
COSTA BEIJING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 FEBRUARY 2014

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COSTA BEIJING LIMITED

COMPANY INFORMATION

DIRECTORS	S C Barratt (appointed 1 March 2014) AJ Marshall CCB Rogers
COMPANY SECRETARY	RW Fairhurst
REGISTERED NUMBER	6190419
REGISTERED OFFICE	Whitbread Court Houghton Hall Business Park Porz Avenue Dunstable Bedfordshire LU5 5XE
INDEPENDENT AUDITOR	Ernst & Young LLP 1 Colmore Square Birmingham West Midlands B4 6HQ

COSTA BEIJING LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 27 FEBRUARY 2014**

The directors present their report and the financial statements for the year ended 27 February 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of a holding company.

DIRECTORS

The directors who served during the year were:

AJ Marshall
CCB Rogers
MJ Price (appointed 24 June 2013 & resigned 1 March 2014)

All fees paid to the directors as remuneration are borne by Whitbread Group PLC and it is not practical to allocate the amount for services in respect of this Company.

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.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

AUDITOR

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

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 16 OCTOBER 2014 and signed on its behalf.


Secretary
R FAIRHURST

COSTA BEIJING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 27 FEBRUARY 2014

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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;
- 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 BEIJING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF COSTA BEIJING LIMITED

We have audited the financial statements of Costa Beijing Limited for the year ended 27 February 2014, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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 Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and financial statements 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 FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 27 February 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

COSTA BEIJING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF COSTA BEIJING 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Ernst & Young LLP

Simon O'Neill (Senior Statutory Auditor)

for and on behalf of

Ernst & Young LLP

Statutory Auditor

Birmingham

Date:

22/10/2014.

COSTA BEIJING LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 27 FEBRUARY 2014**

	Note	Year ended 27 February 2014 £	Year ended 28 February 2013 £
Administrative expenses		(6,649)	(3)
Other operating (costs)/income	2	(214,999)	59,088
OPERATING (LOSS)/PROFIT		(221,648)	59,085
Interest receivable and similar income	5	142,942	126,901
Interest payable and similar charges	6	(216,792)	(213,589)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(295,498)	(27,603)
Tax on loss on ordinary activities	7	56,495	6,672
LOSS FOR THE FINANCIAL PERIOD	12	(239,003)	(20,931)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss Account.

The notes on pages 7 to 11 form part of these financial statements.

COSTA BEIJING LIMITED
REGISTERED NUMBER: 6190419

BALANCE SHEET
AS AT 27 FEBRUARY 2014

	Note	27 February 2014 £	28 February 2013 £
FIXED ASSETS			
Investments	8	5,245,024	3,959,011
CURRENT ASSETS			
Debtors	9	71,361	-
Cash at bank		20,043	-
		<u>91,404</u>	<u>-</u>
CREDITORS: amounts falling due within one year	10	<u>(5,909,718)</u>	<u>(4,293,298)</u>
NET CURRENT LIABILITIES		<u>(5,818,314)</u>	<u>(4,293,298)</u>
NET LIABILITIES		<u>(573,290)</u>	<u>(334,287)</u>
CAPITAL AND RESERVES			
Called up share capital	11	2	2
Profit and loss account	12	<u>(573,292)</u>	<u>(334,289)</u>
SHAREHOLDERS' DEFICIT	13	<u>(573,290)</u>	<u>(334,287)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 OCTOBER 2014



Director

S BALLATT

The notes on pages 7 to 11 form part of these financial statements.

COSTA BEIJING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 27 FEBRUARY 2014

1. ACCOUNTING POLICIES

1.1 Authorisation

The financial statements of Costa Beijing Limited for the year ended 27 February 2014 were authorised for issue by the Board of Directors on 16 OCTOBER 2014.

1.2 Basis of preparation of financial statements

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

1.3 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Going concern

The financial position of the Company is set out in these financial statements. As at 27 February 2014, the Company's liabilities exceeded its assets by £573,290.

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.

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

2. OTHER OPERATING (COSTS)/INCOME

	Year ended 27 February 2014 £	Year ended 28 February 2013 £
Difference on foreign exchange	(214,999)	59,088

COSTA BEIJING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 FEBRUARY 2014**

3. AUDITORS' REMUNERATION

Audit fees for the year were paid by a parent company, Whitbread Group PLC. Information about the total audit fees paid by the Group can be found in the Whitbread PLC Annual Report and Accounts for the year ended 27 February 2014.

4. STAFF COSTS

The Company has no employees other than the directors, who did not receive any remuneration (2013 - £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.

5. INTEREST RECEIVABLE

	Year ended 27 February 2014 £	Year ended 28 February 2013 £
Other interest receivable	142,942	126,901

6. INTEREST PAYABLE

	Year ended 27 February 2014 £	Year ended 28 February 2013 £
On loans from group undertakings	216,792	213,589

7. TAXATION

	Year ended 27 February 2014 £	Year ended 28 February 2013 £
Analysis of tax credit in the year		
UK corporation tax credit on loss for the year	(71,733)	(6,672)
	(71,733)	(6,672)
Foreign tax on income for the year	15,238	-
Tax on loss on ordinary activities	(56,495)	(6,672)

COSTA BEIJING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 FEBRUARY 2014**

7. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - the same as) the standard rate of corporation tax in the UK of 23.08% (2013 - 24.17%). The differences are explained below:

	Year ended 27 February 2014 £	Year ended 28 February 2013 £
Loss on ordinary activities before tax	(295,498)	(27,603)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.08% (2013 - 24.17%)	(68,216)	(6,672)
Effects of:		
Expense relief	(3,517)	-
Foreign tax on income for the year	15,238	-
Current tax credit for the year (see note above)	(56,495)	(6,672)

Factors that may affect future tax charges

The Finance Act 2013 reduced the main rate of UK corporation tax to 21% from 1 April 2014 and to 20% from 1 April 2015.

The rate change will impact the amount of the future cash tax payment to be made by the Company.

8. FIXED ASSET INVESTMENTS

	Loans to joint ventures £	Investment in joint ventures £	Total £
Cost or valuation			
At 1 March 2013	2,756,756	1,202,255	3,959,011
Additions/(repayments)	(139,759)	1,497,830	1,358,071
Interest on loan	142,941	-	142,941
Foreign exchange movement	(214,999)	-	(214,999)
At 27 February 2014	2,544,939	2,700,085	5,245,024
Net book value			
At 27 February 2014	2,544,939	2,700,085	5,245,024
At 1 March 2013	2,756,756	1,202,255	3,959,011

COSTA BEIJING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 FEBRUARY 2014**

8. FIXED ASSET INVESTMENTS (continued)

Joint ventures

Name	Country of incorporation	Holding	Principal activity
Hualian Costa (Beijing) Food & Beverage Management Company Limited	China	50%	Coffee Retailer

Additions to loans are primarily due to interest on the loan for the existing joint venture arrangement.

Additions to investments represent an increase in the investment in the Hualian Costa (Beijing) Food & Beverage Management Company Limited.

9. DEBTORS

	27 February 2014 £	28 February 2013 £
Tax recoverable	71,361	-

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

	27 February 2014 £	28 February 2013 £
Amounts owed to group undertakings	5,909,718	4,272,920
Corporation tax	-	20,378
	5,909,718	4,293,298

11. SHARE CAPITAL

	27 February 2014 £	28 February 2013 £
Allotted, called up and fully paid		
2 Ordinary shares shares of £1 each	2	2

COSTA BEIJING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 FEBRUARY 2014**

12. RESERVES

	Profit and loss account £
At 1 March 2013	(334,289)
Loss for the year	(239,003)
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At 27 February 2014	(573,292)
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13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	27 February 2014 £	28 February 2013 £
Opening shareholders' deficit	(334,287)	(388,248)
Prior year adjustments		74,892
		<hr/>
Opening shareholders' deficit (as restated)		(313,356)
Loss for the financial year	(239,003)	(20,931)
	<hr/>	<hr/>
Closing shareholders' deficit	(573,290)	(334,287)
	<hr/>	<hr/>

14. RELATED PARTY TRANSACTIONS

The company is a wholly-owned subsidiary of Whitbread PLC, the ultimate controlling entity of the Group, and has taken advantage of the exemption given in Financial Reporting Standard No. 8 not to disclose transactions with other group companies.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Costa International Limited. The ultimate parent undertaking is Whitbread PLC.

The parent undertaking of the smallest group of undertakings for which group accounts are drawn up and of which the Company is a member is Whitbread Group PLC, registered in England and Wales. Copies of their accounts can be obtained from Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE.

The parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the Company is a member is Whitbread PLC, registered in England and Wales. Copies of their accounts can be obtained from Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE.