Mitchells & Butlers Retail Limited

Unaudited Semi-Annual Financial Statements

For the 28 weeks ended 8 April 2023

Registration Number: 24542

Mitchells & Butlers Retail Limited
Income statement for the 28 weeks ended 8 April 2023

	Notes	28 weeks ended 8 April 2023 £m	28 weeks ended 9 April 2022 £m	52 weeks ended 24 September 2022 £m
Revenue	2	**955**	865	1,642
Other income	2	**-**	3	3
Operating costs		**(854)**	(769)	(1,456)
Separately disclosed items	3	**-**	-	(89)
OPERATING PROFIT		**101**	99	100
Finance income	4	**2**	-	1
Finance costs	4	**(51)**	(54)	(99)
PROFIT BEFORE TAXATION		**52**	45	2
Tax (charge)/credit	5	**(9)**	(6)	10
PROFIT FOR THE PERIOD		**43**	39	12

The above results are derived from continuing operations.

Mitchells & Butlers Retail Limited

Statement of comprehensive income/(expense)
for the 28 weeks ended 8 April 2023

	Notes	28 weeks ended 8 April 2023 £m	28 weeks ended 9 April 2022 £m	52 weeks ended 24 September 2022 £m
PROFIT FOR THE PERIOD		**43**	39	12
Items that will not be reclassified subsequently to profit or loss:				
Unrealised loss on revaluation of the property portfolio		**-**	-	(168)
Tax relating to items not reclassified	5	**-**	-	35
		-	-	(133)
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedges:				
-(Losses)/gains arising during the period		**(23)**	53	147
-Reclassification adjustments for items included in profit or loss		**6**	19	33
Tax relating to items that may be reclassified	5	**4**	(18)	(45)
		(13)	54	135
OTHER COMPREHENSIVE (EXPENSE)/INCOME AFTER TAX		**(13)**	54	2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**30**	93	14

Mitchells & Butlers Retail Limited

(Registration number: 24542)

Balance sheet as at 8 April 2023

	Notes	8 April 2023 £m	9 April 2022 £m	24 September 2022 £m
NON-CURRENT ASSETS				
Property, plant and equipment	7	**3,605**	3,804	3,577
Right of use assets	10	**111**	118	107
Investments in subsidiaries		**21**	21	21
Trade and other receivables		**1,632**	1,639	1,638
Finance lease receivable		**2**	2	2
TOTAL NON-CURRENT ASSETS		**5,371**	5,584	5,345
CURRENT ASSETS				
Inventories		**20**	17	18
Trade and other receivables		**18**	36	32
Finance lease receivables		**-**	1	-
Current tax receivable		**-**	-	1
Cash and cash equivalents		**81**	87	61
TOTAL CURRENT ASSETS		**119**	141	112
TOTAL ASSETS		**5,490**	5,725	5,457
CURRENT LIABILITIES				
Trade and other payables		**(369)**	(330)	(330)
Borrowings	8	**(118)**	(113)	(114)
Lease liabilities	10	**(14)**	(17)	(19)
Derivative financial instruments	9	**(8)**	(36)	-
TOTAL CURRENT LIABILITIES		**(509)**	(496)	(463)
NET CURRENT LIABILITIES		**(390)**	(355)	(351)
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,981**	5,229	4,994
NON-CURRENT LIABILITIES				
Borrowings	8	**(1,217)**	(1,335)	(1,275)
Lease liabilities	10	**(133)**	(131)	(129)
Derivative financial instruments	9	**(37)**	(100)	(28)
Deferred tax liabilities		**(348)**	(369)	(346)
Provisions		**(5)**	(4)	(5)
TOTAL NON-CURRENT LIABILITIES		**(1,740)**	(1,939)	(1,783)
TOTAL LIABILITIES		**(2,249)**	(2,435)	(2,246)
NET ASSETS		**3,241**	3,290	3,211
EQUITY				
Share capital		**146**	146	146
Hedging reserve		**(34)**	(102)	(21)
Revaluation reserve		**879**	1,005	879
Profit and loss account		**2,250**	2,241	2,207
TOTAL EQUITY		**3,241**	3,290	3,211

Mitchells & Butlers Retail Limited

Statement of Changes in Equity for the 28 weeks ended 8 April 2023

	Share capital £m	Revaluation reserve £m	Hedging reserve £m	Retained earnings £m	Total £m
At 25 September 2021	**146**	**1,005**	**(156)**	**2,202**	**3,197**
Profit for the period	-	-	-	39	39
Other comprehensive income	-	-	54	-	54
Total comprehensive income	-	-	54	39	93
At 9 April 2022	**146**	**1,005**	**(102)**	**2,241**	**3,290**
Loss for the period	-	-	-	(27)	(27)
Other comprehensive (expense)/income	-	(126)	81	(7)	(52)
Total comprehensive (expense)/income	-	(126)	81	(34)	(79)
At 24 September 2022	**146**	**879**	**(21)**	**2,207**	**3,211**
Profit for the period	-	-	-	43	43
Other comprehensive expense	-	-	(13)	-	(13)
Total comprehensive (expense)/income	-	-	(13)	43	30
At 8 April 2023	**146**	**879**	**(34)**	**2,250**	**3,241**

Mitchells & Butlers Retail Limited

Notes to the semi-annual financial statements for the 28 weeks ended 8 April 2023

1. BASIS OF PREPARATION

Mitchells & Butlers Retail Limited ('the Company') is a subsidiary company of Mitchells & Butlers plc. Mitchells & Butlers plc, along with its subsidiaries, form the Mitchells & Butlers group of companies ('the Group').

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

The financial information for the 52 weeks ended 24 September 2022 has been extracted from the Company's published financial statements for that period, which have been filed with the Registrar of Companies. The auditor's report on those accounts was not qualified and did not contain statements under section 498(2) or (3) of the Companies Act 2006 but did include a section highlighting a material uncertainty that may cast significant doubt on the Group and Company's ability to continue as a going concern.

The periods ended 8 April 2023 and 9 April 2022 are regarded as distinct financial periods for accounting purposes. Income and costs are recognised in the profit and loss account as they arise, and tax is calculated on the basis of the expected effective tax rate for the full year.

These semi-annual financial statements have been prepared in order to meet the financial reporting requirements included in the Issuer/Borrower Facility Agreement dated 13 November 2003, as amended and restated on 15 September 2006 (the "Agreement"). A reconciliation of information contained in these financial statements to a separately issued Interim Investor Report is attached as a supplementary schedule to these accounts.

The semi-annual financial statements do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.

Going concern
The semi-annual 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 its funding from its ultimate parent company, Mitchells and Butlers plc, to meet its liabilities as they fall due for that period.

However, continued support is dependent on the ability of the Mitchells and Butlers plc Group being able to settle its liabilities as they fall due. The Directors of Mitchells and Butlers plc have concluded that a material uncertainty exists over the Mitchells and Butlers plc Group's ability to continue as a going concern, as a result of the following considerations.

Despite some resilience in recent consumer spending, high and persistent cost inflation, initially in energy, wages and food costs, but now evident throughout most of the Group's cost base, has resulted in profits and operating cash flow which are yet to recover to pre-Covid levels. This casts a degree of uncertainty as to the future financial performance and cash flows of the Group and has been considered by the Group Directors in assessing the ability of the Group to continue as a going concern.

The Group has two main sources of funding. Namely, a secured debt financing structure and a £150m unsecured revolving credit facility due to expire in February 2024.

Within the secured debt financing structure there are two main covenants, being the level of net assets and FCF to DSCR. As at 8 April 2023 there was substantial headroom on the net worth covenant. FCF to DSCR represents the multiple of cash generated by sites within the structure to the cost of debt service. This is tested quarterly on both a trailing two quarter and a four quarter basis. These tests are now being measured at their full level of a minimum of 1.1 times following expiry of the agreed waivers and amendments in January 2023.

The unsecured facilities include financial covenants relating to the ratio of EBITDAR to rent plus interest (at a minimum of 1.5 times) and Net debt to EBITDA (to be no more than 3.0 times) based on the performance of the unsecured estate, tested at each Half Year and Full Year date. Unsecured facilities expire in February 2024, within the going concern assessment period, and whilst the Group Directors have confidence that it will be possible to renew or extend the terms of these facilities, that is not directly within their control.

1. BASIS OF PREPARATION (CONTINUED)

Going concern (continued)
In the year ahead the main uncertainties are considered to be the maintenance of growth in sales in the face of pressure on consumer spending power in an environment of falling real wages, and the future outlook for cost inflation across the whole of the cost base. The outlook for these is highly uncertain and will depend on a number of factors including consumer confidence, global political developments and supply chain disruptions and government policy.

The Group Directors have reviewed the financing arrangements against a forward trading forecast in which they have considered the Group's current financial position. This forecast assumes further growth in sales. Whilst inflation remains an issue, the increase in costs is assumed to show some easing over the next year. Under this scenario the Group is able to stay within all committed facility financial covenants, with increasing headroom over time, and maintains sufficient liquidity throughout based on an assumption of successful refinancing of existing facilities.

The Group Directors have also considered a severe but plausible downside scenario covering adverse movements against the base forward forecast in both sales and cost inflation in which some, but limited, mitigation activity is taken. In this downside scenario the Group also retains sufficient liquidity throughout the period, again based on an assumption of successful refinancing of existing facilities, and no covenants are breached although there is no headroom at the fourth quarter test in the current year.

As a result the Group Directors believe that they have a reasonable expectation that the Group has sufficient resources to continue in operational existence for the 12 months from the date of approval of these condensed financial statements, and therefore continue to adopt the going concern assumption in their preparation. However, given both the prevailing high level of uncertainty concerning both sales and cost inflation, and the requirement to refinance existing unsecured facilities within the going concern period, a material uncertainty exists in particular with respect to the ability to achieve covenant waivers or amendments, should these be required, and maintain sufficient liquidity which may cast doubt over the Group's ability to trade as a going concern. In this case it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Based on their enquiries the Company Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances represent a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Further detail is provided in the Mitchells & Butlers plc Group Interim accounts.

Accounting policies

The interim financial information has been prepared on a consistent basis using the accounting policies set out in the Annual Report and Accounts 2022.

2. REVENUE, OTHER INCOME AND OPERATING PROFIT

Revenue

	28 weeks ended 8 April 2023 £m	28 weeks ended 9 April 2022 £m	52 weeks ended 24 September 2022 £m
Food	**486**	451	832
Drink	**435**	380	747
Services	**34**	35	63
Total revenue	**955**	865	1,642

VAT
In the prior period, the Company benefitted from a reduction in the rate of VAT from 20% to 12.5% applied for the six month period from 1 October 2021 until 31 March 2022. The estimated impact of this on food and drink revenue in the current period is £nil (2022 28 weeks £32m, 2022 52 weeks £32m).

Other income

	28 weeks ended 8 April 2023 £m	28 weeks ended 9 April 2022 £m	52 weeks ended 24 September 2022 £m
Government grant - Local Authority Grants	**-**	2	2
Government grant - Apprenticeship incentives	**-**	1	1
Total other income	**-**	3	3

Government grants

Local Authority Grants
During the prior period, following the EU Court ruling on State Aid aggregation, the Group recognised further Covid-19 support, subject to the individual caps applicable in both the UK and Germany. This resulted in the recognition of an additional £1m of income, attributable to Mitchells & Butlers Retail, in the prior period. In addition, following the outbreak of the Omicron variant of Covid-19 in the UK in November 2021, the Government introduced some further grants to help support businesses in the leisure and hospitality sectors. As a result a further £1m of grants were recognised by the Company.

Apprenticeship incentives
The Group is entitled to claim £1,000 for each apprentice employed, where they are aged 16 to 18, or under 25 and meet certain other criteria. In prior periods, as part of its response to the Covid-19 pandemic, the UK Government introduced a scheme to enable an employer to receive up to an additional £3,000 per apprentice, where the apprentice commenced employment between 1 August 2020 and 31 January 2022. The payment is phased with amounts due in equal instalments at 90 days and 365 days after employment commenced and is recognised on receipt of cash.

Operating profit

	28 weeks ended 8 April 2023 £m	28 weeks ended 9 April 2022 £m	52 weeks ended 24 September 2022 £m
EBITDA	**146**	144	274
Depreciation and amortisation	**(45)**	(45)	(85)
Separately disclosed items	**-**	-	(89)
Operating profit	**101**	99	100

3. SEPARATELY DISCLOSED ITEMS

In addition to presenting information on an IFRS basis, the Company also presents adjusted profit information that excludes separately disclosed items. Adjusted profitability measures are presented excluding separately disclosed items as we believe this provides management with useful additional information about the Company's performance and supports a more effective comparison of the Company's trading performance from one period to the next.

Judgement is used to determine those items which should be separately disclosed to allow a better understanding of the adjusted trading performance of the Company. This judgement includes assessment of whether an item is of sufficient size or of a nature that is not consistent with normal trading activities.

