

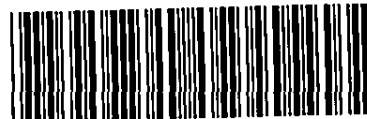
Registered number 05386807

**WHITBREAD  
GUARANTEE COMPANY  
TWO LIMITED**

**REPORT & ACCOUNTS**

**28 February 2008**

THURSDAY



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COMPANIES HOUSE

## **WHITBREAD GUARANTEE COMPANY TWO LIMITED**

**DIRECTORS:** Simon Barratt  
Christopher Rogers

**SECRETARY:** Simon Barratt

**AUDITOR:** Ernst & Young LLP  
400 Capability Green  
Luton  
LU1 3LU

**REGISTERED OFFICE:** Whitbread Court  
Houghton Hall Business Park  
Porz Avenue  
Dunstable  
Bedfordshire  
LU5 5XE

**REGISTERED NUMBER:** 05386807

# WHITBREAD GUARANTEE COMPANY TWO LIMITED

## DIRECTORS' REPORT

For the year ended 28 February 2008

### Accounts

The Directors submit to the shareholders their report and accounts for the year ended 28 February 2008

### Principal activity and review of business development

Whitbread Guarantee Company Two Limited was incorporated on 9 March 2005. The principal activity is that of a holding company.

Whitbread Guarantee Company Two Limited is a company limited by guarantee. Every member of the company undertakes to contribute such amount as may be required (not exceeding £100) to the company's assets if it should be wound up while he is a member or within one year after he ceases to be a member, for payment of the company's debts and liabilities contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for adjustment of the rights of the contributories among themselves.

### Results and dividends

The profit before tax for the year was £1,410,585 (2007: £5,38,442). No dividend has been declared

### Going concern

The directors have a reasonable expectation that the company has adequate resources to continue operating for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the accounts

### Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of Whitbread PLC, which include those of the company, are discussed in the group's annual report which does not form part of this report.

### Directors

The details of directors who served during the period are as follows:

SC Barratt  
CCB Rogers

### Disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information

### Auditors

Ernst & Young LLP have expressed their willingness to continue in office as auditor to the company.

By order of the Board

Director

22 July 2008

## **WHITBREAD GUARANTEE COMPANY TWO LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**For the year ended 28 February 2008**

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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss for the period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 have responsibility for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985. 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 GUARANTEE COMPANY TWO LIMITED

## INDEPENDENT AUDITORS' REPORT

to the member of Whitbread Guarantee Company Two Limited

We have audited the company's financial statements for the year ended 28 February 2008 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and losses, the Balance Sheet and related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

The directors are responsible for the preparation of the Annual report and financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

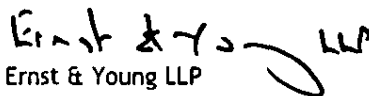
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 February 2008 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors report is consistent with the financial statements

  
Ernst & Young LLP  
Registered Auditor  
Luton

22/7/08

# WHITBREAD GUARANTEE COMPANY TWO LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 28 February 2008

	Notes	2008	2007
		£	£
Administrative expenses		-	21,449
<b>OPERATING PROFIT</b>		-	21,449
Interest		1,410,585	(559,891)
<b>PROFIT/(LOSS) BEFORE TAX</b>		1,410,585	(538,442)
Tax	4	(423,176)	161,532
<b>RETAINED PROFIT/(LOSS) FOR THE PERIOD</b>	8	987,409	(376,910)

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 28 February 2008

	2008	2007
	£	£
<b>PROFIT/(LOSS) EARNED FOR SHAREHOLDERS</b>	987,409	(376,910)
Dividend received	-	53,528,138
<b>TOTAL PROFITS RECOGNISED SINCE PREVIOUS YEAR END</b>	987,409	53,151,228

# WHITBREAD GUARANTEE COMPANY TWO LIMITED

## **BALANCE SHEET**

At 28 February 2008

	Notes	<u>2008</u> £	<u>2007</u> £
<b>FIXED ASSETS</b>			
Investment in associate	5	<u>58,864,000</u>	<u>58,864,000</u>
		<u>58,864,000</u>	<u>58,864,000</u>
 Debtors - amounts falling due within one year	6	<u>16,483,118</u>	<u>15,234,065</u>
 CREDITORS - amounts falling due within one year	7	<u>(261,644)</u>	<u>-</u>
 NET CURRENT ASSETS		<u>16,221,474</u>	<u>15,234,065</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES		<u>75,085,474</u>	<u>74,098,065</u>
 TOTAL ASSETS LESS LIABILITIES		<u><u>75,085,474</u></u>	<u><u>74,098,065</u></u>
 RESERVES			
Profit and loss account	8	<u>75,085,474</u>	<u>74,098,065</u>
MEMBER'S FUNDS	8	<u><u>75,085,474</u></u>	<u><u>74,098,065</u></u>

  
Director

22 July 2008

## WHITBREAD GUARANTEE COMPANY TWO LIMITED

### NOTES TO THE ACCOUNTS

For the year ended 28 February 2008

#### 1. ACCOUNTING POLICIES

##### Authorisation

The financial statements of Whitbread Guarantee Company Two Limited for the year ended 28 February 2008 were authorised for issue by the Board of Directors on 22 July 2008

##### Accounting convention

The accounts are prepared under the historical cost convention as modified by the revaluation of property, and in accordance with applicable Accounting Standards.

