

Registered number: 05462825

GREENE KING ACQUISITIONS NO.2 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the 52 weeks ended 30 April 2017

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GREENE KING ACQUISITIONS NO.2 LIMITED

COMPANY INFORMATION

Director	K Davis
Company secretary	Mrs L A Keswick
Registered number	05462825
Registered office	Westgate Brewery Bury St Edmunds Suffolk IP33 1QT
Auditor	Ernst & Young LLP Statutory Auditor One Cambridge Business Park Cambridge CB4 0WZ

GREENE KING ACQUISITIONS NO.2 LIMITED

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GREENE KING ACQUISITIONS NO.2 LIMITED

DIRECTOR'S REPORT For the 52 weeks ended 30 April 2017

The director presents his report and the financial statements for the 52 weeks ended 30 April 2017.

Principal activity

The company's principal activities are that of an intermediary holding company and the provision of financing, via intercompany loans, to fellow group companies.

Going concern

At the balance sheet date the company had net current liabilities of £118,869,000 and net assets of £46,882,000. This includes amounts due to Greene King plc and other group undertakings amounting to £118,869,000. The directors have prepared cash flow forecasts for the foreseeable future, being at least 12 months from the date of approval of these financial statements, which indicate 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 the foreseeable future 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.

Director

The director who served during the 52 weeks was:

K Davis

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

The director at the time when this director's report is approved has confirmed that:

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

GREENE KING ACQUISITIONS NO.2 LIMITED

DIRECTOR'S REPORT (CONTINUED)
For the 52 weeks ended 30 April 2017

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 director has 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: *13 September 2017*

GREENE KING ACQUISITIONS NO.2 LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

For the 52 weeks ended 30 April 2017

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 ACQUISITIONS NO.2 LIMITED

We have audited the financial statements of Greene King Acquisitions No.2 Limited for the 52 weeks ended 30 April 2017 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 director and auditor

As explained more fully in the director's responsibilities statement, set out on page 3, the director is 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 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 director; 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 30 April 2017 and of its loss for the 52 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 prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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 director's report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREENE KING ACQUISITIONS NO.2 LIMITED

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have identified no material misstatements in the director's report.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was 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.

Ernst & Young LLP

Lloyd Brown (Senior statutory auditor)

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

Date: 13/9/2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREENE KING ACQUISITIONS NO.2 LIMITED

We have audited the financial statements of Greene King Acquisitions No.2 Limited for the 52 weeks ended 30 April 2017 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 director and auditor

As explained more fully in the director's responsibilities statement, set out on page 3, the director is 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 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 director; 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 30 April 2017 and of its loss for the 52 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 prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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 director's report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

GREENE KING ACQUISITIONS NO.2 LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the 52 weeks ended 30 April 2017

		52 weeks ended 30 April 2017 £000	52 weeks ended 1 May 2016 £000
	Note		
Interest payable and similar charges	6	(1,930)	(1,986)
Loss before tax		<u>(1,930)</u>	<u>(1,986)</u>
Taxation	7	-	-
Loss for the period		<u><u>(1,930)</u></u>	<u><u>(1,986)</u></u>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016:£nil).

The notes on pages 9 to 15 form part of these financial statements.

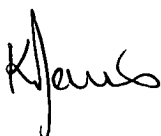
GREENE KING ACQUISITIONS NO.2 LIMITED
Registered number: 05462825

BALANCE SHEET
As at 30 April 2017

	Note	30 April 2017 £000	1 May 2016 £000
Fixed assets			
Investments	8	192,723	192,723
Creditors: amounts falling due within one year	9	(118,869)	(116,939)
Net current liabilities		<u>(118,869)</u>	<u>(116,939)</u>
Total assets less current liabilities		<u>73,854</u>	<u>75,784</u>
Creditors: amounts falling due after more than one year	10	(26,972)	(26,972)
Net assets		<u><u>46,882</u></u>	<u><u>48,812</u></u>
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	46,882	48,812
Equity		<u><u>46,882</u></u>	<u><u>48,812</u></u>

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

K Davis
Director



Date: 13 September 2017

The notes on pages 9 to 15 form part of these financial statements.

GREENE KING ACQUISITIONS NO.2 LIMITED

STATEMENT OF CHANGES IN EQUITY
For the 52 weeks ended 30 April 2017

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 3 May 2015	-	50,798	50,798
Loss for the period	-	(1,986)	(1,986)
At 1 May 2016	-	48,812	48,812
Loss for the period	-	(1,930)	(1,930)
At 30 April 2017	-	46,882	46,882

GREENE KING ACQUISITIONS NO.2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 30 April 2017

1. GENERAL INFORMATION

Greene King Acquisitions No.2 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 and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

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 company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

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 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 liabilities of £118,869,00 and net assets of £46,882,000. This includes amounts due to Greene King plc and other group undertakings amounting to £118,869,000. The directors have prepared cash flow forecasts for the foreseeable future, being at least 12 months from the date of approval of these financial statements, which indicate 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 the foreseeable future 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.

GREENE KING ACQUISITIONS NO.2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the 52 weeks ended 30 April 2017**

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.5 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.

2.6 Interest income

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.

2.7 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.

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.

GREENE KING ACQUISITIONS NO.2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the 52 weeks ended 30 April 2017

4. STAFF COSTS

The company has no employees and did not incur any staff costs during the period (2016: £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 £545,000 (2016: £689,000) 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 (2016: 1).

5. AUDITOR'S REMUNERATION

The auditor's remuneration for the period of £1,000 (2016: £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 accounts of the ultimate parent company.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks ended 30 April 2017 £000	52 weeks ended 1 May 2016 £000
Interest payable to group undertakings	<u>1,930</u>	<u>1,986</u>

GREENE KING ACQUISITIONS NO.2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the 52 weeks ended 30 April 2017

7. TAXATION

	52 weeks ended 30 April 2017 £000	52 weeks ended 1 May 2016 £000
TOTAL CURRENT TAX	-	-

FACTORS AFFECTING TAX CHARGE FOR THE PERIOD

The tax assessed for the period is lower than (2016 -lower than) the standard rate of corporation tax in the UK of 19.9% (2016 -20.0%). The differences are explained below:

	52 weeks ended 30 April 2017 £000	52 weeks ended 1 May 2016 £000
Loss on ordinary activities before tax	(1,930)	(1,986)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.9% (2016 - 20.0%)	(384)	(397)
EFFECTS OF:		
Group relief given for nil consideration	384	397
TOTAL TAXATION FOR THE PERIOD	-	-

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.

GREENE KING ACQUISITIONS NO.2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the 52 weeks ended 30 April 2017

8. FIXED ASSET INVESTMENTS

	Investment in subsidiary companies £000
COST OR VALUATION	
At 2 May 2016	192,723
At 30 April 2017	192,723
NET BOOK VALUE	
At 30 April 2017	192,723
At 1 May 2016	192,723

DIRECT SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Belhaven Pubs Limited	Ordinary	100 %	Financing

The director believes that the carrying value of the investments is supported by their underlying net assets.

INDIRECT SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Belhaven Brewery Company Limited	Ordinary	100 %	Financing
Belhaven Finance Limited	Ordinary	100 %	Financing

All the subsidiaries are incorporated in Scotland.

GREENE KING ACQUISITIONS NO.2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the 52 weeks ended 30 April 2017

9. CREDITORS: Amounts falling due within one year

	30 April 2017 £000	1 May 2016 £000
Amounts owed to group undertakings	118,869	116,938

Amount owed to group undertaking is unsecured, interest bearing, has no fixed date of repayment and is repayable on demand.

10. CREDITORS: Amounts falling due after more than one year

	30 April 2017 £000	1 May 2016 £000
Amount owed to group undertaking	26,972	26,972

Amount owed to group undertaking falling due after more than one year consist entirely of an unsecured loan note. The loan note attracts interest at a rate of LIBOR plus 1% payable periodically. The loan note is repayable in full on 29 November 2035.

11. CALLED UP SHARE CAPITAL

	30 April 2017 £	1 May 2016 £
Shares classified as equity		
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1

12. RESERVES

Share premium account

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

Profit & loss account

Profit and loss account reserve represents accumulated retained earnings.

13. 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 fellow 100% owned group undertakings. Transactions entered into, and trading balances outstanding at the balance sheet date with other related parties did not occur during the current or prior fiscal years.

GREENE KING ACQUISITIONS NO.2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 30 April 2017

14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At the balance sheet date, the directors consider the immediate parent undertaking and immediate controlling party of Greene King Acquisitions No.2 Limited to be Greene King Brewing and Retailing 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.