

Registered number. 05073303

GREENE KING NEIGHBOURHOOD ESTATE PUBS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the 52 weeks Ended 29 April 2012



GREENE KING NEIGHBOURHOOD ESTATE PUBS LIMITED

DIRECTORS' REPORT

For the 52 weeks Ended 29 April 2012

The directors present their report and the financial statements for the 52 weeks ended 29 April 2012

Principal activities and review of business

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

The company's performance in the year has met directors' expectations and no significant change in trade is expected in future years. As a 100% owned subsidiary of the Greene King plc group, the principal risks faced by the company are consistent with those disclosed within the Greene King plc financial statements for the period ended 29 April 2012

Results and dividends

The profit for the 52 weeks, after taxation, amounted to £9,503,000 (2011 - £8,408,000)

The directors do not recommend the payment of an ordinary dividend (2011 £Nil)

Directors

The directors who served during the 52 weeks were

R Anand
I Bull (resigned 30 June 2011)
M Fearn (appointed 9 September 2011)
J R Lawson (resigned 13 May 2011)
J P Webster
S Longbottom
R Lewis (appointed 9 September 2011)
P Groves (resigned 13 July 2012)

S Jebson was appointed to the board on 5 September 2012

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 accounts of the 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.

Going concern

At the balance sheet date the company had net assets of £441,630,000. After making enquiries the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

GREENE KING NEIGHBOURHOOD ESTATE PUBS LIMITED

DIRECTORS' REPORT

For the 52 weeks Ended 29 April 2012

Provision of information to auditors

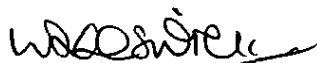
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are 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 information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

Auditors

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

This report was approved by the board on 9 October 2012 and signed on its behalf



Mrs L A Keswick
Secretary

GREENE KING NEIGHBOURHOOD ESTATE PUBS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

For the 52 weeks Ended 29 April 2012

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 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.

GREENE KING NEIGHBOURHOOD ESTATE PUBS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREENE KING NEIGHBOURHOOD ESTATE PUBS LIMITED

We have audited the financial statements of Greene King Neighbourhood Estate Pubs Limited for the 52 weeks ended 29 April 2012, which comprise the Profit and loss account, Balance sheet and related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditors' 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 auditors

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 Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the 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. 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 29 April 2012 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the 52 week period for which the financial statements are prepared is consistent with the financial statements.

GREENE KING NEIGHBOURHOOD ESTATE PUBS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREENE KING NEIGHBOURHOOD ESTATE PUBS 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.



Bob Forsyth (Senior statutory auditor)

for and on behalf of
Ernst & Young LLP

Statutory Auditor
Cambridge

11 October 2012

GREENE KING NEIGHBOURHOOD ESTATE PUBS LIMITED

PROFIT AND LOSS ACCOUNT

For the 52 weeks Ended 29 April 2012

	Note	52 weeks ended 29 April 2012 £000	52 weeks ended 1 May 2011 £000
Interest receivable and similar income	3	10,874	10,909
Interest payable and similar charges	4	(1,371)	(2,501)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		9,503	8,408
Tax on profit on ordinary activities	5	-	-
		<hr/>	<hr/>
Profit for the financial period	9	9,503	8,408
		<hr/>	<hr/>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 8 to 11 form part of these financial statements

GREENE KING NEIGHBOURHOOD ESTATE PUBS LIMITED

Registered number 05073303

BALANCE SHEET

As at 29 April 2012

	Note	£000	29 April 2012 £000	1 May 2011 £000
Current assets				
Debtors amounts falling due after more than one year	6	300,000	-	
Debtors amounts falling due within one year	6	141,702	561,608	
		441,702	561,608	
Creditors: amounts falling due within one year	7	(72)	(129,481)	
Net current assets			441,630	432,127
Net assets			441,630	432,127
Capital and reserves				
Called up share capital	8	10,000	10,000	
Share premium account	9	396,655	396,655	
Profit and loss account	9	34,975	25,472	
Shareholders' funds	10		441,630	432,127

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 October 2012


M Fearn
Director

The notes on pages 8 to 11 form part of these financial statements

GREENE KING NEIGHBOURHOOD ESTATE PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks Ended 29 April 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

Interest

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

Inter-company balances

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

2. OPERATING EXPENSES

The company has no employees other than the directors, who did not receive any remuneration for their services in respect of the company in the financial period (2011 - £NIL)

The directors who held office during the year were also directors of fellow group companies. Total emoluments, including any company pension contributions, received by these directors totalled £2,842,000 (2011 £2,934,000) paid by the ultimate parent company or by other subsidiaries. The directors do not believe that it is practicable to apportion this amount between services as directors to the company and of fellow subsidiary companies. The number of directors who received or exercised share options during the year was 5 (2011 6)

Auditors' remuneration for both audit and non-audit services has been borne by other group companies

3. INTEREST RECEIVABLE

	52 weeks ended 29 April 2012 £000	52 weeks ended 1 May 2011 £000
Interest receivable from group companies	10,874	10,909

GREENE KING NEIGHBOURHOOD ESTATE PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks Ended 29 April 2012

4. INTEREST PAYABLE

	52 weeks ended 29 April 2012 £000	52 weeks ended 1 May 2011 £000
On loans from group undertakings	<u>1,371</u>	<u>2,501</u>

5. TAXATION

	52 weeks ended 29 April 2012 £000	52 weeks ended 1 May 2011 £000
UK corporation tax credit on profit for the period	<u>-</u>	<u>-</u>

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 25.8% (2011 - 27.8%). The differences are explained below:

	52 weeks ended 29 April 2012 £000	52 weeks ended 1 May 2011 £000
Profit on ordinary activities before tax	<u>9,503</u>	<u>8,408</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25.8% (2011 - 27.8%)	2,452	2,337
Effects of:		
Tax relief on interest receivable	(2,452)	(2,337)
Current tax charge for the period (see note above)	<u>-</u>	<u>-</u>

Finance Act 2011, enacted on 19 July 2011, reduced the UK corporation tax rate to 26% from 1 April 2011 and to 25% from 1 April 2012.

The Budget on 21 March 2012 announced that the UK corporation tax rate will reduce by a further 1% from 25% to 24% from 1 April 2012. The additional reduction in the UK corporation tax rate from 25% to 24% was substantively enacted on 26 March 2012.

GREENE KING NEIGHBOURHOOD ESTATE PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks Ended 29 April 2012

5. TAXATION (continued)

Factors that may affect future tax charges

In addition to the reduction in corporation tax during the period it is proposed to reduce the rate by 1% per annum to 22% by 1 April 2014. These further reductions had not been substantively enacted at the balance sheet date and consequently not included in these accounts.

6. DEBTORS

	29 April 2012 £000	1 May 2011 £000
Due after more than one year		
Amounts owed by group undertakings	300,000	-
Due within one year		
Amounts owed by group undertakings	141,702	561,608

7. CREDITORS:

Amounts falling due within one year

	29 April 2012 £000	1 May 2011 £000
Amounts owed to group undertakings	-	129,409
Social security and other taxes	72	72
	72	129,481

8. SHARE CAPITAL

	29 April 2012 £000	1 May 2011 £000
Allotted, called up and fully paid		
10,000,001 Ordinary shares of £1 each	10,000	10,000

GREENE KING NEIGHBOURHOOD ESTATE PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks Ended 29 April 2012

9. RESERVES

	Share premium account £000	Profit and loss account £000
At 2 May 2011	396,655	25,472
Profit for the 52 weeks	-	9,503
At 29 April 2012	<u>396,655</u>	<u>34,975</u>

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	29 April 2012 £000	1 May 2011 £000
Opening shareholders' funds	432,127	423,719
Profit for the period	<u>9,503</u>	<u>8,408</u>
Closing shareholders' funds	<u>441,630</u>	<u>432,127</u>

11. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption permitted by FRS8 from the requirement to disclose transactions with the ultimate parent company, Greene King plc, or with any fellow subsidiaries within the group

12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The directors regard Greene King plc, a company incorporated in Great Britain and registered in England and Wales, to be its ultimate parent company. Consolidated financial statements of Greene King plc for the 52 week period ended 29 April 2012 are available from Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT

The company's immediate parent undertaking and controlling party is G K Holdings No 1 Limited, a company incorporated in Great Britain and registered in England and Wales