

Registered number: 05386807

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**WHITBREAD GUARANTEE COMPANY TWO LIMITED (5386807)**

**(A company limited by guarantee)**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 26 FEBRUARY 2009**

TUESDAY



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**WHITBREAD GUARANTEE COMPANY TWO LIMITED (5386807)**  
**(A company limited by guarantee)**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	SC Barratt CCB Rogers
<b>COMPANY SECRETARY</b>	SC Barratt
<b>COMPANY NUMBER</b>	05386807
<b>REGISTERED OFFICE</b>	Whitbread Court Houghton Hall Business Park Porz Avenue Dunstable Bedfordshire LU5 5XE
<b>AUDITORS</b>	Ernst & Young LLP 400 Capability Green Luton Bedfordshire LU1 3LU

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**WHITBREAD GUARANTEE COMPANY TWO LIMITED (5386807)**  
**(A company limited by guarantee)**

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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 26 FEBRUARY 2009**

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The directors present their report and the financial statements for the year ended 26 February 2009.

**PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS**

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.

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.

**RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £713,305 (2008 - £987,409).

No dividend has been declared.

**DIRECTORS**

The directors who served during the year were:

SC Barratt  
CCB Rogers

**PRINCIPAL RISKS AND UNCERTAINTIES**

**General**

Given the nature and activity of the company, the directors do not consider there to be any significant risks or uncertainties associated with the business.

**DIRECTORS' INDEMNITY**

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**

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

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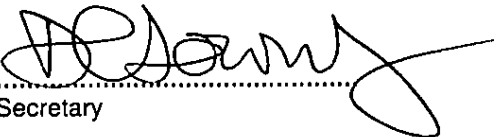
**WHITBREAD GUARANTEE COMPANY TWO LIMITED (5386807)**  
**(A company limited by guarantee)**

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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 26 FEBRUARY 2009**

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



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Secretary

Date: 17/12/09

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**WHITBREAD GUARANTEE COMPANY TWO LIMITED (5386807)**  
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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 26 FEBRUARY 2009**

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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 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 proper accounting records that 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 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.

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**WHITBREAD GUARANTEE COMPANY TWO LIMITED (5386807)**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHITBREAD GUARANTEE COMPANY TWO LIMITED (5386807)**

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We have audited the company's financial statements for the year ended 26 February 2009, which comprise the Profit and Loss Account, Balance Sheet and the 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 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 whether 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 with the company 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 judgments 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 affairs of the company as at 26 February 2009 and of its profit 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.

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**WHITBREAD GUARANTEE COMPANY TWO LIMITED (5386807)**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHITBREAD GUARANTEE COMPANY  
TWO LIMITED (5386807)**

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**ERNST & YOUNG LLP**  
Registered auditor  
Luton

Date: 22/12/29

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**WHITBREAD GUARANTEE COMPANY TWO LIMITED (5386807)**  
**(A company limited by guarantee)**

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**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 26 FEBRUARY 2009**

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	Note	2009 £	2008 £
Interest receivable	3	<u>993,046</u>	<u>1,410,585</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>993,046</b>	<b>1,410,585</b>
Tax on profit on ordinary activities	4	<u>(279,741)</u>	<u>(423,176)</u>
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	9	<u><b>713,305</b></u>	<u><b>987,409</b></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2009 or 2008 other than those included in the Profit and loss account.

The notes on pages 8 to 10 form part of these financial statements.

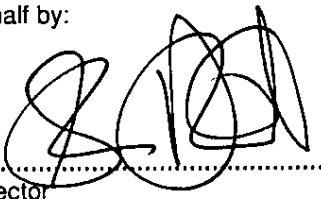


**WHITBREAD GUARANTEE COMPANY TWO LIMITED (5386807)**  
(A company limited by guarantee)

**BALANCE SHEET  
AS AT 26 FEBRUARY 2009**

	Note	26 February 2009 £	28 February 2008 £
<b>FIXED ASSETS</b>			
Investments in associate	5	58,864,000	58,864,000
<b>CURRENT ASSETS</b>			
Debtors	6	17,214,520	16,483,118
<b>CREDITORS:</b> amounts falling due within one year	7	(279,741)	(261,644)
<b>NET CURRENT ASSETS</b>		<u>16,934,779</u>	<u>16,221,474</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>75,798,779</u></u>	<u><u>75,085,474</u></u>
<b>CAPITAL AND RESERVES</b>			
Profit and loss account	9	<u>75,798,779</u>	<u>75,085,474</u>
	10	<u><u>75,798,779</u></u>	<u><u>75,085,474</u></u>

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

  
.....  
Director

Date: 17/12/09

The notes on pages 8 to 10 form part of these financial statements.

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**WHITBREAD GUARANTEE COMPANY TWO LIMITED (5386807)**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 26 FEBRUARY 2009**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

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

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 228 of the Companies Act 1985. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

**1.2 Investments**

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

**2. STAFF COSTS**

The Company has no employees other than the directors, who did not receive any remuneration (2008 - £NIL).

**3. INTEREST RECEIVABLE**

	2009 £	2008 £
Interest receivable from group companies	<u>993,046</u>	<u>1,410,585</u>

**4. TAXATION**

	2009 £	2008 £
UK corporation tax charge on profit for the year	<u>279,741</u>	<u>423,176</u>

**Factors affecting tax charge for the year**

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 28.17% (2008 - 30%).

**5. FIXED ASSET INVESTMENTS**

	Investments in associate £
<b>Shares at cost</b>	
At 29 February 2008 and 26 February 2009	<u>58,864,000</u>

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**WHITBREAD GUARANTEE COMPANY TWO LIMITED (5386807)**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 26 FEBRUARY 2009**

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**5. FIXED ASSET INVESTMENTS (continued)**

**Participating interests**

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.

**Associates**

<b>Name</b>	<b>Country of Incorporation</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Condor Overseas Holdings Two Limited	British Virgin Islands	Equity	26%	Hotels

**6. DEBTORS**

	<b>26 February 2009</b>	<b>28 February 2008</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	<b>17,214,520</b>	<b>16,483,118</b>

**7. CREDITORS:  
Amounts falling due within one year**

	<b>26 February 2009</b>	<b>28 February 2008</b>
	<b>£</b>	<b>£</b>
Corporation tax	<b>279,741</b>	<b>261,644</b>

**8. 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.

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**WHITBREAD GUARANTEE COMPANY TWO LIMITED (5386807)**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 26 FEBRUARY 2009**

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**9. RESERVES**

	Profit and loss account £
At 29 February 2008	75,085,474
Profit for the year	713,305
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At 26 February 2009	<u>75,798,779</u>

**10. RECONCILIATION OF MOVEMENT IN MEMBERS' FUNDS**

	26 February 2009 £	28 February 2008 £
Opening members' funds	75,085,474	74,098,065
Profit for the year	713,305	987,409
	<hr/>	<hr/>
Closing members' funds	<u>75,798,779</u>	<u>75,085,474</u>

**11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

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

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.

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