

BURGERKING (HOLDINGS) LIMITED

COMPANIES FINANCIAL STATEMENTS

SEVENTEEN MONTHS ENDED 30 SEPTEMBER 1989

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BURGERKING (HOLDINGS) LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their annual report and financial statements for the seventeen months ended 30 September 1989.

Activities

The company acts as a holding company and did not trade during the period. During the year the company increased its investment in Burgerking (UK) Limited.

Directors

The directors during the year (together with those subsequently appointed) are as follows:

CR Petty	
J Robinson	
JG Scott	(resigned 1 September 1989)
JT Webb	(resigned 28 September 1988)
J Rollo	(appointed 28 September 1988)
RT Sread	(appointed 28 September 1988)
DE Webber	(appointed 28 September 1988; resigned 30 September 1989)
SA Moffat	(appointed 2 October 1989)

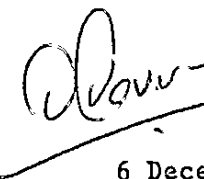
Mr Petty retires by rotation in accordance with the Articles of Association and, being eligible, offers himself for re-election.

None of the directors who held office at the end of the financial year had any interests in the shares of the company or Grand Metropolitan PLC.

Auditors

The auditors, Peat Marwick McLintock, have informed us that they will practise under the name of KPMG Peat Marwick McLintock with effect from 1 January 1990. In accordance with Section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG Peat Marwick McLintock as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board


Secretary
6 December 1989

20 Kew Road
Richmond
Surrey

KPMG Peat Marwick McLintock

AUDITORS' REPORT TO THE MEMBERS OF
BURGERKING (HOLDINGS) LIMITED

We have audited the financial statements on pages 3 to 5 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 September 1989 and of its result for the seventeen months then ended and have been properly prepared in accordance with the Companies Act 1985.

Peat Marwick McLintock


Chartered Accountants

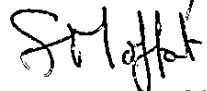
London

6 December 1989

BURGERKING (HOLDINGS) LIMITEDBALANCE SHEETAs at 30 September 1989

	<u>Notes</u>	<u>30 September 1989</u>	<u>30 April 1988</u>
FIXED ASSETS			
Investment in subsidiary	2	£ 34,153,882	£ 14,453,882
CURRENT ASSETS			
Debtors: Amount due from group companies	£ 1,246		1,246
CREDITORS: Amount due to holding company	3 (15,200,000)		-
NET CURRENT (LIABILITIES)/ASSETS		(15,198,754)	1,246
TOTAL ASSETS LESS CURRENT LIABILITIES		£ 18,955,128	£ 14,455,128
CAPITAL AND RESERVES			
Called up share capital	4	£ 18,973,882	£ 14,473,882
Reserves		27,256	27,256
Capital		(46,010)	(46,010)
Profit and loss account			
		£ 18,955,128	£ 14,455,128


 R. T. SNEAD
 Director


 S. N. MOFFAT
 Director

NOTES(forming part of the financial statements)

1 ACCOUNTING CONVENTION

The financial statements of the company are prepared under the historical cost convention. They have been drawn up to comply in all material respects with UK Statements of Standard Accounting Practice in force at the relevant time. The bases used are consistent with those used in the previous year. No profit and loss account has been prepared since the company did not trade during the period. Group accounts are not presented as the company is a wholly owned subsidiary of Grand Metropolitan PLC, a company incorporated in the United Kingdom.

Investments

Investments are stated at cost less provision for any permanent diminution in value. Net realisable value is estimated by the directors in the case of unlisted investments and is market value in the case of listed investments.

2 FIXED ASSETS - INVESTMENT IN SUBSIDIARY

The investment in subsidiary represents the whole of the issued share capital of Burgerking (UK) Limited, a company operating fast food restaurants which is incorporated in the United Kingdom. In the opinion of the directors the investment in subsidiary is worth at least the amount at which it is stated in the financial statements.

3 CREDITORS

The amount due to the holding company represents a non interest bearing loan with no fixed repayment term.

4 CALLED UP SHARE CAPITAL

	<u>1989</u>	<u>Authorised</u> <u>1988</u>	<u>Allotted, called up and fully paid</u>			
			<u>No</u>	<u>1989</u>	<u>No</u>	<u>1988</u>
Ordinary shares of £1 each	£ 3,000,000	£ 3,000,000	20,000	£ 20,000	20,000	£ 20,000
Redeemable preference shares of £1 each	47,000,000	22,000,000	18,953,882	18,953,882	14,453,882	14,453,882
	£50,000,000	£25,000,000	18,973,882	£18,973,882	14,473,882	£14,473,882
	=====	=====	=====	=====	=====	=====

On 14 July 1988 the company issued 4,500,000 £1 redeemable preference shares at par value to finance an increase in the investment in Burgerking (UK) Limited. The redeemable preference shares may be redeemed at the option of the company.

NOTES

5 IMMEDIATE AND ULTIMATE HOLDING COMPANY

The immediate holding company is Minneapolis (Holdings) Limited. The ultimate holding company is Grand Metropolitan plc, a company incorporated in Great Britain.

6 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on 6 December 1989.