

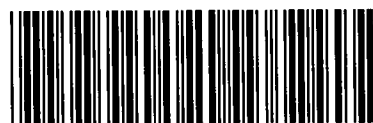
Registration number: 224163

Whitbread Hotel Company Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 25 February 2021

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Whitbread Hotel Company Limited

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Whitbread Hotel Company Limited

Company Information

| | |
|--------------------------|---|
| Directors | S Ewins H Patel S Jones |
| 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 25 February 2021

The directors present their annual report and the unaudited financial statements for the year ended 25 February 2021.

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

S Jones

Dividends

The directors do not recommend the payment of a dividend for the year (2020: £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 25 February 2021 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 25 February 2021 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 financial position of the Company is set out in these financial statements. As at 25 February 2021, the Company's current assets exceeded its current liabilities by £182,092,000.

The accounts have been prepared on the going concern basis on the grounds that the parent Company will 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.

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 29/10/2021 and signed on its behalf by:



H Patel
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 25 February 2021

| | Note | Year ended 25 February 2021 £ 000 | Year ended 27 February 2020 £ 000 |
|--|----------|---|---|
| Revenue | 4 | 1,652 | 5,022 |
| Operating costs | | (1,899) | (2,630) |
| Other operating income | 5 | 266 | 20 |
| Operating profit | 6 | 19 | 2,412 |
| Finance income | 7 | 5,886 | 6,682 |
| Finance costs | 8 | (59) | (59) |
| | | 5,826 | 6,623 |
| Profit before tax | | 5,846 | 9,035 |
| Tax expense | 10 | (1,131) | (1,731) |
| Profit for the year attributable to the equity shareholder of the company | | 4,715 | 7,304 |

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 8 to 26 form an integral part of these financial statements.

Whitbread Hotel Company Limited

(Registration number: 224163)

Balance Sheet as at 25 February 2021

| | Note | 25 February 2021 £ 000 | 27 February 2020 £ 000 |
|--|------|------------------------------|------------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 11 | 21,821 | 21,957 |
| Investments | 13 | 21,024 | 21,024 |
| Right of use assets | 12 | 419 | 395 |
| | | <u>43,264</u> | <u>43,376</u> |
| Current assets | | | |
| Inventories | 14 | 8 | 15 |
| Trade and other receivables | 15 | 183,603 | 179,383 |
| Cash and cash equivalents | | 16 | 14 |
| | | <u>183,627</u> | <u>179,412</u> |
| Total assets | | <u>226,891</u> | <u>222,788</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 16 | (330) | (390) |
| Current tax liabilities | 10 | (1,204) | (1,708) |
| Current portion of long term lease liabilities | 17 | - | 0 |
| | | <u>(1,534)</u> | <u>(2,098)</u> |
| Non-current liabilities | | | |
| Long term lease liabilities | 17 | <u>(544)</u> | <u>(518)</u> |
| Deferred tax liabilities | 10 | <u>0</u> | <u>(74)</u> |
| Total liabilities | | <u>(2,078)</u> | <u>(2,690)</u> |
| Net assets | | <u>224,813</u> | <u>220,098</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 | | 80,277 | 75,562 |
| Total equity | | <u>224,813</u> | <u>220,098</u> |

The notes on pages 8 to 26 form an integral part of these financial statements.

Whitbread Hotel Company Limited

(Registration number: 224163)

Balance Sheet as at 25 February 2021 (continued)

For the financial period ending 25 February 2021 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 29/10/2021 and signed on its behalf by:



H Patel
Director

The notes on pages 8 to 26 form an integral part of these financial statements.

