

Mitchells & Butlers Holdings Limited

Report and Financial Statements

For the 52 weeks ended 26 September 2015

Registered Number: 3420338

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COMPANIES HOUSE

Mitchells & Butlers Holdings Limited

STRATEGIC REPORT

For the 52 weeks ended 26 September 2015

BUSINESS MODEL

Mitchells & Butlers Holdings Limited is an intermediate holding company within the Mitchells & Butlers plc Group.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company has various investments in other group companies and therefore the most significant risk facing the Company is that the recoverable value of these investments falls below the carrying value, resulting in the Company recognising impairment losses. The risk of this occurring is assessed as low, given the trading history and future prospects for the Group. This risk is monitored by the Directors on a regular basis.

KEY PERFORMANCE INDICATORS

As the Company is non-trading the Directors believe that further 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 2015 of Mitchells & Butlers plc.

FUTURE PROSPECTS

The Company is expected to continue to be an intermediate holding company within the Mitchells & Butlers plc Group. Future transactions are expected to be limited to the receipt of intercompany dividend income and the payment of dividends.

By order of the Board



J A Berrow
Director
9 December 2015

Mitchells & Butlers Holdings Limited

DIRECTORS' REPORT

For the 52 weeks ended 26 September 2015

The Directors present their report on the affairs of the Company, together with the financial statements and independent auditor's report, for the 52 weeks ended 26 September 2015. The comparative period was the 52 weeks ended 27 September 2014.

This Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

RESULTS AND DIVIDENDS

The profit for the period before taxation, comprising intercompany dividend income net of administrative expenses, amounted to £34,600,000 (2014 £72,800,000). Taxation charged against the profit for the period was £nil (2014 £nil) leaving a profit after tax of £34,600,000 (2014 £72,800,000). Dividends of £34,600,000 (2014 £72,800,000) were paid during the period to the Company's immediate parent company, Mitchells & Butlers Holdings (No. 2) Limited. No dividends were proposed at the year end (2014 £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

The following served as Directors of the Company during the period, and subsequently:

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

AUDITOR

The Directors who held office as at the date of approval of this Directors' report have confirmed 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 ought to have been 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 provisions of S418 of the Companies Act 2006.

The Company has passed an Elective Resolution pursuant to Sections 485-488 of the Companies Act 2006 dispensing with the requirement to appoint auditors annually.

By order of the Board



J A Berrow
Director
9 December 2015

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). 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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 HOLDINGS LIMITED

We have audited the financial statements of Mitchells & Butlers Holdings Limited for the 52 weeks ended 26 September 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. 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 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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 26 September 2015 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.

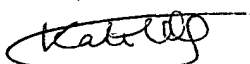
Opinion on other matter prescribed by the Companies Act 2006

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

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
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' report; 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
9 December 2015

Mitchells & Butlers Holdings Limited

PROFIT AND LOSS ACCOUNT

For the 52 weeks ended 26 September 2015

		52 weeks ended 26 September 2015	52 weeks ended 27 September 2014
	Notes	£	£
Income from investments	2	34,600,000	72,800,000
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		34,600,000	72,800,000
Taxation on profit on ordinary activities	5	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	10	34,600,000	72,800,000

All activities are derived from continuing operations.

The Company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

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

BALANCE SHEET

At 26 September 2015

	<i>Notes</i>	<i>26 September 2015 £</i>	<i>27 September 2014 £</i>
FIXED ASSETS			
Investments	7	1,565,236,536	1,565,236,537
CURRENT ASSETS			
Cash		<u>1,001</u>	<u>1,001</u>
		1,001	1,001
CREDITORS: amounts falling due within one year	8	(1,533)	(1,534)
NET CURRENT LIABILITIES		<u>(532)</u>	<u>(533)</u>
NET ASSETS		<u><u>1,565,236,004</u></u>	<u><u>1,565,236,004</u></u>
CAPITAL AND RESERVES			
Share capital	9, 10	116,666,670	116,666,670
Profit and loss account	10	1,448,569,334	1,448,569,334
SHAREHOLDERS' FUNDS	10	<u><u>1,565,236,004</u></u>	<u><u>1,565,236,004</u></u>

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

Signed on behalf of the Board



J A Berrow
Director
9 December 2015

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 26 September 2015

1. ACCOUNTING POLICIES

A summary of the principal accounting policies applied by the Company is set out below. These have been applied consistently over the current and prior period.

Basis of accounting

The financial statements are prepared under the historical cost convention. They comply with applicable accounting standards in the United Kingdom.

Accounting reference date

The Company's accounting reference date is 30 September. The Company has drawn up its financial statements for the 52 weeks to 26 September 2015, 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 27 September 2014.

Consolidation

The financial statements contain information about the individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt from preparing group accounts under section 400 of Companies Act 2006 since the Company is a wholly owned subsidiary undertaking of another UK company.

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.

Cash flow

As permitted under FRS1 (Revised 1996) 'Cash flow statements', the Company has taken advantage of the exemption to prepare a cash flow statement as the Company is a wholly owned subsidiary undertaking of Mitchells & Butlers plc whose financial statements for the 52 weeks ended 26 September 2015 include a consolidated cash flow statement incorporating the cash flows of the Company.

Fixed asset investments

Fixed asset investments are stated individually at cost less provision for impairment. The carrying value of fixed asset investments is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results can differ from those estimates. Estimates are used when accounting for items such as asset impairments.

2. INCOME FROM INVESTMENTS

During the period the Company received dividend income of £34,600,000 (2014 £72,800,000) from Mitchells & Butlers Leisure Holdings Limited, a subsidiary of the Company.

Mitchells & Butlers Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 26 September 2015

3. EMPLOYEES AND DIRECTORS

The Company has no employees. Directors receive no emoluments for their services to this Company.

4. AUDITOR REMUNERATION

Auditor's remuneration payable to Deloitte LLP for audit services was £500 (2014 £500). The fee is borne on behalf of the Company by another group company. There were no non-audit services provided in either year.

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

<i>Tax charge</i>	<i>52 weeks ended 26 September 2015 £</i>	<i>52 weeks ended 27 September 2014 £</i>
Current tax		
UK corporation tax	-	-
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>
 <i>Tax rate reconciliation</i>	 <i>52 weeks ended 26 September 2015 %</i>	 <i>52 weeks ended 27 September 2014 %</i>
UK corporation tax standard rate	20.5	22.0
Permanent differences – dividend income	(20.5)	(22.0)
Effective current tax rate	<u>-</u>	<u>-</u>

There is no provided or unprovided deferred tax at the balance sheet dates.

Factors which may affect future tax charges

It was announced in the 2015 Summer Budget that the main rate of corporation tax would be reduced by 1% to 19% on 1 April 2017 and by a further 1% to 18% on 1 April 2020. Neither of these changes had been substantively enacted at the balance sheet date and therefore the effects are not included in these financial statements.

6. DIVIDENDS

During the period, the Company paid dividends of £34,600,000 (2014 £72,800,000) to its immediate parent company, Mitchells & Butlers Holdings (No.2) Limited.

Mitchells & Butlers Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 26 September 2015

7. FIXED ASSET INVESTMENTS

	<i>Subsidiary undertakings £</i>
Cost and net book value at 27 September 2014	1,565,236,537
Disposal of investment*	(1)
Cost and net book value at 26 September 2015	<u>1,565,236,536</u>

*Relates to investment of £1 in Mitchells & Butlers Retail Operating Company Limited which was dissolved on 17 February 2015.

In the opinion of the Directors the value of the subsidiary undertakings is at least equal to the amounts included above.

Details of the investments held, either directly or indirectly, by the Company at 26 September 2015 are set out below:

Name of subsidiary	Country of incorporation	Country of operation	Nature of business
Mitchells & Butlers Retail Limited	England and Wales	United Kingdom	Leisure retailing
Mitchells & Butlers Retail (No. 2) Limited	England and Wales	United Kingdom	Leisure retailing
Ha Ha Bar & Grill Limited	England and Wales	United Kingdom	Leisure retailing
Orchid Pubs & Dining Limited	England and Wales	United Kingdom	Leisure retailing
Midco 1 Limited	England and Wales	United Kingdom	Property leasing company
Mitchells & Butlers (Property) Limited	England and Wales	United Kingdom	Property management
Mitchells & Butlers Leisure Retail Limited	England and Wales	United Kingdom	Service company
Mitchells & Butlers Finance plc	England and Wales	United Kingdom	Finance company
Mitchells & Butlers Leisure Holdings Limited	England and Wales	United Kingdom	Holding company
Mitchells & Butlers Retail Holdings Limited	England and Wales	United Kingdom	Holding company
Old Kentucky Restaurants Limited	England and Wales	United Kingdom	Trademark ownership
Lastbrew Limited	England and Wales	United Kingdom	Non-trading
Mitchells & Butlers (IP) Limited	England and Wales	United Kingdom	Non-trading
Mitchells & Butlers Acquisition Company	England and Wales	United Kingdom	Non-trading
Mitchells & Butlers Retail Property Limited	England and Wales	United Kingdom	Non-trading
Mitchells and Butlers Healthcare Trustee Limited	England and Wales	United Kingdom	Healthcare trustee
Browns Restaurant (Brighton) Limited	England and Wales	United Kingdom	Dormant
Browns Restaurant (Bristol) Limited	England and Wales	United Kingdom	Dormant
Browns Restaurant (Cambridge) Limited	England and Wales	United Kingdom	Dormant
Browns Restaurant (London) Limited	England and Wales	United Kingdom	Dormant
Browns Restaurant (Oxford) Limited	England and Wales	United Kingdom	Dormant
Browns Restaurants Limited	England and Wales	United Kingdom	Dormant
Crownhill Estates (Derriford) Limited	England and Wales	United Kingdom	Dormant
East London Pubs & Restaurants Limited	England and Wales	United Kingdom	Dormant
Intertain (Dining) Limited	England and Wales	United Kingdom	Dormant

Mitchells & Butlers Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 26 September 2015

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>26 September 2015</i>	<i>27 September 2014</i>
	£	£
Amounts owed to group undertakings	<u>1,533</u>	<u>1,534</u>

9. SHARE CAPITAL

	<i>26 September 2015</i>	<i>27 September 2014</i>
	£	£
Allotted, called up and fully paid: 116,666,670 (2014 116,666,670) ordinary shares of £1	<u>116,666,670</u>	<u>116,666,670</u>

10. RECONCILIATION OF MOVEMENT IN RESERVES AND SHAREHOLDERS' FUNDS

	<i>Share capital</i>	<i>Profit & loss account</i>	<i>Total</i>
	£	£	£
At 28 September 2013	116,666,670	1,448,569,334	1,565,236,004
Profit for the period	-	72,800,000	72,800,000
Dividends	-	(72,800,000)	(72,800,000)
At 27 September 2014	<u>116,666,670</u>	<u>1,448,569,334</u>	<u>1,565,236,004</u>
Profit for the period	-	34,600,000	34,600,000
Dividends	-	(34,600,000)	(34,600,000)
At 26 September 2015	<u>116,666,670</u>	<u>1,448,569,334</u>	<u>1,565,236,004</u>

11. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of Mitchells & Butlers plc, the Company has taken advantage of the exemption under FRS 8 'Related party disclosures' not to disclose details of related party transactions or balances with entities which form part of the Group.

12. 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 in hand cash held by the Company. At 26 September 2015, the Company had cash in hand of £1,001 (2014 £1,001) which is less than the aggregate gross overdraft of all the participant companies. Therefore, at 26 September 2015, the Company had a contingent liability under the composite guarantee of £1,001 (2014 £1,001).

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 26 September 2015

13. ULTIMATE PARENT UNDERTAKING

Mitchells & Butlers plc is the ultimate parent undertaking and controlling party of the Company. The immediate parent undertaking of the Company is Mitchells & Butlers Holdings (No.2) Limited. The only group in which the Company is consolidated is that headed by Mitchells & Butlers plc. Copies of the Group consolidated financial statements of Mitchells & Butlers plc are available from the Company Secretary, Mitchells & Butlers plc, 27 Fleet Street, Birmingham, B3 1JP.

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