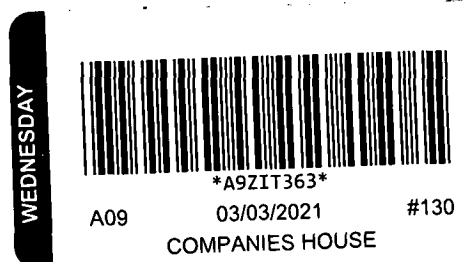


Registered number: 07020781

**SPIRIT PUB COMPANY (INVESTMENTS) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the 52 weeks ended 26 April 2020**



## **SPIRIT PUB COMPANY (INVESTMENTS) LIMITED**

### **COMPANY INFORMATION**

<b>Director</b>	R Smothers
<b>Company secretary</b>	Mrs L A Keswick
<b>Registered number</b>	07020781
<b>Registered office</b>	Westgate Brewery Bury St Edmunds Suffolk IP33 1QT
<b>Auditor</b>	Ernst & Young LLP Statutory Auditor 1 More London Place London SE1 2AF

# **SPIRIT PUB COMPANY (INVESTMENTS) LIMITED**

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## **SPIRIT PUB COMPANY (INVESTMENTS) LIMITED**

### **DIRECTOR'S REPORT For the 52 weeks ended 26 April 2020**

The director presents his report and the financial statements for the 52 weeks ended ended 26 April 2020.

#### **Principal activity**

The company's principal activity is the provision of financing, via intercompany loans, to fellow group companies. In the prior year the company sold it's investment property.

On 19 August 2019, the boards of CK Noble (UK) Limited ("CK Bidco"), a wholly owned subsidiary of CK Asset Holdings Limited ("CKA"), a Cayman Islands company listed on the Hong Kong Stock Exchange and Greene King plc ("Greene King") reached agreement on the terms of a recommended cash offer by CK Bidco for the entire issued and to be issued share capital of Greene King, not already owned by or on behalf of the CKA group.

The acquisition was implemented by way of a scheme of arrangement which took place on 30 October 2019, and on 31 October 2019 Greene King plc was re-registered as a private limited company with the name Greene King Limited.

#### **Going concern**

Greene King Limited has agreed to provide continuing financial support to enable the company to meet its obligations as and when they fall due for a minimum period of at least 12 months from the date of these financial statements.

The directors of Greene King Limited have assessed the potential impact of the COVID-19 pandemic as part of their going concern assessment of the Greene King Limited group. In doing so, the Greene King Limited directors have modelled a worst-case scenario that assumes the group's pubs were asked to close for the entire 12 month going concern period. Under this worst-case basis, the Greene King Limited group is forecast to continue to have access to sufficient cash funds to be in operational existence for a period of at least 12 months from the date of the financial statements. In forming this conclusion, the directors have made a significant judgement in respect of the continued availability of its long-term asset-backed financing vehicles in the knowledge that it could be reliant upon continued waiver or non-recall of debt in response to breached debt covenants in the going concern period.

The directors of Greene King Limited have a reasonable expectation that the group has adequate resources to continue in operational existence for at least the next 12 months from the date of the approval of the financial statements. However, the directors of Greene King Limited concluded that this significant judgement represents a material uncertainty that may cast significant doubt on the group's ability to continue as a going concern.

The director of the company has made appropriate enquiries of the directors of Greene King Limited to confirm that they are satisfied that the financial support will be available and accordingly continue to prepare the financial statements on a going concern basis. However, given the material uncertainty disclosed in Greene King Limited financial statements as noted above, the director of the company has also concluded there is a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

The director continues to prepare the financial statements on a going concern basis and as a result do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the company were unable to continue as a going concern.

#### **Director**

The director who served during the 52 weeks ended was:

R Smothers

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

#### **Future developments**

No significant changes are anticipated to the activities of the company in the foreseeable future.

## **SPIRIT PUB COMPANY (INVESTMENTS) LIMITED**

### **DIRECTOR'S REPORT (CONTINUED)**

**For the 52 weeks ended 26 April 2020**

#### **Directors' and officers' indemnity insurance**

Greene King Limited group ("the group") has taken out insurance to indemnify the director of the company against third party proceedings whilst serving on the board of the company and of any subsidiary. This cover indemnifies all employees of the group who serve on the boards of all subsidiaries. These indemnity policies subsisted throughout the year and remain 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.