Whitbread Hotel Company Limited

Statement of Changes in Equity for the Year Ended 25 February 2021

| | Share capital £ 000 | Share premium £ 000 | Capital redemption reserve £ 000 | Retained earnings £ 000 | Total equity £ 000 |
|----------------------------|------------------------|------------------------|---|-------------------------------|-----------------------|
| At 28 February 2020 | 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 |

| | 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 | 68,258 | 212,794 |
| Profit for the year | - | - | - | 7,304 | 7,304 |
| Total comprehensive income | - | - | - | 7,304 | 7,304 |
| At 27 February 2020 | 15,006 | 126,236 | 3,294 | 75,562 | 220,098 |

The notes on pages 8 to 26 form an integral part of these financial statements.

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 25 February 2021

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 29/10/2021

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 52 weeks to 25 February 2021 (prior financial year: 52 weeks to 27 February 2020).

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 25 February 2021 (continued)

2 Accounting policies (continued)

Going concern

The financial position of the Company is set out in these financial statements. As at 25 February 2021, the Company's current assets exceeded its current liabilities by £182,092,000.

The accounts have been prepared on the going concern basis on the grounds that the parent Company will provide support so the Company may continue operations for the next twelve months from the date of the approval of these accounts.

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 (Amendment to IFRS 16)
- Amendment to IFRS 3 Definition of a business
- Amendments to IAS 1 and IAS 8 definition of material
- Amendments to references to the conceptual framework in IFRS standards

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 | Amortisation method and rate |
|----------------------------|------------------------------------|
| IT software and technology | 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 | Depreciation method and rate |
|-------------------|---|
| Land & buildings | Freehold land is not depreciated. Freehold and long leasehold buildings are depreciated to their estimated residual values over periods up to 50 years. |
| Plant & equipment | Over three to 25 years |

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 25 February 2021 (continued)

2 Accounting policies (continued)

Leases

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 25 February 2021 (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 25 February 2021 (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 25 February 2021 (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. The derecognition of financial assets takes place when the Company no longer has the right to cash flows, the risks and rewards of ownership, or control of the asset.

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 of 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 25 February 2021 (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 25 February 2021 (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 25 February 2021 | Year ended 27 February 2020 |
|---------------------------|--------------------------------|--------------------------------|
| | £ 000 | £ 000 |
| Sale of food and beverage | 325 | 1,260 |
| Sale of accommodation | 1,327 | 3,762 |
| | <u>1,652</u> | <u>5,022</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:

| | 2021 £ 000 | 2020 £ 000 |
|-------------------|---------------|---------------|
| Government grants | 262 | - |
| Sub-lease income | 4 | 20 |
| | <u>266</u> | <u>20</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 £262,000 (2019/20: £nil) 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.

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 25 February 2021 (continued)

6 Operating profit

Arrived at after charging/(crediting)

| | Year ended 25 February 2021 £ 000 | Year ended 27 February 2020 £ 000 |
|---|---|---|
| Cost of inventories recognised as an expense | 75 | 299 |
| Depreciation expense (Note 11) | 378 | 384 |
| Variable lease (credit)/expense | (4) | 2 |
| Depreciation on right of use assets (Note 13) | 3 | 3 |

7 Finance income

| | 2021 £ 000 | 2020 £ 000 |
|---|---------------|---------------|
| Interest receivable from group undertakings | <u>5,886</u> | <u>6,682</u> |

8 Finance costs

| | Year ended 25 February 2021 £ 000 | Year ended 27 February 2020 £ 000 |
|----------------------------|---|---|
| Interest expense on leases | <u>59</u> | <u>59</u> |

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

| | Year ended 25 February 2021 £ 000 | Year ended 27 February 2020 £ 000 |
|--|---|---|
| Wages and salaries | 806 | 834 |
| Social security costs | 47 | 44 |
| Pension costs, defined contribution scheme | 15 | 14 |
| | <u>868</u> | <u>892</u> |

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

All employees are under an employment contract with Whitbread Group PLC who provided services to Whitbread Hotel Company Limited during the year. 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.

