

Registered number: 04524306

## **SAPPHIRE RURAL DESTINATION NO.5 LIMITED**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the 52 weeks ended 30 April 2017**

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## **SAPPHIRE RURAL DESTINATION NO.5 LIMITED**

### **COMPANY INFORMATION**

<b>Director</b>	K Davis
<b>Company secretary</b>	Mrs L A Keswick
<b>Registered number</b>	04524306
<b>Registered office</b>	Westgate Brewery Bury St Edmunds Suffolk IP33 1QT
<b>Auditor</b>	Ernst & Young LLP Statutory Auditor One Cambridge Business Park Cambridge CB4 0WZ

## **SAPPHIRE RURAL DESTINATION NO.5 LIMITED**

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## **SAPPHIRE RURAL DESTINATION NO.5 LIMITED**

### **DIRECTOR'S REPORT For the 52 weeks ended 30 April 2017**

The director presents his report and the financial statements for the 52 weeks ended 30 April 2017.

#### **Principal activity**

The company's principal activity is the provision of financing, via inter-company loans, to fellow group companies.

#### **Going concern**

At the balance sheet date the company had net current assets of £12,622,545 and net assets of £12,622,545. After making enquires the director has a reasonable expectation that the net assets of £12,622,545 are recoverable in full and that the company has adequate resources to continue in operational existence for the foreseeable future. The director is satisfied that the company is able to meet its liabilities as they fall due being a period of no less than 12 months from the date of approval of these financial statements and therefore continues to prepare the financial statements on a going concern basis.

#### **Director**

The director who served during the 52 weeks was:

K Davis

The director did not hold any interest in the share capital of the company during the period.

The interest of the director in the shares of the ultimate parent company, Greene King Plc, is shown in the financial statements of that company, where they are a director of Greene King Plc.

#### **Qualifying third party indemnity provisions**

The company has indemnified the director of the company in respect of proceedings brought by third parties. Such qualifying third party indemnity provision remains in place at the date of this report.

#### **Disclosure of information to auditor**

The director at the time when this director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### **Post balance sheet events**

There are no post balance sheet events requiring disclosure in the financial statements.

**SAPPHIRE RURAL DESTINATION NO.5 LIMITED**

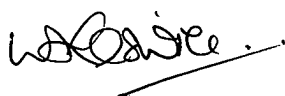
**DIRECTOR'S REPORT (CONTINUED)**  
**For the 52 weeks ended 30 April 2017**

**Auditor**

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Mrs L A Keswick  
Secretary

Date: 13 September 2017

## **SAPPHIRE RURAL DESTINATION NO.5 LIMITED**

### **DIRECTOR'S RESPONSIBILITIES STATEMENT**

**For the 52 weeks ended 30 April 2017**

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAPPHIRE RURAL DESTINATION NO.5 LIMITED**

We have audited the financial statements of Sapphire Rural Destination No.5 Limited for the 52 weeks ended 30 April 2017 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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.

### **Respective responsibilities of director and auditor**

As explained more fully in the director's responsibilities statement, set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2017 and of its profit for the 52 weeks then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the director's report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAPPHIRE RURAL DESTINATION NO.5 LIMITED**

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have identified no material misstatements in the director's report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the director's report.

*Ernst & Young*

Lloyd Brown (Senior statutory auditor)

for and on behalf of  
Ernst & Young LLP, Statutory Auditor  
London, UK

Date: 13 / 9 / 2017



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAPPHIRE RURAL DESTINATION NO.5 LIMITED**

We have audited the financial statements of Sapphire Rural Destination No.5 Limited for the 52 weeks ended 30 April 2017 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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.

### **Respective responsibilities of director and auditor**

As explained more fully in the director's responsibilities statement, set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2017 and of its profit for the 52 weeks then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the director's report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

**SAPPHIRE RURAL DESTINATION NO.5 LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

**For the 52 weeks ended 30 April 2017**

	<b>Note</b>	<b>52 week ended 30 April 2017 £</b>	<b>52 weeks ended 1 May 2016 £</b>
Interest receivable and similar income	6	<b>206,358</b>	217,256
<b>Profit before tax</b>		<b>206,358</b>	217,256
Taxation	7-	<b>(41,065)</b>	(43,451)
<b>Profit for the period</b>		<b>165,293</b>	173,805

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016: £nil).