#### **Auditor**

Ernst & Young LLP will be resigning as auditor of the company following the completion of these financial statements. The company proposes to appoint Deloitte LLP to audit the next financial statements of the company in accordance with section 485 of the Companies Act 2006, which will be for the period to 3 January 2021, as the company will be aligning its financial year end to that used by the remainder of the CKA group.

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.



**R Smothers**

Director

Date: 10 November 2020

## **SPIRIT PUB COMPANY (INVESTMENTS) LIMITED**

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

**For the 52 weeks ended 26 April 2020**

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 director has 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 director must not approve the financial statements unless he is 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 SPIRIT PUB COMPANY (INVESTMENTS) LIMITED**

### **OPINION**

We have audited the financial statements of Spirit Pub Company (Investments) Limited for the 52 weeks ended 26 April 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 26 April 2020 and of its loss for the 52 weeks ended then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **MATERIAL UNCERTAINTY RELATED TO GOING CONCERN**

We draw attention to Note 2.4 in the financial statements, which describes the impact of COVID-19 on the company, including on its ability to continue as a going concern. A material uncertainty exists relating to the continued availability of both long-term asset-backed financing vehicles in the knowledge that this could be reliant upon continued waiver of debt covenants which are forecast to be breached. As stated in Note 2.4, these events or conditions, indicate that material uncertainties exist that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **OTHER INFORMATION**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPIRIT PUB COMPANY (INVESTMENTS) LIMITED**

### **OPINIONS ON OTHER MATTERS 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.

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report.

We have nothing to report in respect of the following matters in relation to which 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 in preparing the director's report and from the requirement to prepare a strategic report.

### **RESPONSIBILITIES OF DIRECTORS**

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, and for such internal control as the director 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 director is 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 director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **AUDITOR'S 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 auditor's 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.

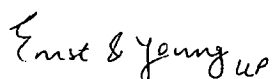
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPIRIT PUB COMPANY  
(INVESTMENTS) LIMITED**

**USE OF OUR REPORT**

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.



Lloyd Brown (Senior statutory auditor)

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

Date: 10 Nov 2020

**SPIRIT PUB COMPANY (INVESTMENTS) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

**For the 52 weeks ended 26 April 2020**

	<b>Note</b>	<b>Continuing operations 52 weeks ended 26 April 2020 £000</b>	<b>Discontin'd operations 52 weeks ended 26 April 2020 £000</b>	<b>Total 52 weeks ended 26 April 2020 £000</b>	<b>Continuing operations 52 weeks ended 26 April 2019 £000</b>	<b>Discontinued operations 52 weeks ended 28 April 2019 £000</b>	<b>Total 52 weeks ended 28 April 2019 £000</b>
Turnover	4	-	-	-	-	473	473
<b>Gross profit</b>		-	-	-	-	<b>473</b>	<b>473</b>
Net impairment losses on financial assets		(40)	-	(40)	(7)	-	(7)
Exceptional administrative expenses	9	-	-	-	-	(80)	(80)
<b>Operating (loss)/profit</b>		<b>(40)</b>	<b>-</b>	<b>(40)</b>	<b>(7)</b>	<b>393</b>	<b>386</b>
Interest receivable and similar income	6	3	-	3	7	-	7
Interest payable and expenses	7	(2,873)	-	(2,873)	(2,873)	-	(2,873)
<b>Loss before tax</b>		<b>(2,910)</b>	<b>-</b>	<b>(2,910)</b>	<b>(2,873)</b>	<b>393</b>	<b>(2,480)</b>
Taxation	8	21	-	21	47	420	467
<b>Loss for the period</b>		<b>(2,889)</b>	<b>-</b>	<b>(2,889)</b>	<b>(2,826)</b>	<b>813</b>	<b>(2,013)</b>

There was no other comprehensive income for 2020 (2019: £nil).

The notes on pages 10 to 17 form part of these financial statements.

**SPIRIT PUB COMPANY (INVESTMENTS) LIMITED**  
Registered number:07020781

**BALANCE SHEET**  
As at 26 April 2020

	Note	26 April 2020 £000	28 April 2019 £000
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	56,145	54,417
Cash at bank	11	-	1,790
		<u>56,145</u>	<u>56,207</u>
Creditors: amounts falling due within one year	12	(65,738)	(62,911)
<b>Net current liabilities</b>		<u>(9,593)</u>	<u>(6,704)</u>
<b>Total assets less current liabilities</b>		<u>(9,593)</u>	<u>(6,704)</u>
<b>Net liabilities</b>		<u>(9,593)</u>	<u>(6,704)</u>
<b>Capital and reserves</b>			
Called up share capital	13	-	-
Profit and loss account	14	(9,593)	(6,704)
<b>Equity</b>		<u>(9,593)</u>	<u>(6,704)</u>

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



**R Smothers**

Director

Date: 10 November 2020

The notes on pages 10 to 17 form part of these financial statements.

**SPIRIT PUB COMPANY (INVESTMENTS) LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**For the 52 weeks ended 26 April 2020**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 30 April 2018	-	(4,623)	(4,623)
Impact of change in accounting policy	-	(68)	(68)
	-	(4,691)	(4,691)
<b>At 30 April 2018 (adjusted balance)</b>			
Loss for the period	-	(2,013)	(2,013)
	-	(6,704)	(6,704)
At 29 April 2019			
Loss for the period	-	(2,889)	(2,889)
	-	(9,593)	(9,593)
<b>At 26 April 2020</b>			

The notes on pages 10 to 17 form part of these financial statements.

## **SPIRIT PUB COMPANY (INVESTMENTS) LIMITED**

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

**For the 52 weeks ended 26 April 2020**

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

Spirit Pub Company (Investments) Limited is a private company limited by shares incorporated and domiciled in England & Wales.

The company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except where indicated.

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

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

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and applicable accounting standards.

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 requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- 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;
  - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
- 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

## **SPRIT PUB COMPANY (INVESTMENTS) LIMITED**

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

**For the 52 weeks ended 26 April 2020**

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

### **2.3 Impact of new International Reporting Standards, amendments and interpretations**

The following new standards, interpretations and amendments to standards are mandatory for the company for the first time for their annual reporting period commencing 29 April 2019.

Those standards and interpretations include:

- IFRS 16 Leases
- Prepayments with Negative Compensation – Amendments to IFRS 9
- Plan Amendment, Curtailment or Settlement – Amendments to IAS 19
- Interpretation 23 Uncertainty over Income Tax treatments

The company has considered the above new standards and has concluded that none of them has an impact on the company's financial statements.

#### **IFRS 9 Financial Instruments**

IFRS 9 sets out requirements for recognition and measurement of financial instruments, including impairment and derecognition. This standard replaced IAS 39 Financial Instruments: Recognition and Measurement.

The company adopted IFRS 9 on 30 April 2018 prospectively and did not restate the comparative periods. As a result, the company recognised a £68,000 charge in retained earnings to reflect the new standard.

### **2.4 Going concern**

Greene King Limited has agreed to provide continuing financial support to enable the company to meet its obligations as and when they fall due for a minimum period of at least 12 months from the date of these financial statements.

The directors of Greene King Limited have assessed the potential impact of the COVID-19 pandemic as part of their going concern assessment of the Greene King Limited group. In doing so, the Greene King Limited directors have modelled a worst-case scenario that assumes the group's pubs were asked to close for the entire 12 month going concern period. Under this worst-case basis, the Greene King Limited group is forecast to continue to have access to sufficient cash funds to be in operational existence for a period of at least 12 months from the date of the financial statements. In forming this conclusion, the directors have made a significant judgement in respect of the continued availability of its long-term asset-backed financing vehicles in the knowledge that it could be reliant upon continued waiver or non-recall of debt in response to breached debt covenants in the going concern period.

The directors of Greene King Limited have a reasonable expectation that the group has adequate resources to continue in operational existence for at least the next 12 months from the date of the approval of the financial statements. However, the directors of Greene King Limited concluded that this significant judgement represents a material uncertainty that may cast significant doubt on the group's ability to continue as a going concern.

The director of the company has made appropriate enquiries of the directors of Greene King Limited to confirm that they are satisfied that the financial support will be available and accordingly continue to prepare the financial statements on a going concern basis. However, given the material uncertainty disclosed in Greene King Limited financial statements as noted above, the director of the company has also concluded there is a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

The director continues to prepare the financial statements on a going concern basis and as a result do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the company were unable to continue as a going concern.

## **SPIRIT PUB COMPANY (INVESTMENTS) LIMITED**

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

**For the 52 weeks ended 26 April 2020**

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

### **2.5 Intercompany balances**

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.