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 25 February 2021 (continued)

10 Taxation

Tax charged/(credited) in the income statement

| | 2021 £ 000 | 2020 £ 000 |
|--|---------------|---------------|
| Current taxation | | |
| UK corporation tax | 1,141 | 1,724 |
| UK corporation tax adjustment to prior periods | 63 | (16) |
| | <u>1,204</u> | <u>1,708</u> |
| Deferred taxation | | |
| Arising from origination and reversal of temporary differences | (1) | 12 |
| Arising from changes in tax rates and laws | 9 | - |
| Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods | (82) | 11 |
| Total deferred taxation | <u>(74)</u> | <u>23</u> |
| Tax expense in the income statement | <u>1,131</u> | <u>1,731</u> |

The tax on profit before tax for the period is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

| | 2021 £ 000 | 2020 £ 000 |
|--|---------------|---------------|
| Profit before tax | <u>5,846</u> | <u>9,035</u> |
| Corporation tax at standard rate | <u>1,111</u> | <u>1,717</u> |
| Increase/(decrease) in current tax from adjustment for prior periods | 63 | (16) |
| Increase from effect of expenses not deductible in determining taxable profit/loss | 30 | 20 |
| Deferred tax (credit)/expense in respect of prior period | (82) | 10 |
| Deferred tax expense relating to changes in tax rates or laws | 9 | - |
| Total tax charge | <u>1,131</u> | <u>1,731</u> |

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by the Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax rate, thereby maintaining the current rate of 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. These changes were not substantively enacted at the balance sheet date.

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 25 February 2021 (continued)

10 Taxation (continued)

The corporation tax balance is a liability of £1,204,000 (2020: £1,708,000).

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 25 February 2021 (continued)

10 Taxation (continued)

Deferred tax

Deferred tax movement during the 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) | <u>(74)</u> | <u>74</u> | <u>0</u> |

Deferred tax movement during the prior period:

| | At 1 March 2019 £ 000 | Recognised in income £ 000 | At 27 February 2020 £ 000 |
|------------------------------|--------------------------------------|---|--|
| PPE and intangible assets | (90) | (31) | (121) |
| Deferred capital gains | 23 | 8 | 31 |
| Leases | 16 | 0 | 16 |
| Net tax assets/(liabilities) | <u>(51)</u> | <u>(23)</u> | <u>(74)</u> |

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 25 February 2021 (continued)

11 Property, plant and equipment

| | Land and buildings £ 000 | Plant and equipment £ 000 | Total £ 000 |
|--------------------------|--------------------------------|---------------------------------|----------------|
| Cost or valuation | | | |
| At 28 February 2020 | 20,882 | 4,674 | 25,556 |
| Additions | 183 | 60 | 243 |
| Assets written off | - | (68) | (68) |
| At 25 February 2021 | <u>21,065</u> | <u>4,666</u> | <u>25,731</u> |
| Depreciation | | | |
| At 28 February 2020 | 952 | 2,647 | 3,599 |
| Charge for the period | 47 | 331 | 378 |
| Assets written off | - | (67) | (67) |
| At 25 February 2021 | <u>999</u> | <u>2,911</u> | <u>3,910</u> |
| Carrying amount | | | |
| At 25 February 2021 | <u>20,066</u> | <u>1,755</u> | <u>21,821</u> |
| At 27 February 2020 | <u>19,930</u> | <u>2,027</u> | <u>21,957</u> |

Included above are assets under construction of £1,854,000 (2020: £1,685,000).

The net book value of land and buildings can all be attributed to long-leasehold properties.

