

SPIRIT MANAGED FUNDING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the 52 weeks ended 29 April 2018



SPIRIT MANAGED FUNDING LIMITED

COMPANY INFORMATION

Director	R Smothers (appointed 31 January 2018)
Company secretary	Mrs L A Keswick
Registered number	05266806
Registered office	Westgate Brewery Bury St Edmunds Suffolk IP33 1QT
Auditor	Ernst & Young LLP Statutory Auditor One Cambridge Business Park Cambridge CB4 0WZ

SPIRIT MANAGED FUNDING LIMITED

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SPIRIT MANAGED FUNDING LIMITED

DIRECTORS' REPORT **For the 52 weeks ended 29 April 2018**

The directors present their report and the financial statements for the 52 weeks ended 29 April 2018.

Principal activity

The principal activity of the company is that of a financing company.

Going concern

At the balance sheet date the company had net current assets of £1,228,118,000 and net assets of £1,228,118,000. After making enquires the directors have a reasonable expectation that the net assets of £1,228,118,000 are recoverable in full and that the company has adequate resources to continue in operational existence for the foreseeable future. The directors 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 and therefore continue to prepare the financial statements on a going concern basis.

Directors

The directors who served during the 52 weeks were:

K Davis (resigned 31 January 2018)
R Smothers (appointed 31 January 2018)

The director did not hold any interest in the share capital of the company during the period.

The interest of the director in the shares of the ultimate parent company, Greene King Plc, are shown in the financial statements of that company, where they are a director 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 the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the 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 MANAGED FUNDING LIMITED

DIRECTORS' REPORT (CONTINUED)
For the 52 weeks ended 29 April 2018

Auditor

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

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.

A handwritten signature in black ink, appearing to read 'L A Keswick', with a horizontal line drawn underneath it.

Mrs L A Keswick

Secretary

Date: 17 October 2018

SPIRIT MANAGED FUNDING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

For the 52 weeks ended 29 April 2018

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 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 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 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 SPIRIT MANAGED FUNDING LIMITED

OPINION

We have audited the financial statements of Spirit Managed Funding Limited (the 'company') for the 52 weeks ended 29 April 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes 1 to 15, 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 29 April 2018 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.

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.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 MANAGED FUNDING 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 directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' 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 directors' 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 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF DIRECTORS

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, and for such internal control as the directors 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 directors are 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 directors either intend 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

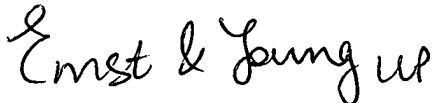
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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



Lloyd Brown (Senior statutory auditor)

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

Date: 17/10/2018

SPIRIT MANAGED FUNDING LIMITED

STATEMENT OF COMPREHENSIVE INCOME For the 52 weeks ended 29 April 2018

		52 weeks ended 29 April 2018 £000	52 weeks ended 30 April 2017 £000
	Note		
Interest receivable and similar income	6	148,946	151,756
Interest payable and expenses	7	(17,598)	(17,598)
Profit before tax		131,348	134,158
Taxation	8	(2,064)	-
Profit for the period		129,284	134,158

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017: £nil).

The notes on pages 10 to 17 form part of these financial statements.

SPIRIT MANAGED FUNDING LIMITED

Registered number:05266806

BALANCE SHEET

As at 29 April 2018

		29 April 2018 £000	30 April 2017 £000
	Note		
Current assets			
Debtors: amounts falling due after more than one year	10	1,490,010	1,328,508
Debtors: amounts falling due within one year	10	105,484	105,483
		<u>1,595,494</u>	<u>1,433,991</u>
Creditors: amounts falling due within one year	11	(367,376)	(335,157)
Net current assets		<u>1,228,118</u>	<u>1,098,834</u>
Net assets		<u>1,228,118</u>	<u>1,098,834</u>
Capital and reserves			
Called up share capital	12	7,000	7,000
Share premium account	13	43,688	43,688
Capital redemption reserve	13	923,474	923,474
Profit and loss account	13	253,956	124,672
Equity		<u>1,228,118</u>	<u>1,098,834</u>

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


R Smothers

Director

Date: 17 October 2018

The notes on pages 10 to 17 form part of these financial statements.

SPIRIT MANAGED FUNDING LIMITED

STATEMENT OF CHANGES IN EQUITY

For the 52 weeks ended 29 April 2018

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 2 May 2016	7,000	43,688	923,474	514	974,676
Profit for the period	-	-	-	134,158	134,158
Dividends: Equity capital	-	-	-	(10,000)	(10,000)
At 1 May 2017	7,000	43,688	923,474	124,672	1,098,834
Profit for the period	-	-	-	129,284	129,284
At 29 April 2018	7,000	43,688	923,474	253,956	1,228,118

The notes on pages 10 to 17 form part of these financial statements.

SPIRIT MANAGED FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the 52 weeks ended 29 April 2018**

1. GENERAL INFORMATION

Spirit Managed Funding 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 unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and applicable accounting standards.

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 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 requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- 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 Going concern

At the balance sheet date the company had net current assets of £1,228,118,000 and net assets of £1,228,118,000. After making enquiries the directors have a reasonable expectation that the net assets of £1,228,118,000 are recoverable in full and that the company has adequate resources to continue in operational existence for the foreseeable future. The directors 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 and therefore 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.

SPIRIT MANAGED FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 April 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Interest

Interest costs are expensed to the income statement using the effective interest method. Interest income is recognised in the income statement using the effective interest method.

2.6 Taxation

Tax is recognised in the statement of comprehensive income, 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 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

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. Refer to note 8 for further details.

Effective interest rate

When calculating the effective interest rate (EIR) to apply to an asset or liability held at amortised cost, the company estimates future cash flows considering all contractual terms of an instrument. In the case of the subordinated loans to/from group undertakings, the future cash flows arising from the asset or liability depends on the performance of underlying pubs within the debenture structure, timing of interest payments and expected maturities of the company's secured loans. Therefore, it follows that management is required to apply significant judgment in creating assumptions about the value of these variables in the future. The latest forecast assumes all future cashflows occurring at the end of the term of the subordinated loans in 2034.

SPIRIT MANAGED FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the 52 weeks ended 29 April 2018

4. STAFF COSTS

The company has no employees and did not incur any staff costs during the period (2017: £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 £770,000 (2017: £546,000) 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 (2017: nil).

5. AUDITOR'S REMUNERATION

The auditor's remuneration for the period of £1,000 (2017: £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.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	52 weeks ended 29 April 2018 £000	52 weeks ended 30 April 2017 £000
Interest receivable from group undertakings	<u>148,946</u>	<u>151,756</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	52 weeks ended 29 April 2018 £000	52 weeks ended 30 April 2017 £000
Interest payable to group undertakings	<u>17,598</u>	<u>17,598</u>

8. TAXATION

	52 weeks ended 29 April 2018 £000	52 weeks ended 30 April 2017 £000
Current tax on profits for the year	1,008	-
Adjustments in respect of previous periods	1,056	-
TOTAL CURRENT TAX	<u><u>2,064</u></u>	<u><u>-</u></u>

SPIRIT MANAGED FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the 52 weeks ended 29 April 2018

8. TAXATION (CONTINUED)

FACTORS AFFECTING TAXATION FOR THE PERIOD

The tax assessed for the period is lower than (2017 -lower than) the standard rate of corporation tax in the UK of 19.0% (2017 -19.9%). The differences are explained below:

	52 weeks ended 29 April 2018 £000	52 weeks ended 30 April 2017 £000
Profit on ordinary activities before tax	<u>131,348</u>	<u>134,158</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2017 -19.9%)	24,956	26,697
EFFECTS OF:		
Expenses not deductible for tax purposes	3,344	3,502
Adjustments to tax charge in respect of prior periods	1,056	-
Group relief for nil consideration	-	(1,056)
Transfer pricing adjustments	(27,292)	(29,143)
TOTAL TAXATION FOR THE PERIOD	<u>2,064</u>	<u>-</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Finance Act (No.2) Act 2015 reduced the rate of corporation tax from 20% to 19% from 1 April 2017 and the Finance Act 2016 further reduced the rate to 17% from 1 April 2020. Both these rate reductions were substantively enacted at the balance sheet date and are therefore included in these accounts.

9. DIVIDENDS

	29 April 2018 £000	30 April 2017 £000
Ordinary	<u>-</u>	<u>10,000</u>

Dividends of £nil per share (2017: £1.43) were paid in the year.

