

Registration number: 1299745

# Mitchells & Butlers (Property) Limited

Annual Report and Financial Statements

for the 52 weeks ended 24 September 2016



## **Mitchells & Butlers (Property) Limited**

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## **Mitchells & Butlers (Property) Limited**

### **Strategic Report for the 52 weeks ended 24 September 2016**

Mitchells & Butlers (Property) Limited ("the Company") is a private company limited by shares and is a subsidiary company of Mitchells & Butlers plc. Mitchells & Butlers plc, along with its subsidiaries, form the Mitchells and Butlers group of companies ("the Group").

The Directors present their Strategic Report for the 52 weeks ended 24 September 2016.

#### **Fair review of the business**

The Company manages an unlicensed property portfolio within the Mitchells & Butlers plc Group. The operation is based within the UK with the majority of the property being owned on a freehold basis. The Company generates rental income through property letting.

The Company qualifies as a small company.

#### **Key Performance Indicators**

As the Company qualifies as a small company the Directors believe that key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. Key performance indicators for the Mitchells & Butlers plc Group as a whole, which includes the Company, are discussed in the Annual Report and Accounts 2016 of Mitchells & Butlers plc.

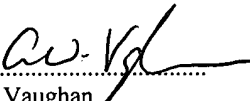
#### **Principal risks and uncertainties**

The principal risk facing the Company relates to the UK property market and the Company's ability to dispose of properties or achieve property rental income in excess of the ongoing rental commitments.

#### **Future developments**

The Company is expected to continue to own and manage a property portfolio.

Approved by the Board on 21 November 2016 and signed on its behalf by:

  
.....  
A W Vaughan  
Director

## **Mitchells & Butlers (Property) Limited**

### **Directors' Report for the 52 weeks ended 24 September 2016**

The Directors present their annual report and the financial statements for the 52 weeks ended 24 September 2016.

#### **Results**

Revenue for the period was £209,000 (2015 £195,000) with profit for the period before taxation of £20,000 (2015 profit of £706,000). Taxation charged against the profit for the period was £nil (2015 £nil charged against the profit) leaving a profit after tax of £20,000 (2015 profit £706,000).

#### **Dividends**

The Directors do not recommend the payment of a dividend (2015 £Nil).

#### **Going concern**

The financial statements have been prepared on a going concern basis. The Directors of Mitchells & Butlers plc, the ultimate parent undertaking have stated that they will continue to make funds available to the Company to enable it to meet its debts as they fall due for the foreseeable future, being a period of at least twelve months from the date of approval of the balance sheet.

#### **Directors of the company**

The Directors who held office during the period and up to the date of this report were as follows:

J A Berrow  
S K Martindale  
L J Miles  
A W Vaughan  
G McMahon

#### **Disclosure of information to the auditors**

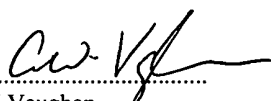
The Directors who held office as at the date of approval of this Directors' report confirm that so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and that each Director has taken all the steps that they ought to have taken as a Director to be 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 provision of s418 of the Companies Act 2006.

#### **Reappointment of auditors**

In accordance with section 485 of the Companies Act 2006; a resolution for the re-appointment of Deloitte LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 21 November 2016 and signed on its behalf by:

  
.....  
A W Vaughan  
Director

## **Mitchells & Butlers (Property) Limited**

### **Directors' Responsibilities Statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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.

## **Independent Auditor's Report to the members of Mitchells & Butlers (Property) Limited**

We have audited the financial statements of Mitchells & Butlers (Property) Limited for the 52 weeks ended 24 September 2016 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 15. 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 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 (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 24 September 2016 and of its profit for the 52 weeks 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 the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

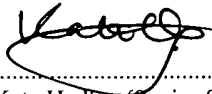
In the light of this knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Director's Report.

**Independent Auditor's Report to the members of Mitchells & Butlers (Property)  
Limited (continued)**

**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.



.....  
Kate Hadley (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor

Birmingham, UK

21 November 2016

## Mitchells & Butlers (Property) Limited

### Income statement for the 52 weeks ended 24 September 2016

	Note	52 weeks ended 24 September 2016 £ 000	52 weeks ended 26 September 2015 £ 000
Revenue	2	209	195
Operating costs	3	(236)	(398)
Separately disclosed items	4	-	(10)
Profit on property disposals		<u>47</u>	<u>919</u>
<b>OPERATING PROFIT</b>		<u>20</u>	<u>706</u>
<b>PROFIT BEFORE TAXATION</b>		20	706
Tax	6	<u>-</u>	<u>-</u>
<b>PROFIT FOR THE PERIOD</b>		<u><u>20</u></u>	<u><u>706</u></u>

The above results are derived from continuing operations.



**Mitchells & Butlers (Property) Limited**

**Statement of Comprehensive Income for the 52 weeks ended 24 September 2016**

	<b>52 weeks ended 24 September 2016 £ 000</b>	<b>52 weeks ended 26 September 2015 £ 000</b>
<b>PROFIT FOR THE PERIOD</b>	<u>20</u>	<u>706</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u><u>20</u></u>	<u><u>706</u></u>

The notes on pages 10 to 19 form an integral part of these financial statements.

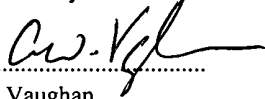
# Mitchells & Butlers (Property) Limited

(Registration number: 1299745)

## Balance Sheet as at 24 September 2016

	Note	24 September 2016 £ 000	26 September 2015 £ 000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	561	582
<b>TOTAL NON-CURRENT ASSETS</b>		<u>561</u>	<u>582</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		29,664	29,735
Trade and other receivables	8	70	23
<b>TOTAL CURRENT ASSETS</b>		<u>29,734</u>	<u>29,758</u>
<b>TOTAL ASSETS</b>		<u>30,295</u>	<u>30,340</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	(31,025)	(30,980)
<b>TOTAL CURRENT LIABILITIES</b>		<u>(31,025)</u>	<u>(30,980)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,291)</u>	<u>(1,222)</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	11	(270)	(380)
<b>TOTAL NON CURRENT LIABILITIES</b>		<u>(270)</u>	<u>(380)</u>
<b>TOTAL LIABILITIES</b>		<u>(31,295)</u>	<u>(31,360)</u>
<b>NET LIABILITIES</b>		<u>(1,000)</u>	<u>(1,020)</u>
<b>EQUITY</b>			
Share capital	12	-	-
Retained losses		(1,000)	(1,020)
<b>TOTAL EQUITY</b>		<u>(1,000)</u>	<u>(1,020)</u>

Approved by the Board and authorised for issue on 21 November 2016. They were signed on its behalf by:

  
 .....  
 A W Vaughan  
 Director

The notes on pages 10 to 19 form an integral part of these financial statements.

**Mitchells & Butlers (Property) Limited**

**Statement of Changes in Equity for the 52 weeks ended 24 September 2016**

	<b>Share capital £ 000</b>	<b>Retained losses £ 000</b>	<b>Total £ 000</b>
At 28 September 2014	-	(1,726)	(1,726)
Profit for the period	-	706	706
Total comprehensive income	-	706	706
At 26 September 2015	-	(1,020)	(1,020)
	<b>Share capital £ 000</b>	<b>Retained losses £ 000</b>	<b>Total £ 000</b>
At 27 September 2015	-	(1,020)	(1,020)
Profit for the period	-	20	20
Total comprehensive income	-	20	20
At 24 September 2016	-	(1,000)	(1,000)

The notes on pages 10 to 19 form an integral part of these financial statements.

## **Mitchells & Butlers (Property) Limited**

### **Notes to the Financial Statements for the 52 weeks ended 24 September 2016**

#### **1 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 periods presented, unless otherwise stated. The nature of the Company's operations and its principal activities are set out in the Strategic Report.

##### **Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council. Accordingly, in the period the Company has undergone transition from reporting under UK Generally Accepted Accounting Principles (UK GAAP) to FRS 101 as issued by the Financial Reporting Council. These financial statements have therefore been prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. These financial statements have incorporated the Amendments to FRS 101 issued by the Financial Reporting Council in July 2015 and the amendments to Company Law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 prior to their mandatory effective date of accounting periods beginning on or after 1 January 2016. The impact of this transition is shown in note 15.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, 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 relevant, equivalent disclosures have been given in the Annual Report and Accounts 2016 of Mitchells & Butlers plc.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The Company's ultimate parent undertaking, Mitchells & Butlers plc includes the Company in its consolidated financial statements. The consolidated financial statements of Mitchells & Butlers plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from the Company Secretary, Mitchells & Butlers plc, 27 Fleet Street, Birmingham B3 1JP.

##### **Accounting reference date**

The Company's accounting reference date is 30 September. The Company has drawn up its financial statements for the 52 weeks ended 24 September 2016 the Saturday directly preceding the accounting reference date, as permitted by section 390(3) of the Companies Act 2006. The comparative period is for the 52 weeks ended 26 September 2015.

##### **Going concern**

The financial statements have been prepared on a going concern basis. The Directors of Mitchells & Butlers plc, the ultimate parent undertaking, have stated that they will continue to make funds available to the Company to enable it to meet its debts as they fall due for the foreseeable future, being a period of at least twelve months from the date of approval of the balance sheet.

## **Mitchells & Butlers (Property) Limited**

### **Notes to the Financial Statements for the 52 weeks ended 24 September 2016 (continued)**

#### **1 Accounting policies (continued)**

##### **Critical accounting judgements and estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect reported amounts of assets, liabilities, income and expense.

Estimates and judgements are periodically evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Estimates are used when accounting for items such as depreciation and asset impairments.

##### **Adoption of new and revised Standards**

None of the standards and interpretations issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) and effective for the first time in the current period have had a material effect on the financial statements.

##### **Revenue recognition**

Revenue represents rental income (excluding VAT) received in the normal course of business.

##### **Separately disclosed items**

In addition to presenting information on an IFRS basis, the Company also presents adjusted profit information that excludes exceptional items, including the impact of related tax. This adjusted information is disclosed to allow a better understanding of the underlying trading performance of the Company and is consistent with the Company's internal management reporting.

Separately disclosed items are those which are separately identified by virtue of their size or incidence and include movements in the property portfolio as a result of the impairment review of short leasehold and unlicensed properties and effects of corporation tax rate change.

##### **Property, plant and equipment**

Property, plant and equipment is held at cost less depreciation and impairment.

## **Mitchells & Butlers (Property) Limited**

### **Notes to the Financial Statements for the 52 weeks ended 24 September 2016 (continued)**

#### **1 Accounting policies (continued)**

##### ***Depreciation***

Depreciation is charged to the income statement on a straight- line basis to write off the cost less residual value over the estimated useful lives of items of property, plant and equipment and is commenced when an asset is ready for its intended use.

Freehold land is not depreciated.

Freehold and long leasehold properties are depreciated so that the difference between their carrying value and estimated residual value is written off over 50 years from the date of acquisition. The residual value of freehold and long leasehold properties is reviewed annually.

Leasehold properties are depreciated over the unexpired term of the lease where this is less than 50 years.

Fixtures, fittings and equipment have the following estimated useful lives:

Information technology equipment 3 to 7 years

Fixtures and fittings 3 to 20 years

Expected useful lives and residual values are reviewed each year and adjusted if appropriate.

##### ***Disposals***

Profits and losses on disposal of property, plant and equipment are calculated as the difference between the net sales proceeds and the carrying amount of the asset at the date of disposal.

##### ***Impairment***

The carrying values of properties are reviewed on an outlet basis for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised whenever the carrying amount of an outlet exceeds its recoverable amount. The recoverable amount is the higher of an outlet's fair value less costs to sell and value in use. Any changes in outlet earnings, or cash flows, the discount rate applied to those cash flows, or the estimate of sales proceeds could give rise to an additional impairment loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised as income immediately. An impairment reversal is only recognised where there is a change in the estimates used to determine recoverable amounts, not where it results from the passage of time.

##### ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at bank and in hand and other short-term highly liquid deposits with an original maturity at acquisition of three months or less. Cash held on deposit with an original maturity at acquisition of more than three months is disclosed as other cash deposits.

##### ***Trade receivables***

Trade and other receivables are recognised and carried at original cost less an allowance for any uncollectable amounts.

## **Mitchells & Butlers (Property) Limited**

### **Notes to the Financial Statements for the 52 weeks ended 24 September 2016 (continued)**

#### **1 Accounting policies (continued)**

##### **Trade payables**

Trade and other payables are recognised at original cost.

##### **Taxation**

The income tax expense represents both the income tax payable, based on profits for the period, and deferred tax and is calculated using tax rates enacted or substantively enacted at the balance sheet date. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense which are not taxable. Income tax is recognised in the income statement except when it relates to items charged or credited directly to equity, in which case the income tax is also charged or credited to equity.

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount of their tax bases. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying value of assets and liabilities.

##### **Group tax relief**

It is the policy of the Mitchells & Butlers plc Group for no payment to be made for group tax relief received.

##### **Leases**

Operating leases - Company as lessee

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 and sub-leases are charged to the income statement on a straight line basis over the period of the lease. Lease incentives are recognised as a liability and a subsequent reduction in the rental expense over the lease term on a straight line basis.

Premiums paid on acquiring a new lease are spread on a straight line basis over the lease term. Such premiums are classified in the balance sheet as current or non-current prepayments, with the current portion being the element which relates to the following period.

The Company's policy is to account for land held under both long and short leasehold contracts as operating leases, since it has no expectation that title will pass on expiry of the lease contracts.

Operating leases - Company as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the lease.

#### **2 Revenue**

Mitchells & Butlers (Property) Limited is a wholly owned subsidiary of Mitchells & Butlers Holdings Limited with its operations falling under a single class of business and all residing within the UK. As such the Company is not required to complete separate disclosure notes under IFRS 8 Segmental Reporting and opts to disclose only a single business segment.

## Mitchells & Butlers (Property) Limited

### Notes to the Financial Statements for the 52 weeks ended 24 September 2016 (continued)

#### 3 Operating costs

		52 weeks ended 24 September 2016 £ 000	52 weeks ended 26 September 2015 £ 000
	Note		
Operating costs are analysed as follows:			
Operating lease expense - property		148	314
Other costs		54	49
Depreciation expense	7	34	35
Total operating costs		236	398

Fees paid to Deloitte LLP for the audit of the Company's accounts were £5,000 (2015 £2,000). The fee is borne on behalf of the Company by another Group company. Fees paid to Deloitte LLP and their associates for non-audit services are not disclosed for the Company since the Annual Report and Accounts 2016 of Mitchells & Butlers plc, the ultimate parent of Mitchells & Butlers (Property) Limited discloses such fees on a consolidated basis.

#### 4 Separately disclosed items

		52 weeks ended 24 September 2016 £ 000	52 weeks ended 26 September 2015 £ 000
	Note		
Movement in the valuation of the property portfolio:			
- Impairment of unlicensed properties	7	-	10
Total adjusted items		-	10

#### 5 Employees and Directors

##### *Employees*

The Company does not have any direct employees. The administration of the Company's property portfolio is conducted on its behalf by other companies in the Mitchells & Butlers plc Group.

##### *Directors' remuneration*

The Directors received no emoluments for their services to this Company.



## Mitchells & Butlers (Property) Limited

### Notes to the Financial Statements for the 52 weeks ended 24 September 2016 (continued)

#### 6 Taxation

	52 weeks ended 24 September 2016 £ 000	52 weeks ended 26 September 2015 £ 000
<b>Taxation - income statement</b>		
<b>Current taxation</b>		
UK corporation tax	3	(32)
Group relief (received)/surrendered for nil payment	(3)	32
	-	-
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	10	-
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	(10)	-
	-	-
Total tax expense/(credit) recognised in the income statement	-	-

The tax in the income statement for the period is lower than the standard rate of corporation tax in the UK of 20% (2015 lower than the standard rate of corporation tax in the UK of 20.5%).

The differences are reconciled below:

	52 weeks ended 24 September 2016 £ 000	52 weeks ended 26 September 2015 £ 000
Profit before tax	20	706
Corporation tax at standard rate	4	145
Decrease/(increase) from effect of revenues exempt from taxation	(9)	(188)
Increase/(decrease) from effect of expenses not deductible in determining taxable profit/(tax loss)	18	11
Increase/(decrease) arising from group relief	(3)	32
Deferred tax expense/(credit) from unrecognised temporary difference from a prior period	(10)	-
Total tax charge/(credit)	-	-

#### Factors which may affect future tax charges

The Finance (No.2) Act 2015 was enacted on 18 November 2015 and reduced the main rate of corporation tax from 20% to 19% from 1 April 2017. The Finance Act 2016 was substantively enacted on 15 September 2016 and reduced the main rate of corporation tax to 17% from 1 April 2020. The effect of these changes has no impact on these financial statements.

# **Mitchells & Butlers (Property) Limited**

## **Notes to the Financial Statements for the 52 weeks ended 24 September 2016 (continued)**

### **7 Property, plant and equipment**

	<b>Land and buildings £ 000</b>	<b>Fixtures, fittings &amp; equipment £ 000</b>	<b>Total £ 000</b>
<b>Cost</b>			
At 27 September 2015	573	471	1,044
Additions	10	4	14
Disposals*	-	(178)	(178)
At 24 September 2016	<u>583</u>	<u>297</u>	<u>880</u>
<b>Depreciation</b>			
At 27 September 2015	96	366	462
Provided in the period	8	26	34
Disposals*	-	(177)	(177)
At 24 September 2016	<u>104</u>	<u>215</u>	<u>319</u>
<b>Carrying amount</b>			
At 24 September 2016	<u>479</u>	<u>82</u>	<u>561</u>
At 26 September 2015	<u>477</u>	<u>105</u>	<u>582</u>

\* Includes assets which are fully depreciated and have been removed from the fixed asset register.

# **Mitchells & Butlers (Property) Limited**

## **Notes to the Financial Statements for the 52 weeks ended 24 September 2016 (continued)**

### **8 Trade and other receivables**

	<b>24 September 2016 £ 000</b>	<b>26 September 2015 £ 000</b>
Trade receivables	63	16
Prepayments	3	3
Other receivables	4	4
	<u>70</u>	<u>23</u>

### **9 Trade and other payables**

	<b>24 September 2016 £ 000</b>	<b>26 September 2015 £ 000</b>
Accrued expenses	70	12
Other payables	88	80
Amounts owed to group undertakings	30,867	30,888
	<u>31,025</u>	<u>30,980</u>

### **10 Lease commitments**

#### **Operating leases**

The total future minimum lease rental payments under non-cancellable operating leases are as follows:

	<b>24 September 2016 £ 000</b>	<b>26 September 2015 £ 000</b>
Within one year	235	235
In two to five years	944	940
In over five years	4,668	4,902
	<u>5,847</u>	<u>6,077</u>

## Mitchells & Butlers (Property) Limited

### Notes to the Financial Statements for the 52 weeks ended 24 September 2016 (continued)

#### 11 Provisions

	Property provisions £ 000	Total £ 000
At 27 September 2015	380	380
Additional provisions	56	56
Release of provisions	(51)	(51)
Provisions used	<u>(115)</u>	<u>(115)</u>
At 24 September 2016	<u>270</u>	<u>270</u>

Onerous property provisions represent the expected unavoidable losses on onerous and vacant property leases and comprise the lower of the net rent payable or the operating loss after rental costs. The provision is calculated on a site by site basis, with an estimated period of future losses of up to five years. Other contractual dilapidations costs are also recorded as provisions as appropriate.

#### 12 Share capital

##### Allotted, called up and fully paid shares

	24 September 2016		26 September 2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

#### 13 Contingent liabilities

The Company is party to a composite guarantee with other Group companies which also participate in its day-to-day cash pooling arrangements. Any potential liability is the aggregate gross overdraft of every participant, capped at the level of cash in hand held by the Company. At 24 September 2016, the Company had in hand cash of £29,664,000 (2015 £29,735,000) which is less than the aggregate gross overdraft of all the participant companies. Therefore, at 24 September 2016, the Company had a contingent liability under the composite guarantee of £29,664,000 (2015 £29,735,000).

#### 14 Ultimate parent undertaking

The Company's immediate parent is Mitchells & Butlers Holdings Limited.

The Company's ultimate parent and controlling party is Mitchells & Butlers plc.

## **Mitchells & Butlers (Property) Limited**

### **Notes to the Financial Statements for the 52 weeks ended 24 September 2016 (continued)**

#### **14 Ultimate parent undertaking (continued)**

##### **Relationship between entity and parents**

The parent of the largest and smallest group in which these financial statements are consolidated is Mitchells & Butlers plc, incorporated in the United Kingdom.

The consolidated financial statements of Mitchells & Butlers plc are available from the Company Secretary, 27 Fleet Street, Birmingham, B3 1JP

All undertakings, including the Company, are companies incorporated in the United Kingdom and registered in England and Wales.

#### **15 Transition to FRS 101**

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies have been applied consistently in preparing the financial statements for the 52 weeks ended 24 September 2016, the comparative information presented for the 52 weeks ended 26 September 2015 and in the preparation of an opening FRS 101 balance sheet at 28 September 2014 (the Company's date of transition).

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP).

There has been no balance sheet impact on the transition from UK GAAP to FRS 101. There has also been no impact on equity or total comprehensive income as a result of the transition.