

Registered number: 4119367

# **THE CAPITAL PUB COMPANY LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the Period Ended 4 May 2014**

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## THE CAPITAL PUB COMPANY LIMITED

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### DIRECTORS' REPORT

For the Period Ended 4 May 2014

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The directors present their report and the financial statements for the period ended 4 May 2014

#### Principal activity

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

On 16 December 2013 the company received a dividend of £7,574,000 from four of its wholly owned, non trading subsidiaries, Terisco Limited, Tomahawk Pubs Limited, LNL Estates Limited and Ensco 600 Limited. As a result the value of the fixed asset investments were written down to £1 each for these subsidiaries and a charge of £6,243,000 was recorded in the profit and loss account. On 20 January 2014, the company elected to liquidate these subsidiaries through a members voluntary liquidation.

No significant change to the operations of the business are expected in future periods. 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 53 weeks ended 4 May 2014.

#### Directors

The directors who served during the period were

R Anand

M Fearn (resigned 29 September 2014)

D Brown was appointed to the board on 26 September 2014

None of the directors held any interest in the share capital of the company during the period.

#### 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.

#### Going concern

At the balance sheet date the company had net current liabilities of £17,415,000. This includes amounts due to Greene King plc and other group undertakings amounting to £33,820,000. 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.

#### 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.

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**THE CAPITAL PUB COMPANY LIMITED**

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**DIRECTORS' REPORT**

For the Period Ended 4 May 2014

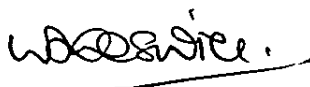
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**Auditor**

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

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 21 January 2015 and signed on its behalf



**Mrs L A Keswick**  
Secretary

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## **THE CAPITAL PUB COMPANY LIMITED**

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### **DIRECTORS' RESPONSIBILITIES STATEMENT**

For the Period Ended 4 May 2014

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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 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.

## **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 period ended 4 May 2014, which comprise the profit and loss account, the balance sheet and the related notes 1 to 14. 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 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.

### **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 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 4 May 2014 and of its profit for the 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 directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CAPITAL PUB COMPANY 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, or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report



Bob Forsyth (senior statutory auditor)

for and on behalf of  
**Ernst & Young LLP**

Statutory Auditor

Cambridge, UK

23 January 2015

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**THE CAPITAL PUB COMPANY LIMITED**

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**PROFIT AND LOSS ACCOUNT**For the Period Ended 4 May 2014

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	<b>Note</b>	<b>53 weeks 4 May 2014 £000</b>	<b>52 weeks ended 28 April 2013 £000</b>
Income from fixed asset investments	5	7,574	-
Amounts written off investments	7	(6,243)	-
Interest receivable and similar income	3	22	67
Interest payable and similar charges	4	(503)	(658)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>850</b>	<b>(591)</b>
Tax on profit/(loss) on ordinary activities	6	-	76
<b>Profit/(loss) for the financial period</b>	<b>11</b>	<b>850</b>	<b>(515)</b>

All amounts relate to continuing operations

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account

The notes on pages 8 to 13 form part of these financial statements

**THE CAPITAL PUB COMPANY LIMITED**  
Registered number: 4119367

**BALANCE SHEET**  
As at 4 May 2014

	Note	£000	4 May 2014 £000	£000	28 April 2013 £000
<b>Fixed assets</b>					
Investments	7		66,705		72,948
			<u>66,705</u>		<u>72,948</u>
<b>Current assets</b>					
Debtors	8	16,480		8,674	
<b>Creditors:</b> amounts falling due within one year	9	<u>(33,895)</u>		<u>(33,182)</u>	
<b>Net current liabilities</b>			<u>(17,415)</u>		<u>(24,508)</u>
<b>Total assets less current liabilities being net assets</b>			<u>49,290</u>		<u>48,440</u>
<b>Capital and reserves</b>					
Called up share capital	10		15,371		15,371
Share premium account	11		16,750		16,750
Profit and loss account	11		<u>17,169</u>		<u>16,319</u>
<b>Shareholders' funds</b>	12		<u>49,290</u>		<u>48,440</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 January 2015



**D Brown**  
Director

The notes on pages 8 to 13 form part of these financial statements



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## THE CAPITAL PUB COMPANY LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS

For the Period Ended 4 May 2014

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#### 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 £17,415,000. This includes amounts due to Greene King plc and other group undertakings amounting to £33,820,000. 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.

##### **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. Income from fixed asset investments is recognised in the profit and loss account when received.

##### **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 at 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.

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## THE CAPITAL PUB COMPANY LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS

For the Period Ended 4 May 2014

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#### 2. OPERATING PROFIT

The company has no employees other than the directors, who did not receive any remuneration (2013 - £NIL) from the company

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 £1,921,000 (2013 - £1,762,000) paid by the ultimate parent company or by 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 2 (2013 - 2)

Auditor's remuneration for both audit and non-audit services has been borne by other group undertakings. The audit fee for the Greene King plc group for the 53 weeks ended 4 May 2014 was £336,000 (2013 - £326,000), of which an audit fee of £1,000 (2013 - £1,000) is allocated to this subsidiary.

#### 3. INTEREST RECEIVABLE

	53 weeks 4 May 2014 £000	52 weeks ended 28 April 2013 £000
Interest receivable from group undertakings	22	67

#### 4. INTEREST PAYABLE

	53 weeks 4 May 2014 £000	52 weeks ended 28 April 2013 £000
Interest payable to group undertakings	503	658

#### 5. INCOME FROM FIXED ASSET INVESTMENTS

During the period the company received dividends totalling £7,574,000 from its non trading subsidiaries. An impairment charge of £6,243,000 was recognised following this distribution.

There is no tax impact of the charge.

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**THE CAPITAL PUB COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**For the Period Ended 4 May 2014

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**6. TAXATION**

	<b>53 weeks 4 May 2014 £000</b>	<b>52 weeks ended 28 April 2013 £000</b>
<b>Analysis of tax credit in the period</b>		
UK corporation tax charge on loss for the period	-	-
Adjustments in respect of prior periods	-	(76)
<b>Tax on profit/(loss) on ordinary activities</b>	<b>-</b>	<b>(76)</b>

**Factors affecting tax credit for the period**

The tax assessed for the period is lower than (2013 - higher than) the standard rate of corporation tax in the UK of 22.8% (2013 - 23.9%). The differences are explained below

	<b>53 weeks 4 May 2014 £000</b>	<b>52 weeks ended 28 April 2013 £000</b>
Profit/(loss) on ordinary activities before tax	<b>850</b>	<b>(591)</b>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.8% (2013 - 23.9%)	<b>194</b>	<b>(141)</b>
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	<b>1,423</b>	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	141
Adjustments to tax charge in respect of prior periods	-	(76)
Non-taxable income - dividends receivable	<b>(1,726)</b>	-
Group relief	<b>109</b>	-
<b>Current tax credit for the period (see above)</b>	<b>-</b>	<b>(76)</b>

The Finance Act 2013 reduced the rate of corporation tax from 23% to 21% from 1 April 2014. There were no recognised or unrecognised deferred tax assets and liabilities at either balance sheet date.

**Factors that may affect future tax charges**

In addition to the corporation tax reduction during the period the rate will reduce to 20% from 1 April 2015.

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

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**THE CAPITAL PUB COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**For the Period Ended 4 May 2014

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**7. FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies £000	Trade Investments £000	Total £000
<b>Cost or valuation</b>			
At 29 April 2013 and 4 May 2014	72,777	171	72,948
<b>Impairment</b>			
At 29 April 2013	-	-	-
Charge for the period	6,243	-	6,243
At 4 May 2014	6,243	-	6,243
<b>Net book value</b>			
At 4 May 2014	66,534	171	66,705
At 28 April 2013	72,777	171	72,948

**Subsidiary undertakings**

The following were non-trading subsidiary undertakings of the company, all subsidiaries were incorporated in England & Wales

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 %

On 16 December 2013 the company received a dividend of £7,574,000 from four of its wholly owned, non trading subsidiaries, Terisco Limited, Tomahawk Pubs Limited, LNL Estates Limited and Ensco 600 Limited. As a result the value of the fixed asset investments were written down to £1 each for these subsidiaries and a charge of £6,243,000 was recorded in the profit and loss account. On 20 January 2014, the company elected to liquidate these subsidiaries through a members voluntary liquidation.

**8. DEBTORS**

	4 May 2014 £000	28 April 2013 £000
Amounts owed by group undertakings	16,480	8,674

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**THE CAPITAL PUB COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**For the Period Ended 4 May 2014

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

	<b>4 May 2014 £000</b>	<b>28 April 2013 £000</b>
Amounts owed to group undertakings	<b>33,820</b>	<b>33,107</b>
Other creditors	<b>75</b>	<b>75</b>
	<b><u>33,895</u></b>	<b><u>33,182</u></b>

**10. SHARE CAPITAL**

	<b>4 May 2014 £000</b>	<b>28 April 2013 £000</b>
<b>Allotted, called up and fully paid</b>		
30,741,916 Ordinary shares of £0.50 each	<b><u>15,371</u></b>	<b><u>15,371</u></b>

**11. RESERVES**

	<b>Share premium account £000</b>	<b>Profit and loss account £000</b>
At 29 April 2013	<b>16,750</b>	<b>16,319</b>
Loss for the period	<b>-</b>	<b>850</b>
	<b><u>16,750</u></b>	<b><u>17,169</u></b>
At 4 May 2014		

**12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>4 May 2014 £000</b>	<b>28 April 2013 £000</b>
Opening shareholders' funds	<b>48,440</b>	<b>48,955</b>
Profit/(loss) for the period	<b>850</b>	<b>(515)</b>
	<b><u>49,290</u></b>	<b><u>48,440</u></b>
Closing shareholders' funds		

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**THE CAPITAL PUB COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**

For the Period Ended 4 May 2014

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**13. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption permitted by FRS 8 from the requirement to disclose transactions with the ultimate parent company, Greene King plc, or with any fellow subsidiaries within the group

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

At 4 May 2014, the directors consider the immediate parent undertaking and controlling party of The Capital Pub Company Limited to be Greene King plc, a company incorporated in England and Wales

The ultimate controlling party is Greene King plc, a company registered in England and Wales. This is also the undertaking of the smallest and largest group which includes the results of the company and for which group accounts are prepared. Copies of its group accounts are available from Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT