

# **Greene King Neighbourhood Estate Pubs Limited**

Report and Accounts

2 May 2010

Registered number 05073303

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## **Directors' report**

The directors present their report and accounts for the 52 week period ended 2 May 2010

### **Results and dividends**

The profit after tax and interest was £7,148,000 (2009 £33,678,000) and the directors do not recommend the payment of an ordinary dividend (2009 £Nil)

### **Principal activities and review of the 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 2 May 2010

### **Directors and their interests**

The directors during the period were as follows

J Adams	
R Anand	
I Bull	
D Elliott	(resigned 31 January 2010)
J Lawson	
J Webster	
S Longbottom	(appointed 1 February 2010)

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 that company, where they are directors of Greene King plc

### **Indemnity provision / directors' liabilities**

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

### **Statement as to disclosure of information to auditors**

The directors who were members of the board at the time of approving this report are listed above. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirm that

- to the best of their knowledge and belief, there is no information relevant to the preparation of this report of which the company's auditors are unaware, and
- they have taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information

**Going concern**

At the balance sheet date the company had net current assets of £426,499. After making enquiries the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

**Re-appointment of auditors**

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 auditor of the company.



Mrs L A Keswick  
Company Secretary

Date 16 DEC 2010

## **Statement of directors' responsibilities**

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). The financial statements are required by law to 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 judgements 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, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to 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 Greene King Neighbourhood Estate Pubs Limited

We have audited the financial statements of Greene King Neighbourhood Estate Pubs Limited for the 52 week period ended 2 May 2010 which comprise the profit and loss account, the balance sheet and the related notes 1 to 10. 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 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 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 (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.

**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 2 May 2010 and of its profit for the period 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 financial year for which the financial statements are prepared is consistent with the financial statements.

**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.



Richard Murray (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP  
Statutory Auditor  
London

Date

20 DEC 2010

**Profit and loss account**

for the 52 weeks ended 2 May 2010

	Notes	2 May 2010 £000	3 May 2009 £000
Net interest receivable	3	9,928	33,678
Profit on ordinary activities before taxation		9,928	33,678
Taxation	4	(2,780)	-
Profit after taxation	8	7,148	33,678

There is no difference between the results as shown and those calculated on a historical cost basis

There were no other recognised gains or losses in the period other than those included in the profit and loss account and consequently no statement of total recognised gains and losses is presented

All activities relate to continuing operations

**Balance sheet**

as at 2 May 2010

	Notes	2 May 2010 £000	3 May 2009 £000
<b>Current assets</b>			
Debtors	5	557,756	875,725
<b>Current liabilities</b>			
Creditors amounts falling due within one year	6	(134,037)	(357,876)
<b>Net current assets</b>		<b>423,719</b>	<b>517,849</b>
<b>Net assets</b>		<b>423,719</b>	<b>517,849</b>
<b>Capital and reserves</b>			
Called up share capital	7	10,000	10,000
Share premium account	8	396,655	396,655
Profit and loss account	8	17,064	111,194
<b>Shareholder's funds</b>	8	<b>423,719</b>	<b>517,849</b>

Approved by the Board of Directors on 16 DEC 2010 and signed on its behalf by


J Bull  
Director

**Notes to the accounts**

for the period ended 2 May 2010

**1. Accounting policies****Basis of preparation**

These accounts have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards

**Cash Flow Statement**

The company has taken advantage of the exemption permitted by FRS1, whereby a wholly owned subsidiary need not prepare a cash flow statement provided the consolidated financial statements in which the subsidiary undertaking is included are publicly available

**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**

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

The directors received no remuneration for their services in respect of the company in the financial period

**3. Net interest receivable**

	2010 £000	2009 £000
<b>Interest receivable</b>		
From group companies	17,785	55,903
<b>Interest payable</b>		
To group companies	(7,857)	(22,225)
	<b>9,928</b>	<b>33,678</b>



**Notes to the accounts**

for the period ended 2 May 2010

**4. Taxation**

	2010 £000	2009 £000
<b>Current taxation</b>		
Corporation tax	2,780	-

**Factors affecting current taxation charge for year**

The effective rate of taxation is lower than the full rate of corporation tax. The differences are explained below.

	2010 £000	2009 £000
Profit on ordinary activities before tax	9,928	33,678
Profit on ordinary activities multiplied by standard rate corporation tax 28.0% (2009 28.0%)	2,780	9,430
Group relief	-	(9,430)
	<b>2,780</b>	<b>-</b>

**5. Debtors**

	2010 £000	2009 £000
Amounts owed by fellow group undertakings	557,756	875,725

**6. Creditors: amounts falling due within one year**

	2010 £000	2009 £000
Amounts owed to fellow group undertakings	133,965	357,804
Taxation and social security	72	72
	<b>134,037</b>	<b>357,876</b>

**7. Allotted and issued share capital**

Allotted, called up and fully paid

	2010 No	2009 No	2010 £000	2009 £000
Ordinary shares of £1 each	10,000,001	10,000,001	10,000	10,000

**Notes to the accounts**

for the period ended 2 May 2010

**8. Reserves**

	Share capital £000	Share premium £000	Profit and loss £000	Total £000
At 3 May 2008	10,000	396,655	77,516	484,171
Retained profit	-	-	33,678	33,678
At 3 May 2009	10,000	396,655	111,194	517,849
Retained profit	-	-	7,148	7,148
Dividend	-	-	(101,278)	(101,278)
At 2 May 2010	10,000	396,655	17,064	423,719

On 15 September 2009 a dividend of £101,278,000 was paid to Greene King Brewing and Retailing Limited

**9. 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

**10. Ultimate parent company**

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 2 May 2010 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