

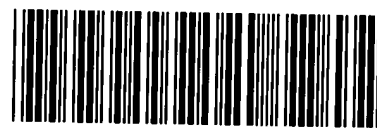
Royale Interco Limited

Annual report and financial statements

For the year ended 31 December 2020

Registered number 10980788

FRIDAY



AAD72W7K

A34

17/09/2021

#43

COMPANIES HOUSE

Contents

2	Strategic report
3	Directors' report
5	Independent auditors' report to the members of Royale Interco Limited
8	Profit and loss account
9	Balance sheet
10	Statement of changes in equity
11	Notes to the financial statements

Strategic Report

The directors present their strategic report on the Company for the year ended 31 December 2020 and comparatives for the year ended 31 December 2019.

Review of the business

The results of the Company for the year are set out on page 8 and show a loss before taxation of £7,000 (2019: £7,000). The net liabilities of the Company as at 31 December 2020 were £20,000 (2019: £13,000).

Key performance indicators

Given the nature of the business is that of a holding company, the Company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business. This is achieved instead through its operating subsidiaries, the performance of which is measured through the analysis of adjusted EBITDA and sales in these companies.

A more detailed business review is included in the financial statements of the company's parent undertaking, Royale JVC Limited, which prepares consolidated financial statements, and which does not form part of this report.

Future developments

See the Directors' report for further information.

Risks

The principal risks to which the Company is exposed are liquidity and credit risk.

Liquidity risks exist as a result of a loan made to the Company by another entity within the ultimate controlling party's group. The Company manages this risk by entering into long term loan note agreements which will not be settled until the agreed repayment date in 2027.

Credit risk arises as a result of the Company's intercompany debtors balance with BKUK Group Limited. Having reviewed budgets and forecasts for BKUK Group Limited, which is supported by the cashflows from its subsidiary undertakings, the directors are satisfied that the risk associated with this balance is appropriately managed.

On behalf of the board



AD Murdoch
Director
26 May 2021

Directors' report

The directors present their annual report and the audited financial statements of Royale Interco Limited ("the Company") for the year ended 31 December 2020.

Principal activities

The principal activity of the Company is that of a holding company as well as being a financing company for the group.

Future developments

The directors expect the Company to act as a holding company as well as being a financing company for the group for the foreseeable future. The directors have considered the financial position of the Company and concluded that it is appropriate to prepare the financial statements on a going concern basis. See note 3.2 for further assessment.

Dividend

No dividends were paid during the year (2019: nil).

Directors

The directors who held office during the year, and up to the date of signing the financial statements, unless otherwise stated, were as follows:

TJ Doubleday
AD Murdoch

Directors' indemnity

Royale Midco Limited, a group company, maintains liability insurance for directors and officers of Royale Interco Limited. This is a qualifying third-party indemnity provision for the purpose of the Companies Act 2006 and was in place during the financial year and as at the date of approval of the financial statements.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Employees

It is Company policy that there shall be no discrimination in respect of sex, colour, race, religion or nationality and that equal opportunity shall be given to all employees.

The policy of giving full and fair consideration to applications for employment from disabled persons and where practical to continue the employment of anyone who may become disabled during their employment has continued. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees (wherever appropriate).

Every effort is made to ensure good communication. In particular, the Company recognises the crucial roles that its managers and supervisors play in ensuring that employees are made aware of developments within the Company.

Directors' report (continued)

Financial instruments

The directors consider that the Company's key financial instruments are shareholder loan notes and amounts due to and from group companies. Interest on shareholder loans and loans receivable from other group companies is fixed at 11 per cent per annum and is therefore not exposed to movements in interest rates. The directors will revisit the appropriateness of this policy should the Company's operations change in size or nature.

The Company's exposure to the price risk of financial instruments is therefore minimal. The directors do not consider any other risks in regard to the use of financial instruments to be material to an assessment of its financial position or trading results.

