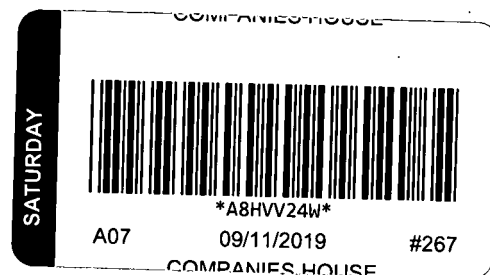


BurgerKing Limited
Directors' report and financial statements
Registered number SC31456
31 December 2018



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Strategic report

The directors have pleasure in submitting their Strategic and directors' reports, together with the audited financial statements for the 12 months period ended 31 December 2018.

Principal activities

The Company operates in the quick service restaurant industry. The sole source of income is generated by leasing and subleasing properties to Burger King franchisees.

Withdrawal of the UK from the EU and Brexit

The consequences for the Company of the UK's decision to leave the European Union should be seen in the context of the limited activity as described above. Because the Company is currently expected to lease and sublease properties to Burger King franchisees within the UK, we do not expect the separation of the UK from the EU or any other potential changes in regulations to materially impact the financial position or performance of the Company.

Business review and key performance indicators

The directors use a number of key performance indicators which they consider assist in the management of the business, including monitoring individual store performance on sales, margins and costs.

During the 12 months ended 31 December 2018 the Company continued to trade within a challenging business environment. The level of competition has impacted the Company's results in addition to the macro economic impacts on the retail sector.

The operating loss margin increased to -4.6% from prior period, (2017: -19.4%). The period's loss after tax is £0.3m (2017: £1.2m loss).

At the period end the Company has net current liabilities of £4.1m (2017: £2.6m) and net liabilities of £1.8m (2017: £1.4m). The Company is dependent on the continued support provided by its parent company to enable it to continue trading as a going concern. As with any company placing reliance on other Group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The Company is evaluating the mix of its lease portfolio to restructure and balance out the commitment and income leases to enhance results.

By order of the board



L Muniz
Director
7 November 2019

120 Bothwell Street
Glasgow
G2 7JL

Directors' report

Risks

The principal risk to the Company is that the Burger King product offering declines in popularity, leading to restaurant closures or reduced rental rates. The Company manages this risk by investing in new products which will improve consumer choice.

Occupancy costs represent a significant fixed cost base and adverse rent reviews can materially impact the financial performance. The Company operates an Estates function in partnership with external advisors to mitigate this risk.

Results and dividends

The Company's loss for the financial period is £0.3m (2017: £1.2m).

The directors do not recommend the payment of a dividend on the ordinary shares.

Directors

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

L Muniz (appointed 2 April 2019)
D C Shear
T T Santelmo (resigned 2 April 2019)

No directors had any interest beneficial or non-beneficial in the share capital of the Company or had a material interest during the period in any significant contract with the Company or any subsidiary.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the Company were granted to any of the directors or their immediate families, or exercised by them, during the financial period.

Political contributions

The Company made no political donations or incurred any political expenditure during the year.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



L Muniz
Director
7 November 2019

120 Bothwell Street
Glasgow
G2 7JL

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) 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, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURGERKING LIMITED

Opinion

We have audited the financial statements of BurgerKing Limited ("the company") for the year ended 31 December 2018 which comprise the profit and loss account, balance sheet, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic and Directors' report

The directors are responsible for the strategic and the directors' report. Our opinion on the financial statements does not cover these reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Jeremy Hall (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
7 November 2019

Profit and loss account

For the year ended 31 December 2018

		<u>Total</u>	<u>Total</u>
	<i>Note</i>	2018	2017
		£000	£000
Turnover		-	-
Cost of sales		<u>-</u>	<u>-</u>
Gross profit			
Administrative expenses	2	(6,102)	(7,701)
Other operating income		5,835	6,458
		<u>(267)</u>	<u>(1,243)</u>
Operating income / (loss)			
Interest payable and similar charges	4	<u>-</u>	<u>(2)</u>
Income / (loss) on ordinary activities before taxation		(267)	(1,245)
Tax on income / (loss) on ordinary activities	5	<u>-</u>	<u>-</u>
Income / (loss) for the financial year		<u>(267)</u>	<u>(1,245)</u>

The notes on pages 9 to 17 form part of these financial statements.

Balance sheet

As at 31 December 2018

	Note	2018 £000	2017 £000
Fixed assets			
Tangible assets	6	3,995	4,038
Current assets			
Debtors	7	3,068	2,237
Cash at bank and in hand		<u>1,390</u>	<u>1,793</u>
		4,458	4,030
Creditors: amounts falling due within one year	8	<u>(8,551)</u>	<u>(6,663)</u>
Net current liabilities		<u>(4,093)</u>	<u>(2,633)</u>
Total assets less net current liabilities		(98)	1,405
Provision for liabilities			
Other provisions	9	<u>(1,656)</u>	<u>(2,892)</u>
Net liabilities		<u>(1,754)</u>	<u>(1,487)</u>
Capital and reserves			
Called up share capital	11	109,672	109,672
Share premium account	12	66,759	66,759
Profit and loss account	12	<u>(178,185)</u>	<u>(177,918)</u>
Shareholders' deficit	13	<u>(1,754)</u>	<u>(1,487)</u>

These financial statements were approved by the board of directors on 7 November 2019 and were signed on its behalf by:



L Muniz
Director

Registered number SC31456

The notes on pages 9 to 17 form part of these financial statements.

Notes

(Forming part of the financial statements)

1 Accounting policies

These financial statements were prepared in accordance with Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Restaurant Brands International Inc. ("RBI") includes the Company in its consolidated financial statements. The consolidated financial statements of RBI are [prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and are available to the public and may be obtained free of charge on or through the Investor Relations section of RBI's internet website at www.rbi.com. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash flow statement and related notes; and
- Key management personnel compensation.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

Notwithstanding net current liabilities of £4,093 thousand, and a net liability of £1,754 thousand as at 31 December 2018 and loss for the year then ended of £267 thousand, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company, RBI, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on RBI not seeking repayment of the amounts currently due to the group, which at 31 December 2018 amounted to £7,537 thousand, and providing additional financial support during that period. RBI has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Notes (continued)

1 Accounting policies (continued)

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date.

1.4 Basic financial instruments

Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

1.5 Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. Leasehold building includes an element of capitalised developmental costs.

Notes (continued)

1 Accounting policies (continued)

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Freehold buildings	40 years
Short leasehold	Normal lives are deemed to be between 2 years and the outstanding period of the lease. Where major leasehold improvements are carried out within 5 years of the expiry of the lease and renewal of the lease is anticipated, the asset will be written off over the useful lives even where this exceeds the remainder of the lease.
Plant, machinery and fittings	between 2 and 16 years

The Company assesses at each reporting date whether tangible fixed assets are impaired.

1.6 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.7 Expenses

Operating Lease

As lessee

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

As lessor

Rental income from operating leases is recognised in the profit and loss account on a straight-line basis over the period of the lease. Any lease incentives given for the benefit of the lessees to sign or renew an operating lease is recognised as a reduction in rental income and allocated to the profit and loss account on a straight-line basis over the shorter of the term of the lease and the first rent review.

1.8 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Notes (continued)

1 Accounting policies (continued)

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Expenses and auditor's remuneration

	2018	2017
<i>Included in profit/loss are the following</i>	£000	£000
Auditor's remuneration:		
Audit of these financial statements	26	26
Depreciation	43	62
Rentals payable on property held under operating leases	5,466	5,660

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, RBI.

3 Staff numbers and costs

There were no employees during the current or preceding year.

Notes (continued)

4 Interest

	2018 £000	2017 £000
Payable to group undertakings	-	-
Interest on late tax payments	-	(2)
	<u>-</u>	<u>(2)</u>

5 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2018 £000	2017 £000
<i>Corporation tax</i>		
Current tax charge in respect of previous periods	-	-
<i>Deferred tax</i>		
Origination of timing differences	-	-
Tax on loss on ordinary activities	-	-

Factors affecting the tax charge for the current period

The current tax charge (credit) for the period is equal to the standard rate of corporation tax in the UK of 19.00%. The current tax charge (credit) for 2017 was higher than the standard rate of corporation tax in the UK of 19.00%. The differences are explained below.

	2018 £000	2017 £000
Loss on ordinary activities before tax	(267)	(1,245)
Current tax charge at 19.00% (for both years presented)	(51)	(241)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	12	19
Movement in short term timing differences	39	221
Current tax charge / (credit) for the period	<u>-</u>	<u>-</u>
	2018 £000	2017 £000
UK Corporation tax	-	-
Double taxation relief	-	-
Foreign tax	-	-
Total current tax recognised in profit and loss	<u>-</u>	<u>-</u>

Notes (continued)

5 Taxation (continued)

Factors that may affect future tax charges

The standard rate of Corporation Tax in the UK changed from 20% with effect from 1 April 2016 and to 19% with effect from 1 April 2017.

Additional changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 on 6 September 2016. These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates.

6 Fixed assets

Tangible Fixed Assets

	Land and buildings £000	Plant and Machinery £000	Total £000
Cost			
At beginning of financial year	4,956	1,405	6,361
Additions	-	-	-
Disposals	-	-	-
At end of financial year	4,956	1,405	6,361
Depreciation			
At beginning of financial year	(1,170)	(1,153)	(2,323)
Charge for the year	(21)	(22)	(43)
Disposals	-	-	-
At end of financial year	(1,191)	(1,175)	(2,366)
Net book value			
At 31 December 2017	3,786	252	4,038
At 31 December 2018	3,765	230	3,995

The net book value of land and buildings comprises:

	2018 £000	2017 £000
Freehold	3,702	3,715
Long leasehold	-	-
Short leasehold	62	71
	3,765	3,786

Notes (continued)

7 Debtors

	2018 £000	2017 £000
Trade debtors	540	693
Amounts owed by parent and fellow subsidiary undertakings	943	34
Other debtors	697	282
Prepayments and accrued income	888	1,228
	<u>3,068</u>	<u>2,237</u>

Prepayments and accrued income is due after more than one year.

8 Creditors: amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	6	32
Amounts owed to parent and fellow subsidiary undertakings	7,537	4,461
Other taxes and social security	38	124
Accruals and deferred income	970	2,046
	<u>8,551</u>	<u>6,663</u>

9 Provision for liabilities and charges

	Vacant property £000
At 31 December 2017	2,892
Charged to the profit and loss account	154
Utilization	<u>(1,390)</u>
At 31 December 2018	<u>1,656</u>

The vacant property provision relates to the Company's commitment to lease rentals and associated property costs payable in relation to vacant properties. It is anticipated that most of these costs will be incurred over the duration of the remaining lease terms and as such the provision reflects the present day value of the total estimated costs. This provision also includes the Company's obligations for stores which are closed at the balance sheet date. Costs included comprise all reasonably known and quantifiable costs that will be incurred as part of exiting a site and fulfilling any resulting contractual obligations.

Notes (continued)

10 Deferred taxation

	2018 £000	2017 £000
Current liability		
Corporation Tax	-	-
Provision for deferred tax		
At start of financial year	-	-
At end of financial year	-	-
<i>Deferred tax has not been recognised for following items:</i>		
	2018 £000	2017 £000
Differences between accumulated depreciation and capital allowances	(20)	(21)
Tax losses	(847)	(822)
	<u>(867)</u>	<u>(843)</u>

11 Called up share capital

	2018 £000	2017 £000
109,672,000 ordinary shares of £1 each (2017: 109,672,000 ordinary shares of £1 each)	<u>109,672</u>	<u>109,672</u>

12 Reserves

	Share Premium £000	Profit and Loss reserve £000
At 31 December 2017	66,759	(177,918)
Loss for the financial year	-	(267)
At 31 December 2018	<u>66,759</u>	<u>(178,185)</u>

Notes (continued)

13 Reconciliation of movements in shareholders' funds

	2018 £000	2017 £000
Shareholders' deficit at beginning of period	(1,487)	(242)
Loss for the financial period	<u>(267)</u>	<u>(1,245)</u>
Shareholders' deficit at end of period	<u>(1,754)</u>	<u>(1,487)</u>

In August of 2016, an intercompany loan between Burger King Corporation ("BKC") and the Company in the amount of £850,000 was capitalized at the discretion of BKC. In November of 2015, the intercompany loan between BKC and the Company in the amount of £29,391,098 was capitalized in connection with corporate restructuring activity.

14 Commitments

Annual capital commitments under non-cancellable operating leases are as follows:

	2018 Land and buildings £000	2017 Land and buildings £000
<i>Operating leases which expire:</i>		
Within one year	3,467	5,368
In the second to fifth years inclusive	10,080	13,510
Over five years	<u>4,866</u>	<u>12,050</u>
	<u>18,413</u>	<u>30,928</u>

15 Contingent liabilities

The Company has assigned property leases in the normal course of business. Should the assignees fail to fulfil any obligation in respect of those leases, the Company may be liable for those defaults. The directors are not aware of any instances where such defaults have taken place and hence it is not practicable to estimate the financial effect of these assignments.

16 Ultimate parent undertaking

At the period end, the ultimate parent undertaking and the largest group to consolidate these financial statements was RBI, a company incorporated and registered in Canada.

The consolidated financial statements of RBI can be obtained from:
130 King Street West, Suite 300
Toronto, Ontario
Canada

17 Subsequent events

No subsequent events were identified.