SPIRIT MANAGED FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 April 2018

10. DEBTORS

	29 April 2018 £000	30 April 2017 £000
DUE AFTER MORE THAN ONE YEAR		
Amounts owed by group undertakings	1,490,010	1,328,508
	29 April 2018 £000	30 April 2017 £000
DUE WITHIN ONE YEAR		
Amounts owed by group undertakings	105,484	105,483

Amounts owed by group undertakings due after more than one year of £1,490,755,000 (2017: £1,328,508,000) comprise subordinated loans from Spirit Issuer plc, Spirit Pub Company (Managed) Limited and Spirit Pub Company (Leased) Limited of £50,000,000, £182,611,000 and £367,389,000 respectively (2017: £50,000,000, £182,611,000 and £367,389,000 respectively) and accrued subordinated loan interest of £69,655,000, £212,688,000 and £594,467,000 respectively calculated using the effective interest rate method (2017: £57,351,000, £168,950,000 and £502,207,000 respectively).

Interest on the subordinated loan balance accrues at a rate of 16% per annum and interest accrues on unpaid subordinated loan interest at a rate of 15.01% per annum. The total amount of accrued subordinated loan interest per the contract terms outstanding at the balance sheet date is £158,373,000, £624,016,000 and £1,074,045,000 respectively (2017: £137,252,000, £541,941,000 and £925,839,000 respectively). Repayment of the subordinated loans are only permissible following repayment of all of the secured loan notes that Spirit Pub Company (Managed) Limited and Spirit Pub Company (Leased) Limited holds with Spirit Issuer plc, a fellow group undertaking in 2034.

Amounts owed by group undertakings due after more than one year also includes subordinated loans, which were new in the period, from Spirit Pub company (Managed) Limited and Spirit Pub Company (Leased) Limited of £6,274,000 and £6,283,000 respectively (2017: £nil and £nil respectively) and accrued subordinated loan interest of £322,000 and £323,000 respectively calculated using the effective interest rate method (2017: £nil and £nil respectively). Interest accrues at 16% per annum. The total amount of accrued subordinated loan interest per the contract terms outstanding at the balance sheet date is £694,000 and £695,000 (2017: £nil and £nil respectively). Repayment of these loans are only permissible following repayment of all the secured loan notes that Spirit Pub Company (Managed) Limited and Spirit Pub Company (Leased) Limited holds with Spirit Issuer plc, a fellow group undertaking in 2036.

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

SPIRIT MANAGED FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the 52 weeks ended 29 April 2018

11. CREDITORS: Amounts falling due within one year

	29 April 2018 £000	30 April 2017 £000
Amounts owed to group undertakings	80,143	66,530
Corporation tax payable	1,008	-
Share capital treated as debt	252,090	252,090
Accrued preferential dividends	34,135	16,537
	<u>367,376</u>	<u>335,157</u>

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

252,090,000 redeemable, cumulative, non voting, 7% preference shares of £1 each are held by the company's sole shareholder, Spirit Pub Company (SGE) Limited. The preferential dividend becomes due and payable on 30 May and 30 November each year. The preference shares are redeemable at the option of Spirit Pub Company (SGE) Limited, on giving notice to the company. No premium is payable on redemption.

Preferential dividends become due and payable to the company on 30 May and 30 November each year.

As at the balance sheet date accrued dividend payments are as follows:

	29 April 2018 £000	30 April 2017 £000
Dividend due 30 May 2016	341	341
Dividend due 30 November 2016	8,896	8,896
Dividend due 30 May 2017	8,751	7,300
Dividend due 30 November 2017	8,896	-
Dividend due 30 May 2018	7,251	-
	<u>34,135</u>	<u>16,537</u>

SPIRIT MANAGED FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the 52 weeks ended 29 April 2018

12. SHARE CAPITAL

	29 April 2018 £000	30 April 2017 £000
Shares classified as equity		
Allotted, called up and fully paid		
7,000,003 Ordinary shares of £1 each	7,000	7,000
	29 April 2018 £000	30 April 2017 £000
Shares classified as debt		
Allotted, called up and fully paid		
252,090,000 Preference shares of £1 each	252,090	252,090

13. RESERVES

Share premium account

Share premium represents the excess of proceeds received over the nominal value of new shares issued.

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.

14. 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.

SPIRIT MANAGED FUNDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 April 2018

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At the balance sheet date, the directors consider the immediate parent undertaking and immediate controlling party of Spirit Managed Funding Limited to be Spirit Pub Company (SGE) 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.

Greene King Plc is the smallest and 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.