The notes on pages 9 to 13 form part of these financial statements.

**SAPPHIRE RURAL DESTINATION NO.5 LIMITED**  
Registered number: 04524306

**BALANCE SHEET**  
As at 30 April 2017

	Note	30 April 2017 £	1 May 2016 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	12,663,610	12,500,703
Creditors: amounts falling due within one year	9	(41,065)	(43,451)
<b>Net current assets</b>		<u>12,622,545</u>	<u>12,457,252</u>
<b>Net assets</b>		<u>12,622,545</u>	<u>12,457,252</u>
<b>Capital and reserves</b>			
Called up share capital	10	2,000	2,000
Share premium account	11	16,714	16,714
Profit and loss account	11	12,603,831	12,438,538
<b>Equity</b>		<u>12,622,545</u>	<u>12,457,252</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**K Davis**  
Director



Date: 13 September 2017

The notes on pages 9 to 13 form part of these financial statements.

**SAPPHIRE RURAL DESTINATION NO.5 LIMITED**

**STATEMENT OF CHANGES IN EQUITY**  
For the 52 weeks ended 30 April 2017

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 4 May 2015</b>	<b>2,000</b>	<b>16,714</b>	<b>12,264,733</b>	<b>12,283,447</b>
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	173,805	173,805
<b>At 2 May 2016</b>	<b>2,000</b>	<b>16,714</b>	<b>12,438,538</b>	<b>12,457,252</b>
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	165,293	165,293
<b>At 30 April 2017</b>	<b>2,000</b>	<b>16,714</b>	<b>12,603,831</b>	<b>12,622,545</b>

## **SAPPHIRE RURAL DESTINATION NO.5 LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS** **For the 52 weeks ended 30 April 2017**

#### **1. GENERAL INFORMATION**

Sapphire Rural Destination No.5 Limited is a private company limited by shares incorporated and domiciled in England & Wales.

The company's financial statements are presented in Sterling.

#### **2. ACCOUNTING POLICIES**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 Financial reporting standard 101 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

##### **2.3 Going concern**

At the balance sheet date the company had net current assets of £12,622,545 and net assets of £12,622,545. After making enquiries the director has a reasonable expectation that the net assets of £12,622,545 are recoverable in full and that the company has adequate resources to continue in operational existence for the foreseeable future. The director is satisfied that the company is able to meet its liabilities as they fall due being a period of no less than 12 months from the date of approval of these financial statements and therefore continues to prepare the financial statements on a going concern basis.

##### **2.4 Intercompany balance**

Amounts owed by or to group undertakings are classified as short term assets or liabilities unless there is a formal loan arrangement in place that specifies repayment over a period longer than one year at the balance sheet date.

## **SAPPHIRE RURAL DESTINATION NO.5 LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS** **For the 52 weeks ended 30 April 2017**

#### **2. ACCOUNTING POLICIES (CONTINUED)**

##### **2.5 Interest**

Interest receivable or payable under the company's various investments and financial instruments is accrued so as to impute a constant periodic rate of return in the profit and loss account.

##### **2.6 Taxation**

Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

#### **3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect reported amounts of assets and liabilities, income and expense. The company bases its estimates and judgments on historical experience and other factors deemed reasonable under the circumstances, including any expectations of future events. Actual results may differ from these estimates.

The estimates and judgments considered to be significant are detailed below:

##### **Taxation**

Judgment is required when determining the provision for taxes as the tax treatment of some transactions cannot be finally determined until a formal resolution has been reached with the tax authorities. Assumptions are also made around the assets which qualify for capital allowances and the level of disallowable expenses and this affects the income tax calculation. Provisions are also made for uncertain exposures which can have an impact on both deferred and current tax. Tax benefits are not recognised unless it is probable that the benefit will be obtained and tax provisions are made if it is possible that a liability will arise. The final resolution of these transactions may give rise to material adjustments to the income statement and/or cashflow in future periods. The company reviews each significant tax liability or benefit each period to assess the appropriate accounting treatment.

#### **4. STAFF COSTS**

The company has no employees and did not incur any staff costs during the period (2016: £nil).

The director who held office during the period was also a director of fellow group undertakings. Total emoluments, including any company pension contributions, received by the director totals £545,000 (2016: £689,000) paid by the ultimate parent company or other group companies. The director does not believe that it is practicable to apportion this amount between qualifying services as directors to the company and to fellow group undertakings. The number of directors who received or exercised share options during the period was 1 (2016: 1).

# SAPPHIRE RURAL DESTINATION NO.5 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the 52 weeks ended 30 April 2017

### 5. AUDITOR'S REMUNERATION

The auditor's remuneration for the period of £1,000 (2016: £1,000) has been borne by another group company.

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group financial statements of the ultimate parent company.

### 6. INTEREST RECEIVABLE AND SIMILAR INCOME

	52 week ended 30 April 2017 £	52 weeks ended 1 May 2016 £
Interest receivable from group undertaking	<u>206,358</u>	<u>217,256</u>

### 7. TAXATION

	52 week ended 30 April 2017 £	52 weeks ended 1 May 2016 £
<b>CORPORATION TAX</b>		
Current tax on profits for the year	41,065	43,451
<b>TOTAL CURRENT TAX</b>	<u>41,065</u>	<u>43,451</u>

#### FACTORS AFFECTING TAX CHARGE FOR THE PERIOD

There were no factors that affected the tax charge for the period which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19.9% (2016 - 20%).

#### FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Finance Act (No.2) Act 2015 reduced the rate of corporation tax from 20% to 19% from 1 April 2017 and the Finance Act 2016 further reduced the rate to 17% from 1 April 2020. Both these rate reductions were substantively enacted at the balance sheet date and are therefore included in these accounts.

# SAPPHIRE RURAL DESTINATION NO.5 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the 52 weeks ended 30 April 2017

### 8. DEBTORS

	30 April 2017 £	1 May 2016 £
Amounts owed by group undertaking	<u>12,663,610</u>	<u>12,500,703</u>

Amounts owed by group undertakings are unsecured, interest bearing, have no fixed date of repayment and are repayable on demand.

### 9. CREDITORS: Amounts falling due within one year

	30 April 2017 £	1 May 2016 £
Corporation tax payable	<u>41,065</u>	<u>43,451</u>

### 10. CALLED UP SHARE CAPITAL

	30 April 2017 £	1 May 2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
200 Ordinary shares of £1 each	200	200
1,800 Deferred shares of £1 each	<u>1,800</u>	<u>1,800</u>
	<u>2,000</u>	<u>2,000</u>

Unlike the ordinary shares, the deferred shares have no entitlement to receive notice of or attend or vote at any general meeting of the company. The company may at any time redeem all the deferred shares in issue at a price not exceeding one pound for each deferred share.



## **SAPPHIRE RURAL DESTINATION NO.5 LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the 52 weeks ended 30 April 2017**

#### **11. RESERVES**

##### **Share premium account**

Share premium represents the excess of proceeds received over the nominal value of new shares issued.

##### **Profit & loss account**

Profit and loss account reserve represents accumulated retained earnings.

#### **12. RELATED PARTY TRANSACTIONS**

During the period the company entered into transactions, in the ordinary course of business, with other related parties. The company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow 100% owned group undertakings. Transactions entered into, and trading balances outstanding at the balance sheet date with other related parties did not occur during the current or prior fiscal years.

#### **13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

At the balance sheet date, the director considers the immediate parent undertaking and immediate controlling party of Sapphire Rural Destination No.5 Limited to be Greene King Retailing Limited, a company incorporated in England and Wales.

The ultimate parent undertaking and ultimate controlling party is Greene King plc, a company registered in England and Wales.

Greene King Retailing Parent Limited is the smallest group which includes the results of the company and for which group financial statements are prepared. Copies of its group financial statements are available from Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT.

Greene King Plc is the largest group which includes the results of the company and for which group financial statements are prepared. Copies of its group financial statements are available from Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT.