

Registered number: 6190450

# **WHITBREAD RESTAURANTS LIMITED**

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 1 MARCH 2012**



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**WHITBREAD RESTAURANTS LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	PJA Dempsey PC Flaum AD Pellington
<b>COMPANY SECRETARY</b>	DC Lowry RW Fairhurst
<b>REGISTERED NUMBER</b>	6190450
<b>REGISTERED OFFICE</b>	Whitbread Court Houghton Hall Business Park Porz Avenue Dunstable Bedfordshire LU5 5XE
<b>AUDITORS</b>	Ernst & Young LLP Statutory Auditor Apex Plaza Forbury Road Reading Berkshire RG1 1YE

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## WHITBREAD RESTAURANTS LIMITED

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

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

#### PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The Company operates pub restaurants

#### RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £16,388,000 (2011 - profit £30,286,000)

During the year the company proposed and paid a dividend of £30,000,000 (2011 - £nil)

#### FUTURE DEVELOPMENTS

For further information on future likely developments please see the business review included in the Annual Report and Accounts of Whitbread PLC (the ultimate parent company) for the year ended 1 March 2012

#### PRINCIPAL RISKS AND UNCERTAINTIES

**Risk: There is a serious health or provenance issue relating to food**

**Mitigation** . The quality of expertise of members of the procurement, food development and safety and security teams mitigates the risk of serious food safety or provenance issues. The Company monitors media reports to help it predict future issues and has stringent food safety policies and a detailed sourcing policy. CMI, an independent company, is commissioned to carry out health and safety checks at all of our outlets to measure their performance against set critical standards. Regular updates of this are given to the directors

**Risk. Consumer spending is adversely affected by the macro-economic climate**

**Mitigation** . Commercial action plans have been developed in order to ensure that, in the challenging consumer economy, we continue to offer excellent value to our customers and that our brand is the number one choice in its market. Trading results and economic indicators are monitored to allow for speedy action when required and reviewed by the directors as part of the strategic planning process

**Risk: There is a change in the market or competitor activity adversely affecting trading**

**Mitigation** : Actions to outperform the competition are developed on a strategic and tactical basis. Significant customer research is carried out and the customer insight is used to develop action plans. Consumer trends both in the UK and overseas, are analysed and competitor activity is monitored. Relative market share information and timely trading performance data is produced and monitored by the directors

**Risk: There is a third-party failing and consequently breaching the terms of a significant contract**

**Mitigation** . Credit control checks are carried out on parties to significant contracts, along with the continued auditing and monitoring of those contracts. Regular reviews of the debtors register is undertaken

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## **WHITBREAD RESTAURANTS LIMITED**

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

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#### **DIRECTORS**

The directors who served during the year were

PJA Dempsey  
PC Flaum  
AD Pellington

All fees paid to the 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

#### **EMPLOYEE INVOLVEMENT**

All employee services are provided to the Company by Whitbread Group PLC For further information on employee involvement please refer to the accounts of Whitbread Group PLC for the year ended 1 March 2012

#### **DISABLED EMPLOYEES**

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 accounts of Whitbread Group PLC for the year ended 1 March 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

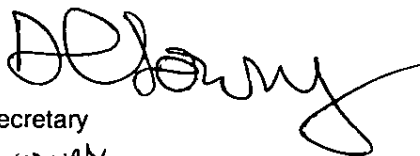
- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing 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 on 19 November 2012 and signed on its behalf

Secretary  
D. Conway



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**WHITBREAD RESTAURANTS LIMITED**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 1 MARCH 2012**

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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.

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## **WHITBREAD RESTAURANTS LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WHITBREAD RESTAURANTS LIMITED**

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We have audited the financial statements of Whitbread Restaurants Limited for the year ended 1 March 2012, which comprise the Profit and Loss Account, 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 loss 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.