Separately disclosed items include movements in the valuation of the property portfolio as a result of the revaluation exercise of property, plant and equipment, impairment review of short leasehold and unlicensed properties, impairment review of right-of-use assets and impairment of amounts owed by group undertakings.

The items identified are as follows:

	Note	28 weeks ended 8 April 2023 £m	28 weeks ended 9 April 2022 £m	52 weeks ended 24 September 2022 £m
Impairment of intercompany receivable	a	-	-	(1)
Total separately disclosed items recognised within operating costs		-	-	(1)
Movements in the valuation of the property portfolio:				
- Impairment arising from the revaluation of freehold and long leasehold properties	b	-	-	(75)
- Impairment of short leasehold and unlicensed properties	c	-	-	(4)
- Impairment of right-of-use assets	d	-	-	(9)
Net movement in the valuation of the property portfolio		-	-	(88)
Total separately disclosed items		-	-	(89)

Separately disclosed items in the prior period are as follows.

a. Impairment in relation to an intercompany receivable from Mitchells and Butlers plc.
b. Impairment arising from the Company's revaluation of its freehold and long leasehold pub estate where the carrying values of the properties exceeded their recoverable amount, net of a revaluation surplus that reverses past impairments.
c. Impairment of short leasehold and unlicensed properties where their carrying values exceeded their recoverable amount.
d. Impairment of right-of-use assets where their carrying values exceeded their recoverable amount.

4. FINANCE COSTS AND INCOME

	28 weeks ended 8 April 2023 £m	28 weeks ended 9 April 2022 £m	52 weeks ended 24 September 2022 £m
Finance costs			
Intercompany interest on Term Advances	**(47)**	(50)	(92)
Liquidity facility fees reimbursed to Mitchells & Butlers Finance plc	**(1)**	(1)	(2)
Interest on lease liabilities	**(3)**	(3)	(5)
Total finance costs	**(51)**	(54)	(99)
Finance income			
Interest receivable – external	**2**	-	1

5. TAXATION

Taxation – income statement	28 weeks ended 8 April 2023 £m	28 weeks ended 9 April 2022 £m	52 weeks ended 24 September 2022 £m
Current taxation:			
UK corporation tax	**(4)**	(2)	(3)
Amounts (under)/over provided in prior periods	**(3)**	-	1
Group relief received for nil payment	**4**	2	3
	(3)	-	1
Deferred taxation:			
Origination and reversal of temporary differences	**(6)**	(5)	7
Adjustments in respect of prior periods	**-**	(1)	-
Tax credit in respect of change in UK tax rate	**-**	-	2
	(6)	(6)	9
Total tax (charged)/credited in the income statement	**(9)**	(6)	10

Tax has been calculated using an estimated annual effective rate of 17.4% (2022 28 weeks 14.2%) on profit before tax.

Taxation - other comprehensive income	28 weeks ended 8 April 2023 £m	28 weeks ended 9 April 2022 £m	52 weeks ended 24 September 2022 £m
Deferred tax:			
Items that will not be reclassified subsequently to profit or loss:			
Unrealised losses due to revaluations – revaluation reserve	**-**	-	42
Unrealised losses due to revaluations – retained earnings	**-**	-	(7)
	-	-	35
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges	**4**	(18)	(45)
Total tax credit/(charge) recognised in other comprehensive income	**4**	(18)	(10)

The Finance Act 2021 increased the main rate of corporation tax from 19% to 25% from 1 April 2023. The effect of this change has been reflected in the closing deferred tax balances at 24 September 2022, 8 April 2023 and 9 April 2022.

6. DIVIDENDS

Dividend payments are made by the Company to its immediate parent undertaking, Mitchells & Butlers Retail Holdings Limited. During the period, the Company paid dividends of £nil (2022 28 weeks £nil, 52 weeks £nil).

7. PROPERTY, PLANT AND EQUIPMENT

Net book value	8 April 2023 £m	9 April 2022 £m	24 September 2022 £m
At beginning of period	**3,577**	3,806	3,806
Additions	**66**	39	93
Net decrease from the property revaluation	**-**	-	(243)
Impairment of short leasehold properties	**-**	-	(4)
Disposals	**-**	(3)	(4)
Depreciation provided during the period	**(38)**	(38)	(71)
At end of period	**3,605**	3,804	3,577

All of the Company's property, plant and equipment is pledged as security for the securitisation debt and over which there are certain restrictions on title.

Revaluation and impairment

The freehold and long leasehold licensed properties were valued at market value as at 24 September 2022, using information provided by CBRE, independent Chartered Surveyors. This valuation was based on an assessment of the individual asset fair maintainable operating profit (FMOP) and property multiples. The Company has performed an assessment for material changes that would impact the value of its freehold and long leasehold properties at the interim date. The Company's performance is in line with forecast supporting the fair maintainable operating profit (FMOP) assessed at 24 September 2022 and the property multiples adopted at 24 September 2022 are supported by the current property market. As such there is no requirement to perform a revaluation at the interim date.

Short leasehold properties, unlicensed properties and fixtures, fittings and equipment are held at cost less depreciation and impairment provisions. During the current period, in accordance with IAS 36, the Company has performed an assessment for indicators of impairment of these categories of property, plant and equipment, together with right-of-use assets (note 10). This review included an assessment of current year performance which is in line with the overall Group forecast used in the impairment review at 24 September 2022, and long term growth rates and capital maintenance assumptions both of which are unchanged from the year end. In addition, our sensitivity analysis at FY22 year end showed that the impairment charge was insensitive to likely movements in the WACC of 9.65%. As such, there are not considered to be any indicators of impairment that would require the Company to perform a further review of impairment.

As a result of the above review, no revaluation or impairment has been recognised in the period (2022 28 weeks £nil, 2022 52 weeks £243m revaluation decrease and £4m short leasehold impairment).

Assets in the course of construction

Cost at 8 April 2023 includes £10m (9 April 2022 £8m, 24 September 2022 £7m) of assets in the course of construction.

8. BORROWINGS

	8 April 2023 £m	9 April 2022 £m	24 September 2022 £m
Current	**118**	113	114
Non-current	**1,217**	1,335	1,275
Total borrowings	**1,335**	1,448	1,389

Term advances from Mitchells & Butlers Finance plc

Under an Issuer/Borrower Facility Agreement dated 13 November 2003, amended and restated on 15 September 2006, the Company borrowed £1,900m from Mitchells & Butlers Finance plc in the following six tranches:

- Class A1N Floating rate Term Advance for £200m
- Class A2 5.584% Term Advance for £550m
- Class A3N Floating rate Term Advance for £250m
- Class B1 5.975% Term Advance for £350m
- Class B2 6.023% Term Advance for £350m
- Class C1 6.479% Term Advance for £200m

On 15 September 2006, the Company borrowed a further £655m from Mitchells & Butlers Finance plc in the following four tranches. As part of the transaction, the original A1 and A3 Term Advances were repaid and reissued as A1N and A3N Term Advances to take advantage of market rates.

- Class A4 floating rate Term Advance for £170m
- Class AB floating rate Term Advance for £325m
- Class C2 floating rate Term Advance for £50m
- Class D1 floating rate Term Advance for £110m

Interest and margin is payable on the floating rate Term Advances as follows. In the prior period, with the discontinuation of LIBOR, all facilities and agreements referencing Sterling LIBOR transitioned to reference SONIA, plus a credit adjustment spread of 11.93 basis points to maintain an economically equivalent position, for periods commencing on or after 1st January 2022.

Tranche	Interest Reference to transition	Interest Reference post transition	Margin
A1N	GBP LIBOR to 31/12/21	* SONIA from 01/01/22	0.46%
A3N	GBP LIBOR to 31/12/21	* SONIA from 01/01/22	0.46%
A4	GBP LIBOR to 31/12/21	* SONIA from 01/01/22	0.59%
AB	GBP LIBOR to 31/12/21	* SONIA from 01/01/22	0.61%
C2	GBP LIBOR to 31/12/21	* SONIA from 01/01/22	1.89%
D1	GBP LIBOR to 31/12/21	* SONIA from 01/01/22	2.14%

* Includes a credit adjustment spread of 11.93 basis points

In order to mitigate the interest rate risk inherent in the floating rate Term Advances, the Company entered into interest rate swap arrangements with Mitchells & Butlers Finance plc which fix the interest rate payable. The carrying value of the Term Advances is analysed as follows:

	8 April 2023 £m	9 April 2022 £m	24 September 2022 £m
Principal outstanding at beginning of the period	**1,390**	1,500	1,500
Principal repaid during the period	**(57)**	(54)	(110)
Principal outstanding at end of period	**1,333**	1,446	1,390
Deferred issue costs	**(3)**	(3)	(3)
Accrued interest	**5**	5	2
Carrying value at end of period	**1,335**	1,448	1,389

The Term Advances are secured on the Company's assets and future income streams therefrom.

8. BORROWINGS (CONTINUED)

The securitisation is governed by various covenants, warranties and events of default, many of which apply to the Company, being the Group's main operating subsidiary. There are two main financial covenants, being the level of net assets and free cash flow (FCF) to debt service. FCF to debt service represents the multiple of cash generated by sites within the structure to the cost of debt service. This is tested quarterly on both a trailing two quarter and a four quarter basis. There are additional covenants regarding the maintenance and disposal of securitised properties and restrictions on its ability to move cash, by way of dividends for example, to other Group companies.

At 8 April 2023, the Company had cash and cash equivalents of £81m (9 April 2022 £87m, 24 September 2022 £61m). Of this amount £1m (9 April 2022 £1m, 24 September 2022 £1m), representing disposal proceeds, was held on deposit in an account over which there are a number of restrictions. The use of this cash requires the approval of the securitisation trustee and may only be used for certain specified purposes such as capital enhancement expenditure and business acquisitions.

9. FINANCIAL INSTRUMENTS

Derivative Financial Instruments

The fair value of the derivative financial instruments are disclosed below:

	Total Liabilities		
	Less than one year	**More than one year**	**Total**
8 April 2023	**£m**	**£m**	**£m**
Cash flow hedges			
Intercompany interest rate swaps	**8**	**37**	**45**

	Total Liabilities		
	Less than one year	**More than one year**	**Total**
9 April 2022	**£m**	**£m**	**£m**
Cash flow hedges			
Intercompany interest rate swaps	36	100	136

	Total Liabilities		
	Less than one year	**More than one year**	**Total**
24 September 2022	**£m**	**£m**	**£m**
Cash flow hedges			
Intercompany interest rate swaps	-	28	28

The cash flow hedges are all classified as Level 2, being fair value measurements derived from inputs other than quoted prices that are observable for assets or liabilities.

10. LEASES

Right-of-use assets

Net book value	8 April 2023 £m	9 April 2022 £m	24 September 2022 £m
At start of period	**107**	121	121
Additions	**12**	5	11
Depreciation provided during the period	**(7)**	(7)	(14)
Impairment	**-**	-	(9)
Disposals	**(1)**	(1)	(2)
At end of period	**111**	118	107

Impairment of right-of-use assets
As described in note 7, the Company has reviewed its short leasehold properties and right-of-use assets for indicators of impairment at the interim date, and determined that there are no indicators that lead the Company to conclude that a further review of impairment is required.

Lease liabilities

An analysis of lease liabilities recognised are as follows:

	8 April 2023 £m	9 April 2022 £m	24 September 2022 £m
Current lease liabilities	**(14)**	(17)	(19)
Non-current lease liabilities	**(133)**	(131)	(129)
	(147)	(148)	(148)

11. CONTINGENT LIABILITIES

Pursuant to the securitisation of the business of Mitchells & Butlers Retail Limited on 13 November 2003, the Company is jointly and severally liable with various other companies within the Mitchells & Butlers group, for all advances made by Mitchells & Butlers Finance plc to the Company and other companies within the Mitchells & Butlers group, under the Agreement.

On 13 November 2003, the Company and certain other members of the Mitchells & Butlers group granted full fixed and floating security over their respective assets and undertakings.

Mitchells & Butlers Retail Limited

Reconciliation between Interim Investor Report and the Semi-Annual Financial Statements for the 28 weeks ended 8 April 2023

	Final Investor Report £m	IFRS 16 Adjustments £m	Non-cash separately disclosed items £m	Financial Statements £m
Turnover	955.6	(0.2)	-	955
Other income	-	-	-	-
Operating costs	(859.6)	4.9	-	(854)
Operating profit	96.0	4.7	-	101
Add back: non-cash separately disclosed items	-	-	-	-
Add back: Depreciation and amortisation	38.0	6.9	-	45
EBITDA	134.0	11.6	-	146

Separately disclosed items consist of those detailed in note 3 of the semi-annual financial statements.

The IFRS 16 adjustments within operating profit are detailed below:

	£m
Rent receivable	(0.2)
Dilapidation costs	0.4
Rent payable	11.1
Finance lease receivable impairment	0.3
EBITDA adjustment	11.6
Right-of-use asset depreciation	(6.9)
Operating profit adjustment	4.7