RNS Number : 6032D
Whitbread PLC
17 May 2012

Whitbread PLC

Annual Report and Annual General Meeting

17 May 2012

The Company announces that copies of its 2011/12 Annual Report and Accounts, Notice of Annual General Meeting and Form of Proxy, together with letters from the Chairman relating to such documents, have been submitted to the UK Listing Authority National Storage Mechanism and will shortly be available for inspection at www.Hemscott.com/nsm.do.

The Company's Annual General Meeting will be held at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE on Tuesday 19 June 2012 at 2.00 pm.

The above documents can also be downloaded from the Company's website at www.whitbread.co.uk.

In accordance with the requirements of Rule 4.1 and Rule 6.3.5 of the Disclosure Rules and Transparency Rules of the UK Financial Services Authority, the Appendix to this announcement contains a description of the principal risks and uncertainties affecting the Group and a responsibility statement.

The Company's Preliminary Results for the financial year to 1 March 2012 were announced on 26 April 2012.

Enquiries:

Catherine Lindsay, Company Secretarial Assistant
Tel: 01582 889363

APPENDIX

1. Risk Management

Risk at Whitbread is measured by reference to the strategic goals and reputational interests of the Company.

Structure

Both Whitbread Hotels & Restaurants and Costa maintain risk matrices aligned to their respective strategic goals. The matrices analyse the risks to the achievement of those goals and prioritise those risks as low, medium or high based on both the likelihood and potential impact of each risk. The matrices are accompanied by supporting schedules outlining the controls in place to manage each risk. These matrices, together with controls and mitigations, are reviewed on a quarterly basis by the respective management boards.

The outputs from the process carried out at business level form the basis of a Group-level risk matrix. This includes the most significant business risks as well as other risks specific to the Group. The Group risk matrix is reviewed quarterly by the Board and annually by the Audit Committee.

The process:

• links risks to strategic objectives;

• prioritises risks based on likelihood and impact;

• articulates the key controls on which the business relies in mitigating and/or monitoring the key risks; and

• drives quarterly updates to the status of risks and controls.

The risk and control matrices are used as the foundation on which to develop the annual assurance map, which ensures risks and controls are reviewed and tested either by Ernst & Young, CMi or PwC as part of the operational audit. Operational audit work provides a level of independent assurance on the application of key controls put in place by management to mitigate both the likelihood and impact of key risks to the Group and its businesses.

The current status

In total, there were 18 risks identified on the Group risk matrix considered by the Audit Committee in March 2012. These risks were categorised into the following six categories: health and safety; reputational; market; financial; third-party; and operational.

Mitigating controls are in place for all 18 risks, together with appropriate assurance processes. After taking account of these controls the Audit Committee and the Board considered that 13 of the risks either had a low likelihood of occurring or would have a low impact in the event that they did occur. For this reason, these 13 risks have not been categorised as principal risks for the purposes of this report. The Board considers that for all 13 of these risks there has been no deterioration of the position during the year.

The five principal risks identified, together with details of mitigating controls, monitoring and assurance processes and an indication of the current trend for each are summarised in the table below. The Board does not consider any of these risks to have a high likelihood of occurring.

Principal risks

Risk	Mitigation controls	Monitoring and assurance	Current trend

Health and safety risk: serious health or provenance issue relating to food.	The quality of expertise of members of the procurement, food development and safety and security teams mitigates the risk of serious food safety or provenance issues. The Company monitors media reports to help it to predict future issues and the Board emphasises the importance of this area. The Company has stringent food safety policies and a detailed sourcing policy.	CMi, an independent company, carries out regular audits on all outlets to measure their performance against a range of health and safety standards, including food safety standards. Health and safety is a hurdle on the WINcard and influences bonus payments to employees. Regular updates are provided to the management boards and to the Whitbread PLC Board.	Stable
Market risk: Consumer spending being adversely affected by the macro-economic environment.	Commercial action plans have been developed by the Group's businesses in order to ensure that, in the challenging consumer economy, we continue to offer excellent value to our customers so that our hotels, restaurants and coffee shops are the number one choice in their market. Trading results and economic indicators are monitored to allow for speedy action when required.	The executive teams and the Whitbread PLC Board review the commercial plans and monitor performance.	Stable
Market risk: change in the market or competitor activity adversely affecting trading in any of the Company's businesses.	Actions to outperform the competition are developed on a strategic and tactical basis. Significant customer research is carried out with Premier Inn, for example, receiving more than 800,000 responses in 2011/12. The customer insight received is used to develop action plans. Consumer trends, both in the UK and overseas, are analysed and competitor activity is monitored. Monthly reports are produced by each business for the Board.	Relative market share information and timely trading performance data is produced and monitored by the executive teams and the Board.	**Premier Inn** Stable **Restaurants** Stable **Costa** Improving
Financial risk: significant increase in the pension scheme's actuarial and/or statutory deficit resulting in higher pension contributions or the re-rating of the Company's credit.	The Company's defined benefit pension scheme is closed to new members and, for future service, to existing members. The Pension Investment Committee and its advisers, as well as the internal pensions team, have significant expertise in the area and provide good quality oversight. The investment strategy has been designed to reduce volatility and risk and hedging opportunities are utilised as appropriate.	Lane Clark & Peacock have been appointed as pensions advisers to the Company. Pension fund reports are reviewed by the Board.	Deteriorating
Third-party risk: third-party failing and consequently breaching the terms of a significant contract or giving rise to a privity of contract claim.	Credit control checks are carried out on parties to significant contracts, along with the continued auditing and monitoring of those contracts. Regular reviews are carried out on the potential for privity of contract claims and, when they are received, all efforts are made to lessen the financial liability through negotiation with the landlord or sale of the lease.	Credit controllers monitor risks and there is a regular review of the debtors registers by the management boards.	Stable

2. Directors' responsibility for the consolidated financial statements/ audit report

Responsibility statement

We confirm on behalf of the Board that, to the best of our knowledge:

• the financial statements, prepared in accordance with IFRSs as adopted by theEuropean Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group taken as a whole; and

• the Directors' report includes a fair review of the development and performance of the business and the position of the Group taken as a whole,

together with a description of the principal risks and uncertainties that they face.

By order of the Board

Andrew Harrison Christopher Rogers
Chief Executive Finance Director
25 April 2012

This information is provided by RNS
The company news service from the London Stock Exchange

END

ACSSFLFLWFESEDI