable lease payments that depend on an index or a rate less any lease incentives receivable. Variable lease payments that do not depend on an index or a rate (e.g. turnover rent) are recognised as an expense in the period over which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification or a change in the lease term.

Recognition exemptions

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense within operating costs on a straight-line basis over the lease term.

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022 (continued)

2 Accounting policies (continued)

Impairment

The carrying values of property, plant and equipment and right-of-use assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying values may not be recoverable. For the purposes of the impairment review, the Company considers each trading outlet to be a separate cash generating unit (CGU). Consideration is also given, where appropriate, to the market value of the asset either from independent sources or, in conjunction with an accepted industry valuation methodology. Any impairment in the values of property, plant and equipment and right-of-use assets is charged to the income statement.

The Company assesses assets or groups of assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Individual assets are grouped, for impairment assessment purposes, at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets (cash generating units or CGUs). If such indication of impairment exists or when annual impairment testing for an asset group is required, the Company makes an estimate of the recoverable amount.

The recoverable amount of an asset or CGU is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined with reference to the CGU to which the asset belongs. Impairment losses are recognised in the consolidated income statement within operating costs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of other assets in the CGU, on a pro rata basis.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the CGU's recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimated future cashflows used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the income statement. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's carrying amount, less any residual value, on a straight-line basis over its remaining useful life.

For the purposes of impairment testing, all centrally held assets are allocated in line with IAS 36 to CGUs based on management's view of the consumption of the asset. Any resulting impairment is recorded against the centrally held asset.

Inventories

Inventories, consisting entirely of finished goods, are stated at the lower of cost and net realisable value. Cost is calculated on the basis of first in, first out and net realisable value is the estimated selling price less any costs to sell.

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022 (continued)

2 Accounting policies (continued)

Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Consideration excludes discounts, allowances for customer loyalty and other promotional activities, and amounts collected on behalf of other parties, such as value added tax. Revenue includes duties which the Company pays as principal.

The Company has analysed its business activities and applied the 5-step model prescribed by IFRS 15 to each material line of business, as outlined below:

Sale of accommodation

The contract to provide accommodation is established when the customer books accommodation. The performance obligation is to provide the right to use accommodation for a given number of nights, and the transaction price is the room rate for each night determined at the time of the booking. The performance obligation is met when the customer is given the right to use the accommodation, and so revenue is recognised for each night as it takes place, at the room rate for that night.

Customers may pay in advance for accommodation. In this case the Company has received consideration for services not yet provided. This is treated as a contract liability until the performance obligation is met.

Sale of food and beverage

The contract is established when the customer orders the food or drink item and the performance obligation is the provision of food and drink by the outlet. The performance obligation is satisfied when the food and drink is delivered to the customer, and revenue is recognised at this point at the price for the items purchased. Payment is made on the same day and consequently there are no contract assets or liabilities.

Finance income

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

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except for gross interest costs incurred on the financing of major projects, which are capitalised until the time that the projects are available for use.

Tax

Current tax

The income tax expense represents both the income tax payable, based on profit for the year and deferred income tax.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are charged or credited directly to equity. Otherwise, income tax is recognised in the income statement.

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022 (continued)

2 Accounting policies (continued)

Deferred tax

Deferred income tax is recognised in full, using the liability method, in respect of temporary differences between the tax base of the Company's assets and liabilities and their carrying amounts that have originated but have not been reversed by the balance sheet date. No deferred tax is recognised if the temporary difference arises from goodwill, or the initial recognition of an asset or liability, in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax is recognised in respect of taxable temporary differences associated with investments in associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all, or part of, the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Financial assets

Classification

The recognition of financial assets and liabilities occurs when the Company becomes party to the contractual provisions of the instrument.

Recognition and measurement

Trade receivables and contract assets are initially measured at fair value. Subsequently they are measured at amortised cost as the objective of the business model is to hold the assets to collect contractual cash flows and the contractual terms of the asset give rise to cash flows on specified dates which are solely payments of principal and interest.

In line with the IFRS 9 Financial Instruments 'simplified approach', the Company segments its trade receivables and contract assets based on shared characteristics, and recognises a loss allowance for the lifetime expected credit loss for each segment. The expected credit loss is based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of the current and forecast conditions at the reporting date.

The Company derecognises a financial asset when contract rights to the cash flows from the asset expire, or when it transfers control of the asset to another entity.

Cash and cash equivalents comprise cash at bank, cash in hand and deposits (including Money Market Funds) which are short term, highly liquid and which are not at significant risk of changes in value.

Impairment

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred, such as significant financial difficulty of the debtor or default by the debtor. The Company writes off a financial asset where there is no realistic prospect of recovery. Credit losses are recorded within operating costs in the income statement.

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022 (continued)

2 Accounting policies (continued)

Financial liabilities

Classification

Debt and equity instruments are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements.

Recognition and measurement

Financial liabilities are measured at amortised cost using the effective interest rate method unless they are required to be measured at fair value through profit or loss or the Company has opted to measure them at fair value through the profit or loss. The effective interest rate method calculates the amortised cost of a financial liability and allocates interest expense to the relevant period.

Borrowings are initially recognised at the fair value of the consideration received, net of any directly associated issue costs. Borrowings are subsequently recorded at amortised cost, with any difference between the amount initially recorded and the redemption value recognised in the income statement using the effective interest method.

The derecognition of financial liabilities occurs when the obligation under the liability is discharged, cancelled or expires.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment. The carrying value of investments are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Cost is the fair value of the consideration given, including acquisition charges associated with the investment.

Defined benefit pension obligation ♦

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

Management services agreement

The Company is party to a Management Services Agreement with Whitbread Group PLC, under which some services are provided to it, the costs of which are settled via intercompany.

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 Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022 (continued)

3 Key accounting judgements and estimates

The preparation of the 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 Company's accounting policies, the Directors have considered whether there are any such sources of key estimation or critical accounting judgements in forming the financial statements and do not consider there to be any for the purposes of disclosure.

4 Revenue

The analysis of the Company's revenue for the period from continuing operations is as follows:

	Year ended 3 March 2022	Year ended 25 February 2021
	£ 000	£ 000
Sale of food and beverage	798	325
Sale of accomodation	3,310	1,327
	<u>4,108</u>	<u>1,652</u>

The whole of the revenue is attributable to the operation of a Premier Inn hotel and a restaurant in the United Kingdom.

5 Other operating income

The analysis of the company's other operating income for the period is as follows:

	Year ended 3 March 2022	Year ended 25 February 2021
	£ 000	£ 000
Government grants	103	262
Sub-lease income	24	4
	<u>127</u>	<u>266</u>

In the UK, the Government has provided funding towards the salary costs of employees who have been 'furloughed' through the Coronavirus Job Retention Scheme. The scheme rules have evolved during the period and remain complex to interpret and apply to the claims. This funding meets the definition of a Government grant under IAS 20 Government Grants and a total of £103,000 (2020/21: £262,000) has been recorded within other income. The related salary costs which are compensated by the scheme are included within operating costs in the income statement.

There have been no further claims by the Group for UK Government grants and no further grants are expected to be received.

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022 (continued)

6 Operating profit

Arrived at after charging/(crediting)

	Year ended 3 March 2022 £ 000	Year ended 25 February 2021 £ 000
Cost of inventories recognised as an expense	181	75
Depreciation expense (Note 11)	513	378
Variable lease expense/(credit)	10	(4)
Depreciation on right of use assets (Note 13)	4	3

7 Finance income

	Year ended 3 March 2022 £ 000	Year ended 25 February 2021 £ 000
Interest receivable from group undertakings	<u>5,845</u>	<u>5,886</u>

8 Finance costs

	Year ended 3 March 2022 £ 000	Year ended 25 February 2021 £ 000
Interest expense on leases	<u>62</u>	<u>59</u>

9 Staff costs

The Company has no employees (2021 - no employees) other than the directors, who did not receive any remuneration (2021 - £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.

The Company is party to a Management Services Agreement with Whitbread Group PLC, under which all services are provided to it.

10 Taxation

Tax charged/(credited) in the income statement

	Year ended 3 March 2022 £ 000	Year ended 25 February 2021 £ 000
Current taxation		
UK corporation tax	1,411	1,141
UK corporation tax adjustment to prior periods	2	63
	<u>1,413</u>	<u>1,204</u>

Whitbread Hotel Company Limited

**Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022
(continued)**

10 Taxation (continued)

	Year ended 3 March 2022 £ 000	Year ended 25 February 2021 £ 000
Deferred taxation		
Arising from origination and reversal of temporary differences	(11)	(1)
Arising from changes in tax rates and laws	0	9
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	23	(82)
Total deferred taxation	<u>12</u>	<u>(74)</u>
Tax expense in the income statement	<u>1,426</u>	<u>1,131</u>

The tax on profit before tax for the period is higher than the standard rate of corporation tax in the UK (2021 - higher than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	Year ended 3 March 2022 £ 000	Year ended 25 February 2021 £ 000
Profit before tax	<u>7,225</u>	<u>5,846</u>
Corporation tax at standard rate	<u>1,373</u>	<u>1,111</u>
Increase in current tax from adjustment for prior periods	3	63
Increase from effect of expenses not deductible in determining taxable profit	30	30
Deferred tax credit relating to changes in tax rates or laws on current year rate differential	(3)	-
Deferred tax expense/(credit) in respect of prior period	23	(82)
Deferred tax expense relating to changes in tax rates or laws on opening balances	-	9
Total tax charge	<u>1,426</u>	<u>1,131</u>

The current rate of corporation tax is 19%. The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, effective from 1 April 2023.