##### Group accounts

As permitted by s228 of the Companies Act 1985, group accounts have not been prepared as the company is a wholly-owned subsidiary of a European Community parent.

##### Associate companies

The company carries its investments in associates at cost less accumulated impairment losses.

##### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not been reversed by the balance sheet date. Deferred tax is not recognised when an asset is sold if it is more likely than not that the taxable gain will be rolled over. Deferred tax assets are recognised to the extent that they are regarded as recoverable. Provisions for deferred taxation are not discounted. Deferred tax assets and liabilities are calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

##### Cash flow

As permitted by Financial Reporting Standard No.1 (revised) a cash flow has not been prepared as the company is a wholly-owned subsidiary of a European Community parent undertaking whose consolidated accounts are publicly available

#### 2. PROFIT & LOSS ACCOUNT DETAILS

All audit fees and directors remuneration have been borne by the parent company.

#### 3. DISPOSALS

	<u>2008</u>	<u>2007</u>
	£	£
Carrying value of shares	-	54,626,000
Net proceeds	-	54,626,000
Profit on disposal	<u>-</u>	<u>-</u>

The disposal relates to the sale of the company's 13% holding in Condor Overseas Holdings Limited in May 2006.



# WHITBREAD GUARANTEE COMPANY TWO LIMITED

## NOTES TO THE ACCOUNTS

For the year ended 28 February 2008

### 4. TAX

	2008 £	2007 £
Current tax on profits for the year		
UK corporation tax	423,176	161,532
Total current tax	423,176	161,532
Total tax charge	423,176	161,532
Factors affecting the tax charge for the year		
Profit/(loss) before tax	1,410,585	(538,442)
Tax at current UK Corporation tax rate of 30%	423,176	(161,533)

### 5. INVESTMENT IN ASSOCIATE

	2008 £	2007 £
Shares at cost		
1 March 2007	58,864,000	54,626,000
Additions	-	58,864,000
Disposals	-	(54,626,000)
28 February 2008	58,864,000	58,864,000

In 2006/7 the group, of which Whitbread Guarantee Company Two Limited is a part, was restructured. As a part of this restructure, the company received a dividend in specie from Condor Overseas Holdings Ltd of shares in Wentworth No.1 Limited. The company gave the shares, together with cash of £5.3m, as consideration for a 13% holding in the shares of Condor Overseas Holdings Two Limited. The proportion of the share capital of Condor Overseas Holdings Two Limited owned by the company increased to 26% following the redemption by Condor Overseas Holdings Two Limited of part of its share capital. Following the acquisition of its shareholding in Condor Overseas Holdings Two Limited, the company disposed of its investment of a holding of 13% in the shares of Condor Overseas Holdings Limited.

Principal associates	Principal activity	Country of incorporation	% equity interest	
			2008	2007
Condor Overseas Holdings Two Limited	Hotels	British Virgin Islands	26	26

### 6. DEBTORS - amounts falling due within one year

	2008 £	2007 £
Corporation tax	-	161,533
Amounts due from Whitbread group undertakings	16,483,118	15,072,532
	16,483,118	15,234,065

# WHITBREAD GUARANTEE COMPANY TWO LIMITED

## NOTES TO THE ACCOUNTS

For the year ended 28 February 2008

### 7. CREDITORS - amounts falling due within one year

	<u>2008</u>	<u>2007</u>
	£	£
Corporation tax	<u>261,644</u>	-
	<u>261,644</u>	-

### 8. RESERVES

	<u>Profit &amp; loss account</u>
	£
1 March 2007	74,098,065
Profit retained	987,409
28 February 2008	<u>75,085,474</u>

### 9. RELATED PARTIES

There were no related party transactions other than those with other Whitbread group companies which are exempt from disclosure under Financial Reporting Standard No. 8.

### 10. PARENT UNDERTAKING

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 its accounts can be obtained from Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE.

### 11. GUARANTEE

Whitbread Guarantee Company Two Limited is a company limited by guarantee. Every member of the company undertakes to contribute such amount as may be required (not exceeding £100) to the company's assets if it should be wound up while he is a member or within one year after he ceases to be a member, for payment of the company's debts and liabilities contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for adjustment of the rights of the contributories among themselves.

**WHITBREAD GUARANTEE COMPANY TWO LIMITED**

Minutes of a Directors' Meeting held at 130 Jermyn Street,  
London, SW1Y 4UR  
on 22<sup>nd</sup> July 2008

Present                      S C Barratt – in the Chair  
                                    C Rogers

**1.     Report and Accounts for the year ended 28 February 2008**

The draft statutory accounts for the year ended 28 February 2008 were presented to the meeting, together with a draft management letter of representation to the auditors. After discussion, it was RESOLVED that

- (a) the Report and Accounts for the year ended 28 February 2008 be and are hereby approved
- (b) any director be and is hereby authorised to sign the balance sheet on behalf of the Board
- (c) any director be and is hereby authorised to sign the Directors' Report
- (d) any director be and is hereby authorised to sign the management letter of representation to the auditors, as presented to the meeting, on behalf of the Company

Chairman