



BurgerKing Limited
Directors' report and financial statements
Registered number SC31456
31 December 2021



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Directors' report

The directors present their report and the financial statements for the year ended 31 December 2021.

Principal activity

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.

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 £(0.8)m (2020: loss of £0.8m).

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
D C Shear

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 expenditures 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 auditor is 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 auditor is aware of that information.

Going concern

Notwithstanding the loss for the year then ended of £836,000, 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 performed a going concern assessment which indicates that, taking account of reasonably possible downsides, the Company will have sufficient funds, through funding from its ultimate parent company, Restaurant Brands International Inc., to meet its liabilities as they fall due during the going concern assessment period.

This assessment is dependent on Restaurant Brands International Inc. providing additional financial support during the going concern assessment period. Restaurant Brands International Inc. has indicated its intention to continue to make available such funds as are needed by the Company during the going concern assessment period. 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.

Auditor

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

By order of the board



L Muniz
Director

16 November 2022

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 UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 2021 which comprise the statement of income and retained earnings, 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 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including 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.

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").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management

may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as pension assumptions. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue is simple by nature and based on recharge arrangements with related parties.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account pairings, those posted to accounts and all material post-closing journal entries.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, data protection laws and certain aspects of company legislation recognising the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

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

Our responsibility is to read 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 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 2, 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.



George Awusu
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
 15 Canada Square
 London
 E14 5GL
 16 November 2022

Statement of Income and Retained Earnings

For the year ended 31 December 2021

	Note	2021 £000	2020 £000
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses	2	(2,858)	(4,809)
Other operating income	3	2,022	4,034
Operating (loss)		(836)	(775)
Interest payable and similar charges		-	(1)
Loss on ordinary activities before taxation		(836)	(776)
Tax on (loss) on ordinary activities	6	-	-
Loss for the financial year		(836)	(776)
Retained earnings at the beginning of the year		(178,235)	(177,459)
Profit for the year		(836)	(776)
Retained earnings at the end of the year		(179,071)	(178,235)

There were no recognised gains and losses for 2021 other than those included in the statement of income and retained earnings.

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

Balance sheet

As at 31 December 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	7	675	1,693
Current assets			
Debtors	8	1,933	2,376
Cash at bank and in hand		<u>756</u>	<u>550</u>
		2,689	2,926
Creditors: amounts falling due within one year	9	<u>(1,635)</u>	<u>(2,290)</u>
Net current assets		<u>1,054</u>	<u>636</u>
Total assets less net current liabilities		1,729	2,329
Provision for liabilities			
Other provisions	10	<u>(207)</u>	<u>(398)</u>
Net assets		<u><u>1,522</u></u>	<u><u>1,931</u></u>
Capital and reserves			
Called up share capital	12	109,672	109,672
Share premium account	13	66,759	66,759
Capital Contribution	13	4,162	3,735
Profit and loss account	13	<u>(179,071)</u>	<u>(178,235)</u>
Shareholders' surplus	14	<u><u>1,522</u></u>	<u><u>1,931</u></u>

These financial statements were approved by the board of directors on 16 November 2022 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 the loss for the year then ended of £836,000, 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 performed a going concern assessment which indicates that, taking account of reasonably possible downsides, the Company will have sufficient funds, through funding from its ultimate parent company, Restaurant Brands International Inc., to meet its liabilities as they fall due during the going concern assessment period.

This assessment is dependent on Restaurant Brands International Inc. providing additional financial support during the going concern assessment period. Restaurant Brands International Inc. has indicated its intention to continue to make available such funds as are needed by the Company during the going concern assessment period. 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. 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. Land is not depreciated. The estimated useful lives are as follows:

Freehold buildings	40 years
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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.

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.

1.9 Impairment of financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

2 Expenses and auditor's remuneration

	2021	2020
<i>Included in profit/loss are the following</i>	<i>£000</i>	<i>£000</i>
Auditor's remuneration:		
Audit of these financial statements	27	27
Depreciation	1	2
Rentals payable on property held under operating leases	<u>2,761</u>	<u>3,842</u>

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.

Notes (continued)

3 Other operating income

	2021 £000	2020 £000
Property income	(2,635)	(4,034)
Net gain on disposal of tangible fixed assets	617	-
Other income	(4)	-
	<u>(2,022)</u>	<u>(4,034)</u>

4 Directors' remuneration

Directors are employees of Burger King Europe GmbH and receive no remuneration for serving as directors of the Company.

No directors exercised share options during the financial year.

5 Staff numbers and costs

There were no employees during the current or preceding year.

6 Taxation

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

The current tax charge in respect of previous periods as well as the deferred tax originating from timing differences were both nil for the period (nil for 2020).

Factors affecting the tax charge for the current period

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

	2021 £000	2020 £000
Loss on ordinary activities before tax	(836)	(776)
Current tax charge at 19.00% (for both years presented)	(159)	(147)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	117	12
Movement in short term timing differences	41	135
	<u>-</u>	<u>-</u>
Current tax charge / (credit) for the period	<u>-</u>	<u>-</u>

Notes (continued)

6 Taxation (continued)

The total current tax recognized in profit and loss was nil for the 2021 (nil for 2020).

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2021) was substantively enacted on 6 September 2016. The March 2021 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2021, and this change was substantively enacted on 17 March 2021.

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly.

7 Fixed assets

Tangible Fixed Assets

	Land and buildings £000	Total £000
<i>Cost</i>		
At beginning of financial year	1,693	1,693
Additions	-	-
Disposals	(1,018)	(1,018)
	<hr/>	<hr/>
At end of financial year	675	675
<i>Depreciation</i>		
At beginning of financial year	(2)	(2)
Charge for the year	(1)	(1)
Disposals	3	3
	<hr/>	<hr/>
At end of financial year	-	-
<i>Net book value</i>		
At 31 December 2020	<hr/> 1,693	<hr/> 1,693
At 31 December 2021	<hr/> <hr/> 675	<hr/> <hr/> 675

All tangible fixed assets are freehold. The tangible fixed assets are made up of £675,000 of land which is not subject to depreciation.

Notes (continued)

8 Debtors

	2021	2020
	£000	£000
Trade debtors	1,636	2,106
Amounts owed by parent and fellow subsidiary undertakings	-	-
Other debtors	297	225
Prepayments and accrued income	-	45
	<u>1,933</u>	<u>2,376</u>

9 Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	210	140
Amounts owed to parent and fellow subsidiary undertakings	609	190
Other taxes and social security	38	38
Accruals and deferred income	778	1,922
	<u>1,635</u>	<u>2,290</u>

10 Provision for liabilities and charges

	£000
At 31 December 2020	398
Released to the profit and loss account	(191)
Utilization	<u>-</u>
At 31 December 2021	<u>207</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)

11 Deferred taxation

There was no change to the deferred tax provision in 2021. The deferred tax provision was nil for 2021 (nil for 2020).

Deferred tax has not been recognized for the following items:

	2021 £000	2020 £000
Differences between accumulated depreciation and capital allowances	(26)	(21)
Tax losses	<u>(1,446)</u>	<u>(1,049)</u>
	<u>(1,471)</u>	<u>(1,070)</u>

12 Called up share capital

	2021 £000	2020 £000
109,672,000 ordinary shares of £1 each (2020: 109,672,000 ordinary shares of £1 each)	<u>109,672</u>	<u>109,672</u>

13 Reserves

	Share Premium £000	Capital Contribution £000	Profit and Loss reserve £000
At 31 December 2020	66,759	3,735	(178,235)
Capital contribution		427	
Income for the financial year	<u>-</u>	<u>-</u>	<u>(836)</u>
At 31 December 2021	<u>66,759</u>	<u>4,162</u>	<u>(179,071)</u>

The capital contribution from the Company's parent entity for shares without issuance of new shares was paid on 28 April 2021. The amount totalled USD 575,979 converted to GBP at the spot rate on the date of transaction of 0.74334.

Notes (continued)

14 Reconciliation of movements in shareholders' funds

	2021 £000	2020 £000
Shareholders' (deficit) at beginning of period	1,931	(1,028)
Loss for the financial period	(836)	(776)
Capital contribution	427	3,735
Shareholders' surplus	<u>1,522</u>	<u>1,931</u>

15 Commitments

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

	2021 Land and buildings £000	2020 Land and buildings £000
<i>Operating leases which expire:</i>		
Within one year	1,615	3,015
In the second to fifth years inclusive	3,735	8,241
Over five years	337	2,149
	<u>5,687</u>	<u>13,405</u>

16 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.