12 Right of use assets

| | Property £ 000 | Total £ 000 |
|--------------------------|-------------------|----------------|
| Cost or valuation | | |
| At 1 March 2019 | 482 | 482 |
| At 27 February 2020 | <u>482</u> | <u>482</u> |
| At 28 February 2020 | 482 | 482 |
| Additions | 27 | 27 |
| At 25 February 2021 | <u>509</u> | <u>509</u> |
| Depreciation | | |
| At 1 March 2019 | 84 | 84 |
| Charge for period | 3 | 3 |
| At 27 February 2020 | <u>87</u> | <u>87</u> |

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 25 February 2021 (continued)

12 Right of use assets (continued)

| | Property £ 000 | Total £ 000 |
|------------------------|-------------------|----------------|
| At 28 February 2020 | 87 | 87 |
| Charge for the period | 3 | 3 |
| At 25 February 2021 | <u>90</u> | <u>90</u> |
| Carrying amount | | |
| At 25 February 2021 | <u>419</u> | <u>419</u> |
| At 27 February 2020 | <u>395</u> | <u>395</u> |

13 Investments

| Subsidiaries | Investment in subsidiary companies £ 000 |
|------------------------|---|
| Cost | |
| At 28 February 2020 | 21,024 |
| At 25 February 2021 | <u>21,024</u> |
| Carrying amount | |
| At 25 February 2021 | <u>21,024</u> |
| At 27 February 2020 | <u>21,024</u> |

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 25 February 2021 (continued)

13 Investments (continued)

Details of the Company's subsidiaries, which are directly held, as at 25 February 2021 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 | |
|--|--|---|---|-------|
| | | | 2021 | 2020 |
| 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 25 February 2021 (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 25 February 2021 (continued)

14 Inventories

| | 25 February 2021 £ 000 | 27 February 2020 £ 000 |
|-------------------------------------|------------------------------|------------------------------|
| Finished goods and goods for resale | 8 | 15 |

15 Trade and other receivables

| | 25 February 2021 £ 000 | 27 February 2020 £ 000 |
|---|------------------------------|------------------------------|
| Trade receivables | 24 | 121 |
| Amounts owed by group undertakings | 183,561 | 179,262 |
| Other receivables | 18 | 0 |
| Total current trade and other receivables | 183,603 | 179,383 |
| Total receivables | 183,603 | 179,383 |

Amounts receivable from group undertakings are repayable on demand and carry an average quarterly interest rate of 0.8% (2020: 1.0%) based upon the group funding.

The trade and other receivables classified as financial instruments are disclosed below. The company's exposure to credit and market risks, including maturity analysis, relating to trade and other receivables is disclosed in the financial risk review note.

16 Trade and other payables

| | 25 February 2021 £ 000 | 27 February 2020 £ 000 |
|------------------|------------------------------|------------------------------|
| Trade payables | 85 | 238 |
| Accrued expenses | 186 | 106 |
| Other payables | 59 | 46 |
| | 330 | 390 |

Whitbread Hotel Company Limited

Notes to the Unaudited Financial Statements for the Year Ended 25 February 2021 (continued)

17 Leases

Leases included in creditors

| | 25 February 2021 £ 000 | 27 February 2020 £ 000 |
|--|------------------------------|------------------------------|
| Current portion of long term lease liabilities | - | 0 |
| Long term lease liabilities | 544 | 518 |

Lease liabilities maturity analysis

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

| | 25 February 2021 £ 000 | 27 February 2020 £ 000 |
|--|------------------------------|------------------------------|
| Less than one year | 61 | 59 |
| 1-5 years | 245 | 236 |
| More than 5 years | 6,761 | 6,584 |
| Total lease liabilities (undiscounted) | <u>7,067</u> | <u>6,879</u> |

Total cash outflows related to leases

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

| | 25 February 2021 £ 000 | 27 February 2020 £ 000 |
|---------------------|------------------------------|------------------------------|
| Payment | | |
| Right of use assets | 10 | 17 |
| Interest | 59 | 59 |
| Total cash outflow | <u>69</u> | <u>76</u> |

18 Share capital

Allotted, called up and fully paid shares

| | 25 February 2021 | 27 February 2020 |
|--|------------------------------|------------------------------|
| | No. 000 £ 000 | 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 25 February 2021 (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.