Going concern

The Company is in a net liability position of £20,000, of which £110,188,000 included in creditors due in more than one year relate to shareholder loan notes. These shareholder loan notes do not mature until 2027. The directors have also considered the financial position of the Company alongside the three year forecast for the Royale JVC Group, which include the cashflows of Royale Interco Limited given that the Company also has net current liabilities of £20,000. The directors have received a letter of support from Royale JVC Limited confirming its intention to support the Company for a period of at least 12 months from the date of approval of these financial statements. Despite the ongoing risk posed by COVID-19 and its potential impact on the future profitability on the group, the directors have prepared various sensitivity scenarios and have concluded that based on the forecast profitability and cashflows generated, and having considered the forecast liquidity position of the wider Royale JVC Group, the directors are satisfied that the Company has sufficient resources for a period of at least 12 months from the date of approval of these financial statements. Having made the necessary enquiries and satisfied themselves that Royale JVC Limited has sufficient resources to provide the written assurances obtained, the directors therefore consider it appropriate to prepare the financial statements on a going concern basis.

Risk Management

The Company is conscious of the importance of providing a safe working environment for both its employees and its customers, of ensuring compliance with all statutory and mandatory requirements and of minimising the environmental impact of its operations whenever possible. Careful attention is given to the promotion of risk management procedures.

Donations

The Company did not make any political donations or incur any political expenditure during the year (2019: nil).

Post balance sheet events

On 13 May 2021, the Company made a drawdown of £25,000,000 of 11% unsecured redeemable series A loan notes from its parent, Royale JVC Limited, and subsequently lent the proceeds to its subsidiary, BKUK Group Limited.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have been appointed by the directors. PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Audit Committee meeting following the signing of these financial statements.

On behalf of the board



AD Murdoch
Director
26 May 2021

Independent auditors' report

to the members of Royale Interco Limited

Report on the audit of the financial statements

Opinion

In our opinion, Royale Interco Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements ("the Annual Report"), which comprise: the balance sheet as at 31 December 2020; the profit and loss account and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Independent auditors' report

to the members of Royale Interco Limited

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax regulation and employment laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates. Audit procedures performed included:

- Enquiry with management and those charged with governance regarding any litigation or claims arising from non-compliance with laws and regulations and whether there was any alleged or suspected fraud.
- Review of minutes of management and board meetings during the year.
- Review of the disclosures in the Annual report and financial statements against specific legal requirements and assessing the compliance of disclosures against relevant legislation.
- Auditing the risk of management override of controls, through testing journal entries and other adjustments for appropriateness and challenging the assumptions used in management's accounting estimates.
- Evaluating the business rationale of significant transactions outside the normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report

to the members of Royale Interco Limited

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Simon Bailey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Crawley
26 May 2021

Profit and loss account

for the year ended 31 December 2020

	Note	For the year ended 31 December 2020 £'000	For the year ended 31 December 2019 £'000
Administrative expenses		(7)	(7)
Operating loss		(7)	(7)
Interest receivable and similar income	7	10,923	9,834
Interest payable and similar expenses	7	(10,923)	(9,834)
Loss before taxation		(7)	(7)
Tax on loss	8	-	-
Loss for the financial year		(7)	(7)

All results arise from continuing activities.

There was no other comprehensive income for the year ended 31 December 2020 (2019: nil).

The notes on pages 11 to 16 form part of the financial statements.

Royale Interco Limited

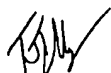
Balance sheet

as at 31 December 2020

	Note	31 December 2020 £'000	31 December 2019 £'000
Fixed assets			
Investments	9	-	-
Non-current assets			
Debtors	10	110,188	99,265
		110,188	99,265
Creditors: amounts falling due within one year	11	(20)	(13)
Net current liabilities		(20)	(13)
Total assets less current liabilities		110,168	99,252
Creditors: amounts falling due after more than one year	12	(110,188)	(99,265)
Net liabilities		(20)	(13)
Capital and reserves			
Called-up share capital	14	-	-
Accumulated losses		(20)	(13)
Total equity		(20)	(13)

The notes on pages 11 to 16 form part of the financial statements.

The financial statements on pages 8 to 16 were approved by the board of directors on 26 May 2021 and were signed on its behalf by:



TJ Doubleday
Director
26 May 2021

Royale Interco Limited
Registered no. 10980788

Statement of changes in equity

for the year ended 31 December 2020

	Called-up share capital £'000	Accumulated losses £'000	Total equity £'000
At 1 January 2019	-	(6)	(6)
Loss for the financial year	-	(7)	(7)
Total comprehensive expense for the year	-	(7)	(7)
At 31 December 2019	-	(13)	(13)
At 1 January 2020	-	(13)	(13)
Loss for the financial year	-	(7)	(7)
Total comprehensive expense for the year	-	(7)	(7)
At 31 December 2020	-	(20)	(20)

The notes on pages 11 to 16 form part of the financial statements.

Notes to the financial statements

Year ended 31 December 2020

1 General information

The principal activity of Royale Interco Limited (the "Company") is a holding company.

The Company is a private company limited by shares and incorporated and domiciled in the UK. The company registered number is 10980788 and the registered address is 5 New Street Square, London, EC4A 3TW.

2 Statement of compliance

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These have been applied consistently in the year ended 31 December 2020.

3.1 Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The financial statements have been prepared for the year ended 31 December 2020, with comparatives for the year ended 31 December 2019.

3.2 Going concern

The Company is in a net liability position of £20,000, of which £110,188,000 included in creditors due in more than one year relate to shareholder loan notes. These shareholder loan notes do not mature until 2027. The directors have also considered the financial position of the Company alongside the three year forecast for the Royale JVC Group, which include the cashflows of Royale Interco Limited given that the Company also has net current liabilities of £20,000. The directors have received a letter of support from Royale JVC Limited confirming its intention to support the Company for a period of at least 12 months from the date of approval of these financial statements. Despite the ongoing risk posed by COVID-19 and its potential impact on the future profitability on the group, the directors have prepared various sensitivity scenarios and have concluded that based on the forecast profitability and cashflows generated, and having considered the forecast liquidity position of the wider Royale JVC Group, the directors are satisfied that the Company has sufficient resources for a period of at least 12 months from the date of approval of these financial statements. Having made the necessary enquiries and satisfied themselves that Royale JVC Limited has sufficient resources to provide the written assurances obtained, the directors therefore consider it appropriate to prepare the financial statements on a going concern basis.

3.3 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions. The Company has taken advantage of the following exemptions in its financial statements:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d); and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

The information is included in the consolidated financial statements of Royale JVC Limited as at 31 December 2020 and these financial statements may be obtained from UK Companies House.

3.4 Consolidated financial statements

The Company is a wholly owned subsidiary of Royale JVC Limited and is included in the consolidated financial statements of Royale JVC Limited which are publicly available. The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The address of the parent's registered office is 5 New Street Square, London, EC4A 3TW.

3.5 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

3.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.7 Investments

Fixed asset investments are included at cost less provision for permanent impairment in value. Current asset investments are stated at the lower of cost and net realisable value. Investments in subsidiary undertakings are initially recorded at cost. The carrying value of investments in subsidiary undertakings is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Notes to the financial statements

Year ended 31 December 2020

3 Summary of significant accounting policies (continued)

3.8 Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of 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.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

4 Key accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i. Recoverability of intercompany debtors

The directors have considered the financial position and three year forecast for BKUK Group Limited, which include the cashflows of its trading subsidiaries BKUK Devco Limited, Caspian Food Retailers Limited, Caspian Food Services Limited, BKUK Bristol Limited and BKUK Flame Limited. Based upon the forecast profitability and high cashflows generated, the directors are satisfied that the intercompany debtors are recoverable.

5 Auditors' remuneration

Fees in respect of auditors' remuneration for the financial year ended 31 December 2020 were £7,000 (2019: £6,950).

6 Employees and directors

The Company has no employees other than the directors, who did not receive any remuneration. These are paid by Royale Midco Limited, and the directors consider that it is not possible to accurately apportion these costs to the company.

7 Net interest expense

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
a. Interest receivable and similar income		
Interest receivable from group companies	10,923	9,834
	<u>10,923</u>	<u>9,834</u>
b. Interest payable and similar expenses		
Interest payable on shareholder loan notes	(10,923)	(9,834)
	<u>(10,923)</u>	<u>(9,834)</u>
c. Net interest expense		
Interest receivable and similar income	10,923	9,834
Interest payable and similar expenses	<u>(10,923)</u>	<u>(9,834)</u>

Notes to the financial statements

Year ended 31 December 2020

8 Tax on loss

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Total tax expense recognised in the profit and loss account		
Current tax:		
Current tax on loss for the year/period	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Tax on loss	-	-

Reconciliation of effective tax rate

The tax assessed for the year/period can be reconciled to the loss per the profit and loss account as follow:

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Loss before taxation	(7)	(7)
Tax using the UK corporation tax rate of 19% (2019: 19%)	(1)	(1)
Movement in unprovided deferred tax	1	1
Total tax charge included in profit or loss	-	-

The Company does not recognise the deferred tax asset arising on losses due to uncertainty associated with the recoverability of the balance. The total amount of unprovided deferred tax asset as at the year ended 31 December 2020 is £3,000 (2019: £2,000).

Factors affecting future tax changes

As announced in the Spring Budget 2021, legislation will be introduced in the Finance Bill 2021 to change the Corporation Tax main rate to 25% for the financial year beginning 1 April 2023. As the proposed increase to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. Moreover, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would have no significant impact on the deferred tax asset value.

Notes to the financial statements

Year ended 31 December 2020

9 Investments

Cost and net book value	£
At 31 December 2019	2
Additions	-
At 31 December 2020	<u>2</u>

The directors are satisfied that the carrying value of the investment is supported by the underlying trading of its subsidiary companies. A list of the subsidiary companies is provided in note 19.

10 Debtors

	31 December 2020 £'000	31 December 2019 £'000
Amounts owed by group undertakings	<u>110,188</u>	<u>99,265</u>
	<u>110,188</u>	<u>99,265</u>

On 16 November 2017, the Company entered into a £43,825,000 unsecured redeemable series A loan note and a £18,750,000 unsecured redeemable series B loan note with BKUK Group Limited. On 16 November 2018, the Company entered into a £18,750,000 unsecured redeemable series A loan note with BKUK Group Limited. The maturity date of the loan notes is 30 September 2027. The loan notes accrue interest at a compound rate of 11% per annum. Cumulative interest capitalised into the principal of the loan notes at 31 December 2020 was £28,863,000 (2019: £17,940,000).

11 Creditors: amounts falling due within one year

	31 December 2020 £'000	31 December 2019 £'000
Amounts owed to group undertakings	<u>20</u>	<u>13</u>
	<u>20</u>	<u>13</u>

Amounts owed to group undertakings relate to balances incurred in the course of normal trading activity. Balances are unsecured, interest-free and repayable on demand.

Notes to the financial statements

Year ended 31 December 2020

12 Creditors: amounts falling due after more than one year

	31 December 2020 £'000	31 December 2019 £'000
Amounts owed to group undertakings	110,188	99,265
	<u>110,188</u>	<u>99,265</u>

On 16 November 2017, the Company entered into a £43,825,000 unsecured redeemable series A loan note and a £18,750,000 unsecured redeemable series B loan note with Royale JVC Limited. On 16 November 2018, the Company entered into a £18,750,000 unsecured redeemable series A loan note with Royale JVC Limited. The maturity date of the loan notes is 30 September 2027, at which point it will be repaid in full. The loan notes accrue interest at a compound rate of 11% per annum. Cumulative interest capitalised into the principal of the loan notes at 31 December 2020 was £28,863,000 (2019: £17,940,000).

13 Financial instruments

	31 December 2020 £'000	31 December 2019 £'000
<i>Financial assets measured at amortised cost</i>		
Amounts owed by group undertakings	110,188	99,265
Total financial assets	<u>110,188</u>	<u>99,265</u>
<i>Financial liabilities measured at amortised cost</i>		
Amounts owed to group undertakings	(20)	(13)
Shareholder loan notes	(110,188)	(99,265)
Total financial liabilities	<u>(110,208)</u>	<u>(99,278)</u>
Net financial liabilities	<u>(20)</u>	<u>(13)</u>

14 Called-up share capital

	Number 31 December 2020	£ 31 December 2020	Number 31 December 2019	£ 31 December 2019
Allotted, called up and fully paid:				
Ordinary shares of £1.00 each	2	2	2	2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

Dividends

No dividends were paid for the year ended 31 December 2020 (2019: nil).

15 Contingent liabilities

There were no contingent liabilities at year-end (2019: nil).

16 Related party transactions

Transactions and balances between companies wholly owned by Royale JVC Limited have not been disclosed as is permitted by FRS 102 Section 33.1A *Related Party Disclosures*. There are no additional related party transactions outside of the group which require disclosure.

Notes to the financial statements

Year ended 31 December 2020

17 Controlling party

The immediate parent company of Royale Interco Limited is Royale JVC Limited. Royale JVC Limited is a limited company incorporated in England and Wales and the smallest group for which consolidated financial statements are prepared. Royale Topco Limited is a limited company incorporated in England and Wales and the largest group for which consolidated financial statements are prepared. The financial statements of Royale JVC Limited and Royale Topco Limited are available from the Company Secretary, 5 New Street Square, London, United Kingdom, EC4A 3TW.

Shares in Royale Topco Limited are held in the name of a nominee company, BEV Nominees II Limited, which holds the shares as nominee for the 12 limited partnerships that comprise the Bridgepoint Europe V Fund being Bridgepoint Europe V 'A1' LP, Bridgepoint Europe V 'A2' LP, Bridgepoint Europe V 'A3' LP, Bridgepoint Europe V 'B1' LP, Bridgepoint Europe V 'B2' LP, Bridgepoint Europe V 'B3' LP, Bridgepoint Europe V 'B4' LP, Bridgepoint Europe V 'B5' LP, Bridgepoint Europe V 'C' LP, Bridgepoint Europe V 'D' LP, Bridgepoint Europe V 'E' LP and Wigmore Street Co-Investments No.1 LP (the "Partnerships"). The Partnerships each act by their FCA authorised fund manager, Bridgepoint Advisers Limited.

BEV Nominees II Limited's and Bridgepoint Advisers Limited's ultimate parent company is Bridgepoint Group Limited. Accordingly, at 31 December 2020, the Directors consider the Company's ultimate controlling party to be Bridgepoint Group Limited.

18 Events after the reporting period

On 13 May 2021, the Company made a drawdown of £25,000,000 of 11% unsecured redeemable series A loan notes from its parent, Royale JVC Limited, and subsequently lent the proceeds to its subsidiary, BKUK Group Limited.

19 Subsidiaries and related undertakings

The list of subsidiaries is as follows:

Name	Address of the registered office	Nature of business	Interest
BKUK Group Limited*	5 New Street Square, London, EC4A 3TW	Holding company	100% ordinary shares
BKUK Devco Limited	5 New Street Square, London, EC4A 3TW	Retailer	100% ordinary shares
Royale Bidco Limited	5 New Street Square, London, EC4A 3TW	Holding company	100% ordinary shares
Caspian Food Retailers Limited	5 New Street Square, London, EC4A 3TW	Retailer	100% ordinary shares
Caspian Food Services Limited	5 New Street Square, London, EC4A 3TW	Retailer	100% ordinary shares
BKUK Bristol Limited	5 New Street Square, London, EC4A 3TW	Retailer	100% ordinary shares
BKUK Flame Limited	5 New Street Square, London, EC4A 3TW	Retailer	100% ordinary shares
Westside Express Limited	5 New Street Square, London, EC4A 3TW	Dormant company	100% ordinary shares

* This entity is owned directly by Royale Interco Limited.