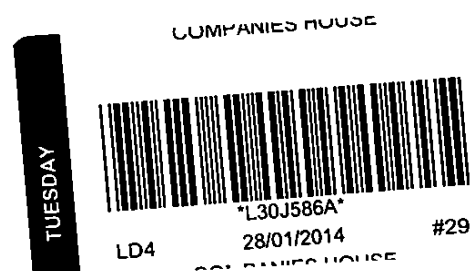


Registered number: 4119367

THE CAPITAL PUB COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the 52 weeks ended 28 April 2013



THE CAPITAL PUB COMPANY LIMITED

DIRECTORS' REPORT

For the 52 weeks ended 28 April 2013

The directors present their annual report and the financial statements for the 52 weeks ended 28 April 2013

Principal activities

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

On 4 May 2012 the company acquired the remaining 60% interest in Ensco 600 Limited for consideration of £939,000

The company's principal activity was the operation of public houses. The company has remained non trading following the sale of trade and certain assets on 15 January 2012

Business review

During the period the company results relate to the receipt of interest from fellow group undertakings. The directors do not expect any significant changes to the operations of the business going forward. As a 100% owned subsidiary of the Greene King plc group, the principal risks faced by the company are consistent with those disclosed within the Greene King plc financial statements for the period ended 28 April 2013

Results and dividends

The loss for the 52 weeks, after taxation, amounted to £515,000 (2012 - loss £1,417,000)

The directors do not recommend the payment of an ordinary dividend (2012 £Nil)

Directors

The directors who served during the 52 weeks were

C Watson (resigned 4 October 2013)

R Anand

M Fearn

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 accounts of the company, where they are directors of Greene King plc

Going concern

At the balance sheet date the company had net current liabilities of £24,508,000. The directors have prepared the accounts on a going concern basis as the ultimate parent company, Greene King plc, has given a formal undertaking that it will provide financial support to enable the company to meet its liabilities as they fall due, for at least twelve months from the date of signing these accounts

THE CAPITAL PUB COMPANY LIMITED

DIRECTORS' REPORT

For the 52 weeks ended 28 April 2013

Disclosure of information to auditor

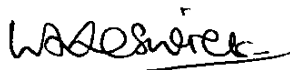
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information

Auditor

On 25 March 2013 Ernst & Young LLP were appointed auditors. Ernst & Young LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 21 January 2014 and signed on its behalf

- 

Mrs L A Keswick
Secretary

THE CAPITAL PUB COMPANY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

For the 52 weeks ended 28 April 2013

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 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE CAPITAL PUB COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CAPITAL PUB COMPANY LIMITED

We have audited the financial statements of The Capital Pub Company Limited for the 52 weeks ended 28 April 2013, which comprise the profit and loss account, balance sheet and the related notes 1 to 20. 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).

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements. 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 28 April 2013 and of its loss 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

THE CAPITAL PUB COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CAPITAL PUB COMPANY LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Bob Forsyth (Senior statutory auditor)

for and on behalf of
Ernst & Young LLP

Statutory Auditor
Cambridge

24 January 2014

THE CAPITAL PUB COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

For the 52 weeks ended 28 April 2013

	Note	52 weeks ended 28 April 2013 £000	57 weeks ended 29 April 2012 £000
Turnover	2		
Discontinued operations		-	6,104
		-	6,104
Cost of sales	3	-	(516)
Gross profit		-	5,588
Administrative expenses	3	-	(3,064)
Operating profit	4		
Continuing operations		-	-
Discontinued operations		-	2,524
		-	2,524
Exceptional items	10		
Profit on sale of discontinued operations		-	1,276
Other exceptional items		-	(343)
		-	3,457
Profit on ordinary activities before interest		-	3,457
Interest receivable and similar income	7	67	26
Interest payable and similar charges	8	(658)	(4,921)
		(591)	(1,438)
Loss on ordinary activities before taxation		(591)	(1,438)
Tax on loss on ordinary activities	11	76	21
		(515)	(1,417)
Loss for the financial period	17	(515)	(1,417)

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account

The notes on pages 8 to 17 form part of these financial statements

THE CAPITAL PUB COMPANY LIMITED

Registered number: 4119367

BALANCE SHEET

As at 28 April 2013

			28 April 2013 £000		29 April 2012 £000
	Note	£000	£000	£000	£000
Fixed assets					
Intangible assets			-		-
Tangible assets			-		-
Investments	13		72,948		72,009
			<u>72,948</u>		<u>72,009</u>
Current assets					
Debtors	14	8,674		9,545	
Creditors: amounts falling due within one year	15	(33,182)		(32,599)	
Net current liabilities			<u>(24,508)</u>		<u>(23,054)</u>
Net assets			<u>48,440</u>		<u>48,955</u>
Capital and reserves					
Called up share capital	16		15,371		15,371
Share premium account	17		16,750		16,750
Profit and loss account	17		16,319		16,834
Shareholders' funds	18		<u>48,440</u>		<u>48,955</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 January 2014



M Fearn
Director

The notes on pages 8 to 17 form part of these financial statements

THE CAPITAL PUB COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 28 April 2013

I. ACCOUNTING POLICIES

Basis of preparation of financial statements

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

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.

Going concern

At the balance sheet date the company had net current liabilities of £24,508,000. The directors have prepared the accounts on a going concern basis as the ultimate parent company, Greene King plc, has given a formal undertaking that it will provide financial support to enable the company to meet its liabilities as they fall due, for at least twelve months from the date of signing these accounts.

Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Inter-company balances

Amounts owed by or to group undertakings are classified as short term assets or liabilities unless there is a loan arrangement in place that specifies repayment over a period longer than one year from the balance sheet date.

Interest

Interest receivable or payable under the company's various investments is accrued so as to impute a constant periodic rate of return in the profit and loss account.

THE CAPITAL PUB COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 28 April 2013

1. ACCOUNTING POLICIES (continued)

Share-based payment

All share-based payment arrangements granted after 7 November 2002 which had not vested by the date of transition to FRS 20 are recognised in the profit and loss account.

All services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payment, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets).

All equity settled share-based payments are ultimately recognised as an expense in the profit and loss account with a corresponding credit to 'share option reserve'.

The expense is allotted over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are revised subsequently if there is any indication that the number of shares options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options that have vested are not exercised.

Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium. The share option reserve is then transferred to the profit and loss reserve.

2. TURNOVER

All turnover arose within the United Kingdom.

The company sold its trade and certain assets to Greene King Brewing and Retailing Limited on 15 January 2012 and ceased trading at this date.

3. ANALYSIS OF OPERATING PROFIT

	52 weeks ended 28 April 2013		57 weeks ended 29 April 2012	
	Continuing £000	Discontinued £000	Continuing £000	Discontinued £000
Turnover	-	-	-	6,104
Cost of sales	-	-	-	(516)
Gross profit	-	-	-	5,588
Administrative expenses	-	-	-	(3,064)
	-	-	-	2,524

THE CAPITAL PUB COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 28 April 2013

4. OPERATING PROFIT

The operating profit is stated after charging:

	52 weeks ended 28 April 2013 £000	57 weeks ended 29 April 2012 £000
Depreciation of tangible fixed assets		
- owned by the company	-	107
Operating lease rentals		
- plant and machinery	-	62
Equity settled share based payments	-	264
	<u>-</u>	<u>433</u>

Auditors' remuneration for both audit and non-audit services in the current period has been borne by other group companies

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	52 weeks ended 28 April 2013 £000	57 weeks ended 29 April 2012 £000
Wages and salaries	-	1,418
Social security costs	-	167
Other pension costs	-	16
Share-based payments	-	264
	<u>-</u>	<u>1,865</u>

The average monthly number of employees, including the directors, during the 52 weeks was as follows

	52 weeks ended 28 April 2013 No.	57 weeks ended 29 April 2012 No.
Retail	-	2
Head office	-	12
	<u>-</u>	<u>14</u>

THE CAPITAL PUB COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 28 April 2013

6. DIRECTORS' REMUNERATION

	52 weeks ended 28 April 2013 £000	57 weeks ended 29 April 2012 £000
Remuneration	-	437
Amounts receivable under long-term incentive schemes	-	132
Company pension contributions to defined contribution pension schemes	-	16
Compensation for loss of office	-	126

During the 52 weeks retirement benefits were accruing to no directors (2012 - 1) in respect of defined contribution pension schemes

The highest paid director received remuneration of £NIL (2012 - £240,000)

The directors who held office during the year were also directors of fellow group companies. Total emoluments, including any company pension contributions, received by these directors totalled £1,762,000 (2012 £1,694,000) paid by the ultimate parent company or by other subsidiaries. The directors do not believe that it is practicable to apportion this amount between services as directors to the company and of fellow subsidiary companies. The number of directors who received or exercised share options during the year was 2 (2012 - 2).

7. INTEREST RECEIVABLE

	52 weeks ended 28 April 2013 £000	57 weeks ended 29 April 2012 £000
Interest receivable from group companies	67	22
Other interest receivable	-	4
	67	26

THE CAPITAL PUB COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 28 April 2013

8. INTEREST PAYABLE

	52 weeks ended 28 April 2013 £000	57 weeks ended 29 April 2012 £000
On bank loans and overdrafts	-	853
On loans from group undertakings	658	429
Bank repayment fees	-	3,639
	<u>658</u>	<u>4,921</u>

9. SHARE BASED PAYMENTS

The Capital Pub Group operated share option schemes for Directors and key employees. These share option schemes vested three years from the date of grant and if not exercised expire between six and ten years from the date of vesting.

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

	2013 Number	2013 WAEP (pence)	2012 Number	2012 WAEP (pence)
Outstanding at the beginning of the period	-	-	5,364,279	101
Granted	-	-	-	-
Exercised	-	-	(2,540,588)	(64)
Surrendered	-	-	(2,823,691)	(50)
Lapsed	-	-	-	-
Outstanding at the end of the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

As part of the acquisition of the Company by Greene King plc, unexercised employee share options were purchased by the company.

THE CAPITAL PUB COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 28 April 2013

10. EXCEPTIONAL ITEMS

	52 weeks ended 28 April 2013 £000	57 weeks ended 29 April 2012 £000
Re-organisation costs as a consequence of the sale of trade and assets	-	343
Profit on sale of Trade & Assets	-	(1,276)
	<u>-</u>	<u>(933)</u>

On 15 January 2012, the company sold its trade and assets to Greene King Brewing & Retail Limited, a fellow group company, recognising a profit of £1,276,000

11. TAXATION

	52 weeks ended 28 April 2013 £000	57 weeks ended 29 April 2012 £000
Analysis of tax credit in the period		
Current tax (see note below)		
UK corporation tax charge on loss for the period	-	-
Adjustments in respect of prior periods	(76)	(112)
Total current tax	<u>(76)</u>	<u>(112)</u>
Deferred tax		
Released on sale of company's trade and assets	-	91
Tax on loss on ordinary activities	<u>(76)</u>	<u>(21)</u>

THE CAPITAL PUB COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 28 April 2013

11. TAXATION (continued)

Factors affecting tax credit for the period

The tax assessed for the period is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 23.9% (2012 - 25.9%). The differences are explained below

	52 weeks ended 28 April 2013 £000	57 weeks ended 29 April 2012 £000
Loss on ordinary activities before tax	(591)	(1,438)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.9% (2012 - 25.9%)	(141)	(372)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	141	129
Adjustments to tax charge in respect of prior periods	(76)	(112)
Share options exercised	-	(1,107)
Group relief surrendered without payment	-	1,350
Current tax credit for the period (see note above)	(76)	(112)

The Finance Act 2012 reduced the rate of corporation tax from 24% to 23% from 1 April 2013

Factors that may affect future tax charges

In addition to the reduction in corporation tax during the period the Finance Act 2013, which was substantively enacted on 2 July 2013, reduced the main rate to 21% from 1 April 2014 and to 20% from 1 April 2015. These changes had not been substantively enacted at the balance sheet date and consequently their effects are not included in the financial statements

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

THE CAPITAL PUB COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 28 April 2013

12. SALE OF TRADE AND ASSETS

On the 15 January 2012, the company sold its trade and certain assets to Greene King Brewing & Retailing Limited, a fellow group company, for £3,280,000. The consideration for this sale was funded through an inter-company loan.

	2012 £000
Tangible fixed assets	677
Stock	16
Debtors	77
Cash	1,606
Creditors	(372)
Total	2,004

The company recognised profit on disposal of £1,276,000 on the sale.

13. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000	Investments in associates £000	Trade Investments £000	Total £000
Cost or valuation				
At 30 April 2012	71,568	270	171	72,009
Additions	939	-	-	939
Transfers	270	(270)	-	-
At 28 April 2013	72,777	-	171	72,948
Net book value				
At 28 April 2013	72,777	-	171	72,948
At 29 April 2012	71,568	270	171	72,009

Subsidiary undertakings

The following were non-trading subsidiary undertakings of the company.

Name	Class of shares	Holding
The Capital Pub Company Trading Limited	Preferred ordinary shares	100 %
The Capital Pub Company Trading Limited	Sub-ordinary shares	100 %
Terisco Limited	Ordinary shares	100 %
Tomahawk Pubs Limited	Ordinary shares	100 %
LNL Estates Limited	Ordinary shares	100 %
Ensko 600 Limited	Ordinary shares	100 %

THE CAPITAL PUB COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 28 April 2013

13. FIXED ASSET INVESTMENTS (continued)

Participating interests

On 4 May 2012 the company acquired the remaining 60% interest in Ensco 600 Limited, a company incorporated in England and Wales, for £939,000. The consideration was funded through an intercompany loan with Greene King Brewing and Retailing Limited, a fellow group undertaking.

14. DEBTORS

	28 April 2013 £000	29 April 2012 £000
Amounts owed by group undertakings	8,674	9,545

15. CREDITORS: Amounts falling due within one year

	28 April 2013 £000	29 April 2012 £000
Amounts owed to group undertakings	33,107	32,448
Corporation tax	-	76
Other creditors	75	75
	33,182	32,599

16. SHARE CAPITAL

	28 April 2013 £000	29 April 2012 £000
Allotted, called up and fully paid		
30,741,916 Ordinary shares of £0.50 each	15,371	15,371

17. RESERVES

	Share premium account £000	Profit and loss account £000
At 30 April 2012	16,750	16,834
Loss for the period	-	(515)
At 28 April 2013	16,750	16,319

THE CAPITAL PUB COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 28 April 2013

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	28 April 2013 £000	29 April 2012 £000
Opening shareholders' funds	48,955	45,155
Loss for the period	(515)	(1,417)
Shares issued during the period	-	1,887
Sale of own shares	-	422
Share premium on shares issued (net of expenses)	-	2,644
Share based payment charge	-	264
Closing shareholders' funds	48,440	48,955

19. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption permitted by FRS8 from the requirement to disclose transactions with the ultimate parent company, Greene King plc, or with any fellow subsidiaries within the group

20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The directors regard Greene King plc a company registered in England and Wales, to be its ultimate and immediate parent company and controlling party. Greene King plc, is the parent undertaking of the largest and smallest group to consolidate these financial statements. Consolidated financial statements of Greene King plc for period ended 28 April 2013 are available from Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT