

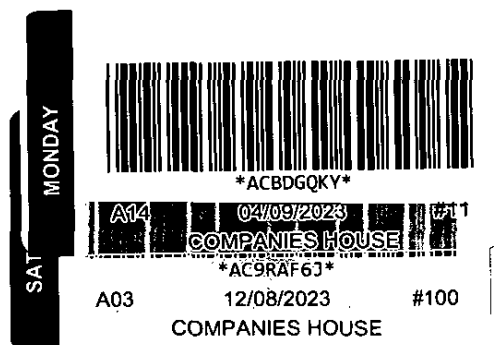
Registered number: 07662211

# SPIRIT PUB COMPANY (HOLDCO) LIMITED

UNAUDITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

For the 52 weeks ended 1 January 2023



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**SPIRIT PUB COMPANY (HOLDCO) LIMITED**

**COMPANY INFORMATION**

<b>Director</b>	S D'Cruz (appointed 31 March 2023)
<b>Company secretary</b>	Mrs L A Keswick
<b>Registered number</b>	07662211
<b>Registered office</b>	Westgate Brewery Bury St Edmunds Suffolk IP33 1QT United Kingdom

## **SPIRIT PUB COMPANY (HOLDCO) LIMITED**

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## **SPIRIT PUB COMPANY (HOLDCO) LIMITED**

### **STRATEGIC REPORT** **For the 52 weeks ended 1 January 2023**

#### **Introduction**

The directors presents their strategic report for the 52 weeks ended 1 January 2023.

#### **Business review**

The company's principal activities are as a holding company and in the provision of financing, via intercompany loans, to fellow group undertakings.

The company's performance in the period has met the directors' expectations with net assets increasing 3.4% to £326,348,000 (prior period: £315,609,000) and no significant change to the operations of the business is expected in future periods.

#### **Principal risks and uncertainties**

As a 100% owned subsidiary of the Greene King Limited group, the principal risks and uncertainties faced by the company are consistent with those disclosed within the Greene King Limited financial statements for the 52 weeks ended 1 January 2023. The economic, financial, liquidity and interest rate risks are considered to be minimal on this entity due to the simple nature of its trade.

#### **Financial key performance indicators**

The operations of Spirit Pub Company (Holdco) Limited are managed at a Greene King Limited group level and as such no key performance indicators are monitored for the company as the director believes they would not add any understanding to the performance or position of the business. The performance of Greene King Limited is discussed in the Greene King Limited annual report and financial statements which are publicly available.

#### **Directors' statement of compliance with duty to promote the success of the company**

Under section 172 of the Companies Act 2006 the directors of the company are required to act in a way which promotes the long-term success of the company and in doing so to consider the interests of the company's stakeholders. This section of the report is designed to set out how the directors have complied with their obligations in this regard.

The directors of the company have at all times during the year under review (and at all other times) acted in the way that they considered, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so had regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly between members of the company.

**SPIRIT PUB COMPANY (HOLDCO) LIMITED**

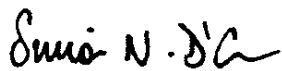
**STRATEGIC REPORT (CONTINUED)**

**For the 52 weeks ended 1 January 2023**

**Engaging with stakeholders**

The company's principal activities are as a holding company and in the provision of financing, via intercompany loans, to fellow group undertakings. The company is a wholly owned subsidiary of the Greene King Limited group which has control of the entity and therefore all decisions affecting the company are filtered down from group, based on the group-wide strategy. The directors of the company work closely with the directors of the Greene King Limited group and therefore are aware of all decisions made at group-level that will affect the company.

This report was approved by the board and signed on its behalf.



**S D'Cruz**

Director

Date: 3 August 2023

## **SPIRIT PUB COMPANY (HOLDCO) LIMITED**

### **DIRECTORS' REPORT** **For the 52 weeks ended 1 January 2023**

The directors present their report and the financial statements for the 52 weeks ended 1 January 2023.

#### **Principal activity**

The company's principal activities are as a holding company and in the provision of financing, via intercompany loans, to fellow group undertakings.

#### **Results and dividends**

The profit for the 52 weeks, after taxation, amounted to £10,739,000 (prior period: £14,759,000).

No dividends were paid or proposed during the period (prior period: £nil).

#### **Going concern**

*Greene King Limited has agreed to provide continuing financial support to enable the company to meet its obligations as and when they fall due for a period of at least 12 months from the date of approval of the financial statements.*

The directors of Greene King Limited have performed a going concern assessment of the Greene King Limited group. In doing so, they have modelled a remote scenario whereby the group generates just over half of its budgeted EBITDA but continues with budgeted capex for a 12 month period. Under this scenario the group has access to adequate funding to support the business through a period of at least 12 months from the date of the approval of the financial statements. However, in the absence of any support this reduction in trade would likely result in breaches of both the two-quarter and four-quarter lookback FCF DSCR covenants within its securitised borrowings without mitigation actions. In this scenario the directors could elect to prevent the breach by providing financial support to the Greene King securitisation through lower operating cost re-charges from other group companies. The directors of Greene King Limited have a reasonable expectation that the group has sufficient resources to continue in operational existence for the period of at least 12 months from the date of approval of these financial statements.

The directors of the company have made enquiries of the directors of Greene King Limited to confirm that they are satisfied the financial support will be available and accordingly continue to prepare the financial statements on a going concern basis.

#### **Directors**

The directors who served during the 52 weeks and to the date of this report were:

M Lee (resigned 31 March 2023)  
S D'Cruz (appointed 31 March 2023)

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

#### **Future developments**

No significant changes are anticipated to the activities of the company in the foreseeable future.

#### **Directors' and officers' indemnity insurance**

Greene King Limited group ("the group") has taken out insurance to indemnify the director of the company against third party proceedings whilst serving on the board of the company and of any subsidiary. This cover indemnifies all employees of the group who serve on the boards of all subsidiaries. These indemnity policies subsisted throughout the year and remain in place at the date of this report.

**SPIRIT PUB COMPANY (HOLDCO) LIMITED**

**DIRECTORS' REPORT (CONTINUED)**  
**For the 52 weeks ended 1 January 2023**

**Greenhouse gas emissions, energy consumption and energy efficiency action**

As a subsidiary company within the Greene King Limited Group, the company has taken the disclosure exemption in relation to Streamlined Energy and Carbon Reporting ("SECR") where disclosure is made within a parent company's group accounts. These SECR disclosures can be seen in the consolidated financial statements of Greene King Limited.

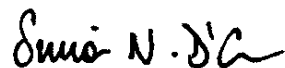
**Matters covered in the Strategic report**

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 to include matters of strategic importance in the strategic report which otherwise would be required to be disclosed in the director's report: Section 172 statement and principal risks and financial risk management.

**Post balance sheet events**

There are no post balance sheet events requiring disclosure in the financial statements.

This report was approved by the board and signed on its behalf.



**S D'Cruz**  
Director  
Date: 3 August 2023

## **SPIRIT PUB COMPANY (HOLDCO) LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT** **For the 52 weeks ended 1 January 2023**

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 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.



**SPIRIT PUB COMPANY (HOLDCO) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**  
**For the 52 weeks ended 1 January 2023**

		<b>52 weeks ended 1 January 2023 £000</b>	<b>52 weeks ended 2 January 2022 £000</b>
	<b>Note</b>		
Net impairment (losses)/reversal on financial assets		<b>(34)</b>	31
Interest receivable and similar income	5	<b>7,011</b>	18,490
<b>Profit before tax</b>		<b>6,977</b>	18,521
Taxation	6	<b>3,762</b>	(3,762)
<b>Profit for the period</b>		<b>10,739</b>	14,759

There was no other comprehensive income for the current period (prior period: £nil).

The notes on pages 9 to 19 form part of these financial statements.

**SPIRIT PUB COMPANY (HOLDCO) LIMITED**  
Registered number:07662211

**BALANCE SHEET**  
As at 1 January 2023

	Note	1 January 2023 £000	2 January 2022 £000
<b>Fixed assets</b>			
Investments	7	-	-
<b>Current assets</b>			
Debtors	8	336,120	329,143
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	9	(9,772)	(13,534)
<b>Net current assets</b>		<u>326,348</u>	<u>315,609</u>
<b>Total assets less current liabilities</b>		<u>326,348</u>	<u>315,609</u>
<b>Net assets</b>		<u>326,348</u>	<u>315,609</u>
<b>Capital and reserves</b>			
Called up share capital	11	61,000	61,000
Share premium account	12	177,090	177,090
Profit and loss account	12	88,258	77,519
<b>Equity</b>		<u>326,348</u>	<u>315,609</u>

The members have not required the company to obtain an audit for the 52 weeks in question in accordance with section 476 of the Companies Act 2006.

