

Company accounts 2009/10

Directors' responsibility for the Company financial statements/audit report

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 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 those financial statements, the directors are required to:

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

The directors 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.

Independent auditor's report to the members of Whitbread PLC

We have audited the parent company financial statements of Whitbread PLC for the year ended 4 March 2010 which comprise the parent company Balance Sheet and the related notes 1 to 11. 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 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out above, the directors are responsible for the preparation of the parent company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the parent company 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 parent 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.

Opinion on financial statements

In our opinion the parent company financial statements:

- give a true and fair view of the state of the company's affairs as at 4 March 2010;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practices; 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 part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the parent company financial statements.

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 by the parent company; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited 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.

Other matter

We have reported separately on the Group financial statements of Whitbread PLC for the year ended 4 March 2010.

Les Clifford
(Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

London

28 April 2010

Balance sheet

At 4 March 2010

	Notes	2010 £m	2009 £m
Fixed assets			
Investment in subsidiaries	5	2,256.1	2,256.1
Total non-current assets		2,256.1	2,256.1
Current assets			
Debtors: amounts falling due within one year	6	324.9	368.7
Current liabilities			
Creditors: amounts falling due within one year	7	(1.9)	(0.2)
Net current assets		323.0	368.5
Net Assets		2,579.1	2,624.6
Capital and reserves			
Share capital	8	146.4	145.3
Share premium	9	49.1	46.1
Capital redemption reserve	9	12.3	12.3
Retained earnings	9	2,587.3	2,636.9
Other reserves	9	(216.0)	(216.0)
Shareholders' funds	9	2,579.1	2,624.6

Alan Parker
Chief Executive

Christopher Rogers
Finance Director

28 April 2010

Notes to the accounts

At 4 March 2010

1 Basis of accounting

The financial statements of Whitbread PLC for the year ended 4 March 2010 were authorised for issue by the Board of Directors on 28 April 2010.

The accounts are prepared under the historical cost convention and in accordance with applicable UK Accounting Standards.

The Company has taken advantage of the provisions of FRS 1 (revised) which exempts companies which are part of a group for which a consolidated cash flow statement is prepared, from preparing a cash flow statement. The required consolidated cash flow statement has been included within the consolidated financial statements of the Group.

2 Summary of significant accounting policies

Investments

Investments held as fixed assets are stated at cost less provision for any impairment. The carrying value of investments are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

3 Profit earned for ordinary shareholders

The profit and loss account of the parent Company is omitted from the Company's accounts by virtue of the exemption granted by Section 408 of the Companies Act 2006. The profit earned for ordinary shareholders and included in the accounts of the parent Company amounted to £4.3m (2009: £1,385.3m).

4 Dividends paid and proposed

	2009/10		2008/9	
	pence per share	£m	pence per share	£m
Final dividend relating to the prior year	26.90	46.7	26.90	47.1
Settled via scrip issue		(6.0)		-
Paid in the year		40.7		47.1
Interim dividend for the current year	9.65	16.8	9.65	16.7
Settled via scrip issue		(3.8)		-
Paid in the year		13.0		16.7
B share dividend	7.13	0.1	7.11	0.2
C share dividend	2.93	0.1	6.64	0.1
		0.2		0.3
Total dividends paid		53.9		64.1
Proposed for approval at Annual General Meeting:				
Final dividend for the current year	28.35	49.7	26.90	46.7

The final dividend for the current year was recommended by the directors on 28 April 2010 and is not reflected in these accounts. This dividend will be paid in 2010/11 assuming that it is approved by shareholders at the Annual General Meeting. A scrip alternative will be offered.

Notes to the accounts

At 4 March 2010

5 Investment in subsidiary undertakings

Shares at cost	2010 £m	2009 £m
At 26 February 2009 and 4 March 2010	2,256.1	2,256.1

Principal subsidiary undertakings	Principal activity	Country of incorporation or registration	Country of principal operations	% of equity and votes held
Whitbread Group PLC	Restaurants and hotels	England	England	100
Premier Inn Hotels Limited	Hotels	England	England	100
Whitbread Restaurants Limited	Restaurants	England	England	100
Premier Inn Limited	Hotels	England	England	100
Whitbread Hotel Company Limited	Hotels	England	England	100
Costa Limited	Operators of coffee shops and roasters and wholesalers of coffee beans	England	England	100
Yueda Costa (Shanghai) Food & Beverage Management Company Limited	Operators of coffee shops	China	China	51
Coffeeheaven International plc	Operators of coffee shops	England	Poland	100

Shares in Whitbread Group PLC are held directly by Whitbread PLC. Shares in the other subsidiaries are held by Whitbread Group PLC. All principal subsidiary undertakings have the same year end as Whitbread PLC with the exception of Yueda Costa (Shanghai) Food & Beverage Management Company Limited which has a year end of 31 December as required by Chinese legislation and the newly acquired Coffeeheaven International plc whose year end will be aligned with that of the Group.