The company recognises a loss allowance for expected credit losses on amounts due from group undertakings. The methodology used to determine the amount of the expected credit loss is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset.

For those financial assets where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses are recognised. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. For those financial assets where the credit risk has increased significantly (or determined to be credit impaired), lifetime expected credit losses are recognised. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset (or for credit impaired assets, to the net carrying amount of the financial asset).

### **2.6 Cash at bank**

Cash at bank in the balance sheet comprise cash at bank and short-term deposits with an original maturity of three months or less.

### **2.7 Revenue**

Generally, turnover represents external sales (excluding taxes) of goods and services, net of discounts. Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and is measured at the fair value of consideration receivable, excluding discounts, rebates and other sales taxes or duty relating to brewing and packaging of certain products.

Turnover consists of rental income which is recognised on a straight line basis over the lease term, as the performance obligation is satisfied over time, based on the contractual terms of the lease agreement.

### **2.8 Interest income**

Interest costs are expensed to the income statement using the effective interest method. Interest income is recognised in the income statement using the effective interest method.

### **2.9 Current and deferred taxation**

Tax is recognised in profit or loss 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.

### **2.10 Exceptional items**

Exceptional items are defined as items of income or expense which, because of their nature, size or expected frequency, merit separate presentation to allow a better understanding of the financial performance in the period.

## SPIRIT PUB COMPANY (INVESTMENTS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 26 April 2020

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

##### SIGNIFICANT ACCOUNTING JUDGMENTS

In the course of preparing the financial statements, the key judgment made in the process of applying the company's accounting policies is detailed below:

##### Exceptional items

Management uses a range of measures to monitor and assess the company's financial performance. These measures include statutory measures calculated in accordance with IFRS but are adjusted to exclude items that management considers would prevent comparison of the company's performance from one reporting period to another.

The classification of items excluded from profit before exceptional items requires judgment including consideration of the nature, circumstances, scale and impact of the transaction.

##### SIGNIFICANT ACCOUNTING ESTIMATES

There are no areas of estimation that have a significant risk of resulting in material adjustment to carrying amounts of assets and liabilities.

#### 4. TURNOVER

An analysis of turnover by class of business is as follows:

	52 weeks ended 26 April 2020 £000	52 weeks ended 28 April 2019 £000
Rent receivable	-	473

All turnover arose within the United Kingdom.

#### 5. STAFF COSTS

The company has no employees (2019: none) and did not incur any staff costs during the period (2019: £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 this director totals £517,000 (2019: £926,000) paid by other companies in the Greene King Limited group. 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 in a fellow group company during the period was 1 (2019: 1).



**SPIRIT PUB COMPANY (INVESTMENTS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the 52 weeks ended 26 April 2020

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>52 weeks ended 26 April 2020 £000</b>	<b>52 weeks ended 28 April 2019 £000</b>
Bank interest receivable	<u>3</u>	<u>7</u>

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>52 weeks ended 26 April 2020 £000</b>	<b>52 weeks ended 28 April 2019 £000</b>
Interest payable to group undertakings	<u>2,873</u>	<u>2,873</u>

**8. TAXATION**

	<b>52 weeks ended 26 April 2020 £000</b>	<b>52 weeks ended 28 April 2019 £000</b>
<b>CORPORATION TAX</b>		
Current tax on profits for the year	-	45
Adjustments in respect of previous periods	(21)	(2)
<b>TOTAL CURRENT TAX</b>	<u>(21)</u>	<u>43</u>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	-	(327)
Adjustments in respect of previous periods	-	(183)
<b>TOTAL DEFERRED TAX</b>	<u>-</u>	<u>(510)</u>
<b>TAXATION ON LOSS ON ORDINARY ACTIVITIES</b>	<u>(21)</u>	<u>(467)</u>

# **SPIRIT PUB COMPANY (INVESTMENTS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** For the 52 weeks ended 26 April 2020

### **8. TAXATION (CONTINUED)**

#### **FACTORS AFFECTING TAXATION FOR THE PERIOD**

The tax assessed for the period is higher than (2019:lower than) the standard rate of corporation tax in the UK of 19.0% (2019:19.0%). The differences are explained below:

	<b>52 weeks ended 26 April 2020 £000</b>	<b>52 weeks ended 28 April 2019 £000</b>
Loss on ordinary activities before tax	<b>(2,910)</b>	<b>(2,480)</b>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2019:19.0%)	<b>(553)</b>	<b>(471)</b>
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes	<b>8</b>	<b>1</b>
Adjustments to tax charge in respect of prior periods	<b>(21)</b>	<b>(185)</b>
Group relief for nil consideration	<b>46</b>	<b>-</b>
Transfer pricing adjustments	<b>499</b>	<b>499</b>
Deferred tax in respect of fixed assets	<b>-</b>	<b>(349)</b>
Impact of deferred tax being at different rate to corporation tax	<b>-</b>	<b>38</b>
<b>TOTAL TAX CHARGE FOR THE PERIOD</b>	<b>(21)</b>	<b>(467)</b>

#### **FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

The planned reduction in the rate of corporation tax from 19% to 17% was revised by order of a "Ways and means" motion on 17 March 2020, such motions having statutory effect under the Provisional Collection of Taxes Act 1968. Therefore, the enacted rate at the balance sheet date remains at 19% and it therefore included in these accounts.

### **9. EXCEPTIONAL ITEMS**

	<b>52 weeks ended 26 April 2020 £000</b>	<b>52 weeks ended 28 April 2019 £000</b>
Loss on disposal of investment property	<b>-</b>	<b>80</b>

The loss on disposal of investment property of in the prior year of £80,000 related to the disposal of the company's freehold investment property.

**SPIRIT PUB COMPANY (INVESTMENTS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the 52 weeks ended 26 April 2020

**10. DEBTORS: Amounts falling due within one year**

	<b>26 April 2020 £000</b>	<b>28 April 2019 £000</b>
Amounts owed by group undertakings	<b>56,124</b>	54,417
Corporation tax recoverable	<b>21</b>	-
	<b>56,145</b>	54,417

Amounts owed by group undertakings are unsecured, bear no interest, have no fixed date of repayment, are repayable on demand and are held at amortised cost. Expected credit losses of £115,000 (2019: £75,000) have been recognised against the carrying value.

**11. CASH AT BANK**

	<b>26 April 2020 £000</b>	<b>28 April 2019 £000</b>
Cash at bank	<b>-</b>	1,790

**12. CREDITORS: Amounts falling due within one year**

	<b>26 April 2020 £000</b>	<b>28 April 2019 £000</b>
Amounts owed to group undertakings	<b>65,738</b>	62,866
Corporation tax payable	<b>-</b>	45
	<b>65,738</b>	62,911

Included within amounts owed to group undertakings are four loans from fellow group undertaking, Spirit Pub Company (SGE) Limited, of £3,452,000, £2,037,000, £4,353,000 and £31,312,000 (2019: £3,452,000, £2,037,000, £4,353,000 and £31,312,000 respectively). The loans accrue interest at 7% per annum, and at the balance sheet date total interest of £21,339,000 had accrued (2019: £18,466,000). All four loans are repayable on demand and held at amortised cost.

Other amounts owed to group undertakings are unsecured, bear no interest, have no fixed date of repayment, are repayable on demand and held at amortised cost.

## SPIRIT PUB COMPANY (INVESTMENTS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 26 April 2020

#### 13. SHARE CAPITAL

	26 April 2020 £	28 April 2019 £
<b>Allotted, called up and fully paid</b>		
1 (2019:1) Ordinary share of £1.00	1	1

#### 14. RESERVES

##### Profit and loss account

Profit and loss account reserve represents accumulated retained earnings.

#### 15. 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 related parties that are wholly owned subsidiaries of the Greene King plc group. Amounts shown as owed to and by group subsidiaries are all held with fellow group undertakings. There were no transactions entered into during the financial year or trading balances outstanding at the balance sheet date with other related parties.

#### 16. POST BALANCE SHEET EVENTS

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

#### 17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At the balance sheet date, the directors consider the immediate parent undertaking and immediate controlling party of Spirit Pub Company (Investments) Limited to be Spirit Parent Limited, a company incorporated in England and Wales.

The ultimate parent undertaking and ultimate controlling party is CK Asset Holdings Limited, a company registered in the Cayman Islands with its headquarters and principal place of business in Hong Kong. The company's shares are listed on the Main Board of the Hong Kong Stock Exchange.

Greene King 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.

CK Asset Holdings Limited 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 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.