

Company Registration No. 07662211 (England and Wales)

SPIRIT PUB COMPANY (HOLDCO) LIMITED
ANNUAL REPORT
FOR THE 53 WEEK PERIOD ENDED 23 AUGUST 2014

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SPIRIT PUB COMPANY (HOLDCO) LIMITED

COMPANY INFORMATION

Directors	P Gallagher M Tye R Broadbridge D Moore A Morgan C Welham
Joint secretaries	C Stewart & H Jones
Company number	07662211
Registered office	Sunrise House Ninth Avenue Burton Upon Trent Staffordshire DE14 3JZ
Auditor	KPMG LLP One Snowhill Snow Hill Queensway Birmingham B4 6GH
Bankers	Barclays Bank plc One Snowhill Snow Hill Queensway Birmingham B3 2WN
Solicitors	Slaughter and May One Bunhill Row London EC1Y 8YY

SPIRIT PUB COMPANY (HOLDCO) LIMITED

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SPIRIT PUB COMPANY (HOLDCO) LIMITED

STRATEGIC REPORT

FOR THE 53 WEEK PERIOD ENDED 23 AUGUST 2014

The directors present this strategic report, the Directors' report and financial statements for the 53 week period ended 23 August 2014

Principal activities

The principal activity of the company is that of an intermediate holding company

Review of the business

Spirit Pub Company manages its operations at a group level and the directors therefore believe that disclosure of key performance indicators for the company are not appropriate to understand the development, performance or position of the business. The performance of the Spirit Pub Company group is discussed in the Annual Results 2014 announcement available on the group's website (www.spiritpubcompany.com) and in the Annual Report and Accounts 2014 which will be available on the website from 2 December 2014

The directors do not consider that there are any specific principal risks and uncertainties applicable to the company which need to be disclosed

On behalf of the board



P Gallagher

Director

11 November 2014

SPIRIT PUB COMPANY (HOLDCO) LIMITED

DIRECTORS' REPORT

FOR THE 53 WEEK PERIOD ENDED 23 AUGUST 2014

The directors present their report and financial statements for the 53 week period ended 23 August 2014

Results and dividends

The results for the 53 week period are set out on page 6

Going concern

The directors of Spirit Pub Company (Holdco) Limited have concluded that the company has adequate resources to remain in operation for the foreseeable future. Therefore, the directors have continued to adopt the going concern basis in preparing the financial statements

Post balance sheet events

On 13 October 2014, the company declared and paid an interim ordinary dividend of £73,000,000 to its parent, Spirit Pub Company plc

At 23 August 2014, no obligation exists for dividends declared after that date

Directors

The following directors have held office since 18 August 2013

P Gallagher

M Tye

C Briscoe (Resigned 30 May 2014)

R Broadbridge

D Moore

A Morgan

C Welham

Political contributions and charitable donations

During the 53 week period ended 23 August 2014, the company made no political contributions or charitable donations

Auditor

KPMG Audit Plc resigned as auditor on 8 January pursuant to section 516 of the Companies Act 2006. On 14 January 2014 the Directors appointed KPMG LLP as auditor of the company to fill the casual vacancy as auditor under section 485(3) of the Companies Act 2006. Pursuant to Section 487 of the companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information

Qualifying third party indemnity provisions

A third party indemnity provision (as defined in section 234 of the Companies Act 2006) is in force for the benefit of the directors

SPIRIT PUB COMPANY (HOLDCO) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE 53 WEEK PERIOD ENDED 23 AUGUST 2014

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 judgements 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.

On behalf of the board



P Gallagher
Director

11 November 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPIRIT PUB COMPANY (HOLDCO) LIMITED

We have audited the financial statements of Spirit Pub Company (Holdco) Limited for the 53 week period ended 23 August 2014 set out on pages 6 to 13. 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 Statement of directors' responsibilities 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 23 August 2014 and of its profit for the 53 week 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 Strategic Report and Directors' Report for the financial 53 week period for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SPIRIT PUB COMPANY (HOLDCO) 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from preparing a strategic report



Greg Watts (Senior Statutory Auditor)
for and on behalf of KPMG LLP

12th November 2014

Chartered Accountants
Statutory Auditor

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

SPIRIT PUB COMPANY (HOLDCO) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE 53 WEEK PERIOD ENDED 23 AUGUST 2014

		53 week period ended 23 August 2014 £000	52 week period ended 17 August 2013 £000
	Notes		
Operating profit		-	-
Other interest receivable and similar income	3	17,159	17,582
Profit on ordinary activities before taxation		17,159	17,582
Tax on profit on ordinary activities	4	(4,723)	(5,431)
Profit for the 53 week period	11	12,436	12,151

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

Notes on pages 8 to 13 form part of these financial statements

SPIRIT PUB COMPANY (HOLDCO) LIMITED

BALANCE SHEET

AS AT 23 AUGUST 2014

	Notes	2014 £000	2014 £000	2013 £000	2013 £000
Fixed assets					
Investments	6		93,129		93,129
Current assets					
Debtors (including £238,441,000 (2013 £252,692,000) due after more than one year)	7	294,603		311,822	
Cash at bank and in hand		23,361		786	
		<u>317,964</u>		<u>312,608</u>	
Creditors: amounts falling due within one year	8	<u>(19,314)</u>		<u>(17,394)</u>	
Net current assets (excluding debtors falling due after more than one year)			60,209		42,522
Total assets less current liabilities			391,779		388,343
Creditors: amounts falling due after more than one year	9		<u>(10,488)</u>		<u>(11,488)</u>
Net assets			<u>381,291</u>		<u>376,855</u>
Capital and reserves					
Called up share capital	10		61,000		61,000
Share premium account	11		177,090		177,090
Profit and loss account	11		143,201		138,765
Shareholders' funds	12		<u>381,291</u>		<u>376,855</u>

Notes on pages 8 to 13 form part of these financial statements

Approved by the Board and authorised for issue on 11 November 2014


P Gallagher
Director

Company Registration No. 07662211

SPIRIT PUB COMPANY (HOLDCO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 53 WEEK PERIOD ENDED 23 AUGUST 2014

1 Accounting policies

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently

1.2 Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing the financial statements

1.3 Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard (FRS) 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value. The carrying value of investments is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable

1.5 Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future have occurred at the balance sheet date

1.6 Group accounts

The company is exempt, under s400 of the Companies Act 2006, from the obligation to prepare consolidated financial statements as the company is a wholly owned subsidiary undertaking of a parent company incorporated in the EU, which prepares consolidated financial statements. As such, these financial statements present information about the company as an individual undertaking and not about its group

2 Operating profit

Auditor's remuneration is paid by another company in the Spirit Pub Company group in the current and preceding periods

3 Other interest receivable and similar income	2014 £000	2013 £000
Bank interest	34	28
Interest receivable from group undertakings	17,125	17,554
	<u>17,159</u>	<u>17,582</u>

SPIRIT PUB COMPANY (HOLDCO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 53 WEEK PERIOD ENDED 23 AUGUST 2014

4 Taxation

	2014 £000	2013 £000
Current year tax		
Adjustment for prior years	169	660
Charge in respect of group relief	4,554	4,771
Total current tax	<u>4,723</u>	<u>5,431</u>
Factors affecting the tax charge for the period		
Profit on ordinary activities before taxation	<u>17,159</u>	<u>17,582</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 22.22% (2013: 23.62%)	<u>3,813</u>	<u>4,153</u>
Effects of		
Adjustments to previous periods	169	660
Other tax adjustments	741	618
	<u>910</u>	<u>1,278</u>
Current tax charge for the period	<u>4,723</u>	<u>5,431</u>

Factors affecting current and future tax charge

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

5 Dividends

	2014 £000	2013 £000
Ordinary interim paid 8 July 2014	<u>8,000</u>	<u>20,000</u>

The interim dividends paid in the prior period were paid on 1 March 2013 (£5,000,000) and 10 July 2013 (£15,000,000).

SPIRIT PUB COMPANY (HOLDCO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 53 WEEK PERIOD ENDED 23 AUGUST 2014

6 Fixed asset investments

	Shares in subsidiary undertakings £000
Cost	
At 18 August 2013 and at 23 August 2014	93,129
Net book value	
At 18 August 2013 and at 23 August 2014	93,129

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held.	
		Class	Percentage
Subsidiary undertakings			
Spirit Pub Company (SGE) Limited	England & Wales	Ordinary	100
Spirit Pub Company (Investments) Limited*	England & Wales	Ordinary	100
Spirit Pub Company (Managed) Limited*	England & Wales	Ordinary	100
Spirit Pub Company (Leased) Limited*	England & Wales	Ordinary	100
Spirit Pub Company (Services) Limited*	England & Wales	Ordinary	100
Spirit Pub Company (Supply) Limited*	England & Wales	Ordinary	100
Spirit Pub Company (Trent) Limited*	England & Wales	Ordinary	100
Spirit Pubs Debenture Holdings Limited*	England & Wales	Ordinary	100
Spirit Managed Funding Limited*	England & Wales	Ordinary	100

* shareholding is held indirectly

Exemption has been taken to exclude subsidiary undertakings from the above disclosure, whose results or financial position do not principally affect the financial statements

SPIRIT PUB COMPANY (HOLDCO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 53 WEEK PERIOD ENDED 23 AUGUST 2014

7 Debtors	2014 £000	2013 £000
Amounts owed by group undertakings	56,147	59,129
Loans owed by group undertakings	238,441	252,692
Prepayments and accrued income	15	1
	<u>294,603</u>	<u>311,822</u>

Amounts falling due after more than one year and included in the debtors above are

	2014 £000	2013 £000
Loans owed by group undertakings	<u>238,441</u>	<u>252,692</u>

Included within loans due from group undertakings is a loan from fellow group company, Spirit Pub Company (SGE) Limited, of £233,600,000 (2013 £248,041,000) which accrues interest at such rate of interest (if any) as may be agreed between the parties from time to time. The interest rate agreed for the period was 7% per annum (2013 7%). On 10 October 2013, £6,500,000 and on 8 July 2014 £7,941,000 of the loan was repaid by Spirit Pub Company (SGE) Limited. During the year repayments of accrued interest totalling £17,059,000 were received and at 23 August 2014 this balance includes £3,841,000 of unpaid accrued interest (2013 £3,651,000).

Also included within loans due from group undertakings is a non-interest bearing loan to fellow group company, Spirit Parent Limited, of £1,000,000 (2013 £1,000,000).

8 Creditors amounts falling due within one year	2014 £000	2013 £000
Amounts owed to group undertakings	<u>19,314</u>	<u>17,394</u>

9 Creditors amounts falling due after more than one year	2014 £000	2013 £000
Amounts owed to group undertakings	<u>10,488</u>	<u>11,488</u>

Amounts owed to group undertakings represent non interest bearing funding balances

10 Share capital	2014 £000	2013 £000
Allotted, called up and fully paid		
61,000,006 Ordinary shares of £1 each	<u>61,000</u>	<u>61,000</u>

SPIRIT PUB COMPANY (HOLDCO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 53 WEEK PERIOD ENDED 23 AUGUST 2014

11 Statement of movements on reserves

	Share premium account £000	Profit and loss account £000
Balance at 18 August 2013	177,090	138,765
Profit for the period	-	12,436
Dividends paid	-	(8,000)
Balance at 23 August 2014	177,090	143,201

12 Reconciliation of movements in shareholders' funds

	2014 £000	2013 £000
Profit for the 53 week period	12,436	12,151
Dividends	(8,000)	(20,000)
Net addition to/(depletion in) shareholders' funds	4,436	(7,849)
Opening shareholders' funds	376,855	384,704
Closing shareholders' funds	381,291	376,855

13 Employees

Number of employees

There were no employees during the 53 week period apart from the directors

Directors' emoluments

The directors received no emoluments from the company in respect of their services in the current or preceding periods

14 Control

The company's immediate parent undertaking is Spirit Pub Company plc, a company registered in England & Wales

The company's ultimate parent undertaking and controlling party is Spirit Pub Company plc, a company registered in England & Wales

The parent undertaking of the only group of undertakings for which group financial statements are drawn up and of which the company is a member is Spirit Pub Company plc

Copies of the financial statements of Spirit Pub Company plc are available from Sunrise House, Ninth Avenue, Burton upon Trent, DE14 3JZ

SPIRIT PUB COMPANY (HOLDCO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 53 WEEK PERIOD ENDED 23 AUGUST 2014

15 Post balance sheet events

On 13 October 2014, the company paid an interim ordinary dividend of £73,000,000 to its parent, Spirit Pub Company plc

At 23 August 2014, no obligation exists for dividends declared after that date

16 Related party relationships and transactions

The directors have taken advantage of the exemption in paragraph 3(c) of FRS 8 from disclosing transactions with related parties that are wholly owned subsidiaries of the Spirit Pub Company plc group