

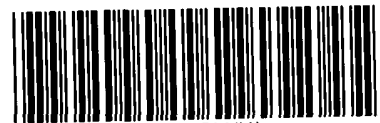
Registration number: 05137608

Premier Inn Hotels Limited

Annual Report and Financial Statements

for the Year Ended 2 March 2017

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Premier Inn Hotels Limited

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Premier Inn Hotels Limited

Company Information

Directors	S Ewins
	S Jones
	B Mistry
Company secretary	R Fairhurst
	D Lowry
Registered number	05137608
Registered office	Whitbread Court
	Houghton Hall Business Park
	Porz Avenue
	Dunstable
	Bedfordshire
Auditor	LU5 5XE
	Deloitte LLP
	2 New Street Square
	London
	EC4A 3BZ

Premier Inn Hotels Limited
Directors' Report for the Year Ended 2 March 2017

The directors present their report and the financial statements for the year ended 2 March 2017.

Principal activity

The Company operates Premier Inn hotels.

Directors' of the company

The directors, who held office during the period, were as follows:

S Ewins (appointed 26 January 2017)

P Flaum (resigned 30 September 2016)

S Jones

B Mistry

Dividends

The directors did not recommended the payment of a dividend for the year (2016: £nil).

Employment of disabled persons

All employee services are provided to the Company by Whitbread Group PLC (the immediate parent company). For further information on the Company's policy on the employment of disabled persons please refer to the Annual Report and Accounts of Whitbread PLC (the ultimate parent company) for the year ended 2 March 2017.

Employee involvement

All employee services are provided to the Company by Whitbread Group PLC. For further information on employee involvement please refer to the Annual Report and Accounts of Whitbread PLC for the year ended 2 March 2017.

Future developments

For further information on likely future developments please see the Strategic Report included in the Annual Report and Accounts of Whitbread PLC for the year ended 2 March 2017.

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 2 March 2017, the Company's current liabilities exceeded its current assets by £286,238,000.

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.

Premier Inn Hotels Limited

Directors' Report for the Year Ended 2 March 2017

Disclosure of information to the auditors

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

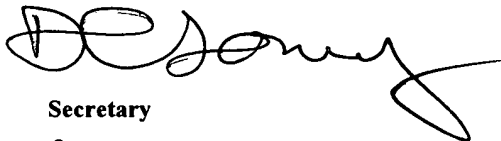
- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that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

Reappointment of auditors

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

Approved by the Board on 18/09/2017 and signed on its behalf by:



Secretary

D WONEY

Premier Inn Hotels Limited

Strategic Report for the Year Ended 2 March 2017

The directors present their strategic report for the year ended 2 March 2017.

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.

Strong performance has been delivered as a result of having a large and expanding network of hotels, delivering an enhanced customer experience, competitive room rates and having a strong online presence.

	Units	2017	2016	Change
Turnover	£m	812.0	743.2	9.3%
Operating profit	£m	285.8	277.8	2.9%
Operating profit excluding non-underlying items	£m	285.3	258.5	10.4%
Occupancy	%	79.9	80.2	(0.3)pp
Average room rate (ARR)	£	62.7	64.8	(3.2)%

The financial year represents 52 weeks to 2 March 2017 (prior financial year: 53 weeks to 3 March 2016).

Principal risks and uncertainties

Risk Failure to maintain staff engagement and retention in a tightening labour market.

Mitigation The success of the Company's business would not be possible without the passion and commitment of its teams. Team engagement is fundamental. This is monitored closely through the annual engagement survey 'Your Say', the results of which are reviewed by the Whitbread PLC Executive Committee and the PLC Board, with trends analysed and appropriate actions reviewed and agreed. Team turnover is also a key component of the Company's balanced scorecard (WINcard) and Annual Incentive Scheme.

Risk Insufficient leadership capability and succession in place to deliver growth ambitions.

Mitigation Talent and succession planning takes place regularly to ensure top talent is identified and succession plans exist for key roles. Talent gaps are addressed through recruitment, training and development to grow management capability. The Company offers key employees appropriate levels of reward and recognition in order to retain them.

Risk Health and safety risk, death or serious injury as a result of Company negligence.

Mitigation The safety of guests and employees is of paramount importance. NSF, an independent company, carries out health and safety audits on every site and a programme of fire safety training is in place for employees. Health and safety is a measure on the WINcard and acts as a gateway for incentive payments. Regular health and safety updates are provided to the Whitbread PLC Executive Committee and the PLC Board.

Premier Inn Hotels Limited

Strategic Report for the Year Ended 2 March 2017

Risk A long-term decline in the customer perception of the Company's brands would impact its ability to grow and achieve appropriate levels of return.

Mitigation To ensure the Company maintains and improves the strength of its brands, the Whitbread group continually completes market research and monitors opinion with focus groups and net guest scores to ensure the right levels of investment and innovation in customer offerings are maintained. The rate and level of investment in the refurbishments of Premier Inn is also being increased to help improve net promoter scores.

Risk The risk of a pandemic or terrorism on the safety and security of customers, staff and the consequent impact on trading.

Mitigation The safety and security of customers, employees and suppliers is of utmost importance. Failure to prevent or respond to a major safety or security incident could adversely impact operations and financial performance. The Company invests in site level training to help identify hostile reconnaissance activities and to ensure an appropriate response should such events take place. The Whitbread Group executive team also hold regular crisis management exercises to ensure that the business is prepared for such events.

Risk Cyber and data security remains a key risk as it could reduce the effectiveness of systems or result in a loss of data. This in turn could result in loss of income and/or reputational damage.

Mitigation A series of IT security controls is in place, including up-to-date antivirus software across the estate, network/system monitoring and regular penetration testing to identify vulnerabilities. A continuous security improvement programme is in place improving security and data controls. Specifically, during the year perimeter protection has been strengthened with improved firewall and denial of service protection and significant systems have moved to new, more secure, data centres.

Risk IT infrastructure is unable to adequately support business growth objectives. Although improvements have been made in our infrastructure.

Mitigation A strong IT leadership team is in place together with Group governance structures to help prioritise, coordinate and deliver business plans and the IT investment in an efficient way so as to minimise disruption. Investment in the upgrade of systems infrastructure is being significantly increased, increasing the capacity, resilience and stability of core systems and the digital proposition.

Risk Uncertain/volatile economic climate results in GDP decline, fall in RevPAR and inflation impacting growth plans.

Mitigation There is a rigorous business planning process in place which considers many scenarios with responses to these. The Group also has strong site selection teams with well-established processes in place based on market and economic fundamentals, both at a macro and micro level. These are supported by sensitivity analysis and a robust investment appraisal process to help deliver good levels of return. An efficiency programme has also been embarked on that aims to deliver £150 million of savings across the Group over five years.

Risk The preparation or storage of food and/or supply chain failure results in food poisoning and reputational damage.

Mitigation The health and wellbeing of customers is fundamental to the business. The Group has stringent food safety and sourcing policies with traceability and testing requirements in place in respect of meat and other products. Independent food safety audits are also completed regularly at all hotels, restaurants and coffee shops and the results are closely monitored. Considerable resources are also invested in employee training in the storage, handling and preparation of food.

Premier Inn Hotels Limited

Strategic Report for the Year Ended 2 March 2017


Risk The Company's ability to execute the unprecedented volume of change is recognised as a new risk this year.

Mitigation The Group has embarked on an extensive programme of change to replace legacy systems and infrastructure, upgrade digital capability and improve customer propositions, enabling Whitbread to deliver its growth plans over the coming years. To help ensure the successful delivery of these change projects, internal project delivery expertise and capability has been significantly enhanced and a robust assurance management framework has been put in place coupled with regular reporting to the Whitbread PLC Executive Committee for all major projects.

Risk Business interruption as a result of the withdrawal of services/support or reputational damage as result of supplier practices is recognised as a new risk this year.

Mitigation Whitbread has a number of key supplier relationships that help ensure the efficient delivery of its multi-site and support centre operations. The failure or withdrawal of services from one or more of these suppliers may result in some business interruption. To ensure against this, suppliers and business continuity arrangements are continually reviewed. Suppliers' practices are expected to be in line with Whitbread's values and standards. Suppliers are thoroughly vetted before any arrangements are entered into to ensure that they are reputable and then monitored through the Group's supplier management arrangements.

Approved by the Board on 18/09/2017 and signed on its behalf by:



Director

S JONES

Premier Inn Hotels 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.

Premier Inn Hotels Limited

Independent Auditor's Report to the members of Premier Inn Hotels Limited

We have audited the financial statements of Premier Inn Hotels Limited for the year ended 2 March 2017, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 20. 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), including FRS 101 'Reduced Disclosure Framework'.

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 auditor

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. 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 (APB'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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 2 March 2017 and of its profit 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year 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 the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

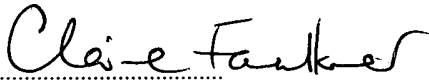
Premier Inn Hotels Limited

Independent Auditor's Report to the members of Premier Inn Hotels Limited

Matters on which we are required to report by exception

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

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



Claire Faulkner (Senior Statutory Auditor)
For and on behalf of Deloitte LLP, Statutory Auditor

2 New Street Square
London
EC4A 3BZ

Date: 21/9/17

Premier Inn Hotels Limited

Profit and Loss Account for the Year Ended 2 March 2017

	Note	52 weeks to 2 March 2017 £ 000	53 weeks to 3 March 2016 £ 000
Revenue	4	812,000	743,195
Cost of sales	.	<u>(67,794)</u>	<u>(54,207)</u>
Gross profit		744,206	688,988
Operating costs		(458,883)	(430,454)
Non-underlying items	5	<u>427</u>	<u>19,232</u>
Operating profit	5	285,750	277,766
Other interest receivable and similar income		36	145
Interest payable and similar charges	6	<u>(17,389)</u>	<u>(22,440)</u>
Profit before tax		268,397	255,471
Tax on profit	9	<u>(48,191)</u>	<u>(41,698)</u>
Profit for the year		<u>220,206</u>	<u>213,773</u>

There were no recognised gains and losses for 2017 or 2016 other than those included in the Profit and Loss Account.

The above results were derived from continuing operations.

The notes on pages 13 to 32 form an integral part of these financial statements.

Premier Inn Hotels Limited
(Registration number: 05137608)
Balance Sheet as at 2 March 2017

	Note	2 March 2017 £ 000	3 March 2016 £ 000
Fixed assets			
Intangible assets	10	8,187	8,047
Tangible assets	11	1,452,867	1,333,692
Investments	12	48,053	47,858
		<u>1,509,107</u>	<u>1,389,597</u>
Current assets			
Stocks	13	1,848	1,776
Debtors	14	32,441	31,301
Cash at bank and in hand		6,124	8,613
		<u>40,413</u>	<u>41,690</u>
Creditors: Amounts falling due within one year			
Trade and other creditors	16	(226,269)	(345,548)
Income tax liability	9	(51,914)	(46,946)
Accruals and deferred income		(48,468)	(35,580)
		<u>(326,651)</u>	<u>(428,074)</u>
Creditors: Amounts falling due within one year			
Net current liabilities		<u>(286,238)</u>	<u>(386,384)</u>
Total assets less current liabilities		1,222,869	1,003,213
Creditors: Amounts falling due after more than one year			
Trade and other creditors	16	(15,337)	(14,858)
Provisions for liabilities	9	(56,179)	(57,208)
		<u>(111,516)</u>	<u>(112,066)</u>
Net assets		<u>1,151,353</u>	<u>931,147</u>
Capital and reserves			
Called up share capital	17	200,000	200,000
Profit and loss account		951,353	731,147
		<u>1,151,353</u>	<u>931,147</u>
Shareholders' funds		<u>1,151,353</u>	<u>931,147</u>

Approved by the Board on 18/09/2017 and signed on its behalf by:



Director

S JONES

The notes on pages 13 to 32 form an integral part of these financial statements.

Premier Inn Hotels Limited

Statement of Changes in Equity for the Year Ended 2 March 2017

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 27 February 2015	200,000	517,374	717,374
Profit for the period	-	213,773	213,773
Total comprehensive income	-	213,773	213,773
At 3 March 2016	200,000	731,147	931,147
	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 4 March 2016	200,000	731,147	931,147
Profit for the period	-	220,206	220,206
Total comprehensive income	-	220,206	220,206
At 2 March 2017	200,000	951,353	1,151,353

The notes on pages 13 to 32 form an integral part of these financial statements.

Premier Inn Hotels Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

1 General information

The Company is a private company limited by share capital incorporated and domiciled in England and Wales under the Companies Act 2006.

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 2.

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 Premier Inn Hotels Limited for the year ended 2 March 2017 were authorised for issue by the Board of Directors on 18/9/2017

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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 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.

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

The financial year represents 52 weeks to 2 March 2017 (prior financial year: 53 weeks to 3 March 2016).

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

- The IASB's annual improvement process, 2012-2014;
- IAS 1 Disclosure Initiative - Amendments to IAS 1;
- IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation - Amendments to IAS 16 and IAS 38;
- IAS 16 and IAS 41 Bearer Plants - Amendments to IAS 16 and IAS 41;
- IAS 27 Equity Method in Separate Financial Statements - Amendments to IAS 27;
- IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception - Amendments to IFRS 10, IFRS 12 and IAS 28; and
- IFRS 11 Accounting for Acquisitions of Interests in Joint Operations - Amendments to IFRS 11.

Premier Inn Hotels Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

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 the Group.

Going concern

The financial position of the Company is set out in these financial statements. As at 2 March 2017, the Company's current liabilities exceeded its current assets by £286,238,000.

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.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the Company.

The Company recognises revenue when:

- the significant risks and rewards of the goods or services provided have transferred to the buyer;
- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the Company activities.

Revenue from room sales and other guest services is recognised when rooms are occupied and as services are provided.

Interest receivable

Interest income is recognised as the interest accrues, using the effective interest method.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except for gross interest costs incurred on the financing of major projects, which are capitalised until the time that the projects are available for use.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Translation differences on monetary items are taken to the Profit and Loss Account. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Premier Inn Hotels Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible fixed assets

Property, plant and equipment is stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class

Freehold and long leasehold buildings

Furniture, fittings & equipment

Freehold land

Depreciation method and rate

Over the shorter of 50 years and the remaining useful life, or term of the lease.

over three to 30 years

not depreciated

The residual values are reviewed annually.

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Goodwill is not subject to amortisation but is tested for impairment.

Negative goodwill arising on an acquisition is recognised directly in the income statement. On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss recognised in the income statement on disposal.

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class

IT software and technology

Amortisation method and rate

Over estimated useful life of three to six years

Premier Inn Hotels Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

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.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Investments in joint ventures and associates are initially recognised at cost, being the fair value of the consideration given, including acquisition charges associated with the investment.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Premier Inn Hotels Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

Impairment of non-financial assets

The Company assesses assets or groups of assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Individual assets are grouped, for impairment assessment purposes, at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets (cash generating units or CGUs). If such indication of impairment exists, or when annual impairment testing for an asset group is required, the Company makes an estimate of the recoverable amount.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the CGU's recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the income statement. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's carrying amount, less any residual value, on a straight-line basis over its remaining useful life.

The recoverable amount of an asset or CGU is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined with reference to the CGU to which the asset belongs. Impairment losses are recognised in the profit and loss accounts within operating costs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Intangible assets

In the absence of a comparable recent market transaction that demonstrates that the fair value, less the costs of disposal, of intangible assets exceeds their carrying amount, the recoverable amount is determined from value in use calculations. An impairment is then made to reduce the carrying amount to the higher of the fair value less the costs of disposal and the value in use.

Property, plant and equipment

For the purposes of the impairment review of property, plant and equipment, the Company considers each trading outlet to be a separate CGU. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Consideration is also given, where appropriate, to the market value of the asset either from independent sources or, in conjunction with, an accepted industry valuation methodology.

Investments in joint ventures and subsidiaries

The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication of impairment exists, the carrying amount of the investment is compared with its recoverable amount, being the higher of its fair value less costs of disposal and value in use. Where the carrying amount exceeds the recoverable amount, the investment is written down to its recoverable amount.

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.

Premier Inn Hotels Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

Non-underlying items

The Company includes within non-underlying items the profit or loss on disposal of property, plant and equipment, property reversions and other onerous leases, profit or loss on the sale of a business, impairment and non-underlying interest and tax.

Financial assets

Classification

Financial assets are classified into the following specified categories: 'loans and receivables' and 'cash and cash equivalents'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Recognition and measurement

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank, cash in hand and short-term deposits with an original maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

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 Critical accounting judgements and key sources of estimation uncertainty

The preparation of 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 Company's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

Impairment

An impairment test of tangible and intangible assets is undertaken each year on both an EBITDA multiple approach and a discounted cash flow approach. Note 11 provides further details.

Premier Inn Hotels Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

Residual values and asset lives

The residual value is the net realisable value of an asset at the end of its useful economic life. The Company has taken an assessment of the residual values that are appropriate for the business and reviews this assessment annually. Asset lives are based upon management's estimation at the point of capitalisation. Periodically these are reviewed to ensure that the estimated lives of the assets are accurate and if not the assets are re-lived prospectively. See Note 11 for further details.

Taxation

The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items, where the tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority. The final resolution of some of these items may give rise to material income statement and/or cash flow variances.

Corporation tax is calculated on the basis of income before taxation, taking into account the relevant local tax rates and regulations. The current income tax expense is calculated and differences between the accounting and tax base are determined, resulting in deferred tax assets or liabilities. Assumptions are also made around the assets which qualify for capital allowances and the level of disallowable expenses and these affect the income tax calculation.

Provisions may be made for uncertain exposures or recoveries, which can have an impact on both deferred and current tax. Assumptions are also made around the tax net book value of assets to which capital allowances apply, the level of capital allowances, the extent of rollover gains, indexation thereon and the tax base into which they have been rolled.

A deferred tax asset shall be recognised for the carry forward of unused tax losses, pension deficits and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Detailed amounts of the carrying value of corporation and deferred tax can be found in Note 9.

4 Turnover

The analysis of the Company's turnover for the period from continuing operations is as follows:

	Year ended 2 March 2017	Year ended 3 March 2016
	£ 000	£ 000
Sale of goods	160,430	148,641
Rendering of services	651,570	594,554
	<u>812,000</u>	<u>743,195</u>

The whole of the turnover is attributable to the operation of Premier Inn hotels in the United Kingdom.

Premier Inn Hotels Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

5 Profit for the year

Arrived at after charging/(crediting)

	Year ended 2 March 2017 £ 000	Year ended 3 March 2016 £ 000
Cost of inventories recognised as an expense	46,801	42,301
Depreciation expense (Note 11)	50,795	44,463
Amortisation expense (Note 10)	73	34
Foreign exchange gains	(196)	(107)
Operating lease expense - property	101,634	93,549
Sub-lease income	(739)	(726)
Non-underlying items	<u>(427)</u>	<u>(19,232)</u>

Non-underlying items are analysed as follows:

	Year ended 2 March 2017 £ 000	Year ended 3 March 2016 £ 000
Impairment reversal (Note 11)	(427)	(129)
Profit on disposal of property, plant and equipment	-	(391)
Profit on disposal of intellectual property	-	(8,951)
Profit on disposal of investments	<u>-</u>	<u>(9,761)</u>
	<u>(427)</u>	<u>(19,232)</u>

During the prior year, the Company disposed of its investment in Premier Travel Inn Middle East Limited and completed the sale of intellectual property to a fellow group company and realised gain of £9,761,000 and £8,951,000 respectively.

6 Interest payable and similar charges

	Year ended 2 March 2017 £ 000	Year ended 3 March 2016 £ 000
Interest payable to group companies	19,679	25,346
Interest capitalised	<u>(2,290)</u>	<u>(2,906)</u>
	<u>17,389</u>	<u>22,440</u>

Premier Inn Hotels Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

7 Staff costs

The Company has no employees (2016: no employees) other than the directors, who did not receive any remuneration (2016: £nil). All fees paid to directors as remuneration are borne by the parent Company Whitbread Group PLC and it is not practical to allocate the amount for services in respect of this Company.

The Company is party to a Management Services Agreement with Whitbread Group PLC, under which all services are provided to it.

8 Auditor's remuneration

Audit fees for the year of £6,000 ((2016 - £6,000) were paid by the 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 2 March 2017.

9 Taxation

Tax charged/(credited) in the income statement

	Year ended 2 March 2017 £ 000	Year ended 3 March 2016 £ 000
Current taxation		
UK corporation tax	52,807	46,078
UK corporation tax adjustment to prior periods	<u>(894)</u>	<u>63</u>
	<u>51,913</u>	<u>46,141</u>
Deferred taxation		
Arising from origination and reversal of temporary differences	(3,499)	1,284
Arising from changes in tax rates and laws	-	(6,205)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	<u>(223)</u>	<u>478</u>
Total deferred taxation	<u>(3,722)</u>	<u>(4,443)</u>
Tax expense in the income statement	<u>48,191</u>	<u>41,698</u>

Premier Inn Hotels Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK (2016 - lower than the standard rate of corporation tax in the UK) of 20% (2016 - 20.08%).

The differences are reconciled below:

	Year ended 2 March 2017 £ 000	Year ended 3 March 2016 £ 000
Profit before tax	268,397	255,471
Corporation tax at standard rate of 20% (2016 - 20.08%)	53,679	51,309
Increase (decrease) in current tax from adjustment for prior periods	(894)	63
Decrease (increase) from effect of revenues exempt from taxation	-	(3,758)
Increase (decrease) from effect of expenses not deductible in determining taxable profit (tax loss)	842	346
Deferred tax expense (credit) from unrecognised temporary difference from a prior period	(223)	478
Deferred tax expense (credit) relating to changes in tax rates or laws	(3,546)	(6,205)
Increase (decrease) from effect of indexation allowance on capital gains	(1,667)	(528)
Other tax effects for reconciliation between accounting profit and tax expense (income)	-	(7)
Total tax charge	48,191	41,698

Factors that may affect future tax charges:

The Finance (No 2) Act 2015 reduced the main rate of UK corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. The effect of these rates was included in the financial statements in 2015/16. The Finance Act 2016 further reduced the main rate of corporation tax to 17% with effect from 1 April 2020. The effect of the new rate is a reduction of the deferred tax liability by a net £3.5m. The rate changes will also impact the amount of future cash tax payments to be made by the Company.

The corporation tax balance is a liability of £51,914,000 (2016: liability of £46,946,000).

Tax relief on interest capitalised amounts to £458,000 (2016: £584,000).

Premier Inn Hotels Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

Deferred tax

Deferred tax assets and liabilities

Deferred tax movement during the period:

	At 4 March 2016 £ 000	Recognised in income £ 000	Intercompany transfer £ 000	At 2 March 2017 £ 000
Accelerated tax depreciation	(23,731)	(193)	-	(23,924)
Other items	(33,476)	3,915	(2,694)	(32,255)
Net tax assets/(liabilities)	<u>(57,208)</u>	<u>3,722</u>	<u>(2,694)</u>	<u>(56,179)</u>

Deferred tax movement during the prior period:

	At 27 February 2015 £ 000	Recognised in income £ 000	Intercompany transfer £ 000	At 3 March 2016 £ 000
Accelerated tax depreciation	(24,730)	989	9	(23,731)
Other items	(30,797)	3,454	(6,133)	(33,476)
Net tax assets/(liabilities)	<u>(55,527)</u>	<u>4,443</u>	<u>(6,124)</u>	<u>(57,208)</u>

Other items include deferred tax liabilities on rolled over gains of £29,403,000 (2016 - £30,683,000).

Premier Inn Hotels Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

10 Intangible assets

	Goodwill	Internally generated software development costs	Total
	£ 000	£ 000	£ 000
Cost or valuation			
At 4 March 2016	10,669	103	10,772
Additions	-	213	213
Assets written off	-	(33)	(33)
At 2 March 2017	<u>10,669</u>	<u>283</u>	<u>10,952</u>
Amortisation and impairment			
At 4 March 2016	2,667	58	2,725
Amortisation charge	-	73	73
Assets written off	-	(33)	(33)
At 2 March 2017	<u>2,667</u>	<u>98</u>	<u>2,765</u>
Carrying amount			
At 2 March 2017	<u>8,002</u>	<u>185</u>	<u>8,187</u>
At 3 March 2016	<u>8,002</u>	<u>45</u>	<u>8,047</u>

Premier Inn Hotels Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

11 Tangible assets

	Land and buildings £ 000	Furniture, fittings and equipment £ 000	Total £ 000
Cost or valuation			
At 4 March 2016	1,071,434	361,101	1,432,535
Additions	90,401	80,425	170,826
Transfers	(2,163)	899	(1,264)
Assets written off	(44)	(41,261)	(41,305)
At 2 March 2017	<u>1,159,628</u>	<u>401,164</u>	<u>1,560,792</u>
Depreciation			
At 4 March 2016	20,812	78,031	98,843
Charge for the period	7,897	42,897	50,794
Impairment reversal	(427)	-	(427)
Transfers	-	19	19
Assets written off	(43)	(41,261)	(41,304)
At 2 March 2017	<u>28,239</u>	<u>79,686</u>	<u>107,925</u>
Carrying amount			
At 2 March 2017	<u>1,131,389</u>	<u>321,478</u>	<u>1,452,867</u>
At 3 March 2016	<u>1,050,622</u>	<u>283,070</u>	<u>1,333,692</u>

Included above are assets under construction of £100,454,000 (2016: £113,493,000).

Capital expenditure commitments for property, plant and equipment for which no provision has been made amount to £39,700,000 (2016: £36,800,000).

The net book value of land and buildings can be broken down as follows:

- £595,713,000 - freehold
- £416,105,000 - long leasehold
- £119,571,000 - short-leasehold

Capitalised interest amounted to £2,290,000 using an average rate of 3.6% (2016: £2,906,000 using an average rate of 3.9%).

Premier Inn Hotels Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

Impairment

Furniture, fittings and equipment

The impairment charge relates to sites that are underperforming.

The Company considers each trading site to be a CGU and each CGU is reviewed annually for indicators of impairment. Where indicators of impairment are identified an impairment assessment is undertaken.

In assessing whether an asset has been impaired, the carrying amount of the CGU is compared to its recoverable amount. The recoverable amount is the higher of its fair value, less costs of disposal and its value in use. In the absence of any information about the fair value of a CGU, the recoverable amount is deemed to be its value in use.

The amount of impairment loss included in profit and loss is £Nil (2016 - £37,000).

The amount of impairment loss included in other comprehensive income is £Nil (2016 - £Nil).

The amount of reversal of impairment recognised in profit and loss is £Nil (2016 - £Nil).

Land & Buildings

Reversal of impairment arose from an improvement in trading performance and an increase in amounts of estimated future cash flows of previously impaired sites.

The amount of reversal of impairment recognised in profit and loss is £427,000 (2016 - £166,000).

12 Investments

	Investment in subsidiary companies £ 000	Loans to subsidiaries £ 000	Total £ 000
Subsidiaries			
Cost or valuation			
At 4 March 2016	57,625	10,252	67,877
Additions	-	195	195
At 2 March 2017	57,625	10,447	68,072
Provision			
At 2 March 2017 and 4 March 2016	20,069	-	20,069
Carrying amount			
At 2 March 2017	37,556	10,447	48,003
At 3 March 2016	37,556	10,252	47,808

Premier Inn Hotels Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

These investments are directly held by the Company.

Details of the subsidiaries as at 2 March 2017 are as follows:

Name of subsidiary	Principal activity (Class of shares held)	Country of incorporation and principal place of business	Proportion of ownership interest in ordinary share capital and voting rights held	
			2017	2016
Premier Inn Manchester Trafford Limited	Hotel operations (A Ordinary £1.00)	England	100%	100%
Premier Inn Westminster Limited	Hotel operations (Ordinary £1.00)	England	100%	100%
Premier Inn Ochre Limited	Hotel operations (Ordinary £1.00)	England	100%	100%
Elm Hotel Holdings Limited	Holding company (Ordinary £0.10)	England	100%	100%
Premier Travel Inn India Limited	Holding company (Ordinary £1.00)	England	100%	100%
Stripe Travel Inn Limited	Dormant (Ordinary £1.00)	England	100%	100%
Premier Inn (UK) Limited	Hotel operations (Ordinary £1.00)	England	100%	0%
New Clapham Stadium Company Limited	Dormant (Ordinary £0.05)	England	100%	100%
Premier Inn Troon Limited	Dormant (Ordinary £0.10)	England	100%	100%

The registered office of the subsidiaries listed above is Whitbread Court, Houghton Hall Business Park, Porz Avenue Dunstable, Bedfordshire, LU5 5XE.

Joint venture

	Total £ 000
Cost or valuation	
At 4 March 2016 and 2 March 2017	50
Carrying amount	
At 2 March 2017	50

Premier Inn Hotels Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

Details of the joint venture as at 2 March 2017 is as follows:

Name of Joint-venture	Principal activity (Class of shares held)	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2017	2016
Premier Inn Kier Limited	Property construction (A&B Ordinary £1.00)	England	50%	50%

The registered office of the joint venture listed above is Gowling WLG (UK) LLP, 4 More London Riverside, London, SE1 2AU.

13 Stocks

	2 March 2017 £ 000	3 March 2016 £ 000
Finished goods and goods for resale	<u>1,848</u>	<u>1,776</u>

14 Debtors

	2 March 2017 £ 000	3 March 2016 £ 000
Trade debtors	17,541	18,920
Provision for impairment of trade debtors	<u>(54)</u>	<u>(63)</u>
Net trade debtors	17,487	18,857
Prepayments and accrued income	13,793	10,870
Other debtors	<u>1,161</u>	<u>1,574</u>
Total current trade and other debtors	<u>32,441</u>	<u>31,301</u>

Premier Inn Hotels Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

15 Operating lease arrangements

Operating leases

The Company leases various buildings which are used within the business. The leases are non-cancellable operating leases with varying terms, escalation clauses and renewal rights. The Company also leases various plant and equipment under non-cancellable operating lease agreements.

Contingent rents are the portion of the lease payment that is not fixed in amount but based upon the future amount of a factor that changes other than with the passage of time (e.g. percentage of future sales, amount of future use, future price indices or future market rates of interest).

The weighted average lease life of future minimum rentals payable under non-cancellable operating leases is 18.4 years (2016: 19.4 years).

The total future value of minimum lease payments is as follows:

	2017 £ 000	2016 £ 000
Within one year	106,060	98,107
In two to five years	448,184	413,879
In over five years	<u>1,424,212</u>	<u>1,405,821</u>
	<u>1,978,456</u>	<u>1,917,807</u>

The amount of non-cancellable operating lease payments recognised as an expense during the period was £100,441,000 (2016 - £91,300,000).

The amount of contingent operating lease payments recognised as an expense during the period was £1,193,000 (2016 - £600,000).

Sublease arrangements

The Company has sublet space in certain properties.

Total future minimum sublease income under non-cancellable operating leases expected to be received is £5,663,000 (2016 - £5,629,000).

The amount of income recognised in the period from non-cancellable operating subleases was £739,000 (2016 - £726,000).

Premier Inn Hotels Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

16 Trade and other creditors

	2 March 2017 £ 000	3 March 2016 £ 000
Trade creditors	3,387	814
Accrued expenses	74,630	66,746
Amounts due to group undertakings	153,720	281,331
Other creditors	9,869	11,515
	<u>241,606</u>	<u>360,406</u>
Analysed as:		
Current	226,269	345,548
Non-current	15,337	14,858
	<u>241,606</u>	<u>360,406</u>

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

17 Share capital

Allotted, called up and fully paid shares

	No. 000	2 March 2017 £ 000	No. 000	3 March 2016 £ 000
Ordinary of £1 each	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>

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

18 Contingent liabilities

The Company has guaranteed the lease payments of some of its subsidiaries. The total outstanding commitment under these leases at the balance sheet date amounted to £60m. In addition, Premier Inn Hotels Limited is one of the guarantors of a £450m unsecured bond issued by Whitbread Group PLC on the 28th May 2015. This bond has a coupon rate of 3.375pct and a maturity of 16th October 2025. It is also one of the guarantors of a £950m revolving credit facility provided to Whitbread Group PLC which runs until September 2021, with the option to extend until September 2022. The facility has variable interest rates linked to LIBOR and is multi-currency. The Company considers it unlikely that it will be called upon to make any payments under these guarantees.

Premier Inn Hotels Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

19 Related party transactions

As well as the subsidiary undertakings listed in note 12, the Company had the following related undertakings which were indirectly owned:

Name of related undertaking	Country of incorporation and principal place of business	Class of shares held	% of class of shares held by the Company	% of class of shares held by the group	% of nominal value
Premier Inn Castleford Limited	England	Ordinary £1.00	0	100	100
Premier Inn Doncaster Limited	England	Ordinary £1.00	0	100	100
Premier Inn Glasgow Limited	England	Ordinary £1.00	0	100	100
Premier Inn India Private Limited	India	Ordinary INR10.00	0	100	100
Premier Inn Manchester Airport Limited	England	Ordinary £1.00	0	100	100
Premier Inn Manchester Holdings Limited	England	Ordinary £1.00	0	100	100
Premier Inn Manchester Limited	England	Ordinary £1.00	0	100	100
Premier Inn Portsmouth Limited	England	Ordinary A £1.00	0	100	100
Premier Inn Belfast Limited	England	Ordinary £1.00	0	100	100
Premier Inn Bournemouth Limited	England	Ordinary £1.00	0	100	100
Premier Inn Chippenham Limited	England	Ordinary £1.00	0	100	100
Premier Inn Gateshead Limited	England	Ordinary £1.00	0	100	100
Premier Inn Hull Limited	England	Ordinary £1.00	0	100	100
Premier Inn Northampton Limited	England	Ordinary £1.00	0	100	100
Premier Inn Sheffield Limited	England	Ordinary £1.00	0	100	100
Premier Inn Trentham Gardens Limited	England	Ordinary £1.00	0	100	100

Premier Inn Hotels Limited

Notes to the Financial Statements for the Year Ended 2 March 2017

Name of related undertaking	Country of incorporation and principal place of business	Class of shares held	% of class of shares held by the Company	% of class of shares held by the group	% of nominal value
P I Hotels York Limited	England	Ordinary £1.00	0	100	100

The registered office of the above companies is Whitbread Court, Houghton Hall Business Park, Porz Avenue Dunstable, Bedfordshire, LU5 5XE with the exception of Premier Inn India Private Limited whose registered office is Room No. 314, Hotel Premier Inn, District Centre, Shalimar Bagh, Outer Ring Road, Haiderpur Red Light, New Delhi, 110088, India.

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 not to disclose transactions with other group companies.

20 Parent and ultimate parent undertaking

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

The parent undertaking of the smallest group of undertakings for which group accounts are drawn up and of which the Company is a member is Whitbread Group PLC, registered in England and Wales. Copies of their accounts can be obtained from 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.