The Unique Pub Finance Company PLC

Report and Accounts

30 September 2019

Registered number: 03733088

The Unique Pub Finance Company PLC

Registered No: 03733088

DIRECTORS
N R Smith
W S Townsend
Wilmington Trust SP Services (London) Limited

SECRETARY
L Togher

AUDITORS
Ernst & Young LLP
No. 1 Colmore Square
Birmingham
B4 6HQ

REGISTERED OFFICE
3 Monkspath Hall Road
Solihull
West Midlands
B90 4SJ

STRATEGIC REPORT
Registered No: 03733088

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The Unique Pub Finance Company PLC ("the Company") is a wholly owned subsidiary within the group headed by its ultimate parent company, Ei Group plc, and operates as part of the group of companies owned by Ei Group plc ("the Group"). The principal activity of the Company continues to be the provision of loan finance to Unique Pub Properties Limited in connection with its operation of pubs.

The profit before tax for the year amounted to £87,000 (2018: £97,000), being the net of interest receivable from the onward loan finance to Unique Pub Properties Limited of the proceeds of the Company's securitised bonds and the interest on the securitised bonds. As the interest rates on the assets and liabilities are fixed, the level of profit is solely linked to the level of outstanding balances in the period. At 30 September 2019 the Company had net assets of £1,660,000 (2018: £1,589,000).

The securitisation documents entered into as part of the arrangement to issue bonds by the Company are inter alia:

- Estate Purchase Agreement
- Intercompany Loan Agreement
- Debenture
- Cash Management Agreement
- Asset Management Agreement
- Hedge Agreement
- Beer Supply Agreement
- Bank Account Agreement
- MBIA Guarantee (2002 Issue only)
- Intellectual Property Rights Assignment

These were issued in accordance with the terms of the securitisation and the key terms are set out in the Offering Circular dated 25 February 2005.The securitised Trustee is The Law Debenture Trust Corporation p.l.c. appointed to represent the interests of the holders of the Notes ("the Trustee").

On 14 March 2019 the Group, of which the Company is part, completed on the disposal of 348 properties in a single transaction to a subsidiary of Davidson Kempner Capital Management LP for net cash proceeds from the sale of £333 million. In line with the amendments to the permitted disposals clause in the securitisation approved in the prior year, 171 of these properties and £176 million of net proceeds were generated from the sale of properties within the Unique Securitisation and were therefore used in full prepayment of the A3 securitised notes, part prepayment of the A4 securitised notes and meeting the associated early redemption premiums.

The £691 million remaining securitised bonds amortise over the period ending between 2025 and 2032 and attract a weighted average fixed interest rate of 6.37% until maturity. The Company made scheduled repayments on the bonds of £51 million which along with the full prepayment of the A3 notes and part prepayment of the A4 notes following the batch disposal explained above, resulted in the Company being £199 million ahead of the amortisation schedule (2018: £75 million) set out in the bond prospectus and used for the purpose of the debt cover service ratio covenant.

The bonds are listed on the Bourse de Luxembourg. Please see note 12 for further details relating to the financing activities within the Company.

On 18 July 2019 the Directors of the Group, of which the Company is a part, recommended the cash acquisition of Ei Group plc and its subsidiaries (the Stonegate Offer). This was approved by shareholders of the parent company on 12 September 2019 but at the time of approving these financial statements remains conditional on approval by the Competitions and Market Authority (CMA). For further information regarding the impact on these financial statements of the recommended cash acquisition, please refer to the Going Concern section of the Directors' Report on page 6.

STRATEGIC REPORT (CONTINUED)
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PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS (CONTINUED)
The directors do not believe there to be any additional key performance indicators relevant to the Company.

RISKS AND UNCERTAINTIES
As the principal activity of the Company continues to be the provision of loan finance to Unique Pub Properties Limited in connection with its operation of pubs, the principal risks and uncertainties facing the Company are financial and are discussed in this section.

These risks are monitored on a group basis and there are formal management processes in place to identify and evaluate these risks.

Regulatory risk
On 21 July 2016 a Statutory Code of Practice, introduced by the Small Business, Enterprise and Employment Act 2015, came into effect. The Pubs Code applies to the six companies with over 500 pubs operating under tied leased and tenancy agreements in England and Wales, and is overseen by an independent Adjudicator.

The legislation includes a tenant's right, under certain circumstances, to change the freely-negotiated commercial terms of their existing agreement to a new Market Rent Only (MRO) compliant agreement. This enables some occupational tenants to elect to opt-out of the supply tie at certain points or after certain exceptional events during the term of their lease agreement and therefore occupy the premises on a standard commercial property lease, paying rent only. In the event that a tenant elected to invoke this option, whilst our income derived from the supply of tied drinks products would be partially offset by increases in rent, it is possible that total income and property valuations in Unique Pub Properties Limited could be adversely affected by this element. The Code is currently undergoing a consultation and statutory review, being three years since it was introduced. The potential increase in credit default by Unique Pub Properties Limited is considered a risk to the Company given that the principal activity is the provision of loan finance to Unique Pub Properties Limited however we have not seen a material impact on our financial statements from its implementation.

Financial instrument risk
The Company's financial instruments include securitised bonds, intercompany loans and cash. The main purpose of these financial instruments is to raise finance for the Group's operations. The main risks arising from the Company's financial instruments are liquidity risk, interest rate risk, credit risk and financial covenant risk. There is no currency exposure as all transactions are in sterling. The Board reviews and agrees policies for managing each of these risks on a group basis and they are summarised below:

Liquidity risk
The Company's direct exposure to liquidity risk is mitigated by the fact that the intragroup on-loans to Unique Pub Properties Limited mirror the terms of the securitised debt in all material aspects. The Company's liquidity risk is therefore indirect, being the risk that Unique Pub Properties Limited will be unable to make payments due under the terms of the on-loan.

Unique Pub Properties Limited's liquidity risk is subject to:
- Regular cash flow forecasting and reporting through the Group's treasury function
- Regular review of that company's debt portfolio including maturities and repayment profile

The exposure to liquidity risk in respect of the Securitisation is managed on a Group basis by a liquidity facility held in other Group Companies. The liquidity facility is available to meet certain payment obligations falling due in the Unique Securitisation to the extent that insufficient funds are received to meet such payments. The liquidity facility of £152 million is due to expire in June 2021. See note 12 for further information on liquidity risk.

STRATEGIC REPORT (CONTINUED)
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Interest rate risk
As at 30 September 2019, the Company has no net exposure to interest rate fluctuations since all remaining interest bearing loan assets and bond liabilities are at fixed rates of interest.

Credit risk
The Company's income and all material debtors are intercompany supported by a profitable, cash generative business with securitised assets. As explained above the regulatory risk in relation to the Statutory Code could result in a reduction in income in Unique Pub Properties Limited however we have not seen a material impact on our financial results from its implementation and the prepayments made during the current year have resulted in the company being £199 million ahead of the amortisation schedule which is mirrored in the intercompany loan receivable. Therefore the risk of default is deemed to be low.

Financial covenant risk
There are two covenants that relate to the Unique Securitisation which are tested at each quarter end and are based solely around the assets held within the Unique Securitisation, which are predominantly held in Unique Pub Properties Limited. There is a net asset covenant and a debt service cover covenant.

Throughout the year the Company tests all of the financial covenants and forecasts of future compliance are prepared during the annual budgeting process. Throughout the year the Board regularly reviews updated detailed financial forecasts to ensure there is sufficient headroom on all covenants and this is monitored by a variety of measures which are reported to debt providers on a quarterly basis.

The Board has considered both a standalone budget and the scenario where the Stonegate Offer completes, noting that the Board have not had access to Stonegate's forecast cash flows of the combined group but assuming that the operation of the Group, its distributions to shareholders and its financing arrangements under new ownership would be no less favourable than is currently envisaged under a standalone basis.

Based on the outcome of the above considerations the Board is satisfied that there is sufficient headroom on all financial covenants as at 30 September 2019 and on financial forecasts for a period of at least 12 months from the date of approval of these financial statements.

General economic conditions
The Company's income and principal activity continues to be the provision of loan finance to Unique Pub Properties Limited in connection with its operation of pubs. The Unique Pub Properties Limited's operations are sensitive to economic conditions and the general economic outlook remains uncertain, particularly as the full impact of Brexit remains unclear at the current time as well as changes to interest rates and other economic factors, which could impact publican profitability due to decreased consumer spending or an increase in the underlying cost base of publicans. As a Group we are well placed to react to additional competition for leisure spending as we have the scale and tools available to support our publicans. The Board does not underestimate the fragility in market conditions but acknowledges signs of recovery and the improving trends in the operation of pubs. The Board regularly reviews financial forecasts to assess the impact of economic conditions on the operations of pubs and therefore on the Company's income.

The Board regularly monitors the key income streams and publicans' performance to ensure the Group is competitively placed in the market, including regularly reviewing financial forecasts to assess the impact of economic conditions on the budget, strategic plans and publicans. Careful consideration is given to all publicans' requests for additional operational and financial support as well as assessing appropriate investment in the development of our pubs to ensure that we remain competitively placed in the market.

On behalf of the Board

N R Smith
Director
28 January 2020

DIRECTORS' REPORT
Registered No: 03733088

The directors present their report and accounts for the year ended 30 September 2019.

DIRECTORS
The directors of the Company during the year ended 30 September 2019 and since the end of the year were as follows:

N R Smith	Group Chief Financial Officer
W S Townsend	Group Chief Executive Officer
Wilmington Trust SP Services (London) Limited	

The directors in office have no beneficial interest in the shares of the Company. N R Smith and W S Townsend are also directors of the ultimate parent company, Ei Group plc, and their interests in the share capital of that company are shown in its accounts.

ENVIRONMENT
The Company as part of the wider Group headed by Ei Group plc recognises its responsibility to achieve good environmental practice and to continue to strive for improvement in areas of environmental impact. Our approach is to work towards continuous improvement through education, communication and direct action where applicable. Details of the Group's environmental policies are discussed in the Group's Annual Report and Accounts.

EMPLOYEES
The Company had no employees during the current or prior year.

DIVIDENDS
During the year no dividend was paid to the Company's immediate parent undertaking, Unique Pub Investments Limited (2018: £nil). The directors do not recommend the payment of a final dividend (2018: £nil).

FUTURE DEVELOPMENTS
The Company will continue to provide loan finance to Unique Pub Properties Limited in connection with its operation of pubs.

STATEMENT OF DISCLOSURE TO THE AUDITOR
The directors who are members of the Board at the time of approving the Directors' Report are listed above. The directors confirm that:

- To the best of the directors' knowledge and belief, there is no relevant audit information of which the Company's auditor are unaware, and
- The directors have taken all the steps that they ought to have taken to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Company has chosen in accordance with section 414C(11) of the Companies Act 2006 to include the disclosures required by paragraph 6 of Schedule 7 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 on the use of financial instruments and risk exposures relating to financial instruments in the 'Strategic Report'.

DIRECTORS' REPORT (CONTINUED)
Registered No: 03733088

GOING CONCERN

The Company's principal activities, together with risks and uncertainties faced are discussed in the Strategic Report. In addition, note 12 to the financial statements provides further details of the Company's objectives and policies relating to the financial risks facing the Company.

The directors have given due consideration to the proposed offer by Stonegate Pub Company for Ei Group plc and its subsidiaries (the Group) which includes The Unique Pub Finance Company PLC, which has been accepted by the shareholders of Ei Group plc but at the time of approving these financial statements remains conditional on approval by the Competitions and Market Authority (CMA). The CMA approval, if granted, could result in the acquisition of the Group completing during the going concern review period. Accordingly, the Group and Company directors have considered going concern under two scenarios, on a standalone basis and on the assumption that the possible acquisition completes within the going concern period.

On a standalone basis the Company is expected to continue to generate positive cash flows for the foreseeable future and at the year end the Company was £199 million ahead of the amortisation schedule on its bonds set out in the bond prospectus and used for the purpose of the debt cover service ratio covenant, through early repayment and market purchases.

Giving consideration to the scenario where the acquisition completes, the Group directors will resign from the Board and have had no access to Stonegate's forecast cash flows of the combined group. However, the directors have assumed that the operation of the Group, its distributions to shareholders and its financing arrangements under new ownership would be no less favourable than is currently envisaged under a standalone basis. Any such material change arising from the new board's actions could impact the ability of the Group to maintain adequate funding. However, due to the nature of The Unique Pub Finance Company PLC and Unique Pub Properties Limited businesses, being a whole business securitisation, no significant change to their structure or cash flows is expected. In the context of these assumptions, the directors have a reasonable expectation that both for the Group, and the Company, on a standalone basis and when considering the possible acquisition, the Group, and the company, has adequate resources to continue in operational existence for the foreseeable future.

Based on the outcome of the above considerations the directors have a reasonable expectation that The Unique Pub Finance Company PLC has adequate resources to continue in operational existence for the period under review. For this reason, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

DIRECTORS' REPORT (CONTINUED)
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CORPORATE GOVERNANCE - FINANCIAL REPORTING

The Company has in place internal control and risk management systems in relation to the Company's financial reporting process and the process for preparation of financial accounts. These systems include policies and procedures that: pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with UK GAAP; require representatives of the business to clarify that their reported information gives a true and fair view of the state of affairs of the business and its results for the period; and review and reconcile reported data.

On behalf of the Board

N R Smith
Director
28 January 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 101 'Reduced Disclosure Framework' (FRS 101). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements; 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. They 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.

Each of the directors, whose names and functions are disclosed on page 5, confirms that, to the best of their knowledge:

- The financial statements of the Company, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 101 'Reduced Disclosure Framework' (FRS 101), give a true and fair view of the assets, liabilities, financial position and result of the Company; and
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNIQUE PUB FINANCE COMPANY PLC

Opinion

We have audited the financial statements of the Unique Pub Finance Company plc for the year ended 30 September 2019 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 14 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 30 September 2019 and of its profit for the year 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 as applied to listed public interest entities, 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Overview of our audit approach

Key audit matter	• Risk of inappropriate assessment and disclosure of going concern and covenant compliance given the proposed acquisition of the Group.
Materiality	• Overall materiality of £3.5m which represents 0.5% of Total Assets.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk

Risk of inappropriate assessment and disclosure of going concern and covenant compliance given the proposed acquisition of the Group.

The company prepares the financial statements on the going concern basis on the assumption that the Unique securitisation (consisting of the company and Unique Pub Properties Limited ("UPPL")) has complied for the current year, and will remain compliant for a period of at least 12 months from the date of these financial statements, with the net worth covenant and debt service cover ratio ("DSCR") covenant as set out in the debt securitisation agreements. The two covenants are based on the operating performance of, and assets held within, the Unique securitisation, which are predominantly generated and held in UPPL. If the Unique securitisation was unable to comply with the debt covenant tests or the payment restriction, there is a risk that the going concern basis of preparation of the financial statements would no longer be appropriate.

Furthermore, as a result of the cash offer for the shares of Ei Group plc (the company's ultimate parent entity) by Stonegate Pub Company, which was approved by Ei Group's shareholders on 12 September 2019 and is subject to Competition and Markets Authority ("CMA") approval, the risk in regard to going concern has increased. As discussed in the Directors' Report, this is because, if approved by the CMA, the takeover is expected to complete within the going concern review period and while the unique securitisation trust deeds do not include change in control clauses, the existing Ei Group plc directors are expected to step down from the Group on completion of the acquisition, and therefore the two common directors of the company will also step down as directors of the company. Consequently, there is uncertainty surrounding possible changes to the ongoing operation of the business, future financing arrangements and distributions to shareholders that the new board may make.

Our response to the risk

We inspected management's going concern assessment which considers going concern and covenant compliance for the company on a standalone basis and also gives consideration to the proposed offer by Stonegate Pub Company for Ei Group plc and its subsidiaries (the Group).

We tested compliance with the debt covenants in the year as follows:

- We checked that the calculation for available cash flow is in line with the definition as set out in the securitisation agreement and have agreed the nominal amounts to the audited deconsolidated trial balance. We have agreed the debt service cost to the underlying audited interest schedules. We have recalculated the DSCR to confirm the company is compliant with this ratio at the year-end date.
- We have agreed the carrying value of UPPL property plant and equipment to the underlying audited assets schedules and have agreed the value of the securitised debt to the underlying audited debt schedules in order to re-calculate the net worth of UPPL and confirm the amount is above that required by the net worth financial covenant.

In respect of forecast covenant compliance, we performed procedures over both the company on a standalone basis and also on the assumption that the acquisition of Ei Group plc completes.

In respect of forecast covenant compliance for the company on a standalone basis:

- We inspected the quarterly covenants tests included in the base budgets prepared for a 3 year period, to check that compliance with covenants is expected to continue for a period of at least 12 months from the date of these financial statements.
- We have recalculated the DSCR and net worth ratios as at December 2019.
- We have performed sensitivity analysis to determine the decrease in available cash flow or the increase in debt service costs required to cause a breach in the DSCR covenant, at the end of the period for each of the 3 years. We have evaluated whether such movements are likely based on historic performance of UPPL and the securitisation.
- We have recalculated the level of headroom on the net worth requirement as at the end of each of the 3 year periods. We have evaluated whether the increase in net worth assumed over the base budget period is consistent with our expectation which is based on the amortisation profile of the securitised debt.
- We have assessed the historical accuracy of the base budgets to determine the extent to which the forecasts may be inaccurate by:
  - Calculating the variance between the 2019 budget and 2019 actuals for beer volumes, segment margins, gross profit, EBITDA and operating profit.
  - Calculating the variance to budget over a period of 6 years, for what management deem to be key areas, per the base budgets, which were, gross margin, property costs, net income, average pub number and net income per pub.
  - We have compared 2019 actuals with 2020 budget in order to understand the key assumptions incorporated in the 2020 budget. We have assessed whether the forecast year on year movement in the number of pubs and composition of the estate is in line with our understanding of the Group's strategy.

In respect of forecast covenant compliance on the assumption the acquisition of Ei Group plc completes we have:

- Inspected the unique securitisation for evidence of change of control clauses.
- Obtained management's correspondence from their lawyers confirming there would be no requirement to repay this debt.
- Read the information in the public domain in respect of the acquirer's future intentions for the business. We obtained a direct confirmation from the acquirer that these remain an accurate representation of Stonegate's intentions and inspected the representation letter provided by the acquirer to the current Ei Group plc directors in respect of the future funding, operations and profitability of the Ei Group post acquisition. We obtained an updated confirmation from Stonegate for the purposes of completing our audit of the company.
- Assessed managements assumption that there would not be any significant changes to the structure or cash flows of the Unique Pub Properties Limited and Unique Pub Finance plc because of the business securitisation.
- Considered management's disclosures in respect of going concem to ensure appropriate explanation of the circumstances has been given.

Key observations communicated to the Board
On a standalone basis the forecasts support the company's ability to continue as a going concern *for at least 12 months from signing the financial statements.* Management's cash flow forecasts support the company's ability to continue as a going concern for at least 12 months from signing the financial statements, taking into account assurances received from the acquirer that they have no intentions to make material changes that would adversely impact the ongoing group along with the assumption that there would be no significant changes to the structure or cash flows of The Unique Pub Finance Company PLC and Unique Pub Properties Limited due to the nature of the business securitisation. We consider management's disclosures in the annual report and accounts to be appropriate.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality
The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the company to be £3.5 million (2018: £4.5 million), which is 0.5% (2018: 0.5%) of Total Assets. The principal activity of the company continues to be the provision of loan finance to Unique Pub Properties Limited in connection with its operation of pubs, and therefore a capital based materiality measure is the most appropriate basis. Total assets has been used given the external financing is fully on-lent offsetting the loan receivable. An earnings based measure would not be appropriate given the nature of the company means it achieves negligible profit each period.

During the course of our audit, we reassessed initial materiality and note there was no change in our final materiality from our original assessment at planning.

Performance materiality
The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the company's overall control environment, our judgement was that performance materiality was 75% (2018: 75%) of our planning materiality, namely £2.6m (2018: £3.4m). We have set performance materiality at this percentage due to the fact there have been no errors in previous year audits and our assessment of the Group's overall control environment.

Reporting threshold
An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Board that we would report to them all uncorrected audit differences in excess of £0.17m (2018: £0.23m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the Report and Accounts set out on pages 1 to 26, 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.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' reports have 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 strategic report or directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are 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 directors 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.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the debt covenants in place as part of the securitisation regulations and details of work performed are listed in the key audit matters section above.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (FRS 101 and Companies Act 2006).
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. In addition, we also performed specific procedures including testing manual journals.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations that we considered could result in a material misstatement of the financial statements. Our procedures included reading board minutes to identify any non-compliance with laws and regulations, and enquiries with management and the company secretary.

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.

Other matters we are required to address

- We were appointed by the company at the AGM to audit the financial statements for the year ending 30 September 2004 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments is 16 years, covering the years ending 30 September 2004 to 30 September 2019.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting the audit.
- The audit opinion is consistent with the additional report to the Audit Committee.

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.

Ernst & Young LLP

Christopher Voogd (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

30 January 2020

INCOME STATEMENT
Year ended 30 September 2019

	Note	2019 £000	2018 £000
Finance income	6	**53,735**	61,423
Finance costs	7	**(53,648)**	(61,326)
Net finance income		**87**	97
PROFIT BEFORE TAXATION		**87**	97
Taxation	9	**(16)**	(19)
PROFIT AFTER TAXATION		**71**	78

All of the operations of the Company are continuing.

There are no recognised gains and losses for the year other than the profit of £71,000 (2018: £78,000) and therefore no separate statement of other comprehensive income is presented.

The Unique Pub Finance Company PLC

BALANCE SHEET
At 30 September 2019

	Note	2019 £000	2018 £000
Non-current assets			
Financial assets	12	**671,870**	819,603
		671,870	819,603
Current assets			
Other receivables	10	**393**	750
Financial assets	12	**18,866**	84,484
Cash		**1,480**	1,392
		20,739	86,626
Total assets		**692,609**	906,229
Current liabilities			
Other payables	11	**(200)**	(540)
Financial liabilities	12	**(18,879)**	(84,497)
		(19,079)	(85,037)
Non-current liabilities			
Financial liabilities	12	**(671,870)**	(819,603)
		(671,870)	(819,603)
Total liabilities		**(690,949)**	(904,640)
Net assets		**1,660**	1,589
Equity			
Ordinary shares	13		
Profit and loss account		**1,660**	1,589
Total equity		**1,660**	1,589

Approved by the Board and signed on its behalf by:

N R Smith
Director
28 January 2020

STATEMENT OF CHANGES IN EQUITY
At 30 September 2019

	Share capital £000	Profit and Loss Account £000	Total £000
At 1 October 2017	-	1,511	1,511
Retained profit for the year	-	78	78
At 30 September 2018	-	1,589	1,589
Retained profit for the year	**-**	**71**	**71**
At 30 September 2019	**-**	**1,660**	**1,660**

1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH FRS 101

The financial statements were approved by the Board on 28 January 2020.

The financial statements were prepared in accordance with the policies set out under the basis of preparation (see note 2). The financial statements are prepared under the historical cost convention, in accordance with the Companies Act 2006 and on a going concern basis.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 30 September 2019. The financial statements are prepared in Sterling and are rounded to the nearest thousand pounds (£000s).

2. BASIS OF PREPARATION

The financial statements of The Unique Pub Finance Company PLC have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101)' and in accordance with the Companies Act 2006.

The Company has taken advantage of the following disclosure exemptions under FRS 101 in the preparation of these financial statements:

- The requirements of IFRS 7 Financial Instruments: Disclosure
- The requirements of IAS 1 paragraph 16 with regard an explicit statement of compliance with IFRS
- The requirements of IAS 1 Presentation of Financial Statements to disclose information about capital and how it is managed
- The requirements of IFRS 13 Fair Value Measurement to disclose information in respect of the basis of fair values adopted
- The requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to provide information about the impact of IFRS's that have been issued but are not yet effective
- The requirements of IAS 7 Statement of Cash Flows and IAS 1 paragraphs 10(d),38A and 111 all related to the cash flow statement.
- The requirements of IAS 24 Related Party Transactions to disclose transactions entered into between two parties within the same group

The Company is a public company limited by shares, incorporated in England and registered at 3 Monkspath Hall Road, Solihull, West Midlands. It is a wholly, indirectly, owned subsidiary of Ei Group plc, a company registered at the same address. The financial statements present information about the Company as an individual undertaking. Unique Pub Finance Company PLC is included within the consolidated accounts of Ei Group plc.

New standards and interpretations adopted during the year

During the year ended 30 September 2019 the Company has adopted IFRS 9 - Financial Instruments, however this has not had a material impact on the results of the Company.

The Company adopted IFRS 9 Financial Instruments on 1 October 2018 prospectively and therefore the information presented for comparative periods has not been restated and is presented, as previously reported, under IAS 39. The standard covers the classification, measurement and derecognition of financial assets and financial liabilities, together with a new hedge accounting model and a new expected credit loss (ECL) model for calculating impairment of financial assets.

The Company has applied the general approach to assessing its financial assets for impairment. The financial assets have been classified as stage 1 and therefore a 12 month ECL has been calculated. Stage 1 has been applied as there have been no significant changes in credit risk of Unique Pub Properties after taking into account both external and internal factors including considerations of the impact following the potential acquisition of the Group by Stonegate Pub Company (refer to going concern for more details). Specifically, the loan is securitised with a first charge over all of the properties within UPP, Interest and scheduled amortisation payments are made

2. BASIS OF PREPARATION (CONTINUED)

New standards and interpretations adopted during the year (continued)

on a quarterly basis and there is a clear history of settlement from Unique Pub Properties. As part of the 12 month expected credit loss assessment, Management have reviewed detailed cash flow forecasts for Unique Pub Properties Limited and concluded that they will continue to be able to meet their obligations for the next 12 months. As a result, no provisions have been recognised at either the transition date or at the reporting date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The directors consider that the accounting policies set out below are suitable, have been consistently applied unless otherwise stated.

Use of accounting estimates

The Company makes estimations during the preparation of the financial statements. Actual results may differ from these estimates under different assumptions and conditions. The estimates and assumptions that have the most significant effect on the amounts recognised in the financial statements are discussed below:

Going concern – covenant compliance

The Company applies estimation in forecasting future compliance with the debt covenants as part of the going concern assessment (see going concern section of the Directors' Report for more information about how the Stonegate Offer has affected the going concern assessment).

Intercompany loans

The Company applies estimation in assessing the recoverability of the intercompany loan by considering the cash flows and net position of Unique Pub Properties Limited (see adoption of IFRS 9 in new standards and interpretations section).

Judgements

The preparation of financial statements requires management to make judgements that affect the amounts reported. The following judgements have had the most significant effect on amounts recognised in the financial statements:

Financial institution

Given the primary purpose of the Company is to raise finance which is on-loaned to Unique Pub Properties Limited, the principal judgement made in the preparation of these financial statements is whether the Company meets the definition of a financial institution in FRS 101. In the judgement of the directors the Company does not meet the definition of a financial institution in FRS 101 because it is not the intention of the Group to create wealth through the loan structure that incorporates the on-loan of the Securitisation to Unique Pub Properties Limited.

Going concern

The directors exercise judgement when concluding on going concern as the basis of preparation of the financial statements (see going concern section of the Directors' Report for more information about how the Stonegate Offer has affected the going concern assessment).

Financial instruments

a) Cash and cash equivalents

Cash comprises cash at bank and in hand. Any short-term deposits with an original maturity date of three months or less are classified as cash equivalents.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

b) Borrowings

Borrowings which include intercompany loans are measured at amortised cost. This method is used to ensure that the interest charge associated with the debt, combined with the amortisation of the issue costs, premiums and discounts, represents a constant percentage of the borrowings across the life of the instrument based on the estimated cash flows and the contractual terms of the agreement.

When borrowings are refinanced the Group reviews whether the arrangement constitutes an extinguishment of the original financial liability and the recognition of a new financial liability or a modification of the terms of the existing financial liability. If the refinanced borrowings are accounted for as an extinguishment of the original financial liability any costs or fees incurred are recognised as part of the gain or loss on the extinguishment and written off through non-underlying finance costs. If the refinanced borrowings are accounted for as a modification any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining life of the modified loan.

Intercompany loans receivable are assessed for ECLs on a general approach under IFRS 9. The Company recognises a provision on this basis when the carrying value of the asset is not supported.

c) Equity instruments

Equity instruments, being ordinary shares issued by the Company, are recorded at the fair value of the proceeds received, net of any direct issue costs. The nominal value of shares issued is recorded in called up share capital and the balance of the net proceeds is recorded in share premium.

d) Preference shares

Preference shares have been disclosed as a financial liability within the financial statements and any preference dividends are classified as interest payable.

e) Other receivables and Other payables

Other receivables are held at their original amount net of an ECL allowance, based on the simplified model as allowed by IFRS 9. Other payables are held at amortised cost.

Finance income

Income received in relation to intercompany loan receivable is recognised in the income statement in the period to which it relates using the effective interest rate method.

Finance costs

Interest paid is recognised in the income statement in the period to which it relates using the effective interest rate method.

Taxation

The tax expense comprises both the tax payable based on taxable profits for the year and deferred tax. Deferred tax is provided using the balance sheet liability method in respect of temporary differences between the carrying value of assets and liabilities for accounting and tax purposes. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. No deferred tax is recognised if the taxable temporary difference arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and the intention is to either settle on a net basis or realise the asset and liability simultaneously. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and the assets and liabilities relate to taxes levied by the same tax authority which are intended to be settled net or simultaneously.

Tax is charged or credited to Other Comprehensive Income if it relates to items that are charged or credited to Other Comprehensive Income. Similarly tax is charged or credited directly to equity if it relates to items charged or credited directly to equity. Otherwise tax is charged in the Income Statement. Tax is calculated using tax rates enacted or substantively enacted at the Balance Sheet date.

4. DIRECTORS' REMUNERATION

During the current and prior year the directors' roles within the Company are deemed to be incidental to the wider roles within the Group and therefore there is no directors' remuneration in relation to the Company. The Company bears no cost in relation to these directors.

5. STAFF NUMBERS AND COSTS

The Company had no employees during the current or prior year.

6. FINANCE INCOME

	2019	2018
	£000	£000
Bank interest receivable	**3**	2
Interest receivable from other group companies	**53,732**	61,421
Total finance income	**53,735**	61,423

7. FINANCE COSTS

	2019	2018
	£000	£000
Interest payable on securitised bonds	**53,648**	61,326
Total financial costs	**53,648**	61,326

8. AUDITOR'S REMUNERATION

The audit fees of the Company for the year ended 30 September 2019 of £7,500 (2018: £6,500) are borne by another Group company.

9. TAXATION

a) Analysis of total tax expense recognised in the Income Statement

	2019 £000	2018 £000
Current tax		
UK Corporation tax	**16**	19
Total current tax	**16**	19
Taxation	**16**	19

There was no deferred tax charge/(credit) in the current or prior year.

b) Tax charge reconciliation

	2019 £000	2018 £000
Profit before tax	**87**	97
Profit before tax at 19.0% (2018: 19.0%)	**17**	18
Effects of:		
Expenses not deductible for tax purposes	**(1)**	1
Taxation	**16**	19

The UK Government reduced the rate of corporation tax from 20% to 17% effective by 1 April 2020. No further changes in the UK tax rate are anticipated.

10. OTHER RECEIVABLES

	2019 £000	2018 £000
Amounts due from Group undertakings	**393**	750
	393	750

11. OTHER PAYABLES

	2019 £000	2018 £000
Amounts due to Group undertakings	**79**	63
Accrued interest	**121**	477
	200	540

12. FINANCIAL ASSETS AND LIABILITIES

	2019 £000	2018 £000
Current assets		
Loans to fellow subsidiary undertakings	**18,866**	84,484
Non-current assets		
Loans to fellow subsidiary undertakings	**671,870**	819,603
Total financial assets	**690,736**	904,087
Current liabilities		
Securitised bonds	**18,866**	84,484
Preference share capital	**13**	13
Total current financial liabilities	**18,879**	84,497
Non-current liabilities		
Securitised bonds	**671,870**	819,603
Total financial liabilities	**690,749**	904,100

(a) Financial assets

The above loans to fellow subsidiary undertakings were made to Unique Pub Properties Limited ("UPPL"), the principal terms of which are as follows:

Loan	Expiry date	2019 £000	2018 £000
A3 Loan 6.552%	March 2021	-	167,831
A4 Loan 5.669%	June 2027	**275,736**	321,256
M Loan 7.405%	March 2024	**225,000**	225,000
N Loan 6.474%	March 2032	**190,000**	190,000
		690,736	904,087

The A3 (now fully repaid), A4, M and N loans are used as security pursuant to the Issuer Deed of Charge dated 25 February 2005 entered into by the Company (Issuer), UPPL and Ei Group plc (as Cash Manager).

This security incorporates a first fixed charge in favour of the Trustee (for itself and on trust for the loan note holders and the other Issuer Secured Creditors) over the Issuer's right, title, interest and benefit, present and future to all properties, cash, eligible investments and income generated by UPPL.

The following table shows the repayment profile of the loans to a fellow subsidiary:

12. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

	2019 **£000**	2018 £000
In one year or less	**18,866**	84,484
In more than one year but not more than two years	**58,146**	88,814
In more than two years but not more than five years	**288,033**	309,053
Repayable in more than five years	**325,691**	421,736
	690,736	904,087

All of the above loans are borrowed at a fixed rate.

Fixed rate loan weighted averages

	2019	2018
Interest rate	**6.37%**	6.36%
Time for which rate is fixed (years)	**6**	5

(b) Financial liabilities

The principal terms of the securitised bonds are as follows:

Bond	**Expiry date**	**2019** **£000**	2018 £000
A3 Bond 6.542%	March 2021	**-**	167,831
A4 Bond 5.659%	June 2027	**275,736**	321,256
M Bond 7.395%	March 2024	**225,000**	225,000
N Bond 6.464%	March 2032	**190,000**	190,000
		690,736	904,087

The Issuer's obligations under the A3 (now fully repaid), A4, M and N bonds are secured pursuant to the Issuer Deed of Charge dated 25 February 2005 entered into by the Unique Pub Finance Company PLC (Issuer), Unique Pub Properties Limited ("UPPL") and Ei Group plc (as Cash Manager).

This security incorporates a first fixed charge in favour of the Trustee (for itself and on trust for the bond holders and the other Issuer Secured Creditors) over the Issuer's right, title, interest and benefit, present and future to all properties, cash, eligible investments and income generated by UPPL.

The bonds are listed on the Bourse de Luxembourg.

The Company purchases or issues financial instruments in order to finance its operations and to manage the interest rate and currency risks that arise from those operations and from its sources of finance. In addition, various financial balances arise directly from the Company's operations.

The Company finances its operations through a mixture of retained profits and bonds.

12. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

The Company does not trade in financial instruments.

As the Company has no foreign currency instruments and has no plans to obtain such instruments, the main risks arising from the Company's financial instruments are interest rate risk, liquidity risk, credit risk and financial covenant risk and the Company's policies for managing these risks are summarised below.

Interest rate risk
The Company finances its operations through a mixture of retained profits and long-term borrowings. The Company borrows at fixed rates of interest but only in sterling.

While the interest rate characteristics of new borrowings are positioned according to expected movements in interest rates, the Company seeks to avoid exposure to unfavourable interest rate movements.

The Company's policy is to keep a significant proportion of its borrowings at fixed rates of interest: at 30 September 2019, 100% of the Company's borrowings were at fixed rates (2018: 100% fixed).

As at 30 September 2019 and 2018, the Company has no net exposure to interest rate fluctuations.

Liquidity risk
It is the Company's policy to borrow for the long-term. At 30 September 2019 47% (2018: 47%) of the Company's borrowings were repayable in more than five years with the option to redeem early subject to the maintenance of various covenants and early settlement penalties.

The exposure to liquidity risk in respect of the Securitisation is managed on a group basis by a liquidity facility held in other Group Companies. The liquidity facility of £152 million expires in June 2021 and is available to meet certain payment obligations falling due in the Unique Securitisation to the extent that insufficient funds are received to meet such payments.

Credit risk
The main debtor balance is intra group and secured on the underlying assets and trade of the borrower UPPL and therefore the directors consider the risk to be low.

Financial covenant risk
There are two covenants that relate to the Unique Securitisation which are tested at each quarter end and are based solely around the assets held within the Unique Securitisation, which are predominantly held in UPPL. There is a net asset covenant and a debt service cover covenant.

Throughout the year the Company tests all of the financial covenants and forecasts are prepared during the budgeting process. The Board regularly reviews detailed financial forecasts to ensure there is sufficient headroom on all covenants and this is monitored by a variety of measures which are reported to debt providers on a quarterly basis.

The Board has considered both a standalone budget and the scenario where the Stonegate Offer completes, noting that the Board have not had access to Stonegate's forecast cash flows of the combined group but assuming that the operation of the Group, its distributions to shareholders and its financing arrangements under new ownership would be no less favourable than is currently envisaged under a standalone basis.

Based on the outcome of the above considerations the Board is satisfied that there is sufficient headroom on all financial covenants as at 30 September 2019 and on financial forecasts for a period of at least 12 months from the date of approval of these financial statements.

12. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

The following table shows the repayments profile of the bonds as at 30 September:

	2019 £000	2018 £000
In one year or less	**18,866**	84,484
In more than one year but not more than two years	**58,146**	88,814
In more than two years but not more than five years	**288,033**	309,053
Repayable in more than five years	**325,691**	421,736
	690,736	904,087

All of the above loans are borrowed at a fixed rate.

Fixed rate bonds weighted averages

	2019	2018
Interest rate	**6.37%**	6.35%
Time for which rate is fixed (years)	**6**	5

The book values and fair values of the A3, A4, M and N bonds are shown below. The fair value information was obtained from J C Rathbones and is based on the market values.

	2019 Book value £000	2019 Fair value £000	2018 Book value £000	2018 Fair value £000
A3 bond	**-**	**-**	167,831	176,477
A4 bond	**275,736**	**314,445**	321,256	355,913
M bond	**225,000**	**259,144**	225,000	249,750
N bond	**190,000**	**218,753**	190,000	185,357
	690,736	**792,342**	904,087	967,497

The Company's securitised bonds are repayable as follows:

A4 bond	September 2013 – June 2027
M bond	June 2021 – March 2024
N bond	September 2027 – March 2032

Preference share capital

The holders of Cumulative Redeemable Preference shares are entitled to a fixed cumulative dividend of 11% per annum accruing on a daily basis. The holders of Cumulative Redeemable Preference shares are not entitled to any further right of participation in the profits of the Company.

12. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

On a return of assets on liquidation, reduction of capital or otherwise, the surplus assets of the Company after payment of its liabilities shall be applied in paying all arrears and accruals of preference dividends, then in repaying the holders of Cumulative Redeemable Preference shares the paid up nominal amounts of such shares and any balance being distributed amongst ordinary shareholders.

The Company may at any time redeem Cumulative Redeemable Preference shares at paid up nominal value together with any arrears and accruals of preference dividend.

The holders of Cumulative Redeemable Preference shares have no voting rights at meetings.

13. SHARE CAPITAL

	2019		2018	
	No.	**£**	No.	£
Authorised				
Ordinary shares of 1p each	**100**	**1**	100	1
Called up, allotted and fully paid				
Ordinary shares of 1p each	**2**	-	2	-

Ordinary shares carry no rights to fixed income. Holders of ordinary shares are entitled to vote at meetings.

No dividends have been declared or paid during the year ended 30 September 2019.

In addition, the Company has 50,000 cumulative redeemable preference share of £1 each, all of which are issued and have been paid up to 25 pence each. These preference shares are disclosed as financial liabilities in note 12.

14. PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertaking is Unique Pub Investments Limited, a company incorporated in the United Kingdom and registered in England and Wales. The Company's ultimate and controlling parent undertaking is Ei Group plc, a company incorporated in the United Kingdom and registered in England and Wales. Copies of the Group accounts, which include the Company, may be obtained from 3 Monkspath Hall Road, Solihull, West Midlands, B90 4SJ. This is also the registered address of The Company.