The corporation tax balance is a liability of £1,414,000 (2021: liability of £1,204,000).

Whitbread has a Group Payment Arrangement in place with HMRC which allows Whitbread Group PLC as nominated company to make corporation tax payments on behalf of all other UK group companies.

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022 (continued)

10 Taxation (continued)

Deferred tax

Deferred tax movement during the period:

	At 26 February 2021 £ 000	Recognised in income £ 000	At 3 March 2022 £ 000
PPE and intangible assets	(53)	17	(36)
Deferred capital gains	35	(35)	-
Leases	18	6	24
Net tax assets/(liabilities)	-	(12)	(12)

Deferred tax movement during the prior period:

	At 28 February 2020 £ 000	Recognised in income £ 000	At 25 February 2021 £ 000
PPE and intangible assets	(121)	68	(53)
Deferred capital gains	31	4	35
Leases	16	2	18
Net tax assets/(liabilities)	(74)	74	-

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022 (continued)

11 Property, plant and equipment

	Land and buildings £ 000	Plant and equipment £ 000	Total £ 000
Cost or valuation			
At 26 February 2021	21,065	4,666	25,731
Additions	155	978	1,133
Assets written off	-	(41)	(41)
At 3 March 2022	<u>21,220</u>	<u>5,603</u>	<u>26,823</u>
Depreciation			
At 26 February 2021	999	2,911	3,910
Charge for the period	115	398	513
Assets written off	-	(41)	(41)
At 3 March 2022	<u>1,114</u>	<u>3,267</u>	<u>4,381</u>
Carrying amount			
At 3 March 2022	<u>20,106</u>	<u>2,336</u>	<u>22,442</u>
At 25 February 2021	<u>20,066</u>	<u>1,755</u>	<u>21,821</u>

Included above are assets under construction of £2,020,000 (2021: £1,854,000).

12 Right of use assets

	Property £ 000	Total £ 000
Cost or valuation		
At 26 February 2021	509	509
At 3 March 2022	<u>509</u>	<u>509</u>
Depreciation		
At 26 February 2021	90	90
Charge for the period	4	4
At 3 March 2022	<u>94</u>	<u>94</u>
Carrying amount		
At 3 March 2022	<u>415</u>	<u>415</u>
At 25 February 2021	<u>419</u>	<u>419</u>

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022 (continued)

13 Investments

	Investment in subsidiary companies £ 000
Subsidiaries	
Cost	
At 26 February 2021	21,024
At 3 March 2022	<u>21,024</u>
Carrying amount	
At 3 March 2022	<u>21,024</u>
At 25 February 2021	<u>21,024</u>

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022 (continued)

13 Investments (continued)

Details of the Company's subsidiaries, which are directly held, as at 3 March 2022 are as follows:

Name of subsidiary	Principal activity (Class of shares held)	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2022	2021
Advisebegin Limited	Dormant (Ordinary £1.00)	England	100%	100%
Alastair Campbell & Company Limited	Dormant (Ordinary £1.00)	England	100%	100%
Autumn Days Limited	Dormant (Ordinary £1.00)	England	100%	100%
Finite Hotel Systems Limited	Dormant (A Ordinary £1.00 & B Ordinary £1.00)	England	100%	100%
Forest of Arden Golf & Country Club Limited	Dormant (Ordinary £1.00)	England	100%	100%
Gable Care Limited	Dormant (Ordinary £1.00)	England	100%	100%
James Bell & Company Limited	Dormant (Deferred ordinary £0.25 & Ordinary £0.01)	England	100%	100%
Kingsmills Hotel Company Limited	Dormant (Ordinary £1.00)	England	100%	100%
Lambtons Ale Limited	Dormant (Ordinary £1.00)	England	100%	100%
Leisure and Retail Resources Limited	Dormant (Ordinary £1.00)	England	99.6%	99.6%
London International Hotel Limited	Dormant (Ordinary £1.00)	England	100%	100%
Lorimer & Clark Limited	Dormant (Ordinary £1.00)	England	100%	100%
Meon Valley Golf & Country Club Limited	Dormant (Ordinary £1.00)	England	100%	100%
Morris's Wine Stores Limited	Dormant (Ordinary £1.00)	England	99.6%	99.6%
Norseman Lager Limited	Dormant (Ordinary £1.00)	England	100%	100%
Percheron Properties Limited	Dormant (Ordinary £1.00)	England	100%	100%
Respotel Limited	Dormant (Ordinary £2.00)	England	100%	100%
S.H. Ward & Company Limited	Dormant (Ordinary £1.00)	England	100%	100%
Small & Co. Limited	Dormant (Ordinary £1.00)	England	100%	100%
Spring Soft Drinks Limited	Dormant (Ordinary £1.00)	England	100%	100%

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022 (continued)

13 Investments (continued)

Square October 1 Limited	Dormant (Ordinary £1.00)	England	100%	100%
Square October 2 Limited	Dormant (Ordinary £1.00)	England	100%	100%
Square October 3 Limited	Dormant (Ordinary £1.00)	England	100%	100%
St Andrews Homes Limited	Management of claims in relation to property contracts (Ordinary £1.00)	England	100%	100%
Summerfields Care Limited	Dormant (Ordinary £1.00)	England	100%	100%
Swift (Lurchrise) Limited	Dormant (Ordinary £1.00)	England	100%	100%
Swift Hotels (1995) Limited	Dormant (Ordinary £1.00)	England	100%	100%
Swift Hotels (Management) Limited	Dormant (Ordinary £1.00)	England	100%	100%
Swift Inns and Restaurants Limited	Dormant (Ordinary £1.00)	England	100%	100%
Swift Profit Sharing Scheme Trustees Limited	Dormant (Ordinary £1.00)	England	50%	50%
Swift Quest Limited	Dormant (Ordinary £1.00)	England	100%	100%
Tewkesbury Park Golf and Golf Club Limited	Dormant (Ordinary £1.00)	England	100%	100%
The Four Seasons Hotel Limited	Dormant (Ordinary £1.00)	England	100%	100%
Whitbread (G.C) Limited	Dormant (Ordinary £1.00)	England	100%	100%
Whitbread Sunderland (1995) Limited	Dormant (Ordinary £1.00)	England	100%	100%
Whitbread Sunderland Limited	Dormant (Ordinary £5.00)	England	100%	100%
Whitbread Sunderland 2 Limited	Dormant (Ordinary £1.00)	England	100%	100%
W. M. Darley Limited	Dormant (Ordinary £1.00, Preference £1.00 & Preferred ordinary £0.01)	England	100%	100%
W. R. Wines Limited	Dormant (Deferred £1.00 & Ordinary £0.01)	England	100%	100%

The registered office of the subsidiaries listed above is Whitbread Court, Houghton Hall Business Park, Porz Avenue Dunstable, Bedfordshire, LU5 5XE.

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022 (continued)

14 Inventories

	3 March 2022 £ 000	25 February 2021 £ 000
Finished goods and goods for resale	<u>16</u>	<u>8</u>

15 Trade and other receivables

	3 March 2022 £ 000	25 February 2021 £ 000
Trade receivables	52	24
Amounts owed by group undertakings	189,291	183,561
Other receivables	0	18
Total current trade and other receivables	<u>189,343</u>	<u>183,603</u>
Total receivables	<u>189,343</u>	<u>183,603</u>

Amounts receivable from group undertakings are repayable on demand and carry an average quarterly interest rate of 0.8% (2021: 0.8%) based upon the group funding.

16 Trade and other payables

	3 March 2022 £ 000	25 February 2021 £ 000
Trade payables	390	85
Accrued expenses	222	186
Other payables	87	59
	<u>699</u>	<u>330</u>

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022 (continued)

17 Leases

Leases included in creditors

	3 March 2022 £ 000	25 February 2021 £ 000
Current portion of long term lease liabilities	0	-
Long term lease liabilities	537	544

Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	3 March 2022 £ 000	25 February 2021 £ 000
Less than one year	61	61
1-5 years	306	245
More than 5 years	6,613	6,761
Total lease liabilities (undiscounted)	<u>6,980</u>	<u>7,067</u>

Total cash outflows related to leases

Total cash outflows related to leases are presented in the table below:

	3 March 2022 £ 000	25 February 2021 £ 000
Payment		
Right of use assets	-	10
Interest	62	59
Total cash outflow	<u>62</u>	<u>69</u>

18 Share capital

Allotted, called up and fully paid shares

	3 March 2022 No. 000	£ 000	25 February 2021 No. 000	£ 000
150,057,127 Ordinary shares of £0.10 each	<u>150,057</u>	<u>15,006</u>	<u>150,057</u>	<u>15,006</u>

The shares carry full voting, dividend and capital distribution rights.

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022 (continued)

19 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 wholly owned group companies.

The registered office of the above companies is Whitbread Court, Houghton Hall Business Park, Porz Avenue Dunstable, Bedfordshire, LU5 5XE.

20 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 the registered office 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 office at Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE.