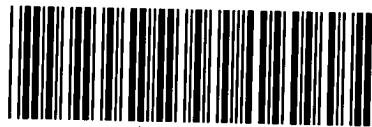


Mitchells & Butlers Retail Holdings Limited

Annual Report and Financial Statements

for the 52 weeks ended 28 September 2019

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Mitchells & Butlers Retail Holdings Limited

Strategic Report for the 52 weeks ended 28 September 2019

Mitchells & Butlers Retail Holdings 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 address of the Company's registered office is shown in note 11.

The Directors present their Strategic Report for the 52 weeks ended 28 September 2019. The comparative period is for the 52 weeks ended 29 September 2018.

Fair review of the business

Since 13 November 2003, the Company has acted as the Securitisation Group Parent in connection with the securitisation of the majority of the UK pubs and restaurants of the Group. Under the securitisation arrangements, the Company has no employees or premises and limited permitted activities. Its main purpose is to hold the entire share capital of Mitchells & Butlers Retail Limited ("MAB Retail") and Mitchells & Butlers Finance plc ("MAB Finance").

The profit for the period before taxation was £25,000,000 (2018 £55,000,000). Taxation charged against the profit for the period was £nil (2018 £nil) leaving a profit after tax of £25,000,000 (2018 £55,000,000). The Company was in a net asset position of £203,590,000 (2018 £203,590,000) at the period end.

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 Group as a whole, which includes the Company, are discussed in the Annual Report and Accounts 2019 of Mitchells & Butlers plc.

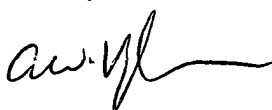
Principal risks and uncertainties

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 Directors on a regular basis.

Future Developments

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

Approved by the Board on 19 November 2019 and signed on its behalf by:



A W Vaughan
Director

Mitchells & Butlers Retail Holdings Limited

Directors' Report for the 52 weeks ended 28 September 2019

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 28 September 2019. The comparative period is for the 52 weeks ended 29 September 2018.

Details of future developments can be found in the Strategic Report on page 1.

Dividends

Dividends paid during the period are disclosed in note 10. The Directors are proposing a final dividend of £nil (2018 £nil).

Financial risk management

The financial risk management objectives and policies of the Company are monitored as part of the wider Group. Details of the risks and exposure of the Group to financial risks including; credit risk, liquidity risk and market risk are provided in the Mitchells & Butlers plc Annual Report and Accounts 2019.

Securitisation

As Securitisation Group Parent, the Company has contingent liabilities under the securitisation arrangements as detailed in note 2 to the financial statements. The Company also has to satisfy certain conditions before it can pay dividends. Further details of the securitisation and its terms are provided in note 2 to the financial statements.

Going Concern

The financial statements have been prepared on a going concern basis. As the Company has net current liabilities, 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
G J McMahon
L J Miles
A W Vaughan

Directors' indemnity

Throughout the period to which these financial statements refer, the Directors had the benefit of a Directors' and officers' liability insurance policy, the premium for which was paid by the Company's ultimate parent company, Mitchells & Butlers plc.

Disclosure of information to the auditor

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 auditor

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

Approved by the Board on 19 November 2019 and signed on its behalf by:



A W Vaughan
Director

Mitchells & Butlers Retail Holdings 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". 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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 Retail Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Mitchells & Butlers Retail Holdings Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 28 September 2019 and of its profit for the 52 weeks then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Income statement;
- the Balance sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of Directors

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; and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the 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 or the Directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Use of our report

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.



Louise Clamp FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
19 November 2019

Mitchells & Butlers Retail Holdings Limited

Income statement for the 52 weeks ended 28 September 2019

		52 weeks ended 28 September 2019 £'000	52 weeks ended 29 September 2018 £'000
	Note		
Income from investments	3	25,000	55,000
PROFIT BEFORE TAXATION		<u>25,000</u>	<u>55,000</u>
Tax charge	6	-	-
PROFIT FOR THE PERIOD		<u>25,000</u>	<u>55,000</u>

The above results are derived from continuing operations.

The Company has no comprehensive income or expense other than the profit above.

Mitchells & Butlers Retail Holdings Limited

(Registration number: 04887979)

Balance sheet as at 28 September 2019

		28 September 2019 £'000	29 September 2018 £'000
	Note		
NON-CURRENT ASSETS			
Investments in subsidiaries	7	1,565,050	1,565,050
TOTAL NON-CURRENT ASSETS		<u>1,565,050</u>	<u>1,565,050</u>
CURRENT ASSETS			
Cash and cash equivalents		101	101
TOTAL CURRENT ASSETS		<u>101</u>	<u>101</u>
TOTAL ASSETS		<u>1,565,151</u>	<u>1,565,151</u>
CURRENT LIABILITIES			
Trade and other payables	8	(1,361,561)	(1,361,561)
TOTAL CURRENT LIABILITIES		<u>(1,361,561)</u>	<u>(1,361,561)</u>
NET CURRENT LIABILITIES		<u>(1,361,460)</u>	<u>(1,361,460)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>203,590</u>	<u>203,590</u>
NET ASSETS		<u>203,590</u>	<u>203,590</u>
EQUITY			
Share capital	9	81,750	81,750
Share premium		121,739	121,739
Retained earnings		101	101
TOTAL EQUITY		<u>203,590</u>	<u>203,590</u>

Approved by the Board and authorised for issue on 19 November 2019. They were signed on its behalf by:



A W Vaughan
Director

The notes on pages 9 to 13 form an integral part of these financial statements.

Mitchells & Butlers Retail Holdings Limited
Statement of Changes in Equity for the 52 weeks ended 28 September 2019

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
At 30 September 2017	81,750	121,739	101	203,590
Profit for the period	-	-	55,000	55,000
Total comprehensive income	-	-	55,000	55,000
Dividends	-	-	(55,000)	(55,000)
At 29 September 2018	81,750	121,739	101	203,590
Profit for the period	-	-	25,000	25,000
Total comprehensive income	-	-	25,000	25,000
Dividends	-	-	(25,000)	(25,000)
At 28 September 2019	<u>81,750</u>	<u>121,739</u>	<u>101</u>	<u>203,590</u>

The notes on pages 9 to 13 form an integral part of these financial statements.

Mitchells & Butlers Retail Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 28 September 2019

1. Accounting policies

Summary of significant accounting policies

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.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to 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 2019 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 draws up its financial statements to the Saturday directly before or following the accounting reference date, as permitted by section 390(3) of the Companies Act 2006. The period ended 28 September 2019 and the comparative period ended 29 September 2018 both include 52 trading weeks.

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 S400 of Companies Act 2006 since the Company is a wholly owned subsidiary undertaking of another UK company. Group accounts are prepared by the ultimate parent company.

Going concern

The financial statements have been prepared on a going concern basis. As the Company has net liabilities, 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.

Critical accounting judgements and key sources of estimation uncertainty

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.

There are no critical judgements or key sources of estimation uncertainty.

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.

Mitchells & Butlers Retail Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 28 September 2019 (continued)

1. Accounting policies (continued)

Investments in subsidiaries

Investments in subsidiaries are stated at cost less any provision for impairment.

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 payables

Trade and other payables are recognised at amortised cost.

Income from investments

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

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.

Group tax relief

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

2. Securitisation

On 13 November 2003, the Mitchells & Butlers plc ('MAB') Group refinanced its debt by raising £1,900m through the securitisation of the majority of its UK pubs and restaurants business. Since this date the Company has been Securitisation Group Parent, and subject to the conditions attached to the securitisation. The companies within the Securitisation Group are listed in note 7.

On 15 September 2006 the MAB Group completed a further debt ('tap') issue to borrow an additional £655m and refinance £450m of existing debt at lower cost.

The securitisation is governed by various covenants, warranties and events of default which apply to the companies in the Securitisation Group, including the Company. There are restrictions on the amounts of dividends that the Company can pay. A dividend can only be paid if the Securitisation Group satisfies the following conditions at the date the payment is intended to be made and in respect of both the previous two quarters and the previous four quarters, before the restricted payment is intended to be made:

- There has been no loan event of default.
- The EBITDA to debt service ratio is more than or equal to 1.7 to 1.
- The free cash flow debt service cover ratio is more than or equal to 1.3 to 1.

3. Income from investments

During the period the Company received dividend income of £25,000,000 (2018 £55,000,000) from Mitchells & Butlers Retail Limited, a subsidiary of the company.

4. Operating costs

Fees paid to Deloitte LLP for the audit of the Company's accounts were £750 (2018 £500). 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 2019 of Mitchells & Butlers plc, the ultimate parent of Mitchells & Butlers Retail Holdings Limited discloses such fees on a consolidated basis.

Mitchells & Butlers Retail Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 28 September 2019 (continued)

5. Employees and Directors

The Company does not have any direct employees in the current or prior period. Directors received no emoluments for their services to this Company in the current or prior period.

Directors' remuneration

The five Directors (2018 five) who served during the period were all employed by another Group company (Mitchells & Butlers Leisure Retail Limited) and are also Directors of other subsidiary companies of the Mitchells & Butlers plc Group. The Directors received total remuneration of £1.8m (2018 £1.4m) in respect of their services to the Group, but it is not practical to allocate this between each of the subsidiary companies for which they act as a Director. At the period end five (2018 five) of the Directors were members of the Group's defined contribution scheme, with one (2018 one) Director also holding accrued service within the Group's defined benefit scheme. During the period five (2018 four) of the Directors were granted share options in the 'PRSP' (Performance Restricted Share Plan) scheme. Details of this scheme are disclosed in the Mitchells & Butlers plc Annual Report Accounts 2019.

The highest paid Director received emoluments of £0.6m (2018 £0.4m), with Company contributions to defined contribution pension schemes of £nil (2018 £nil). This Director also received share options in the PRSP scheme in the period.

6. Taxation

	52 weeks ended 28 September 2019 £'000	52 weeks ended 29 September 2018 £'000
Taxation – income statement		
Current taxation		
UK corporation tax	-	-
Total tax expense recognised in the income statement	-	-

The standard rate of corporation tax applied to the reported profit is 19.0% (2018 19.0%).

The tax in the income statement for the period is a lower charge (2018 lower charge) than the standard rate of corporation tax in the UK.

The differences are reconciled below:

	52 weeks ended 28 September 2019 £'000	52 weeks ended 29 September 2018 £'000
Profit before tax	25,000	55,000
Taxation charged at UK standard rate of corporation tax of 19.0% (2018 19.0%)	4,750	10,450
Income not taxable	(4,750)	(10,450)
Total tax charge	-	-

Factors which may affect future tax charges

The Finance Act 2016 was substantively enacted on 15 September 2016 and reduced the main rate of corporation tax from 19% to 17% from 1 April 2020. The effect of these changes has no impact on these financial statements.

Mitchells & Butlers Retail Holdings Limited
Notes to the Financial Statements for the 52 weeks ended 28 September 2019 (continued)

7. Investments in subsidiaries

	£'000
Cost	
At 29 September 2018 and 28 September 2019	<u>1,565,050</u>
Carrying amount	
At 29 September 2018 and 28 September 2019	<u>1,565,050</u>

Investments in trading companies have been tested for impairment using forecast cash flows, discounted by applying a pre-tax discount rate of 7.3% (2018 7.7%). For the purposes of the calculation of the recoverable amount, the cash flow projections include 0.0% (2018 0.0%) of growth per annum.

Investments in non-trading companies are tested against the net assets of that company.

Details of the subsidiaries as at 28 September 2019 are as follows:

Name of subsidiary	Country of incorporation and place of business	Holding	Proportion of voting rights and shares held	Principal activity
Mitchells & Butlers Retail Limited ^a	England and Wales	Ordinary shares	100%	Leisure Retailing
Mitchells & Butlers Finance plc ^a	England and Wales	Ordinary shares	100%	Finance company
Old Kentucky Restaurants Limited	England and Wales	Ordinary shares	100%	Trademark ownership
Browns Restaurant (Brighton) Limited	England and Wales	Ordinary shares	100%	Dormant
Browns Restaurant (Bristol) Limited	England and Wales	Ordinary shares	100%	Dormant
Browns Restaurant (Cambridge) Limited	England and Wales	Ordinary shares	100%	Dormant
Browns Restaurant (London) Limited	England and Wales	Ordinary shares	100%	Dormant
Browns Restaurant (Oxford) Limited	England and Wales	Ordinary shares	100%	Dormant
Browns Restaurants Limited	England and Wales	Ordinary shares	100%	Dormant

a. indicates direct investment of the Company.

All of the above companies are registered at 27 Fleet Street, Birmingham, B3 1JP.

8. Trade and other payables

	28 September 2019 £'000	29 September 2018 £'000
Amounts owed to group undertakings	<u>1,361,561</u>	<u>1,361,561</u>

The amount above includes a balance of £1,361,524,000 (2018 £1,361,524,000) which is a non-interest bearing loan repayable on demand from Mitchells & Butlers Retail Limited, a subsidiary of the Company, and a balance of £37,000 (2018 £37,000) which is a non-interest bearing balance repayable on demand to Mitchells & Butlers Finance plc, a subsidiary of the Company, in respect of unpaid share capital.

Mitchells & Butlers Retail Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 28 September 2019 (continued)

9. Equity

Share Capital

Allotted, called up and fully paid

	28 September 2019		29 September 2018	
	No.	£'000	No.	£'000
Ordinary shares of £1 each	81,749,618	81,750	81,749,618	81,750
	<u>81,749,618</u>	<u>81,750</u>	<u>81,749,618</u>	<u>81,750</u>

All of the ordinary shares rank equally with respect to voting rights and rights to receive dividends.

Share premium

The share premium account represents amounts received in excess of the nominal value of shares on issue of new shares.

10. Dividends

During the period, the Company paid a dividend of £25,000,000, (2018 £55,000,000) based on the number of ordinary shares in issue at 28 September 2019. Dividend payments are made by the Company to its immediate parent company, Mitchells & Butlers Leisure Holdings Limited.

The Directors are proposing a final dividend of £nil (2018 £nil).

11. Ultimate parent undertaking

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

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

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, which is the registered address of the Company.

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