

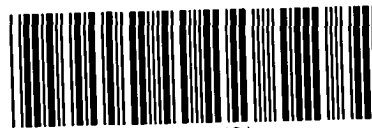
Registered number: 03794854

SPIRIT GROUP RETAIL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the 52 weeks ended 26 April 2020

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SPIRIT GROUP RETAIL LIMITED

COMPANY INFORMATION

Director	R Smothers
Company secretary	Mrs L A Keswick
Registered number	03794854
Registered office	Westgate Brewery Bury St Edmunds Suffolk IP33 1QT
Auditor	Ernst & Young LLP Statutory Auditor 1 More London Place London SE1 2AF

SPIRIT GROUP RETAIL LIMITED

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SPIRIT GROUP RETAIL 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 26 April 2020.

Principal activity

The principal activity of the company is that of an investment holding company.

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 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 GROUP RETAIL 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 GROUP RETAIL 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 GROUP RETAIL LIMITED

OPINION

We have audited the financial statements of Spirit Group Retail 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 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 GROUP RETAIL 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

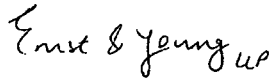
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 GROUP RETAIL 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.

The logo for Ernst & Young LLP, featuring the company name in a stylized, handwritten-style script.

Lloyd Brown (Senior statutory auditor)

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

Date: 10 Nov 2020

SPIRIT GROUP RETAIL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the 52 weeks ended 26 April 2020

		52 weeks ended 26 April 2020 £000	52 weeks ended 28 April 2019 £000
	Note		
Administrative expenses		(908)	(1)
Operating loss	6	(908)	(1)
Interest receivable and similar income	7	20	18
(Loss)/profit before tax		(888)	17
Taxation	8	-	-
(Loss)/profit for the period		(888)	17

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

The notes on pages 10 to 20 form part of these financial statements.

SPIRIT GROUP RETAIL LIMITED
Registered number:03794854

BALANCE SHEET
As at 26 April 2020

	Note	26 April 2020 £000	28 April 2019 £000
Fixed assets			
Investments	9	-	-
Current assets			
Debtors: amounts falling due after more than one year	10	52	157
Debtors: amounts falling due within one year	10	1,180,480	1,181,297
		<u>1,180,532</u>	<u>1,181,454</u>
Creditors: amounts falling due within one year	11	(217,887)	(217,921)
Net current assets		<u>962,645</u>	<u>963,533</u>
Total assets less current liabilities		<u>962,645</u>	<u>963,533</u>
Creditors: amounts falling due after more than one year	12	(1,000)	(1,000)
Net assets		<u><u>961,645</u></u>	<u><u>962,533</u></u>
Capital and reserves			
Called up share capital	13	1,052,050	1,052,050
Capital redemption reserve	14	8,350	8,350
Profit and loss account	14	(98,755)	(97,867)
Equity		<u><u>961,645</u></u>	<u><u>962,533</u></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 20 form part of these financial statements.

SPIRIT GROUP RETAIL LIMITED

STATEMENT OF CHANGES IN EQUITY
For the 52 weeks ended 26 April 2020

	Called up share capital £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 30 April 2018	1,052,050	8,350	(96,252)	964,148
Impact of change in accounting policy	-	-	(1,632)	(1,632)
At 30 April 2018 (adjusted balance)	1,052,050	8,350	(97,884)	962,516
Profit for the period	-	-	17	17
At 29 April 2019	1,052,050	8,350	(97,867)	962,533
Loss for the period	-	-	(888)	(888)
At 26 April 2020	1,052,050	8,350	(98,755)	961,645

The notes on pages 10 to 20 form part of these financial statements.

SPIRIT GROUP RETAIL LIMITED

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

1. GENERAL INFORMATION

Spirit Group Retail 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 and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

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

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

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

2.3 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

SPIRIT GROUP RETAIL 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 (CONTINUED)

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 £1,632,000 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.

2.5 Interest

Interest income is recognised in profit or loss using the effective interest method.

SPIRIT GROUP RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 26 April 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.6 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.