6 Debtors

Amounts falling due within one year	2010 £m	2009 £m
Amounts owed by subsidiary undertakings	324.9	362.9
Corporation tax recoverable	-	5.8
	324.9	368.7

7 Creditors

Amounts falling due within one year	2010 £m	2009 £m
Other creditors	0.2	0.2
Corporation tax payable	1.7	-
	1.9	0.2

8 Share capital

Authorised	2010 million	2009 million
Ordinary shares of 76.80p each (2009: 76.80p each)	410.2	410.2
Allotted, called up and fully paid ordinary shares of 76.80p each (2009: 76.80p each)	million	£m
At 28 February 2008	193.8	148.8
Issued	0.3	0.3
Cancelled	(5.0)	(3.8)
At 26 February 2009	189.1	145.3
Issued	0.5	0.4
Issued in lieu of dividends:		
2008/9 final	0.7	0.5
2009/10 interim	0.3	0.2
At 4 March 2010	190.6	146.4

At the 2007 Annual General Meeting the Company was authorised to purchase up to 19.7m of its own shares on the open market. This authorisation was extended at a General Meeting on 27 November 2007 by a further 17.8m shares.

During the year no ordinary shares were acquired (2008/9: 1.6m at a cost of £20.0m). No shares were cancelled in the year (2008/9: 5.0m). The remainder are being held in the treasury reserve (note 9).

During the year to 4 March 2010, options over 0.2m ordinary shares, fully paid, were exercised by employees under the terms of various share option schemes (2008/9: 0.3m).

8 Share capital (continued)**Preference shares***

	B Shares		C Shares	
	2010 million	2009 million	2010 million	2009 million
Authorised				
Shares of 1p each	265.0	265.0	224.0	224.0
Allotted, called up and fully paid shares of 1p each	million	£m	million	£m
At 28 February 2008	2.0	-	4.6	-
Repurchased and cancelled	-	-	(2.7)	-
At 26 February 2009 and 4 March 2010	2.0	-	1.9	-

Deferred shares*

	B Shares		C Shares	
	2010 million	2009 million	2010 million	2009 million
Authorised				
Deferred shares in issue	170.6	170.6	123.0	123.0
Allotted, called up and fully paid shares of 1p each	million	£m	million	£m
At 28 February 2008, 26 February 2009 and 4 March 2010	-	-	-	-

*Refer to note 28 of the Whitbread PLC consolidated accounts for further details of the preference and deferred share issues.

At 4 March 2010 there were outstanding options for employees to purchase up to 1.3m (2009: 2.1m) ordinary shares of 76.80 pence each between 2010 and 2015 at prices between £5.39 and £14.17 per share (2009: between 2009 and 2015 at prices between £5.39 and £14.17 per share).

9 Shareholders' funds

	Share capital £m	Share premium £m	Capital redemption reserve £m	Treasury shares £m	Retained earnings £m	Total £m
At 28 February 2008	148.8	43.8	8.5	(269.9)	1,394.1	1,325.3
Ordinary shares issued	0.3	2.3	-	-	-	2.6
Ordinary shares cancelled	(3.8)	-	3.8	73.9	(73.9)	-
Purchase of own shares	-	-	-	(20.0)	-	(20.0)
Preference shares cancelled	-	-	-	-	(4.5)	(4.5)
Profit for the financial year	-	-	-	-	1,385.3	1,385.3
Equity dividends	-	-	-	-	(64.1)	(64.1)
At 26 February 2009	145.3	46.1	12.3	(216.0)	2,636.9	2,624.6
Ordinary shares issued	0.4	3.7	-	-	-	4.1
Scrip dividends	0.7	(0.7)	-	-	9.8	9.8
Profit for the financial year	-	-	-	-	4.3	4.3
Equity dividends	-	-	-	-	(63.7)	(63.7)
At 4 March 2010	146.4	49.1	12.3	(216.0)	2,587.3	2,579.1

The movement in treasury shares during the year is set out in the table below:

	Treasury shares held by Whitbread PLC	
	million	£m
At 28 February 2008	18.1	269.9
Acquired during the year	1.6	20.0
Cancelled during the year	(5.0)	(73.9)
At 26 February 2009 and 4 March 2010	14.7	216.0

10 Related parties

The Company has taken advantage of the exemption given in FRS 8 not to disclose transactions with other Group companies that are wholly owned.

11 Contingent liabilities

Whitbread PLC is a member of Whitbread Group PLC VAT group. All members are jointly and severally liable for the liability. At the balance sheet date the Group liability stood at £68.3m (2009: £20.0m).

Analysis of shares

Analysis of shares at 4 March 2010

Band	Number of holders	% of holders	Number of shares	% of share capital
1 - 100	27,276	49.24	1,024,308	0.54
101 - 500	19,529	35.26	4,770,304	2.50
501 - 1,000	4,792	8.65	3,379,642	1.77
1,001 - 5,000	2,911	5.25	5,268,055	2.76
5,001 - 10,000	231	0.42	1,634,576	0.86
10,001 - 50,000	321	0.58	7,923,751	4.16
50,001 - 100,000	99	0.18	7,077,225	3.71
100,001 - 500,000	161	0.29	34,409,372	18.05
500,001 - 1,000,000	38	0.07	26,213,590	13.75
1,000,001 - 5,000,000	28	0.05	61,036,815	32.01
5,000,001+	4	0.01	37,930,771	19.89
Total	55,390	100.00	190,668,409	100.00

Shareholder services

For further information about the Company and its businesses please visit the Whitbread website at www.whitbread.co.uk

Registrars

Capita Registrars, Northern House, Woodsome Park, Fenay Bridge, Huddersfield, West Yorkshire HD8 0GA.

The website address is www.capitaregistrars.com

For enquiries regarding your shareholding please telephone 0844 855 2327, or email whitbread@capitaregistrars.com

You can also view up-to-date information about your holdings by visiting www.whitbread-shares.com

Please ensure that you advise Capita promptly of any change of address.

Scrip dividend scheme

The scheme enables you to increase your shareholding in the Company by electing to receive all dividends in new shares. Full details are available from the registrars at the address given above.

Dividend payment by BACS

We can pay your dividends direct to your bank or building society account using the Bankers' Automated Clearing Service (BACS). This means that your dividend will be in your account on the same day we make the payment. Your tax voucher will be posted to your home address. If you would like to use this method of payment please ring the registrars on 0844 855 2327.

Sharegift

If you have a small number of Whitbread PLC shares, with a value that makes it uneconomical to sell them, you may donate the shares to charity through the Sharegift scheme operated by the Orr Mackintosh Foundation. Further information on Sharegift can be obtained from their website www.sharegift.org or by calling 020 7930 3737.

Capital gains tax

Market values of shares in the Company as at 31 March 1982 were as follows:

'A' limited voting shares of 25p each 103.75p
'B' limited shares of 25p each 103.75p

Whitbread has had discussions with the Inland Revenue (now HMRC) concerning the capital gains tax cost of Whitbread shares following the reduction of capital on 10 May 2001. It is confirmed that the market value of each Whitbread share on 10 May 2001 for these purposes was 606.5p and the market value of each Fairbar share was 230p.

For the purposes of calculating UK tax on chargeable gains which may arise on a disposal of shares in the Company, subsequent alterations to the Company's capital should be taken into account. In particular, the special dividend and share consolidation in May 2005, the share consolidation and B share issue effected in June 2006 and the share consolidation and C share issue in January 2007 should be considered in accordance with the information provided in the related shareholder circulars. Further information on capital gains tax allocations in relation to the B and C share issues can be found in the investors/private shareholders section of the Company's website www.whitbread.co.uk

Unsolicited mail

We are aware that some shareholders have had occasion to complain of the use, by outside organisations, of information obtained from Whitbread's share register. Whitbread, like other companies, cannot by law refuse to supply such information provided that the organisation concerned pays the appropriate statutory fee.

If you are a resident in the UK and wish to stop receiving unsolicited mail then you should register with the Mailing Preference Service, telephone: 020 7291 3310 or you may prefer to write to: The Mailing Preference Service Freepost 22, London W1E 7EZ.

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Simon Barratt

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Share dealing service

Capita Share Dealing Services
Tel: 0871 664 0446
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Financial diary – 2010/11 (dates subject to confirmation)

29 April	Results announcement
12 May	Ex dividend date for final dividend
14 May	Record date for final dividend
22 June	AGM at QEII Conference Centre
14 July	Payment of final dividend
2 September	Half year-end
19 October	Announcement of half year results
27 October	Ex dividend date for interim dividend
29 October	Record date for interim dividend
11 January 2011	Payment of interim dividend
3 March 2011	End of financial year



www.whitbread.co.uk

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