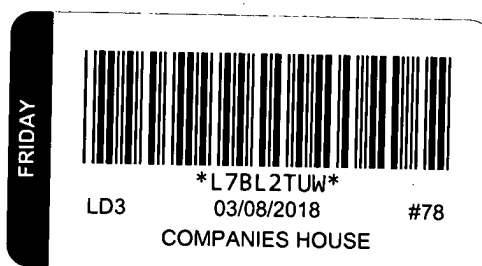


Registration number: 06543325

Costa Express Holdings Limited

Annual Report and Financial Statements

for the Year Ended 1 March 2018



Costa Express Holdings Limited

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Costa Express Holdings Limited

Company Information

Directors	N Orrin S Highfield S Martin
Company secretary	R Fairhurst D Lowry
Registered number	06543325
Registered office	3 Knaves Beech Loudwater High Wycombe Buckinghamshire HP10 9QR
Statutory auditor	Deloitte LLP 2 New Street Square London United Kingdom

Costa Express Holdings Limited
Strategic Report for the Year Ended 1 March 2018

The directors present their strategic report for the year ended 1 March 2018.

Fair review of the business

The Company is part of the Whitbread Group which has built some of the UK's most successful hospitality brands including Premier Inn, Costa, Beefeater and Brewers Fayre. Its strategy is to grow leading brands with a clear focus on returns to deliver shareholder value.

The strategic purpose of the Company is to hold the investment in its subsidiary, Costa Express Limited.

During the year there was no investment in the Company's investment in Costa Express Limited.

The net assets of the Company are shown below:

	Unit	2018	2017	Change %
Net liabilities	£m	<u>(22.6)</u>	<u>(21.4)</u>	<u>5.6</u>

Principal risks and uncertainties

The largest risk facing the Company is if either the trading subsidiary ceased to trade or if the intercompany balances were called for repayment by the Group. The Company has assurances from the Group in both instances which mitigates this risk.

Approved by the Board on 30/9/18 and signed on its behalf by:



Director

S. HIGHFIELD

Costa Express Holdings Limited
Directors' Report for the Year Ended 1 March 2018

The directors present their report and the financial statements for the year ended 1 March 2018.

Principal activity

The principal activity of the Company during the year was that of a holding company.

Directors of the Company

The directors who held office during the year were as follows:

N Orrin (appointed 25 January 2018)

S Highfield

S Martin

M McGowan (resigned 30 April 2017)

Dividends

The directors do not recommend the payment of a dividend for the year (2017: £Nil).

Principal risks and uncertainties

Information on financial risk management and exposure to price, credit and liquidity risk is discussed in the Strategic report.

Future developments

No significant developments are expected.

There were no significant events after the balance sheet date which would require disclosure in these accounts.

Going concern

The financial position of the Company is set out in these financial statements. As at 1 March 2018, the Company's liabilities exceeded its assets by £22,630,000.

The accounts have been prepared on the going concern basis on the grounds that the parent company has confirmed its current intention to 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 for the year ended 1 March 2018 and remains in place at the date of this report.

Disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given, and should be interpreted, in accordance with the provisions of Section 418 of the Companies Act 2006.

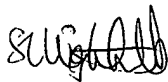
Costa Express Holdings Limited

Directors' Report for the Year Ended 1 March 2018

Reappointment of auditor

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board on 30/7/18 and signed on its behalf by:



Director

S. HIGHFIELD

Costa Express Holdings 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' (FRS 101). 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.

Costa Express Holdings Limited

Independent Auditor's Report to the Members of Costa Express Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 1 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Costa Express Holdings Limited (the 'Company'), which comprise:

- the Income Statement;
- the Balance Sheet;
- the Statement of Changes in Equity;
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Costa Express Holdings Limited

Independent Auditor's Report to the Members of Costa Express Holdings Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 auditor's 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.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

Costa Express Holdings Limited

Independent Auditor's Report to the Members of Costa Express Holdings Limited

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.



.....
Lucy Openshaw (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

Date: 30/7/2018

Costa Express Holdings Limited

Income Statement for the Year Ended 1 March 2018

	Note	Year ended 1 March 2018 £ 000	Year ended 2 March 2017 £ 000
Operating profit/(loss)		<u>-</u>	<u>-</u>
Finance costs	4	<u>(1,470)</u>	<u>(1,373)</u>
		<u>(1,470)</u>	<u>(1,373)</u>
Loss before tax		<u>(1,470)</u>	<u>(1,373)</u>
Tax credit	7	<u>281</u>	<u>275</u>
Loss for the year		<u><u>(1,189)</u></u>	<u><u>(1,098)</u></u>

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 12 to 17 form an integral part of these financial statements.

Costa Express Holdings Limited

(Registration number: 06543325)

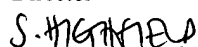
Balance Sheet as at 1 March 2018

	Note	1 March 2018 £ 000	2 March 2017 £ 000
Assets			
Non-current assets			
Investments	8	11,703	11,703
Current assets			
Income tax asset	7	281	275
Total assets		<u>11,984</u>	<u>11,978</u>
Liabilities			
Current liabilities			
Trade and other payables	9	(34,614)	(33,419)
Total liabilities		<u>(34,614)</u>	<u>(33,419)</u>
Net liabilities		<u>(22,630)</u>	<u>(21,441)</u>
Equity			
Called up share capital	10	1	1
Share premium reserve		65	65
Retained earnings		(22,696)	(21,507)
Total equity		<u>(22,630)</u>	<u>(21,441)</u>

Approved by the Board on 30/3/18 and signed on its behalf by:



Director



The notes on pages 12 to 17 form an integral part of these financial statements.

Costa Express Holdings Limited

Statement of Changes in Equity for the Year Ended 1 March 2018

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total equity £ 000
At 3 March 2017	<u>1</u>	<u>65</u>	<u>(21,507)</u>	<u>(21,441)</u>
Loss for the year	<u>-</u>	<u>-</u>	<u>(1,189)</u>	<u>(1,189)</u>
Total comprehensive loss	<u>-</u>	<u>-</u>	<u>(1,189)</u>	<u>(1,189)</u>
At 1 March 2018	<u>1</u>	<u>65</u>	<u>(22,696)</u>	<u>(22,630)</u>

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total equity £ 000
At 4 March 2016	<u>1</u>	<u>65</u>	<u>(20,409)</u>	<u>(20,343)</u>
Loss for the year	<u>-</u>	<u>-</u>	<u>(1,098)</u>	<u>(1,098)</u>
Total comprehensive loss	<u>-</u>	<u>-</u>	<u>(1,098)</u>	<u>(1,098)</u>
At 2 March 2017	<u>1</u>	<u>65</u>	<u>(21,507)</u>	<u>(21,441)</u>

The notes on pages 12 to 17 form an integral part of these financial statements.

Costa Express Holdings Limited

Notes to the Financial Statements for the Year Ended 1 March 2018

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 3.

The financial statements are presented in pounds sterling, which is the functional currency, and all values are rounded to the nearest thousand unless otherwise stated.

The financial statements of Costa Express Holdings Limited for the year ended 1 March 2018 were authorised for issue by the Board of Directors on 30/7/2018

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 and are presented in pounds sterling.

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). The financial statements have therefore been prepared in accordance with FRS 101.

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 year represents 52 weeks to 1 March 2018 (prior financial year: 52 weeks to 2 March 2017).

The Company has adopted the following standards, interpretations and amendments which have been assessed as having no financial impact or disclosure requirements at this time:

- Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses;
- Amendment to IAS 7 Disclosure Initiative; and
- Amendments to IFRS 12 Disclosure of Interests in Other Entities included in the Annual Improvements to IFRS Standards 2014-2016 Cycle.

Costa Express Holdings Limited

Notes to the Financial Statements for the Year Ended 1 March 2018

Summary of disclosure exemptions

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

Where required, equivalent disclosures are given in the consolidated financial statements of Whitbread PLC.

Going concern

The financial position of the Company is set out in these financial statements. As at 1 March 2018, the Company's liabilities exceeded its assets by £22,630,000.

The accounts have been prepared on the going concern basis on the grounds that the parent company has confirmed its current intention to provide support so the Company may continue operations for the next twelve months from the date of the approval of these accounts.

Tax

The income tax charge 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.

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.

Costa Express Holdings Limited

Notes to the Financial Statements for the Year Ended 1 March 2018

Investments

Investments in securities are classified on initial recognition as available-for-sale and are carried at fair value, except where their fair value cannot be measured reliably, in which case they are carried at cost, less any impairment.

Unrealised holding gains and losses other than impairments are recognised in other comprehensive income. On maturity or disposal, net gains and losses previously deferred in accumulated other comprehensive income are recognised in income.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

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.

Financial liabilities

Classification

Financial liabilities are classified as 'other financial liabilities'.

Recognition and measurement

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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 Group's accounting policies, the Directors have considered whether there are any such sources of estimation or critical accounting judgements in forming the financial statements and do not consider there to be any for the purposes of disclosure.

4 Finance costs

	Year ended 1 March 2018	Year ended 2 March 2017
	£ 000	£ 000
Interest paid to group undertakings	<u>1,470</u>	<u>1,373</u>

Costa Express Holdings Limited

Notes to the Financial Statements for the Year Ended 1 March 2018

5 Staff costs

The Company has no employees (2017: no employees) other than the directors, who did not receive any remuneration (2017: £Nil). 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.

6 Auditor's remuneration

Audit fees for the year of £1,000 (2017: £1,000) 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 Annual Report and Accounts for the year ended 1 March 2018.

7 Taxation

Tax credited in the Profit and Loss Account

	Year ended 1 March 2018 £ 000	Year ended 2 March 2017 £ 000
Current taxation		
UK corporation tax	<u>(281)</u>	<u>(275)</u>

Factors affecting the tax charge for the year:

There were no factors that affected the tax charge for the year which has been calculated on the losses on activities before tax at the standard rate of corporation tax in the UK of 19.08% (2017: 20%).

Factors that may affect future tax charges:

The Finance Act 2016 reduced the main rate of UK corporation tax to 17% from 1 April 2020. The effect of the new rate was included in the financial statements in 2016/17. The rate change will also impact the amount of future cash tax payments to be made by the Company.

The corporation tax balance is a debtor of £281,000 (2017: £275,000).

Costa Express Holdings Limited

Notes to the Financial Statements for the Year Ended 1 March 2018

8 Investments

Subsidiaries	Investment in subsidiary company £ 000	Total £ 000
Cost or valuation		
At 3 March 2017	11,703	11,703
At 1 March 2018	11,703	11,703
Carrying amount		
At 1 March 2018	11,703	11,703
At 2 March 2017	11,703	11,703

The investment is directly held by the Company.

Details of the subsidiary as at 1 March 2018 is as follows:

Name of subsidiary	Principal activity	Country of incorporation, principal place of business and registered office	Proportion of ownership interest and voting rights held 2018	2017
Costa Express Limited	The sale of coffee and other beverages from branded self-serve coffee machines	England 3 Knaves Beach, Loudwater, High Wycombe, Buckinghamshire, HP10 9QR.	100%	100%

9 Trade and other payables

	1 March 2018 £ 000	2 March 2017 £ 000
Amounts due to group undertakings	34,614	33,419

Amounts due to related parties are repayable on demand and carry an average quarterly interest rate based upon the group funding.

Costa Express Holdings Limited

Notes to the Financial Statements for the Year Ended 1 March 2018

10 Share capital

Allotted, called up and fully paid shares

	1 March 2018		2 March 2017	
	No. 000	£ 000	No. 000	£ 000
A Ordinary of £0.01 each	72	1	72	1
B Ordinary of £0.01 each	25	-	25	-
Deferred of £0.01 each	3	-	3	-
	<u>100</u>	<u>1</u>	<u>100</u>	<u>1</u>

The shares carry full voting, dividend and capital distribution rights.

Rights, preferences and restrictions

A Ordinary have the following rights, preferences and restrictions:

The shares have attached to them full voting rights.

B Ordinary have the following rights, preferences and restrictions:

The shares have attached to them full voting rights.

Deferred have the following rights, preferences and restrictions:

The holders are entitled to receive notice of all General Meetings, but are not entitled to attend or vote.

11 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 group companies.

12 Parent and ultimate parent undertaking

The immediate parent undertaking is Costa Limited. The ultimate parent undertaking and controlling party 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.