The company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

*Sunio N. D'Cruz*

**S D'Cruz**  
Director  
Date: 3 August 2023

The notes on pages 9 to 19 form part of these financial statements.

**SPIRIT PUB COMPANY (HOLDCO) LIMITED**

**STATEMENT OF CHANGES IN EQUITY**  
For the 52 weeks ended 1 January 2023

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>At 4 January 2021</b>	<b>61,000</b>	<b>177,090</b>	<b>62,760</b>	<b>300,850</b>
Profit for the period	-	-	<b>14,759</b>	<b>14,759</b>
<b>At 3 January 2022</b>	<b>61,000</b>	<b>177,090</b>	<b>77,519</b>	<b>315,609</b>
Profit for the period	-	-	<b>10,739</b>	<b>10,739</b>
<b>At 1 January 2023</b>	<b>61,000</b>	<b>177,090</b>	<b>88,258</b>	<b>326,348</b>

The notes on pages 9 to 19 form part of these financial statements.

## **SPIRIT PUB COMPANY (HOLDCO) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS** **For the 52 weeks ended 1 January 2023**

#### **1. GENERAL INFORMATION**

Spirit Pub Company (Holdco) 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 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 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 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

This information is included in the consolidated financial statements of Greene King Limited as at 1 January 2023 and these financial statements may be obtained from Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT.

## **SPIRIT PUB COMPANY (HOLDCO) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS** **For the 52 weeks ended 1 January 2023**

## **2. ACCOUNTING POLICIES (CONTINUED)**

### **2.3 Impact of new International Reporting Standards, amendments and interpretations**

The following new standards, interpretations and amendments to standards are mandatory for the company for the first time for their annual reporting period commencing 3 January 2022:

Those standards and interpretations include:

- Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before intended use;
- Amendments to IFRS 3 - Reference to the conceptual framework;
- Amendments to IAS 37 - Onerous contracts - cost of fulfilling a contract
- Annual improvements to IFRS Standards 2018-2020

The company has considered the above new standards and has concluded that they do not have a material impact on the company's financial statements.

### **2.4 Going concern**

Greene King Limited has agreed to provide continuing financial support to enable the company to meet its obligations as and when they fall due for a period of at least 12 months from the date of approval of the financial statements.

The directors of Greene King Limited have performed a going concern assessment of the Greene King Limited group. In doing so, they have modelled a remote scenario whereby the group generates just over half of its budgeted EBITDA but continues with budgeted capex for a 12 month period. Under this scenario the group has access to adequate funding to support the business through a period of at least 12 months from the date of the approval of the financial statements. However, in the absence of any support this reduction in trade would likely result in breaches of both the two-quarter and four-quarter lookback FCF DSCR covenants within its securitised borrowings without mitigation actions. In this scenario the directors could elect to prevent the breach by providing financial support to the Greene King securitisation through lower operating cost re-charges from other group companies. The directors of Greene King Limited have a reasonable expectation that the group has sufficient resources to continue in operational existence for the period of at least 12 months from the date of approval of these financial statements.

The directors of the company have made enquiries of the directors of Greene King Limited to confirm that they are satisfied the financial support will be available and accordingly continue to prepare the financial statements on a going concern basis.

### **2.5 Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

## **SPIRIT PUB COMPANY (HOLDCO) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS** **For the 52 weeks ended 1 January 2023**

#### **2. ACCOUNTING POLICIES (CONTINUED)**

##### **2.6 Intercompany balances held at amortised cost**

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* or they are intended for long-term funding purposes in which case they are held as fixed asset investments.

The company recognises a loss allowance for expected credit losses on amounts due from group undertakings. The methodology used to determine the amount of the expected credit loss is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset.

For those financial assets where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses are recognised. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. For those financial assets where the credit risk has increased significantly (or determined to be credit impaired), lifetime expected credit losses are recognised. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset (or for credit impaired assets, to the net carrying amount of the financial asset).

##### **2.7 Intercompany loans held at fair value through profit or loss**

Loans owed by group undertakings are classified as fair value through profit or loss where they do not meet the solely payments of principal and interest test in IFRS 9. The company fair values the instrument, recognising a gain or loss through interest in the statement of comprehensive income.

##### **2.8 Interest**

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

##### **2.9 Taxation**

Tax is recognised in profit or loss 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.

## SPIRIT PUB COMPANY (HOLDCO) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS For the 52 weeks ended 1 January 2023

#### 3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

##### SIGNIFICANT ACCOUNTING ESTIMATES

There are no estimates made in the process of applying the company's accounting policies that are considered to be significant.

##### SIGNIFICANT ACCOUNTING JUDGMENTS

In the course of preparing the financial statements, the key judgment made in the process of applying the company's accounting policies is detailed below:

##### Financial assets – held at fair value through profit or loss

The company has applied judgment in determining that certain loans do not meet the solely payments of principal and interest test in IFRS 9 and has classified the loans as fair value through profit or loss.

For those loans that do meet the solely payments of principal and interest test in IFRS 9 the company has classified the loans at amortised cost.

#### 4. STAFF COSTS

The company has no employees (prior period: none) and did not incur any staff costs during the period (prior period: £nil).

The directors did not receive any remuneration during the current or previous period in respect of their services provided to the company.

#### 5. INTEREST RECEIVABLE AND SIMILAR INCOME

	52 weeks ended 1 January 2023 £000	52 weeks ended 2 January 2022 £000
Movement in fair value of intercompany loans	7,011	18,490

#### 6. TAXATION

	52 weeks ended 1 January 2023 £000	52 weeks ended 2 January 2022 £000
Current tax on profits for the year	-	3,762
Adjustments in respect of previous periods	(3,762)	-
<b>Total current tax</b>	<b>(3,762)</b>	<b>3,762</b>

# **SPIRIT PUB COMPANY (HOLDCO) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** For the 52 weeks ended 1 January 2023

### **6. TAXATION (CONTINUED)**

#### **FACTORS AFFECTING TAXATION FOR THE PERIOD**

The tax assessed for the period is lower than (2022: higher than) the standard rate of corporation tax in the UK of 19.0% (2022: 19.0%). The differences are explained below:

	<b>52 weeks ended 1 January 2023 £000</b>	<b>52 weeks ended 2 January 2022 £000</b>
Profit on ordinary activities before tax	<b>6,977</b>	18,521
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2022: 19.0%)	<b>1,326</b>	3,519
<b>Effects of:</b>		
Expenses not deductible/(income not taxable) for tax purposes	<b>1,772</b>	(421)
Adjustments to tax charge in respect of prior periods	<b>(3,762)</b>	-
Group relief for nil consideration	<b>(3,762)</b>	-
Transfer pricing adjustments	<b>664</b>	664
<b>Total taxation for the period</b>	<b>(3,762)</b>	3,762

#### **FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

Under Finance Act 2021 enacted on 10 June 2021, the Corporation Tax rate for the 12 months from 3 January 2021 remains at 19%, but will increase to 25% as the main rate of corporation tax from 1 April 2023.



**SPIRIT PUB COMPANY (HOLDCO) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the 52 weeks ended 1 January 2023

**7. FIXED ASSET INVESTMENTS**

	<b>Investments in subsidiary companies £000</b>
<b>COST</b>	
At 3 January 2022	93,129
At 1 January 2023	93,129
<b>Impairment</b>	
At 3 January 2022	93,129
At 1 January 2023	93,129
<b>Net book value</b>	
At 1 January 2023	-
At 2 January 2022	-

## SPIRIT PUB COMPANY (HOLDCO) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 1 January 2023

#### 7. FIXED ASSET INVESTMENTS (CONTINUED)

##### SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Spirit Pub Company (SGE) Limited (1)	Holding company	Ordinary	100%
Spirit Pub Company (Derwent) Limited (1)	Financing	Ordinary	100%
Spirit Managed Funding Limited (1)	Financing	Ordinary, Preference	100%
Spirit Pub Company (Trent) Limited (1)	Pub retailing		100%
Spirit (Legacy) Pension Trustee Limited (1)	Pension trustee	Ordinary	100%
Spirit Group Holdings Limited (1)	Holding company	Ordinary	100%
Spirit Intermediate Holdings Limited (1)	Holding company	Ordinary	100%
Spirit Group Parent Limited (1)	Holding company	Ordinary	100%
Spirit Pub Company (Services) Limited (1)	Intercompany recharging vehicle	Ordinary	100%
Spirit Pub Company (Supply) Limited (1)	Intercompany recharging vehicle	Ordinary	100%
Spirit Managed Holdings Limited (1)	Holding company	Ordinary	100%
Spirit Group Equity Limited (1)	Holding company	Ordinary	100%
Spirit Financial Holdings Limited (1)	Holding company	Ordinary	100%
Spirit Finco Limited (2)	Financing	Ordinary	100%
Spirit Parent Limited (1)	Holding company	Ordinary	100%
Spirit Pub Company (Investments) Limited (1)	Financing	Ordinary	100%
Spirit Funding Limited (2)	Financing	Ordinary	100%
Spirit Managed Inns Limited (1)	Financing	Ordinary	100%
Spirit Pubs Debenture Holdings Limited (1)	Holding company	Ordinary	100%
Spirit Pubs Parent Limited (1)	Holding company	Ordinary	100%
Spirit Pub Company (Managed) Limited (1)	Pub retailing	Ordinary	100%
Spirit Pub Company (Leased) Limited (1)	Leasing of public houses	Ordinary	100%
Spirit (SGL) Limited (1)	Holding company	Ordinary	100%
Tom Cobleigh Limited (1)	Financing	Ordinary	100%
Spirit (AKE Holdings) Limited (1)	Holding company	Ordinary	100%
Allied Kunick Entertainments Limited (1)	Non trading	Ordinary	100%
Spirit (Faith) Limited (1)	Financing	Ordinary	100%
Spirit Retail Bidco Limited (1)	Holding company	Ordinary	100%
Spirit Group Retail Limited (1)	Holding company	Ordinary; Preference	100%
Spirit Group Retail (Northampton) Limited (1)	Financing	Ordinary; Preference	100%
Cleveland Place Holdings Limited (1)	Holding company	Ordinary	100%
Huggins and Company Limited (1)	Financing	Ordinary	100%
The Chef and Brewer Group Limited (1)	Holding company	Ordinary	100%
R.V. Goodhew Limited (1)	Financing	Ordinary; Deferred	100%
Narnain (1)	Holding company	Ordinary	100%
Dearg Limited (1)	Holding company	Ordinary	100%
CPH Palladium Limited (1)	Holding company	Ordinary	100%
Freshwild Limited (1)	Holding company	Ordinary	100%
Mountloop Limited (1)	Financing	Ordinary	100%

## SPIRIT PUB COMPANY (HOLDCO) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS For the 52 weeks ended 1 January 2023

#### 7. FIXED ASSET INVESTMENTS (CONTINUED)

##### SUBSIDIARY UNDERTAKINGS (CONTINUED)

The directors believe that the carrying value of the investment is supported by their underlying asset.

- (1) Incorporated in England and Wales. Registered office: Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT.  
(2) Incorporated in Cayman Islands. Registered office: PO Box 309, Ugland House, Grand Cayman, KY1-1004.

#### 8. DEBTORS: Amounts falling due within one year

	1 January 2023 £000	2 January 2022 £000
Amounts owed by group undertakings held at amortised cost	50,852	50,886
Amounts owed by group undertakings held at fair value through profit or loss	285,268	278,257
	<u>336,120</u>	<u>329,143</u>

Included within amounts owed by group undertakings held at amortised cost is a non-interest bearing loan to fellow group company, Spirit Parent Limited, of £1,000,000 (prior period: £1,000,000). The balance is repayable on demand. Other amounts owed by group undertakings held at amortised cost are unsecured, bearing no interest, have no fixed date of repayment and are repayable on demand. Expected credit losses of £178,000 (prior period: £144,000) have been recognised against the carrying value.

Amounts owed by group undertakings held at fair value through profit or loss comprises a loan from fellow group undertaking, Spirit Pub Company (SGE) Limited, of £285,268,000 (prior period: £278,257,000). The loan accrues interest on the principal of £233,600,000 at such rate of interest (if any) as may be agreed between the parties from time to time, interest does not accrue on the unpaid interest. The interest rate agreed for the period was 7% per annum (prior period: 7%). During the period accrued interest repayments of £nil (prior period: £nil) were received and at the balance sheet date the outstanding accrued interest included in the balance due was £58,778,000 (prior period: £42,470,000). The balance has no fixed date of repayment and is repayable on demand.

#### 9. CREDITORS: Amounts falling due within one year

	1 January 2023 £000	2 January 2022 £000
Amounts owed to group undertakings	9,772	9,772
Corporation tax payable	-	3,762
	<u>9,772</u>	<u>13,534</u>

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

## SPIRIT PUB COMPANY (HOLDCO) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS For the 52 weeks ended 1 January 2023

#### 10. FINANCIAL INSTRUMENTS

##### Fair values

Set out below is a comparison of carrying amounts and fair values of certain of the company's financial instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced liquidation or sale. The following methods and assumptions were used to estimate the fair values:

**Amounts owed by group undertakings held at fair value through profit or loss:** classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs. The valuation technique used to value the financial instruments was discounted cash flow analysis. Fair values of amounts owed by group undertakings are calculated by discounting estimated future cash flows by an implied yield determined with reference to observable market data adjusted to take account of economic differences between the amounts owed by group undertakings and the reference revolving credit facility. These adjustments reflect the credit risk of the loan. The cash flows have been assumed to take place one day after the balance sheet date.

	Hierarchical classification	Fair value 1 January 2023 £000	Carrying value 1 January 2023 £000	Fair value 2 January 2022 £000	Carrying value 2 January 2022 £000
<b>Financial assets</b>					
Amounts owed by group undertakings held at fair value through profit or loss	Level 3	285,268	285,268	278,257	278,257

The discount rate used to calculate the fair value of the loans was 7.92% (prior period: 4.95%). A 1% increase in the discount rate would decrease the fair value to £282,449,000 (prior period: £275,504,000).

##### Hierarchical classification of financial assets and liabilities measured at fair value.

IFRS 13 requires that the classification of financial instruments at fair value be determined by reference to the source of inputs used to derive fair value.

The classification uses the following three-level hierarchy:

Level 1 - unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 - other techniques for which all inputs have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 - techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the periods ending 1 January 2023 and 2 January 2022 there were no transfers between fair value levels 1, 2 or 3.

## SPIRIT PUB COMPANY (HOLDCO) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS For the 52 weeks ended 1 January 2023

#### 10. FINANCIAL INSTRUMENTS (continued)

The following table is a reconciliation of fair value measurements categorised within level 3 of the fair value hierarchy.

	1 January 2023 £000	2 January 2022 £000
Opening balance	278,257	259,767
Fair value gains	7,011	18,490
<b>Closing balance</b>	<b>285,268</b>	<b>278,257</b>

#### 11. CALLED UP SHARE CAPITAL

	1 January 2023 £	2 January 2022 £
<b>Allotted, called up and fully paid</b>		
61,000,006 (prior period: 61,000,006) Ordinary shares of £1.00 each	61,000,006	61,000,006

#### 12. RESERVES

##### Share premium account

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

##### Profit and 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 related parties that are wholly owned subsidiaries of the CK Asset Holdings Limited group. Amounts shown as owed to and by group subsidiaries are all held with other 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.

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**SPIRIT PUB COMPANY (HOLDCO) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the 52 weeks ended 1 January 2023**

**14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

At the balance sheet date, the directors consider the immediate parent undertaking and immediate controlling party of Spirit Pub Company (Holdco) Limited to be Spirit Pub Company Limited, a company incorporated in England and Wales.

The ultimate parent undertaking and ultimate controlling party is CK Asset Holdings Limited, a company registered in the Cayman Islands and registered in Hong Kong with its shares listed on the Main Board of the Hong Kong Stock Exchange.

Greene King Limited is the smallest 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.

CK Asset Holdings Limited is the 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 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.