2.7 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

2.8 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).

2.9 Intercompany subordinated loans

Subordinated loans owed to group undertakings are initially recognised at fair value, net of issue costs. After initial recognition, the loans are measured at amortised cost using the effective interest method.

2.10 Share capital treated as debt

An equity instrument is a contract that evidences a residual interest in the assets of the entity after deducting all its liabilities. Accordingly, financial instruments issued by the company are presented as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Finance payments associated with financial instruments that are classified as equity are dealt with as appropriations in the reconciliation of movements in shareholder's funds. Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges.

SPIRIT GROUP RETAIL 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 judgments made in the process of applying the company's accounting policies are detailed below:

Financial assets

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

A review was carried out on amounts owed by group undertakings for an indication of a significant increase in credit risk. The main criteria used was to compare the risk of default occurring over the expected life of the instrument at the reporting date with the risk of default at the date of initial recognition. This review concluded that given Greene King Limited group liquidity remained strong and this company has financial support from the group, a 12-month ECL remained applicable.

SIGNIFICANT ACCOUNTING ESTIMATES

The areas of estimation that have a significant risk of resulting in material adjustment to carrying amounts of assets and liabilities are detailed below:

COVID-19

As a result of the COVID-19 impact, management have applied estimates within the expected credit loss calculation on amounts owed by group undertakings, see note 9 for further details.

4. 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).

5. AUDITOR'S REMUNERATION

The auditor's remuneration for the period of £1,500 (2019: £1,000) has been borne by another group company.

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

SPIRIT GROUP RETAIL LIMITED

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

6. OPERATING LOSS

The operating loss is stated after charging:

	52 weeks ended 26 April 2020 £000	52 weeks ended 28 April 2019 £000
Net impairment losses on financial assets	(908)	(1)

7. INTEREST RECEIVABLE

	52 weeks ended 26 April 2020 £000	52 weeks ended 28 April 2019 £000
Interest receivable from group undertakings	20	18

SPIRIT GROUP RETAIL LIMITED

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

8. TAXATION

	52 weeks ended 26 April 2020 £000	52 weeks ended 28 April 2019 £000
TOTAL CURRENT TAX	-	-

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:

	52 weeks ended 26 April 2020 £000	52 weeks ended 28 April 2019 £000
(Loss)/profit on ordinary activities before tax	(888)	17
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2019:19.0%)	(169)	3
EFFECTS OF:		
Expenses not deductible/(income not taxable)	169	(3)
TOTAL TAX CHARGE FOR THE PERIOD	-	-

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.

SPIRIT GROUP RETAIL LIMITED

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

9. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
COST OR VALUATION	
At 29 April 2019	109,948
At 26 April 2020	<u>109,948</u>
IMPAIRMENT	
At 29 April 2019	109,948
At 26 April 2020	<u>109,948</u>
NET BOOK VALUE	
At 26 April 2020	<u>-</u>
At 28 April 2019	<u>-</u>

SUBSIDIARY UNDERTAKING

The following was a subsidiary undertaking of the company:

Name	Principal activity	Class of shares	Holding
Spirit Group Retail (Northampton) Limited	Non trading	Ordinary & Preference	100%

Spirit Group Retail (Northampton) Limited is incorporated in England and Wales and its registered office is Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT.

SPIRIT GROUP RETAIL LIMITED

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

10. DEBTORS

	26 April 2020 £000	28 April 2019 £000
DUE AFTER MORE THAN ONE YEAR		
Subordinated loans owed by group undertakings	52	157
	26 April 2020 £000	28 April 2019 £000
DUE WITHIN ONE YEAR		
Amounts owed by group undertakings	1,180,480	1,181,297

Subordinated loans owed by group undertakings due after more than one year is owed by Spirit Pub Company (Leased) Limited and is held at amortised cost. The carrying value of this loan, after applying the effective interest rate method is £52,000 (2019: £157,000). Repayment of this loan is only permissible following repayment of the secured loan notes that Spirit Pub Company (Leased) Limited holds with Spirit Issuer plc, a fellow group undertaking. At that time the amount repayable will be £1,000,000 (2019: £1,000,000). Expected credit losses of £126,000 (2019: £1,000) have been recognised against the carrying value of the loan.

Amounts owed by group undertakings are unsecured, bear no interest, have no fixed date of repayment, are repayable on demand and held at amortised cost. Expected credit losses of £2,415,000 (2019: £1,632,000) have been recognised against the carrying value.

11. CREDITORS: Amounts falling due within one year

	26 April 2020 £000	28 April 2019 £000
Amounts owed to group undertakings	217,887	217,921

Disclosure of the terms and conditions attached to the non-equity shares is made in note 13.

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.

12. CREDITORS: Amounts falling due after more than one year

	26 April 2020 £000	28 April 2019 £000
Share capital treated as debt	1,000	1,000

Disclosure of the terms and conditions attached to the non-equity shares is made in note 13.

SPIRIT GROUP RETAIL LIMITED

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

13. CALLED UP SHARE CAPITAL

	26 April 2020 £000	28 April 2019 £000
Shares classified as equity		
Allotted, called up and fully paid		
26 (2019:26) Ordinary B shares of £1.00 each	-	-
400 (2019:400) Ordinary C shares of £1.00 each	-	-
1,052,049,832 (2019:1,052,049,832) Ordinary D shares of £1.00 each	1,052,050	1,052,050
	<u>1,052,050</u>	<u>1,052,050</u>

Ordinary B Shares

The holders of these shares are not entitled to attend and vote at general meetings of the company unless a resolution is to be proposed which affects the rights of the ordinary B shares. The balance of the profits of the company available for distribution may be distributed by dividend among the holders of ordinary B, C and D shares pro rata to the amounts paid up or credited as paid up thereon. The holders of these shares have an option of requiring the company to allot all or any of the ordinary C shares to them at a subscription price equal to their nominal value. The allotment option is exercisable by a notice in writing to the company given at any time after the first issue of the preference shares.

Ordinary C Shares

The holders of these shares are entitled to attend and vote at general meetings of the company. The balance of the profits of the company available for distribution may be distributed by dividend among the holders of ordinary B, C, and D shares pro rata to the amounts paid up or credited as paid up thereon.

Ordinary D shares

The holders of these shares are entitled to attend and vote at general meetings of the company. The balance of the profits of the company available for distribution may be distributed by dividend among the holders of ordinary B, C and D shares pro rata to the amounts paid up or credited as paid up thereon.

	26 April 2020 £000	28 April 2019 £000
Shares classified as debt		
Allotted, called up and fully paid		
1,000,000 (2019:1,000,000) Redeemable Preference shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

SPIRIT GROUP RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 26 April 2020

13. CALLED UP SHARE CAPITAL (continued)

Additional Redeemable Preference Shares

The company has authorised 1,000,000,000 additional redeemable preference shares of £1 each and issued 1,000,000 additional redeemable preference shares of £1 each, which are classified as liability rather than equity.

These shares confer on the holders priority, after holders of preference shares, in the payment of dividends and repayment of capital. The holders of these shares are entitled to be paid in respect of each financial year or other accounting period of the company a fixed cumulative preferential dividend at the rate of 4.375% per annum on the nominal capital for the time being paid up or credited as paid up thereon. On a return of capital on winding up or (other than on redemption of A or D ordinary shares) otherwise, the holders are entitled to a repayment of the amount paid up on their shares. The holders of additional preference shares are not normally entitled to vote at general meetings of the company unless the preference dividends are in arrears or if a resolution is to be proposed which affects the rights of preference shares. The company shall have the right to redeem at any time from the day following the issue of any preference shares. Spirit Retail Bidco Limited has waived its right to receive the cumulative preference dividend.

14. RESERVES

Capital redemption reserve

Capital redemption reserve arose from the purchase and cancellation of own share capital, and represents the nominal amount of the share capital cancelled.

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 Limited 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.

SPIRIT GROUP RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 26 April 2020

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 Group Retail Limited to be Spirit Retail Bidco 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.

Spirit Pubs Debenture Holdings 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.