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**WHITBREAD RESTAURANTS LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WHITBREAD RESTAURANTS LIMITED**

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**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*

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**WHITBREAD RESTAURANTS LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 1 MARCH 2012**

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	Note	Year ended 1 March 2012 £000	Year ended 3 March 2011 £000
<b>TURNOVER</b>	1,2	<b>325,237</b>	326,535
Cost of sales		<u>(93,585)</u>	<u>(90,095)</u>
<b>GROSS PROFIT</b>		<b>231,652</b>	236,440
Distribution costs		<u>(170,795)</u>	<u>(170,845)</u>
Administrative expenses		<u>(27,348)</u>	<u>(17,342)</u>
<b>OPERATING PROFIT</b>	3	<b>33,509</b>	48,253
<b>EXCEPTIONAL ITEMS</b>			
Net loss on sale of tangible fixed assets	8	<u>(11,967)</u>	-
Other exceptional items	8	<u>-</u>	<u>1,278</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>21,542</b>	49,531
Interest receivable and similar income	6	<u>14,823</u>	-
Interest payable and similar charges	7	<u>(61,617)</u>	<u>(11,206)</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(25,252)</b>	38,325
Tax on (loss)/profit on ordinary activities	9	<u>8,864</u>	<u>(8,039)</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL PERIOD</b>		<b><u>(16,388)</u></b>	<b><u>30,286</u></b>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and Loss Account

The notes on pages 8 to 17 form part of these financial statements


**WHITBREAD RESTAURANTS LIMITED**  
**REGISTERED NUMBER: 6190450**

**BALANCE SHEET**  
**AS AT 1 MARCH 2012**

	Note	1 March 2012 £000	3 March 2011 £000
<b>FIXED ASSETS</b>			
Tangible assets	11	715,127	739,683
<b>CURRENT ASSETS</b>			
Stocks	12	2,867	3,356
Debtors	13	231,294	243,264
Cash at bank and in hand		3,274	3,725
		<u>237,435</u>	<u>250,345</u>
<b>CREDITORS:</b> amounts falling due within one year	14	<u>(920,395)</u>	<u>(911,340)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(682,960)</u>	<u>(660,995)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>32,167</u>	<u>78,688</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax	10	<u>(11,593)</u>	<u>(11,726)</u>
<b>NET ASSETS</b>		<u>20,574</u>	<u>66,962</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	1	1
Profit and loss account	16	<u>20,573</u>	<u>66,961</u>
<b>SHAREHOLDERS' FUNDS</b>	17	<u>20,574</u>	<u>66,962</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 NOVEMBER 2012

Director  
A PELLINGTON



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## WHITBREAD RESTAURANTS LIMITED

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

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#### 1. ACCOUNTING POLICIES

##### 1.1 Authorisation

The financial statements of Whitbread Restaurants Limited for the year ended 1 March 2012 were authorised for issue by the Board of Directors on 19 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 financial position of the Company is set out in the following accounts. The Company has considerable financial resources and, as a consequence, the directors believe that the Company is well placed to manage its business risks.

As at 1 March 2012, the Company's current liabilities exceeded its current assets by £ 682,960. The accounts have been prepared on the going concern basis on the grounds that the parent company has undertaken to provide continuing support for the foreseeable future.

##### 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 Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

##### 1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	over period of up to 50 years
Leasehold premises where the lease has less than 20 years to run	-	over the remaining term of the lease
Fixtures & fittings	-	over the shorter of 6 years or the remaining term of the lease

The carrying value of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that their carrying values may not be recoverable.

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## WHITBREAD RESTAURANTS LIMITED

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

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.7 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

##### 1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

##### 1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse, using rates that have been enacted or substantively enacted at the balance sheet date

Deferred tax assets and liabilities are not discounted

##### 1.10 Pensions

Employees of the company are entitled to participate in a contracted-in defined contribution pension scheme operated by Whitbread Group PLC. Contributions to the scheme are charged in the profit and loss account as they become payable in accordance with the rules of the scheme. The assets of the scheme are invested and managed independently to the finances of the Company

#### 2. TURNOVER

The whole of the turnover is attributable to the operation of restaurants

All turnover arose within the United Kingdom

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## WHITBREAD RESTAURANTS LIMITED

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

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#### 3. OPERATING PROFIT

The operating profit is stated after charging

	Year ended 1 March 2012 £000	Year ended 3 March 2011 £000
Depreciation of tangible fixed assets - owned by the company	14,406	20,922
Operating lease rentals - plant and machinery	2,450	2,584
Operating lease rentals - property	1,187	1,736

During the year, no director received any emoluments (2011 - £NIL)

All products and services are supplied exclusively by Whitbread Group PLC

#### 4. 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.

#### 5. STAFF COSTS

Staff costs were as follows

	Year ended 1 March 2012 £000	Year ended 3 March 2011 £000
Wages and salaries	95,247	92,797
Social security costs	6,896	8,289
Other pension costs	566	608
	<b>102,709</b>	<b>101,694</b>

Employees are entitled to participate in a defined contribution scheme which was established by Whitbread Group PLC as a section of the Whitbread Group Pension Fund with effect from 1 April 2002. The scheme is funded, and contributions by both employees and the Company are held in externally invested trustee administered funds. Members of the scheme are contracted in to the State Earnings Related Pension Scheme. Pension contributions are based on costs across all companies within the schemes. The pension charge in the accounts is equivalent to the contributions payable to the schemes.

