
WHITBREAD GUARANTEE COMPANY TWO LIMITED

(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 MARCH 2012

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WHITBREAD GUARANTEE COMPANY TWO LIMITED
(A company limited by guarantee)

COMPANY INFORMATION

| | |
|--------------------------|--|
| DIRECTORS | SC Barratt CJ Denley (appointed 20 July 2012) |
| COMPANY SECRETARY | SC Barrat |
| COMPANY NUMBER | 5386807 |
| REGISTERED OFFICE | Whitbread Court Houghton Hall Business Park Dunstable Bedfordshire LU5 5XE |
| AUDITORS | Ernst & Young LLP Apex Plaza Forbury Road Reading Berkshire RG1 1YE |

WHITBREAD GUARANTEE COMPANY TWO LIMITED
(A company limited by guarantee)

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

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

PRINCIPAL ACTIVITIES

The principle activity of the company is to hold investments. The Company did not trade during the current and prior year and made neither a profit nor a loss, consequently, a profit and loss account has not been presented in these financial statements.

BUSINESS REVIEW

The Directors do not anticipate that the Company will trade in the foreseeable future.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £NIL (2011 - £NIL).

A dividend of £16,934,780 was declared and paid in the current year (2011 - £NIL).

DIRECTORS

The Directors who served during the year were

SC Barratt
CCB Rogers (resigned 20 July 2012)
CJ Denley (appointed 20 July 2012)

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

A qualifying indemnity provision (as defined in Section 236 (1) of the Companies Act 2006) is in force for the benefit of the Directors.

PROVISION OF INFORMATION TO AUDITORS

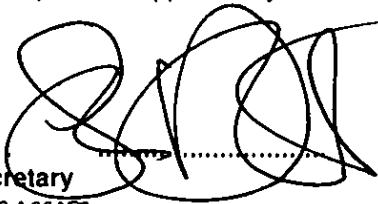
Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that

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

AUDITORS

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

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


Secretary
S. BARRATT
Date 16 November 2012

WHITBREAD GUARANTEE COMPANY TWO LIMITED
(A company limited by guarantee)

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 1 MARCH 2012

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WHITBREAD GUARANTEE COMPANY TWO LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHITBREAD GUARANTEE COMPANY TWO LIMITED

We have audited the financial statements of Whitbread Guarantee Company Two Limited for the year ended 1 March 2012, which comprise the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 1 March 2012 and of its results for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

WHITBREAD GUARANTEE COMPANY TWO LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHITBREAD GUARANTEE COMPANY TWO LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Ernst & Young LLP

Debbie O'Hanlon (Senior statutory auditor)
for and on behalf of

Ernst & Young LLP

Statutory Auditor

Reading

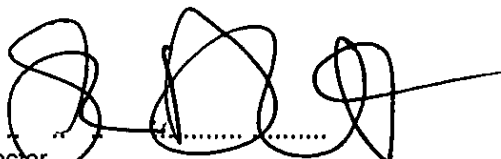
Date *20 November 2012*

WHITBREAD GUARANTEE COMPANY TWO LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 5386807

BALANCE SHEET
AS AT 1 MARCH 2012

| | | | 1 March 2012 | Unaudited 3 March 2011 |
|---|------|---|-------------------|------------------------------|
| | Note | £ | £ | £ |
| FIXED ASSETS | | | | |
| Investments | 4 | | 58,864,000 | 58,864,000 |
| CURRENT ASSETS | | | | |
| Debtors | 5 | - | 17,214,521 | |
| CREDITORS amounts falling due within one year | 6 | - | (279,741) | |
| NET CURRENT ASSETS | | | - | 16,934,780 |
| NET ASSETS | | | <u>58,864,000</u> | <u>75,798,780</u> |
| CAPITAL AND RESERVES | | | | |
| Profit and loss account | 8 | | <u>58,864,000</u> | <u>75,798,780</u> |
| MEMBERS' FUNDS | 9 | | <u>58,864,000</u> | <u>75,798,780</u> |

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


 Director
 O BARRATT
 Date 16 NOVEMBER 2012

The notes on pages 6 to 9 form part of these financial statements

WHITBREAD GUARANTEE COMPANY TWO LIMITED
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

1.1 Authorisation

The financial statements of Whitbread Guarantee Company Two Limited for the year ended 1 March 2012 were authorised for issue by the Board of Directors on 16 NOVEMBER 2012

1.2 Basis of preparation of financial statements

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

1.3 Going concern

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

The Company has adequate financial resources and, as a consequence, the directors believe that the Company is well placed to manage its business risks

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements

1.4 Cash flow

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

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment

2. AUDITORS' REMUNERATION

Audit fees for the year were paid by a parent company, Whitbread Group PLC. Information about the total audit fees paid by the Group can be found in the Whitbread PLC report and financial statements for the year ended 1 March 2012

3. STAFF COSTS

The Company has no employees other than the Directors, who did not receive any remuneration (2011 - £NIL). All fees paid to directors as remuneration are borne by the parent company and it is not practical to allocate the amount for services in respect of this company

WHITBREAD GUARANTEE COMPANY TWO LIMITED
(A company limited by guarantee)

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

4. FIXED ASSET INVESTMENTS

| | Investments in associates £ |
|----------------------------------|--------------------------------------|
| Cost or valuation | |
| At 3 March 2011 and 1 March 2012 | 58,864,000 |

Associates

| Name | Country of incorporation | Class of shares | Holding | Principal activity |
|---|-----------------------------|--------------------|---------|--|
| Condor Overseases Holdings Two Limited | British Virgin Islands | Ordinary - B | 26% | International business company that holds investments in subsidiary undertakings |

5. DEBTORS

| | 1 March 2012 £ | Unaudited 3 March 2011 £ |
|------------------------------------|----------------------|-----------------------------------|
| Amounts owed by group undertakings | - | 17,214,521 |

6. CREDITORS.
Amounts falling due within one year

| | 1 March 2012 £ | Unaudited 3 March 2011 £ |
|-----------------|----------------------|-----------------------------------|
| Corporation tax | - | 279,741 |

7. COMPANY STATUS

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £100 towards the assets of the company in the event of liquidation.

WHITBREAD GUARANTEE COMPANY TWO LIMITED
(A company limited by guarantee)

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

8. RESERVES

| | Profit and loss account £ |
|-----------------|---------------------------------|
| At 3 March 2011 | 75,798,780 |
| Dividends paid | (16,934,780) |
| | <hr/> |
| At 1 March 2012 | 58,864,000 |
| | <hr/> |

9. RECONCILIATION OF MOVEMENT IN MEMBERS' FUNDS

| | 1 March 2012 £ | Unaudited 3 March 2011 £ |
|------------------------|----------------------|-----------------------------------|
| Opening members' funds | 75,798,780 | 75,798,780 |
| Dividends (Note 10) | (16,934,780) | - |
| | <hr/> | <hr/> |
| Closing members' funds | 58,864,000 | 75,798,780 |
| | <hr/> | <hr/> |

10. DIVIDENDS

| | Year ended 1 March 2012 £ | Unaudited Year ended 3 March 2011 £ |
|----------------|------------------------------------|---|
| Dividends paid | 16,934,780 | - |
| | <hr/> | <hr/> |

11. RELATED PARTY TRANSACTIONS

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

WHITBREAD GUARANTEE COMPANY TWO LIMITED
(A company limited by guarantee)

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

12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Whitbread Group PLC. The ultimate parent undertaking is Whitbread PLC.

The parent undertaking of the smallest group of undertakings for which group accounts are drawn up and of which the company is a member is Whitbread Group PLC, registered in England and Wales. Copies of their accounts can be obtained from Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE.

The parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the company is a member is Whitbread PLC, registered in England and Wales. Copies of their accounts can be obtained from Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE.