

Burger King (United Kingdom) Limited
(limited by guarantee)
Directors' report and financial statements
Registered number 05811453
31 December 2017

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Burger King (United Kingdom) Limited
(limited by guarantee)
Directors' report and financial statements

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Strategic report

The directors have pleasure in submitting their directors' report for the year ended 31 December 2017.

Principal activities and review of developments

Burger King (United Kingdom) Limited (the "Company") is limited by guarantee and was established to operate the Burger King Franchise business in the United Kingdom and the Republic of Ireland. The principal activities of the business involve franchise brand support services and marketing activities for Burger King in this geographical region.

At 31 December 2017 there were 39 franchisees operating 546 restaurants in the UK and Ireland (31 December 2016: 548).

Starting in 2018, the Company transferred its franchise brand support services and marketing activities for Burger King to the master franchisee in the region. As a result, the Company is solely expected to hold the pension benefits for previous employees at least for the next 12 months.

Business review and key performance indicators

The Company's net loss for the financial period is £41,000 (for the year ended 31 December 2016: £365,000).

At the period end the Company has net current assets of £2.4m (2016: £3.0m) and net assets of £1.7m (2016: net liabilities of £1.9m). 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.

By order of the board


T T Santelmo
Director
9 October 2018

15 Bath Road
Slough
SL1 3UF

Directors' report

Risks

The principal risk to the Company are that the product offerings of the franchisees decline in popularity leading to restaurant closures and therefore lower income.

The Company is dependent on the contribution and the success of the franchise operations. Should this diminish or cease then there would be an adverse effect.

The Company participates in the Final Salary Section of the Burger King UK Pension Plan, which is currently showing a deficit. The funding position is dependent on market conditions whereby the liabilities are linked to yields on AA-rated corporate bonds, while assets are measured at their mid-market value and the majority of the Plan's assets are invested in equities. If the value of the scheme assets were to decline relative to its liabilities, the Company might need to make an additional contribution to cover any shortfall. This could have an adverse impact on cash flow. The companies in the scheme and pension scheme trustees meet regularly and receive advice from external actuaries with the objective of mitigating this risk through the scheme's investment strategy.

Proposed dividend

The directors do not recommend the payment of a dividend

Directors

The directors who held office during the year were as follows:

G Leandro
T T Santelmo
D C Shear (resigned 5 October 2017)

Employees

The Company is committed to the development of employee consultation and involvement in the Company's operations. The directors continue to place a high priority on good communications practices at all levels. Responsibility for ensuring that Company employees are informed of and, where appropriate, consulted upon matters of concern affecting their immediate jobs rests with departmental managers with support from the personnel function. On-site group discussions between managers and employees are encouraged.

On a wider basis, the Company provides more general information to and for its employees concerning its performance and on economic and other matters affecting it. The methods used to disseminate such information are bulletins and related publications. In addition, a quarterly video presentation for employees sets out world-wide developments of the Company, its products and its people. Information is also communicated when employees participate in induction or training courses, or by the circulation of information personally to all employees. The Company has continued to maintain these practices during the year.

Depending on their skills and abilities, disabled people are given the same consideration as others when applying for jobs and have the same opportunities for promotion, career development and training as other employees. Employees who become disabled and unable to continue in their existing jobs are given the opportunity to be retrained for suitable alternative employment.

It is recognised that the Company's continuing success depends upon the quality of its employees and its policies are designed to attract, retain and motivate the best staff. This is achieved by offering equal opportunities regardless of sex, race, religion or disability.

Political contributions

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

Directors' report (continued)

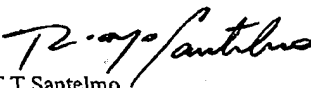
Disclosure of information to auditor

The directors who held office 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 each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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


T T Santelmo
Director
9 October 2018

15 Bath Road
Slough
SL1 3UF

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 BURGER KING (UNITED KINGDOM) LIMITED

Opinion

We have audited the financial statements of Burger King (United Kingdom) Limited ("the company") for the year ended 31 December 2017 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 2017 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

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and Directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those 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 those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have 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 3, 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

9 October 2018

Profit and loss account

For the year ended 31 December 2017

	Note	2017 £000	2016 £000
Turnover		2,132	2,422
Administrative expenses		(2,031)	(2,780)
Other operating income (expenses)		27	(61)
Operating profit (loss)		128	(419)
Profit (loss) on ordinary activities before taxation		128	(419)
Tax on profit on ordinary activities	5	(169)	54
Loss for the year		(41)	(365)

Statement of total recognised gains and losses

For the year ended 31 December 2017

		2017 £000	2016 £000
Loss for the year		(41)	(365)
Movement on deferred tax related to pension surplus	9	(744)	840
Actuarial loss on pension scheme	12	4,379	(4,852)
Total recognised profit (loss) relating to the year		3,594	(4,377)


The notes on pages 9 to 18 form part of these financial statements.

Balance sheet

As at 31 December 2017

	Note	2017 £000	2016 £000
Fixed assets			
Tangible assets	6	28	41
Current assets			
Debtors	7	5,185	4,109
Cash at bank and in hand		2,982	2,582
Deferred tax asset	9	-	840
		<u>8,167</u>	<u>7,531</u>
Creditors: amounts due within one year	8	<u>(5,761)</u>	<u>(4,510)</u>
Net current assets		<u>2,406</u>	<u>3,021</u>
Total assets less net current assets		2,434	3,062
Pension deficit		<u>(746)</u>	<u>(4,969)</u>
Net assets (liabilities)		<u><u>1,688</u></u>	<u><u>(1,906)</u></u>
Capital and reserves			
Equity		-	-
Profit and loss account	10	<u>1,688</u>	<u>(1,906)</u>
Shareholders' equity (deficit)		<u><u>1,688</u></u>	<u><u>(1,906)</u></u>

These financial statements were approved by the board of directors on 9 October 2018 and were signed on its behalf by:


T T Santelmo
Director

Registered number 05811453

The notes on pages 9 to 18 form part of these financial statements.

Notes

(Forming part of the financial statements)

1 Accounting policies

Burger King (United Kingdom) Limited is a Company incorporated in the UK and limited by guarantee.

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.

1.1 Measurement convention

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with applicable UK accounting standards.

1.2 Going Concern

The directors have received confirmation from Burger King Corporation of its intention to financially support the Company such that the Company can meet its obligations as they fall due for at least 12 months from the date of the directors' approval of these financial statements. Therefore, the directors have prepared the financial statements on a going concern basis.

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

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

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. The useful lives of the Company's fixed assets are estimated at between 2 and 16 years. The Company assesses at each reporting date whether tangible fixed assets are impaired.

1.6 Turnover

Revenue is recognised based on the amount receivable in respect of services provided, net of discounts and excluding VAT. The primary activity of the Company is to supply services in relation to the management and operation of franchise activities. Turnover will be recognised once services have been supplied and the Company has fulfilled its obligations.

Notes (continued)

1 Accounting policies (continued)

1.7 Share based payments

Where the Company's parent grants rights to its equity instruments to the Company's employees, which are accounted for as equity-settled in the consolidated accounts of the parent, the Company accounts for these share-based payments as equity-settled. If the amount is recharged and it is linked clearly to the share-based payments, then the recharge is a transaction with the parent in its capacity as a shareholder and is accounted for by the Company and the parent as an adjustment to the capital contribution recognised in respect of the share-based payments.

1.8 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.

1.9 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.

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.

Notes (continued)

1 Accounting policies (continued)

1.10 Employee Benefits

In March 2013, the Financial Reporting Council issued FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), which provides accounting and reporting requirements for unlisted entities, which was effective 1 January 2015. FRS 102 is a single coherent financial reporting standard superseding prior accounting principles generally accepted in the United Kingdom. FRS 17 has now been replaced by section 28 of FRS 102.

The Company operates one pension scheme in the UK, which is of both a defined benefit type and a defined contribution type.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Defined benefit plans

The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability (asset) taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the Company's obligations. Full valuations of the defined benefits scheme are performed every three years, using the projected unit method. The Company recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Remeasurement of the net defined benefit liability or asset is recognised in other comprehensive income in the period in which it occurs.

Notes (continued)

2 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2017 £000	2016 £000
Auditor's remuneration:		
Audit of these financial statements	26	31
Depreciation	13	14

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than 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, Restaurant Brands International Inc. ("RBI").

3 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.

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2017	2016
Administration	10	17
	<u>10</u>	<u>17</u>

The aggregate payroll costs of these persons were as follows:

	2017 £000	2016 £000
Wages and salaries	886	1,182
Social security costs	154	199
Expenses related to defined benefit plans	202	57
Contributions to defined contribution plans	26	1
	<u>1,268</u>	<u>1,439</u>

Notes (continued)

5 Taxation

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

	2017 £000	2016 £000
<i>Corporation tax</i>		
UK corporation tax on profits for the year	65	(68)
Adjustments in respect of previous period	8	3
Total current tax	73	(65)
<i>Deferred Tax</i>		
Origination and reversal of timing difference	108	(6)
Adjustment in respect of previous periods	-	-
Impact of change in tax rate	(12)	17
Total deferred tax	96	11
Total tax per income statement	169	(54)
	2017 £000	2016 £000
Profit (loss) for the financial year	128	(419)
Tax on profit at standard UK rate of 19.25% (2016: 20.00%)	25	(84)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	7	10
Adjustment from previous periods	9	3
Tax rate changes	(12)	17
Deferred tax not recognized	140	-
Current tax charge (benefit) for the financial year	169	(54)

Analysis of current tax recognised in profit and loss

	2017 £000	2016 £000
Corporation tax	169	(54)
Total current tax recognised in profit and loss	169	(54)

Notes (continued)

5 Taxation (continued)

The standard rate of Corporation Tax in the UK changed from 20% to 19% with effect from 1 April 2017 and remained in effect through 31 December 2017.

Additional changes to the UK Corporation Tax rates were substantially 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 Tangible fixed assets

	Land and buildings £000	Plant and Machinery £000	Total £000
Cost			
At beginning of and end of financial year	29	126	155
Additions	-	-	-
At end of financial year	29	126	155
Depreciation			
At beginning of financial year	(6)	(108)	(114)
Charge for the year	(4)	(9)	(13)
At end of financial year	(10)	(117)	(127)
Net book value			
At 31 December 2016	23	18	41
At 31 December 2017	19	9	28

The net book value of land and buildings comprises:

	2017 £000	2016 £000
Freehold	19	23

7 Debtors

	2017 £000	2016 £000
Trade debtors	2,217	2,421
Prepayments and accrued income	305	57
Amounts owed by group undertakings	2,663	1,631
	<u>5,185</u>	<u>4,109</u>

Notes (continued)

8 Creditors: Amounts falling due within one year

	2017	2016
	£000	£000
Trade creditors	38	3
Amounts owed to group undertakings	1,754	962
Taxation and social security	276	(25)
Corporation tax payable	6	(68)
Accruals and deferred income	3,687	3,637
	<u>5,761</u>	<u>4,509</u>

9 Deferred taxation

	2017	2016
	£000	£000
Current Liability		
Corporation Tax	(6)	(68)
Total provision for current tax	<u>(6)</u>	<u>(68)</u>
Deferred tax asset		
Asset at start of the period	(840)	(11)
Deferred tax charge to income statement for the period	96	11
Deferred tax charge in OCI for the period	<u>744</u>	<u>(840)</u>
Asset at end of the period	<u>-</u>	<u>(840)</u>
Deferred tax liability relating to pension surplus	-	-
Deferred tax asset	<u>-</u>	<u>(840)</u>

Notes (continued)

10 Equity

The Company is limited by guarantee with no share capital. The member of the Company is Burger King (Luxemburg) S.a. r.l., which contributed £2 as guarantee. In the event of a winding up, the member is liable to make a maximum contribution of £2 to the Company and is entitled to the net assets of the Company.

Reconciliation of movements in reserves

	2017 £000	2016 £000
Reserves at beginning of year	(1,906)	2,473
Loss for the financial year	(41)	(365)
Movement on deferred tax related to pension	(744)	840
Other	-	(2)
Actuarial gain (loss) on pension scheme	4,379	(4,852)
Reserves at end of financial year	<u>1,688</u>	<u>(1,906)</u>

11 Commitments

There were no annual commitments under non-cancellable operating leases (31 December 2016: nil).

12 Pensions

Net pension (liability)/asset

	2017 £000s	2016 £000s
Defined benefit obligation	(27,202)	(28,855)
Fair value of plan assets	26,456	23,886
Net defined benefit (liability)/asset	(746)	(4,969)
Restriction on asset recognized	-	-
Net amount recognized at year end	<u>(746)</u>	<u>(4,969)</u>

Notes (continued)

12 Pensions (continued)

The amounts recognised in comprehensive income are

	2017 £000s	2016 £000s
Service cost:		
Current service cost (net of employee contributions)	77	53
Net interest expense (credit)	125	4
Charge (credit) recognized in profit or loss	<u>202</u>	<u>57</u>
Remeasurements of the net liability:		
Return on plan assets (excluding amount included in net interest expense)	(1,991)	(3,635)
Actuarial losses	(2,388)	8,487
Charge recorded in other comprehensive income	<u>(4,379)</u>	<u>4,852</u>
Total defined benefit cost	<u>(4,177)</u>	<u>4,909</u>

Principal actuarial assumptions used were

	2017	2016
Liability discount rate	2.35%	2.50%
Inflation assumption - RPI	3.35%	3.40%
Inflation assumption - CPI	2.65%	2.70%
Rate of increase in salaries	3.65%	3.70%
Revaluation of deferred pensions:		
Pre April 2009	2.65%	2.70%
Post April 2009	2.50%	2.50%
Increases for pensions in payment:		
LPI capped at 5%	3.25%	3.30%
Proportion of employees opting for early retirement	0.00%	0.00%
Proportion of employees commuting pension for cash	75.00%	75.00%
Expected age at death of current pensioner at age 65:		
Male aged 65 at year end:	86.9	87.4
Female aged 65 at year end:	88.8	89.7
Expected age at death of future pensioner at age 65:		
Male aged 45 at year end:	88.0	88.8
Female aged 45 at year end:	90.0	91.2

The return on plan assets was

	2017 £000s	2016 £000s
Interest income	597	723
Return on plan assets (excluding amount included in net interest expense)	1,991	3,635
Total return on plan assets	<u>2,588</u>	<u>4,358</u>

Notes (continued)

12 Pensions (continued)

The major categories of scheme assets are as follows

	2017 £000s	2016 £000s
UK Equities	9,482	8,446
Overseas Equities	9,261	8,439
Corporates	3,660	3,467
Gilts	2,692	2,325
Index Linked	1,348	1,175
Cash	13	34
Total market value of assets	<u>26,456</u>	<u>23,886</u>

The Scheme has no investments in the Company or in property occupied by the Company

Defined contribution plans

The Company operates a defined contribution pension plan. The total expense relating to these plans in the current year was £20 thousand (2015: £169 thousand).

13 Ultimate parent company and parent undertaking of larger group of which the Company is a member

At the year end, the immediate parent undertaking was Burger King (Luxembourg) S.a. r.l. which is incorporated in Luxembourg.

The largest group in which the results of the Company are consolidated is that headed by RBI, incorporated Canada. No other group of financial statements include the results of the Company.

The consolidated financial statements of RBI can be obtained from:

226 Wyecroft Road
Oakville, ON L6K 3X7
Canada

14 Subsequent events

No subsequent events were identified.