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.

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**WHITBREAD RESTAURANTS LIMITED**

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

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**6. INTEREST RECEIVABLE**

	<b>Year ended 1 March 2012 £000</b>	<b>Year ended 3 March 2011 £000</b>
Interest receivable from group companies	<b>14,823</b>	-

**7. INTEREST PAYABLE**

	<b>Year ended 1 March 2012 £000</b>	<b>Year ended 3 March 2011 £000</b>
Interest payable to group companies	<b>61,617</b>	11,206

**8. EXCEPTIONAL ITEMS**

	<b>Year ended 1 March 2012 £000</b>	<b>Year ended 3 March 2011 £000</b>
Loss on disposal of property, plant and equipment	<b>11,967</b>	-
Impairment reversal	-	(1,278)
	<b>11,967</b>	(1,278)

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**WHITBREAD RESTAURANTS LIMITED**

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

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**9. TAXATION**

	Year ended 1 March 2012 £000	Year ended 3 March 2011 £000
<b>Analysis of tax (credit)/charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax (credit)/charge on (loss)/profit for the year	(8,657)	7,488
Adjustments in respect of prior periods	(74)	998
<b>Total current tax</b>	<b>(8,731)</b>	<b>8,486</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(1,014)	(435)
Adjustments in respect of prior periods	1,809	422
Change in UK tax rate to 25% (2011 - 28.00%)	(928)	(434)
<b>Total deferred tax</b> (see note 10)	<b>(133)</b>	<b>(447)</b>
<b>Tax on (loss)/profit on ordinary activities</b>	<b>(8,864)</b>	<b>8,039</b>
<b>Factors affecting tax charge for the year</b>		

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 26.17% (2011 - 28.00%). The differences are explained below

	Year ended 1 March 2012 £000	Year ended 3 March 2011 £000
(Loss)/profit on ordinary activities before tax	(25,252)	38,325
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.17% (2011 - 28.00%)	(6,608)	10,731
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,018	(520)
Capital allowances for year in excess of depreciation	603	435
Adjustments to tax charge in respect of prior periods	(74)	998
Transfer pricing adjustments	(5,954)	(5,449)
Depreciation not in deferred tax	284	2,291
<b>Current tax (credit)/charge for the year</b> (see note above)	<b>(8,731)</b>	<b>8,486</b>

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**WHITBREAD RESTAURANTS LIMITED**

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

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**9. TAXATION (continued)****Factors that may affect future tax charges**

The Finance Act 2011 reduced the main rate of UK corporation tax to 26% from 1 April 2011 and to 25% from 1 April 2012

In his budget of 21 March 2012, the Chancellor of the Exchequer announced an additional 1% reduction in the rate of corporation tax, with effect from 1 April 2012. Further changes to corporation tax are also proposed, to reduce the main rate by 1% per annum to 22% by 1 April 2014. These changes had not been substantively enacted at the balance sheet date and consequently, in accordance with UK accounting standards, are not reflected in these financial statements.

The additional 1% reduction in the rate of corporation tax, with effect from April 2012, was enacted on 26 March 2012 by virtue of the Provisional Collection of Taxes Act 1968. If the change had been enacted before the Company's balance sheet date, the effect would have been to reduce the deferred tax liability by £0.5m.

The effect of the remaining changes, if enacted, will be to reduce the deferred tax liability by a further £0.8m. The rate change will also impact the amount of the future cash tax payment to be made by the Company.

Further UK tax changes are a reduction from 1 April 2012 in the rate of capital allowances applicable to plant & machinery and to integral features from 20% to 18% and from 10% to 8% respectively.

**10 DEFERRED TAXATION**

	<b>1 March 2012 £000</b>	<b>3 March 2011 £000</b>
At beginning of year	<b>11,726</b>	12,173
Charge for/(released during) year	<b>795</b>	(13)
Change in UK tax rate to 25%	<b>(928)</b>	(434)
At end of year	<b>11,593</b>	11,726

The provision for deferred taxation is made up as follows

	<b>1 March 2012 £000</b>	<b>3 March 2011 £000</b>
Accelerated capital allowances	<b>11,593</b>	11,726

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**WHITBREAD RESTAURANTS LIMITED**

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

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**11. TANGIBLE FIXED ASSETS**

	Land & buildings £000	Fixtures & fittings £000	Total £000
<b>Cost</b>			
At 4 March 2011	689,479	100,299	789,778
Additions	2,228	13,364	15,592
Transfers intra group	1,037	(335)	702
Disposals	(27,767)	(2,490)	(30,257)
Transfer between classes	2	(2)	-
Assets written off	-	(7,809)	(7,809)
At 1 March 2012	<u>664,979</u>	<u>103,027</u>	<u>768,006</u>
<b>Depreciation</b>			
At 4 March 2011	34,604	15,491	50,095
Charge for the year	406	14,000	14,406
Transfers intra group	(1,164)	26	(1,138)
On disposals	(2,108)	(979)	(3,087)
Assets written off	-	(7,397)	(7,397)
At 1 March 2012	<u>31,738</u>	<u>21,141</u>	<u>52,879</u>
<b>Net book value</b>			
At 1 March 2012	<u>633,241</u>	<u>81,886</u>	<u>715,127</u>
At 3 March 2011	<u>654,875</u>	<u>84,808</u>	<u>739,683</u>

Capital expenditure commitments for which no provision has been made are £4,586,021 (2011 £5,460,974)

**12. STOCKS**

	1 March 2012 £000	3 March 2011 £000
Finished goods and goods for resale	<u>2,867</u>	<u>3,356</u>

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**WHITBREAD RESTAURANTS LIMITED**

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

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**13. DEBTORS**

	<b>1 March 2012 £000</b>	<b>3 March 2011 £000</b>
Trade debtors	2,192	2,376
Amounts owed by group undertakings	220,364	240,870
Other debtors	7	7
Prepayments and accrued income	-	11
Tax recoverable	8,731	-
	<b>231,294</b>	<b>243,264</b>

In line with the intercompany indebtedness agreement dated 31 January 2012, all intercompany balances above are due from Whitbread Group PLC

**14. CREDITORS.****Amounts falling due within one year**

	<b>1 March 2012 £000</b>	<b>3 March 2011 £000</b>
Trade creditors	112	203
Amounts owed to group undertakings	920,283	902,651
Corporation tax	-	8,486
	<b>920,395</b>	<b>911,340</b>

Amounts owed to group undertakings above relates to the purchase of tangible assets from other Whitbread Group companies to facilitate a proposed bond issue

**15 SHARE CAPITAL**

	<b>1 March 2012 £</b>	<b>3 March 2011 £</b>
<b>Allotted, called up and fully paid</b>		
500 Ordinary shares shares of £1 each	<b>500</b>	<b>500</b>

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**WHITBREAD RESTAURANTS LIMITED**

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

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**16 RESERVES**

	<b>Profit and loss account £000</b>
At 4 March 2011	<b>66,961</b>
Loss for the year	<b>(16,388)</b>
Dividends paid	<b>(30,000)</b>
At 1 March 2012	<b>20,573</b>

**17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>1 March 2012 £000</b>	<b>3 March 2011 £000</b>
Opening shareholders' funds	<b>66,962</b>	<b>36,676</b>
(Loss)/profit for the year	<b>(16,388)</b>	<b>30,286</b>
Dividends paid (Note 18)	<b>(30,000)</b>	<b>-</b>
Closing shareholders' funds	<b>20,574</b>	<b>66,962</b>

**18 DIVIDENDS**

	<b>Year ended 1 March 2012 £000</b>	<b>Year ended 3 March 2011 £000</b>
Dividends paid	<b>30,000</b>	<b>-</b>

**19 OPERATING LEASE COMMITMENTS**

At 1 March 2012 the Company had annual commitments under non-cancellable operating leases as follows

	<b>Land and buildings 1 March 2012 £000</b>	<b>3 March 2011 £000</b>
<b>Expiry date:</b>		
After more than 5 years	<b>1,900</b>	<b>1,666</b>

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**WHITBREAD RESTAURANTS LIMITED**

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

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**20 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

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

The immediate parent undertaking is Whitbread Pub Restaurants Business Ltd. 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.