

Registered number: 04119367

THE CAPITAL PUB COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the 52 weeks ended 29 April 2018



THE CAPITAL PUB COMPANY LIMITED

COMPANY INFORMATION

Director	R Smothers (appointed 31 January 2018)
Company secretary	Mrs L A Keswick
Registered number	04119367
Registered office	Westgate Brewery Bury St Edmunds Suffolk IP33 1QT
Auditor	Ernst & Young LLP Statutory Auditor One Cambridge Business Park Cambridge CB4 0WZ

THE CAPITAL PUB COMPANY LIMITED

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THE CAPITAL PUB COMPANY LIMITED

DIRECTORS' REPORT For the 52 weeks ended 29 April 2018

The directors present their report and the financial statements for the 52 weeks ended 29 April 2018.

Principal activity

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

During the period the company received a final distribution following the liquidation of its trade investment resulting in a profit of £131,000.

Going concern

At the balance sheet date the company had net current liabilities of £18,261,000 and net assets of £48,273,000. This includes amounts due to Greene King plc and other group undertakings amounting to £18,261,000. 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.

Directors

The directors who served during the 52 weeks were:

K Davis (resigned 31 January 2018)

R Smothers (appointed 31 January 2018)

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

The interests of the directors in the shares of the ultimate parent company, Greene King Plc, are shown in the financial statements of that company, where they are directors of Greene King Plc.

Qualifying third party indemnity provisions

The company has indemnified the directors of the company in respect of proceedings brought by third parties. Such qualifying third party indemnity provision remains in place at the date of this report.

Disclosure of information to auditor

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

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

Post balance sheet events

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

THE CAPITAL PUB COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)
For the 52 weeks ended 29 April 2018

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 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'L A Keswick', with a horizontal line drawn underneath it.

Mrs L A Keswick

Secretary

Date: 17 October 2018

THE CAPITAL PUB COMPANY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

For the 52 weeks ended 29 April 2018

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 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 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 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.

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

OPINION

We have audited the financial statements of The Capital Pub Company Limited (the 'company') for the 52 weeks ended 29 April 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 29 April 2018 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF DIRECTORS

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

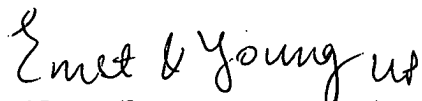
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

USE OF OUR REPORT

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.



Lloyd Brown (Senior statutory auditor)

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

Date: 17/10/2018

THE CAPITAL PUB COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the 52 weeks ended 29 April 2018

		52 weeks ended 29 April 2018 £000	52 weeks ended 30 April 2017 £000
	Note		
Profit on disposal of investments		131	-
Interest receivable and similar income	6	1,826	1,969
Interest payable and expenses	7	(2,102)	(2,266)
		<u>(145)</u>	<u>(297)</u>
Loss before tax			
Taxation	8	-	-
		<u>(145)</u>	<u>(297)</u>
Loss for the period		<u><u>(145)</u></u>	<u><u>(297)</u></u>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017: £nil).

The notes on pages 10 to 16 form part of these financial statements.

THE CAPITAL PUB COMPANY LIMITED
Registered number:04119367

BALANCE SHEET
As at 29 April 2018

	Note	29 April 2018 £000	30 April 2017 £000
Fixed assets			
Investments	9	66,534	66,705
Current assets			
Debtors: amounts falling due within one year	10	123,101	121,273
Creditors: amounts falling due within one year	11	(141,362)	(139,560)
Net current liabilities		<u>(18,261)</u>	<u>(18,287)</u>
Net assets		<u>48,273</u>	<u>48,418</u>
Capital and reserves			
Called up share capital	12	15,371	15,371
Share premium account	13	16,750	16,750
Profit and loss account	13	16,152	16,297
Equity		<u>48,273</u>	<u>48,418</u>

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

R Smothers

Director

Date: 17 October 2018

The notes on pages 10 to 16 form part of these financial statements.

THE CAPITAL PUB COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY
For the 52 weeks ended 29 April 2018

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 2 May 2016	15,371	16,750	16,594	48,715
Loss for the period	-	-	(297)	(297)
At 1 May 2017	15,371	16,750	16,297	48,418
Loss for the period	-	-	(145)	(145)
At 29 April 2018	15,371	16,750	16,152	48,273

The notes on pages 10 to 16 form part of these financial statements.

THE CAPITAL PUB COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 April 2018

1. GENERAL INFORMATION

The Capital Pub Company 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 requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

2.3 Going concern

At the balance sheet date the company had net current liabilities of £18,261,000 and net assets of £48,273,000. This includes amounts due to Greene King plc and other group undertakings amounting to £18,261,000. 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.

THE CAPITAL PUB COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 April 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Investments

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

2.5 Intercompany balances

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

2.6 Interest

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

2.7 Taxation

Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

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

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect reported amounts of assets and liabilities, income and expense. The company bases its estimates and judgments on historical experience and other factors deemed reasonable under the circumstances, including any expectations of future events. Actual results may differ from these estimates.

The estimates and judgments considered to be significant are detailed below:

Taxation

Judgment is required when determining the provision for taxes as the tax treatment of some transactions cannot be finally determined until a formal resolution has been reached with the tax authorities. Assumptions are also made around the assets which qualify for capital allowances and the level of disallowable expenses and this affects the income tax calculation. Provisions are also made for uncertain exposures which can have an impact on both deferred and current tax. Tax benefits are not recognised unless it is probable that the benefit will be obtained and tax provisions are made if it is possible that a liability will arise. The final resolution of these transactions may give rise to material adjustments to the income statement and/or cashflow in future periods. The company reviews each significant tax liability or benefit each period to assess the appropriate accounting treatment.

THE CAPITAL PUB COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 April 2018

4. STAFF COSTS

The company has no employees and did not incur any staff costs during the period (2017: £nil).

The directors who held office during the period were also directors of fellow group undertakings. Total emoluments, including any company pension contributions, received by these directors totals £770,000 (2017: £1,702,000) paid by the ultimate parent company or other group companies. The directors do not believe that it is practicable to apportion this amount between qualifying services as directors to the company and to fellow group undertakings. The number of directors who received or exercised share options during the period was 1 (2017: 2).

5. AUDITOR'S REMUNERATION

The auditor's remuneration for the period of £1,000 (2017: £1,000) has been borne by another group company.

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group financial statements of the ultimate parent company.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	52 weeks ended 29 April 2018 £000	52 weeks ended 30 April 2017 £000
Interest receivable from group undertakings	<u>1,826</u>	<u>1,969</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	52 weeks ended 29 April 2018 £000	52 weeks ended 30 April 2017 £000
Interest payable to group undertakings	<u>2,102</u>	<u>2,266</u>

THE CAPITAL PUB COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 April 2018

8. TAXATION

	52 weeks ended 29 April 2018 £000	52 weeks ended 30 April 2017 £000
TOTAL CURRENT TAX	<u>-</u>	<u>-</u>

FACTORS AFFECTING TAXATION FOR THE PERIOD

The tax assessed for the period is higher than (2017 -higher than) the standard rate of corporation tax in the UK of 19.0% (2017 -19.9%). The differences are explained below:

	52 weeks ended 29 April 2018 £000	52 weeks ended 30 April 2017 £000
Loss on ordinary activities before tax	<u>(145)</u>	<u>(297)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2017 - 19.9%)	<u>(28)</u>	<u>(59)</u>
EFFECTS OF:		
Income not taxable for tax purposes	<u>(25)</u>	<u>-</u>
Group relief for nil consideration	<u>53</u>	<u>59</u>
TOTAL TAXATION FOR THE PERIOD	<u>-</u>	<u>-</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Finance Act (No.2) Act 2015 reduced the rate of corporation tax from 20% to 19% from 1 April 2017 and the Finance Act 2016 further reduced the rate to 17% from 1 April 2020. Both these rate reductions were substantively enacted at the balance sheet date and are therefore included in these accounts.

THE CAPITAL PUB COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 April 2018

9. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000	Trade investments £000	Total £000
COST OR VALUATION			
At 1 May 2017	66,534	171	66,705
Disposals	-	(171)	(171)
At 29 April 2018	66,534	-	66,534
NET BOOK VALUE			
At 29 April 2018	66,534	-	66,534
At 30 April 2017	66,534	171	66,705

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Capital Pub Company Trading Limited	Preferred ordinary	100 %	Non trading
	Sub-ordinary	100 %	

The subsidiary is incorporated in England & Wales.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

During the period the company received a final distribution following the liquidation of its trade investment resulting in a profit of £131,000.

THE CAPITAL PUB COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 April 2018

10. DEBTORS

	29 April 2018 £000	30 April 2017 £000
Amounts owed by group undertakings	<u>123,101</u>	<u>121,273</u>

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

11. CREDITORS: Amounts falling due within one year

	29 April 2018 £000	30 April 2017 £000
Amounts owed to group undertakings	<u>141,362</u>	<u>139,560</u>

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

12. CALLED UP SHARE CAPITAL

	29 April 2018 £000	30 April 2017 £000
Allotted, called up and fully paid		
30,741,916 Ordinary shares of £0.50 each	<u>15,371</u>	<u>15,371</u>

13. RESERVES

Share premium account

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

Profit & loss account

Profit and loss account reserve represents accumulated retained earnings.

THE CAPITAL PUB COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 April 2018

14. RELATED PARTY TRANSACTIONS

During the period the company entered into transactions, in the ordinary course of business, with other related parties. The company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow 100% owned group undertakings. Transactions entered into, and trading balances outstanding at the balance sheet date with other related parties did not occur during the current or prior fiscal years.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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

The ultimate parent undertaking and ultimate controlling party is Greene King plc, a company registered in England and Wales.

Greene King Plc is the smallest and largest group which includes the results of the company and for which group financial statements are prepared. Copies of its group financial statements are available from Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT.