

**SPIRIT GROUP RETAIL (NORTHAMPTON) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the 36 weeks ended 1 May 2016**



## **SPIRIT GROUP RETAIL (NORTHAMPTON) LIMITED**

### **COMPANY INFORMATION**

<b>Director</b>	K Davis (appointed 21 December 2015)
<b>Company secretary</b>	Mrs L A Keswick
<b>Registered number</b>	04090163
<b>Registered office</b>	Westgate Brewery Bury St Edmunds Suffolk IP33 1QT
<b>Auditor</b>	Ernst & Young LLP Statutory Auditor One Cambridge Business Park Cambridge CB4 0WZ

# **SPIRIT GROUP RETAIL (NORTHAMPTON) LIMITED**

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## **SPIRIT GROUP RETAIL (NORTHAMPTON) LIMITED**

### **DIRECTORS' REPORT** **For the 36 weeks ended 1 May 2016**

The directors present their report and the financial statements for the 36 weeks ended 1 May 2016.

#### **Principal activity**

The principal activity of the company is that of a non trading company.

On 23 June 2015, 100% of the ordinary share capital of Spirit Pub Company plc, the ultimate parent of the Spirit Pub Company group, was acquired by Greene King plc. As a result of this transaction, the period end date was changed from 24 August to 30 April in line with other group companies, creating a 36 week accounting period for the period ended 1 May 2016. Consequently, amounts presented in these financial statements are not entirely comparable.

#### **Going concern**

At the balance sheet date the company had net current assets of £96,028,000 and net liabilities of £58,972,000. This includes net amounts due to Greene King plc and other group undertakings amounting to £58,972,000. It is therefore clear that the company requires financial support from its ultimate parent undertaking, Greene King plc, to enable it to meet its liabilities as they fall due. Greene King plc has confirmed that it will provide the necessary financial support for at least 12 months from the date of approval of these financial statements to enable the company to meet its liabilities as they fall due. The directors of the company have made appropriate enquiries of the directors of Greene King plc 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.

#### **Directors**

The directors who served during the 36 weeks were:

L Bell (resigned 26 January 2015)  
D A Kelly (resigned 26 January 2016)  
J Langford (resigned 26 January 2016)  
K Davis (appointed 21 December 2015)

None of the directors held any interest in the share capital of the company during the period.

The interests of the directors in the shares of the ultimate parent company, Greene King Plc, are shown in the financial statements of that company, where they are directors of Greene King Plc.

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

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

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

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director 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.

**SPIRIT GROUP RETAIL (NORTHAMPTON) LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

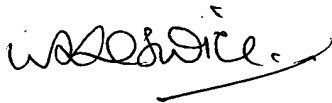
**For the 36 weeks ended 1 May 2016**

**Auditor**

Ernst & Young LLP were appointed as the company's auditors to fill a casual vacancy during the year. In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as the company's auditors.

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

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



**Mrs L A Keswick**  
Secretary

Date: 22/12/16

## **SPIRIT GROUP RETAIL (NORTHAMPTON) LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

**For the 36 weeks ended 1 May 2016**

The directors are responsible for preparing the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are 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 including FRS101 'Reduced Disclosure Framework' 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPIRIT GROUP RETAIL (NORTHAMPTON) LIMITED**

We have audited the financial statements of Spirit Group Retail (Northampton) Limited for the 36 weeks ended 1 May 2016 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

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

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

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 1 May 2016 and of its profit for the 36 weeks then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

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


In our opinion the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPIRIT GROUP RETAIL  
(NORTHAMPTON) LIMITED**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the director's report.

  
Bob Forsyth (Senior statutory auditor)

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

Date: 22/12/16



**SPIRIT GROUP RETAIL (NORTHAMPTON) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**  
For the 36 weeks ended 1 May 2016

		<b>36 weeks ended 1 May 2016 £000</b>	<b>52 weeks ended 22 August 2015 £000</b>
	<b>Note</b>		
Taxation	6	<b>4,641</b>	(1,217)
<b>Profit/(loss) for the period</b>		<b>4,641</b>	(1,217)

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

There were no other comprehensive income for 2016 (2015:£nil).

The notes on pages 9 to 17 form part of these financial statements.

**SPIRIT GROUP RETAIL (NORTHAMPTON) LIMITED**

Registered number:04090163

**BALANCE SHEET**

As at 1 May 2016

	Note	1 May 2016 £000	22 August 2015 £000
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	136,607	139,004
Creditors: amounts falling due within one year	8	(40,579)	(47,617)
<b>Net current assets</b>		<u>96,028</u>	<u>91,387</u>
Creditors: amounts falling due after more than one year	9	(155,000)	(155,000)
<b>Net liabilities</b>		<u>(58,972)</u>	<u>(63,613)</u>
Called up share capital	10	-	-
Profit and loss account	11	(58,972)	(63,613)
<b>Equity</b>		<u>(58,972)</u>	<u>(63,613)</u>

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

**K Davis**  
Director



Date: 22/12/16

The notes on pages 9 to 17 form part of these financial statements.

**SPIRIT GROUP RETAIL (NORTHAMPTON) LIMITED**

**STATEMENT OF CHANGES IN EQUITY**  
For the 36 weeks ended 1 May 2016

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 23 August 2015	-	(63,613)	(63,613)
<b>Comprehensive income for the period</b>			
Profit for the period	-	4,641	4,641
<b>At 1 May 2016</b>	<u>-</u>	<u>(58,972)</u>	<u>(58,972)</u>

**STATEMENT OF CHANGES IN EQUITY**  
For the 52 weeks ended 22 August 2015

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 24 August 2014	-	(62,396)	(62,396)
<b>Comprehensive income for the period</b>			
Loss for the period	-	(1,217)	(1,217)
<b>At 22 August 2015</b>	<u>-</u>	<u>(63,613)</u>	<u>(63,613)</u>

The notes on pages 9 to 17 form part of these financial statements.

## **SPIRIT GROUP RETAIL (NORTHAMPTON) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS** **For the 36 weeks ended 1 May 2016**

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

Spirit Group Retail (Northampton) Limited is a company 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.

Information on the impact of first-time adoption of FRS 101 is given in note 14.

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).

##### **First time application of FRS 100 and FRS 101**

In the current 36 weeks ended 1 May 2016, the company has adopted FRS 100 and FRS 101. In previous periods the financial statements were prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice ('UK GAAP').

This change in the basis of preparation has materially altered the recognition and measurement requirements previously applied in accordance with UK GAAP. An explanation of the impact of the adoption of FRS 100 and FRS 101 for the first time is included in the note 14.

There have been no other material amendments to the disclosure requirements previously applied in accordance with UK GAAP.

The following principal accounting policies have been applied:

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

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

- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 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

## **SPIRIT GROUP RETAIL (NORTHAMPTON) LIMITED**

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

**For the 36 weeks ended 1 May 2016**

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

### **2.3 Going concern**

At the balance sheet date the company had net current assets of £96,028,000 and net liabilities of £58,972,000. This includes net amounts due to Greene King plc and other group undertakings amounting to £58,972,000. It is therefore clear that the company requires financial support from its ultimate parent undertaking, Greene King plc, to enable it to meet its liabilities as they fall due. Greene King plc has confirmed that it will provide the necessary financial support for at least 12 months from the date of approval of these financial statements to enable the company to meet its liabilities as they fall due. The directors of the company have made appropriate enquiries of the directors of Greene King plc 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.

### **2.4 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.

### **2.5 Taxation**

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

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

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

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

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

### **Taxation**

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

## **SPIRIT GROUP RETAIL (NORTHAMPTON) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS** **For the 36 weeks ended 1 May 2016**

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

The company has no employees and did not incur any staff costs during the period (2015: £nil).

The directors who held office during the period were also directors of fellow group undertakings. Total emoluments, including any company pension contributions, received by these directors totals £689,000 (2015: £nil) paid by the ultimate parent company or other group companies. The directors do not believe that it is practicable to apportion this amount between qualifying services as directors to the company and to fellow group undertakings. The number of directors who received or exercised share options during the period was 1 (2015: nil).

During the prior period the directors did not receive emoluments in respect of their qualifying services to the company.

#### **5. AUDITOR'S REMUNERATION**

The auditor's remuneration for the period of £1,000 (2015: £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 (NORTHAMPTON) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the 36 weeks ended 1 May 2016

**6. TAXATION**

	<b>36 weeks ended 1 May 2016 £000</b>	<b>52 weeks ended 22 August 2015 £000</b>
<b>CORPORATION TAX</b>		
Adjustments in respect of previous periods	<b>(4,641)</b>	-
Group taxation relief	-	1,217
<b>TOTAL CURRENT TAX</b>	<b>(4,641)</b>	<b>1,217</b>

**FACTORS AFFECTING TAXATION FOR THE PERIOD**

The tax assessed for the period is lower than (2015 -higher than) the standard rate of corporation tax in the UK of 20.0% (2015 -20.6%). The differences are explained below:

	<b>36 weeks ended 1 May 2016 £000</b>	<b>52 weeks ended 22 August 2015 £000</b>
Profit on ordinary activities before tax	-	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.0% (2015 -20.6%)	-	-
<b>EFFECTS OF:</b>		
Adjustments to tax charge in respect of prior periods	<b>(4,641)</b>	-
Other tax adjustments	-	1,217
Group relief claimed for nil payment	<b>(886)</b>	-
Transfer pricing adjustments	<b>886</b>	-
<b>TOTAL TAXATION FOR THE PERIOD</b>	<b>(4,641)</b>	<b>1,217</b>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

The Finance (No.2) Act 2015 reduced the rate of corporation tax from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020. These rate reductions were substantively enacted at the balance sheet date and are therefore included in these accounts.

In addition the Finance Act 2016 further reduces the rate of corporation tax to 17% from 1 April 2020. This further reduction had not been substantively enacted at the balance sheet date so it not included in these financial statements. However, it will further reduce the income tax charge in future periods.

**SPIRIT GROUP RETAIL (NORTHAMPTON) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the 36 weeks ended 1 May 2016

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

	1 May 2016 £000	22 August 2015 £000
Amounts owed by group undertakings	<u>136,607</u>	<u>139,004</u>

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

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

	1 May 2016 £000	22 August 2015 £000
Amounts owed to group undertakings	<u>40,579</u>	<u>47,617</u>

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

**9. CREDITORS: Amounts falling due after more than one year**

	1 May 2016 £000	22 August 2015 £000
Share capital treated as debt	<u>155,000</u>	<u>155,000</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 10.

**10. SHARE CAPITAL**

	1 May 2016 £	22 August 2015 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
74 Ordinary A shares of £1 each	74	74
26 Ordinary B shares of £1 each	26	26
	<u>100</u>	<u>100</u>



## SPIRIT GROUP RETAIL (NORTHAMPTON) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the 36 weeks ended 1 May 2016

#### 10. SHARE CAPITAL (CONTINUED)

##### Ordinary A 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 (after payment to the holders of preference shares) up to the amount of £3,846 may be distributed by way of a dividend among the holders of ordinary A and B shares pro rata to the amounts paid up or credited as paid up thereon. The balance of the profits of the company in excess of £3,846 available for distribution and resolved to be distributed shall be distributed by way of dividend solely among the holders of the A ordinary shares pro rata to the amounts paid or credited as paid thereon.

On a return of capital on winding up or otherwise the balance of assets up to the amount of £3,846 shall be distributed amongst the ordinary A and B shareholders (on a pari passu basis) as if the same constituted one class of share in proportion to the amount paid or credited as paid thereon. The balance of any assets in excess of the amount of £3,846 shall be distributed among the A ordinary shareholders in proportion to the amounts paid up or credited as paid thereon. Under certain circumstances the company can redeem these shares after giving notice.

##### 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 profits of the company available for distribution (after payments to the holders of preference shares) up to the amount of £3,846 may be distributed by way of dividend among the holders of ordinary A and B shares pro rata to the amounts paid up or credited as paid up thereon.

On a return of capital on winding up or otherwise the balance of the assets up to the amount of £3,846 shall be distributed amongst the ordinary A and B shareholders (on a pari passu basis) as if the same constituted one class of share in proportion to the amounts paid up or credited as paid thereon.

	1 May 2016 £	22 August 2015 £
<b>Shares classified as debt</b>		
<b>Allotted, called up and fully paid</b>		
155,000,000 Preference Shares shares of £1 each	<u>155,000,000</u>	<u>155,000,000</u>

##### Preference shares

These shares confer on the holders priority in the payment of dividends and repayment of capital. The dividends are at the fixed rate of 7.25% per annum, but only accrue if the company has sufficient profits available in a financial year. On a return of capital on winding up or otherwise, the holders of the preference shares are entitled to the repayment of the amount paid up on their shares. The holders of the preference shares are not normally entitled to attend or 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 the preference shares.

#### 11. RESERVES

##### Profit and loss account

Profit and loss account reserve represents accumulated retained earnings.

## **SPIRIT GROUP RETAIL (NORTHAMPTON) LIMITED**

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

**For the 36 weeks ended 1 May 2016**

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

During the period the company entered into transactions, in the ordinary course of business, with other related parties. The company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with related parties that are wholly owned subsidiaries of the Greene King plc group. Amounts shown as owed to and by group subsidiaries are all held with fellow group undertakings. There were no transactions entered into during the financial year or trading balances outstanding at the balance sheet date with other related parties.

#### **13. 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 (Northampton) Limited to be Spirit Group Retail Limited, a company incorporated in England and Wales.

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

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.

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

**SPIRIT GROUP RETAIL (NORTHAMPTON) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS For the 36 weeks ended 1 May 2016**

**14. FIRST TIME ADOPTION OF FRS 101**

For all periods up to and including the year ended 22 August 2015, the company prepared its financial statements in accordance with previously extant United Kingdom Generally Accepted Accounting Practice ('UK GAAP'). These financial statements, for the period ended 1 May 2016, are the first the company has prepared in accordance with FRS 101.

Accordingly, the company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 1 January 2015 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the company has started from an opening balance sheet as at 24 August 2014, the company's date of transition to FRS 101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101. As such, this note explains the principal adjustments made by the company in restating its balance sheet as at 23 August 2014 prepared under previously extant UK GAAP and its previously published UK GAAP financial statements for the 52 weeks ended 22 August 2015.

		As previously stated 23 August 2014 £000	Effect of transition 23 August 2014 £000	<b>FRS 101 (as restated) 23 August 2014 £000</b>	As previously stated 22 August 2015 £000	Effect of transition 22 August 2015 £000	<b>FRS 101 (as restated) 22 August 2015 £000</b>
	<b>Explanation</b>						
Current assets	I	139,775	-	<b>139,775</b>	139,775	(771)	<b>139,004</b>
Creditors: amounts falling due within one year	I	(4,197)	(42,974)	<b>(47,171)</b>	(5,414)	(42,203)	<b>(47,617)</b>
<b>NET CURRENT ASSETS</b>		<b>135,578</b>	<b>(42,974)</b>	<b>92,604</b>	<b>134,361</b>	<b>(42,974)</b>	<b>91,387</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>135,578</b>	<b>(42,974)</b>	<b>92,604</b>	<b>134,361</b>	<b>(42,974)</b>	<b>91,387</b>
Creditors: amounts falling due after more than one year	I	(197,974)	42,974	<b>(155,000)</b>	(197,974)	42,974	<b>(155,000)</b>
<b>NET LIABILITIES</b>		<b>(62,396)</b>	<b>-</b>	<b>(62,396)</b>	<b>(63,613)</b>	<b>-</b>	<b>(63,613)</b>
Capital and reserves		(62,396)	-	<b>(62,396)</b>	(63,613)	-	<b>(63,613)</b>

**SPIRIT GROUP RETAIL (NORTHAMPTON) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the 36 weeks ended 1 May 2016

**14. FIRST TIME ADOPTION OF FRS 101 (CONTINUED)**

Explanation	As previously stated 22 August 2015 £000	Effect of transition 22 August 2015 £000	<b>FRS 101 (as restated) 22 August 2015 £000</b>
<b>OPERATING PROFIT</b>	-	-	-
Taxation	(1,217)	-	(1,217)
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE FINANCIAL PERIOD</b>	<b>(1,217)</b>	-	<b>(1,217)</b>

Explanation of changes to previously reported profit and equity:

- I On transition to FRS 101, the company has reviewed its presentation of intercompany balances in accordance with IAS 39 Financial Instruments: Recognition and Measurement. Consequently, the presentation of balances payable to and receivable from group undertakings has been amended to be due within a year unless an agreement states otherwise.