

Registered number. 05073303

GREENE KING NEIGHBOURHOOD ESTATE PUBS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Period Ended 4 May 2014

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GREENE KING NEIGHBOURHOOD ESTATE PUBS LIMITED

STRATEGIC REPORT

For the Period Ended 4 May 2014

The directors present their strategic report for the 53 weeks ended 4 May 2014

Business review and future outlook

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

The company's performance in the period has met directors' expectations and no significant change to the operations of the business is expected in future periods

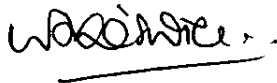
Greene King Neighbourhood Estate Pubs Limited's operations are managed at a Greene King plc group level and the directors therefore believe that disclosure of key performance indicators for the company are not appropriate to understand the performance or position of the business. The performance of Greene King plc is discussed in the Greene King plc annual report and financial statements which are publicly available

Principal risks and uncertainties

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 53 weeks ended 4 May 2014

The economic, financial, liquidity and interest rate risk is considered to be minimal on this entity due to the simple nature of its trade

This report was approved by the board on 21 January 2015 and signed on its behalf



Mrs L A Keswick
Secretary

GREENE KING NEIGHBOURHOOD ESTATE PUBS LIMITED

DIRECTORS' REPORT

For the Period Ended 4 May 2014

The directors present their report and the financial statements for the period ended 4 May 2014

Results and dividends

The profit for the period, after taxation, amounted to £7,389,000 (2013 - £8,936,000)

The directors do not recommend the payment of an ordinary dividend (2013 - £Nil)

Directors

The directors who served during the period were

R Anand
S Jebson
M Fearn (resigned 29 September 2014)
C Houlton
J Webster
S Longbottom (resigned 7 April 2014)
R Lewis
J Smith (appointed 12 March 2014 & resigned 22 August 2014)
K Millbanks (appointed 12 March 2014)

S J Connor was appointed to the board on 8 September 2014

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

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 current assets of £457,955,000. After making enquiries the directors have a reasonable expectation that the total assets of £458,027,000 are recoverable and that the company has adequate resources to continue in operational existence for the foreseeable future and are satisfied that the company is able to meet its liabilities as they fall due being a period of no less than 12 months from the date of approval of these financial statements.

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.

GREENE KING NEIGHBOURHOOD ESTATE PUBS LIMITED


DIRECTORS' REPORT

For the Period Ended 4 May 2014

Auditor

The auditor, 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 21 January 2015 and signed on its behalf



Mrs L A Keswick
Secretary

GREENE KING NEIGHBOURHOOD ESTATE PUBS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

For the Period Ended 4 May 2014

The directors are responsible for preparing the strategic report, 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 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 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.

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 53 weeks ended 4 May 2014, which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. 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 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 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 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 4 May 2014 and of its profit for the 53 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 53 week period for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREENE KING NEIGHBOURHOOD ESTATE
PUBS LIMITED (continued)**

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, UK

23 January 2015

GREENE KING NEIGHBOURHOOD ESTATE PUBS LIMITED

PROFIT AND LOSS ACCOUNT
For the Period Ended 4 May 2014

	Note	53 weeks ended 4 May 2014 £000	52 weeks ended 28 April 2013 £000
Interest receivable and similar income	3	<u>7,389</u>	<u>8,936</u>
Profit on ordinary activities before taxation		7,389	8,936
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
Profit for the financial period	8	<u>7,389</u>	<u>8,936</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account

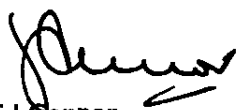
The notes on pages 9 to 12 form part of these financial statements

GREENE KING NEIGHBOURHOOD ESTATE PUBS LIMITED
Registered number: 05073303

BALANCE SHEET
As at 4 May 2014

	Note	£000	4 May 2014 £000	£000	28 April 2013 £000
Current assets					
Debtors amounts falling due after more than one year	5	300,000		300,000	
Debtors amounts falling due within one year	5	158,027		150,638	
		<u>458,027</u>		<u>450,638</u>	
Creditors: amounts falling due within one year	6	(72)		(72)	
			<u>457,955</u>		<u>450,566</u>
Total assets less current liabilities being net assets			<u>457,955</u>		<u>450,566</u>
Capital and reserves					
Called up share capital	7	10,000		10,000	
Share premium account	8	396,655		396,655	
Profit and loss account	8	51,300		43,911	
			<u>457,955</u>		<u>450,566</u>
Shareholders' funds	9		<u>457,955</u>		<u>450,566</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 January 2015


S J Connor
 Director

The notes on pages 9 to 12 form part of these financial statements

GREENE KING NEIGHBOURHOOD ESTATE PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Period Ended 4 May 2014

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

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

Going concern

At the balance sheet date the company had net current assets of £457,955,000. After making enquiries the directors have a reasonable expectation that the total assets of £458,027,000 are recoverable and that the company has adequate resources to continue in operational existence for the foreseeable future and are satisfied that the company is able to meet its liabilities as they fall due being a period of no less than 12 months from the date of approval of these financial statements.

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 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 at the balance sheet date.

2. OPERATING EXPENSES

The company has no employees other than the directors, who did not receive any remuneration (2013 - £NIL) from the company.

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 £4,606,000 (2013 - £3,568,000) paid by the ultimate parent company or by 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 year was 9 (2013 - 6).

Auditor's remuneration for both audit and non-audit services has been borne by other group undertakings. The audit fee for the Greene King plc group for the 53 weeks ended 4 May 2014 was £336,000 (2013 - £326,000), of which an audit fee of £1,000 (2013 - £1,000) is allocated to this subsidiary.

GREENE KING NEIGHBOURHOOD ESTATE PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Period Ended 4 May 2014

3. INTEREST RECEIVABLE

	53 weeks ended 4 May 2014 £000	52 weeks ended 28 April 2013 £000
Interest receivable from group undertakings	7,389	8,936

4. TAXATION

	53 weeks ended 4 May 2014 £000	52 weeks ended 28 April 2013 £000
UK corporation tax credit on profit for the period	-	-

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 22.8% (2013 - 23.9%). The differences are explained below

	53 weeks ended 4 May 2014 £000	52 weeks ended 28 April 2013 £000
Profit on ordinary activities before tax	7,389	8,936
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.8% (2013 - 23.9%)	1,685	2,136
Effects of:		
Tax relief on interest receivable	(1,685)	(2,136)
Current tax charge for the period (see above)	-	-

The Finance Act 2013 reduced the rate of corporation tax from 23% to 21% from 1 April 2014. There were no recognised or unrecognised deferred tax assets and liabilities at either balance sheet date.

Factors that may affect future tax charges

In addition to the reduction in corporation tax during the period the rate will reduce to 20% from 1 April 2015.

The above changes to the rate of corporation tax may impact the amount of future cash tax payments to be made by the company.

GREENE KING NEIGHBOURHOOD ESTATE PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Period Ended 4 May 2014

5. DEBTORS

	4 May 2014 £000	28 April 2013 £000
Due after more than one year		
Amounts owed by group undertakings	<u>300,000</u>	<u>300,000</u>
Due within one year		
Amounts owed by group undertakings	<u>158,027</u>	<u>150,638</u>

6. CREDITORS.

Amounts falling due within one year

	4 May 2014 £000	28 April 2013 £000
Other taxation and social security	<u>72</u>	<u>72</u>

7. SHARE CAPITAL

	4 May 2014 £000	28 April 2013 £000
Allotted, called up and fully paid		
10,000,001 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

8. RESERVES

	Share premium account £000	Profit and loss account £000
At 29 April 2013	396,655	43,911
Profit for the period	-	7,389
At 4 May 2014	<u>396,655</u>	<u>51,300</u>

GREENE KING NEIGHBOURHOOD ESTATE PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Period Ended 4 May 2014

9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	4 May 2014 £000	28 April 2013 £000
Opening shareholders' funds	450,566	441,630
Profit for the period	7,389	8,936
Closing shareholders' funds	457,955	450,566

10. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption permitted by FRS 8 from the requirement to disclose transactions with the ultimate parent company, Greene King plc, or with any fellow subsidiaries within the group

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At 4 May 2014, the directors consider the immediate parent undertaking and controlling party of Greene King Neighbourhood Estates Pubs Limited to be G K Holdings No 1 Limited, a company incorporated in England and Wales

The ultimate controlling party is Greene King plc, a company registered in England and Wales. This is also the undertaking of the smallest and largest group which includes the results of the company and for which group accounts are prepared. Copies of its group accounts are available from Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT