

Registered number: 07662211

SPIRIT PUB COMPANY (HOLDCO) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the 52 weeks ended 26 April 2020



SPIRIT PUB COMPANY (HOLDCO) LIMITED

COMPANY INFORMATION

Director	R Smothers
Company secretary	Mrs L A Keswick
Registered number	07662211
Registered office	Westgate Brewery Bury St Edmunds Suffolk IP33 1QT United Kingdom
Auditor	Ernst & Young LLP Statutory Auditor 1 More London Place London SE1 2AF

SPIRIT PUB COMPANY (HOLDCO) LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Director's report	3 - 4
Director's responsibilities statement	5
Independent auditor's report	6 - 8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 25

SPIRIT PUB COMPANY (HOLDCO) LIMITED

STRATEGIC REPORT For the 52 weeks ended 26 April 2020

Introduction

The director presents their strategic report for the 52 weeks ended 26 April 2020.

Business review

The principal activity of the company is that of an investment holding company.

The company's performance in the period has met the director's expectations and no significant change to the operations of the business is expected in future periods.

On 19 August 2019, the boards of CK Noble (UK) Limited ("CK Bidco"), a wholly owned subsidiary of CK Asset Holdings Limited ("CKA"), a Cayman Islands company listed on the Hong Kong Stock Exchange and Greene King plc ("Greene King") reached agreement on the terms of a recommended cash offer by CK Bidco for the entire issued and to be issued share capital of Greene King, not already owned by or on behalf of the CKA group.

The acquisition was implemented by way of a scheme of arrangement which took place on 30 October 2019, and on 31 October 2019 Greene King plc was re-registered as a private limited company with the name Greene King Limited.

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 26 April 2020. 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 the director therefore believes that disclosure of key performance indicators for the company are not appropriate to understand 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.

Director's 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 interests of the company's employees,
- 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.

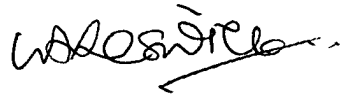
Engaging with stakeholders

The company's principal activity is that of an investment holding company. 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 director of the company is also a director of Greene King Limited group and therefore is aware of all decisions made at group-level, that will affect the company.

SPIRIT PUB COMPANY (HOLDCO) LIMITED

STRATEGIC REPORT (CONTINUED)
For the 52 weeks ended 26 April 2020

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 underneath the name.

Mrs L A Keswick
Secretary
Date: 13 October 2020

SPIRIT PUB COMPANY (HOLDCO) LIMITED

DIRECTOR'S REPORT For the 52 weeks ended 26 April 2020

The director presents his report and the financial statements for the 52 weeks ended 26 April 2020.

Principal activity

The principal activity of the company is that of an investment holding company.

Results and dividends

The profit for the 52 weeks, after taxation, amounted to £42,978,000 (2019:£37,303,000).

The director does not recommend a final dividend (2019: £nil). An interim dividend of £41,366,000 was paid during the period (2019: £64,414,000).

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 minimum period of at least 12 months from the date of these financial statements.

The directors of Greene King Limited have assessed the potential impact of the COVID-19 pandemic as part of their going concern assessment of the Greene King Limited group. In doing so, the Greene King Limited directors have modelled a worst-case scenario that assumes the group's pubs were asked to close for the entire 12 month going concern period. Under this worst-case basis, the Greene King Limited group is forecast to continue to have access to sufficient cash funds to be in operational existence for a period of at least 12 months from the date of the financial statements. In forming this conclusion, the directors have made a significant judgement in respect of the continued availability of its long-term asset-backed financing vehicles in the knowledge that it could be reliant upon continued waiver or non-recall of debt in response to breached debt covenants in the going concern period.

The directors of Greene King Limited have a reasonable expectation that the group has adequate resources to continue in operational existence for at least the next 12 months from the date of the approval of the financial statements. However, the directors of Greene King Limited concluded that this significant judgement represents a material uncertainty that may cast significant doubt on the group's ability to continue as a going concern.

The directors of the company have made appropriate enquiries of the directors of Greene King Limited 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. However, given the material uncertainty disclosed in Greene King Limited financial statements as noted above, the directors of the company have also concluded there is a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

The directors continue to prepare the financial statements on a going concern basis and as a result do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the company were unable to continue as a going concern.

Director

The director who served during the 52 weeks was:

R Smothers

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

The shares held by the directors in the capital of Greene King Limited were sold to CK Noble (UK) Limited as part of the acquisition of the company.

Future developments

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

SPIRIT PUB COMPANY (HOLDCO) LIMITED

DIRECTOR'S REPORT (CONTINUED)
For the 52 weeks ended 26 April 2020

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.

Disclosure of information to auditor

The director at the time when this director's report is approved has confirmed that:

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

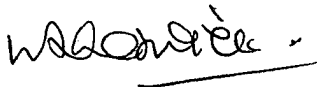
There are no post balance sheet events requiring disclosure in the financial statements.

Auditor

Ernst & Young LLP will be resigning as auditor of the company following the completion of these financial statements. The company proposes to appoint Deloitte LLP to audit the next financial statements of the company, which will be for the period to 3 January 2021, as the company will be aligning its financial year end to that used by the remainder of the CKA group.

In preparing this report, the director has 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.



Mrs L A Keswick
Secretary
Date: 13 October 2020

SPIRIT PUB COMPANY (HOLDCO) LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

For the 52 weeks ended 26 April 2020

The director is responsible for preparing the strategic report, the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 SPIRIT PUB COMPANY (HOLDCO) LIMITED

OPINION

We have audited the financial statements of Spirit Pub Company (Holdco) Limited for the 52 weeks ended 26 April 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes 1 to 19, 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 26 April 2020 and of its profit 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.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2.4 in the financial statements, which describes the reliance of the company on a letter of support from the parent company, Greene King Limited, which discloses that a material uncertainty exists relating to the continued availability of both long-term asset-backed financing vehicles in the knowledge that this could be reliant upon continued waiver of debt covenants which are forecast to be breached.

As stated in Note 2.4, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 SPIRIT PUB COMPANY (HOLDCO) 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 strategic report and the director's report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and director's 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 strategic report or director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the director's responsibilities statement, set out on page 5, the director is 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 director 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 director is 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 director either intends 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 SPIRIT PUB COMPANY (HOLDCO)
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.

Ernst & Young LLP

Lloyd Brown (Senior statutory auditor)

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

Date: 13 Oct 2020

SPIRIT PUB COMPANY (HOLDCO) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the 52 weeks ended 26 April 2020

		52 weeks ended 26 April 2020 £000	52 weeks ended 28 April 2019 £000
Net impairment losses on financial assets	Note 6	(34)	-
Operating loss		(34)	-
Income from fixed assets investments	7	33,258	23,467
Interest receivable and similar income	8	13,213	17,901
Profit before tax		46,437	41,368
Taxation	9	(3,459)	(4,065)
Profit for the period		42,978	37,303

There was no other comprehensive income for 2020 (2019: £nil).

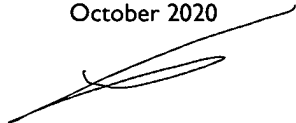
The notes on pages 12 to 25 form part of these financial statements.

SPIRIT PUB COMPANY (HOLDCO) LIMITED
Registered number:07662211

BALANCE SHEET
As at 26 April 2020

	Note	26 April 2020 £000	28 April 2019 £000
Fixed assets			
Investments	11	93,129	93,129
Current assets			
Debtors: amounts falling due within one year	12	299,402	294,331
Creditors: amounts falling due within one year	13	(13,533)	(10,074)
Net current assets		285,869	284,257
Net assets		378,998	377,386
Capital and reserves			
Called up share capital	15	61,000	61,000
Share premium account	16	177,090	177,090
Profit and loss account	16	140,908	139,296
Equity		378,998	377,386

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 October 2020



R Smothers
Director

The notes on pages 12 to 25 form part of these financial statements.

SPIRIT PUB COMPANY (HOLDCO) LIMITED

STATEMENT OF CHANGES IN EQUITY
For the 52 weeks ended 26 April 2020

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 30 April 2018	61,000	177,090	164,972	403,062
Impact of change in accounting policy	-	-	1,435	1,435
At 30 April 2018 (adjusted balance)	61,000	177,090	166,407	404,497
Profit for the period	-	-	37,303	37,303
Dividends: Equity capital	-	-	(64,414)	(64,414)
At 29 April 2019	61,000	177,090	139,296	377,386
Profit for the 52 weeks	-	-	42,978	42,978
Dividends: Equity capital	-	-	(41,366)	(41,366)
At 26 April 2020	61,000	177,090	140,908	378,998

The notes on pages 12 to 25 form part of these financial statements.

SPIRIT PUB COMPANY (HOLDCO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 26 April 2020

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 applicable accounting standards.

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 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 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 Impact of new International Reporting Standards, amendments and interpretations

IFRS 16

There has been no material impact on the company's financial statements as a result of adopting IFRS 16 from 29 April 2019.

IFRS 9

The company adopted IFRS 9 on 30 April 2018 prospectively. IFRS 9 replaced the incurred loss model in IAS 39 with an expected credit loss (ECL) model. The new impairment model applies to the company's financial

SPIRIT PUB COMPANY (HOLDCO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the 52 weeks ended 26 April 2020**

2. ACCOUNTING POLICIES (CONTINUED)

IMPACT OF NEW INTERNATIONAL REPORTING STANDARDS, AMENDMENTS AND 2.3 INTERPRETATIONS (CONTINUED)

assets that are held at amortised cost. The ECL model resulted in the recognition of a loss allowance of £70,000 on 30 April 2018.

Additionally, one loan was held at fair value through profit or loss under IFRS 9 which resulted in a fair value gain of £1,505,000.

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 minimum period of at least 12 months from the date of these financial statements.

The directors of Greene King Limited have assessed the potential impact of the COVID-19 pandemic as part of their going concern assessment of the Greene King Limited group. In doing so, the Greene King Limited directors have modelled a worst-case scenario that assumes the group's pubs were asked to close for the entire 12 month going concern period. Under this worst-case basis, the Greene King Limited group is forecast to continue to have access to sufficient cash funds to be in operational existence for a period of at least 12 months from the date of the financial statements. In forming this conclusion, the directors have made a significant judgement in respect of the continued availability of its long-term asset-backed financing vehicles in the knowledge that it could be reliant upon continued waiver or non-recall of debt in response to breached debt covenants in the going concern period.

The directors of Greene King Limited have a reasonable expectation that the group has adequate resources to continue in operational existence for at least the next 12 months from the date of the approval of the financial statements. However, the directors of Greene King Limited concluded that this significant judgement represents a material uncertainty that may cast significant doubt on the group's ability to continue as a going concern.

The directors of the company have made appropriate enquiries of the directors of Greene King Limited 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. However, given the material uncertainty disclosed in Greene King Limited financial statements as noted above, the directors of the company have also concluded there is a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

The directors continue to prepare the financial statements on a going concern basis and as a result do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the company were unable to continue as a going concern.

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 26 April 2020**

2. ACCOUNTING POLICIES (CONTINUED)

2.6 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.

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. 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 income statement using the effective interest method. Income income is recognised in the income statement 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.

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

SPIRIT PUB COMPANY (HOLDCO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 26 April 2020

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

SIGNIFICANT ACCOUNTING ESTIMATES

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

Financial assets - held fair value through profit or loss

In determining the fair value of the loans the company has estimated the future cash flows anticipated and applied an estimated discount rate factoring in the key characteristics of the loans.

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 (2019: none) and did not incur any staff costs during the period (2019: £nil).

The director who held office during the period was also the director of fellow group undertakings. Total emoluments, including any company pension contributions, received by this director totals £517,000 (2019: £926,000) paid by the ultimate parent company or other group companies. The director does 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 in a fellow group company during the period was 1 (2019: 1).

5. AUDITOR'S REMUNERATION

The auditor's remuneration for the period of £1,500 (2019: £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. OPERATING LOSS

The operating loss is stated after charging:

	52 weeks ended 26 April 2020 £000	52 weeks ended 28 April 2019 £000
Net impairment losses on financial assets	34	-

SPIRIT PUB COMPANY (HOLDCO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the 52 weeks ended 26 April 2020

7. INCOME FROM INVESTMENTS

	52 weeks ended 26 April 2020 £000	52 weeks ended 28 April 2019 £000
Income from fixed asset investments	(33,258)	(23,467)
	<u><u> </u></u>	<u><u> </u></u>

During the period £33,258,000 dividends we received from Spirit Pub Company (SGE) Limited (2019: £23,467,000).

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	52 weeks ended 26 April 2020 £000	52 weeks ended 28 April 2019 £000
Movement in fair value of intercompany loans	13,213	17,901
	<u><u>13,213</u></u>	<u><u>17,901</u></u>

9. TAXATION

	52 weeks ended 26 April 2020 £000	52 weeks ended 28 April 2019 £000
CORPORATION TAX		
Current tax on profits for the year	3,762	4,065
Adjustments in respect of previous periods	(303)	-
TOTAL CURRENT TAX	<u><u>3,459</u></u>	<u><u>4,065</u></u>

SPIRIT PUB COMPANY (HOLDCO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 26 April 2020

9. TAXATION (CONTINUED)

FACTORS AFFECTING TAXATION FOR THE PERIOD

The tax assessed for the period is lower than (2019:lower than) the standard rate of corporation tax in the UK of 19.0% (2019:19.0%). The differences are explained below:

	52 weeks ended 26 April 2020 £000	52 weeks ended 28 April 2019 £000
Profit on ordinary activities before tax	46,437	41,368
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2019:19.0%)	8,823	7,860
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	594	-
Adjustments to tax charge in respect of prior periods	(303)	-
Non-taxable income	(6,319)	(4,459)
Transfer pricing adjustments	664	664
TOTAL TAXATION CHARGE FOR THE PERIOD	3,459	4,065

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The planned reduction in the rate of corporation tax from 19% to 17% was reversed by order of a "Way of means" motion on 17 March 2020, such motions having statutory effect under the Provisional Collection of Taxes 1968. Therefore, the enacted rate at the balance sheet date remains at 19% and is therefore included in these accounts.

10. DIVIDENDS

	26 April 2020 £000	28 April 2019 £000
Equity dividends	41,366	64,414

Dividends of £0.68 per share (2019: £1.06) were paid in the year.

SPIRIT PUB COMPANY (HOLDCO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the 52 weeks ended 26 April 2020

II. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
COST	
At 29 April 2019	93,129
At 26 April 2020	<u>93,129</u>
NET BOOK VALUE	
At 26 April 2020	<u>93,129</u>
At 28 April 2019	<u>93,129</u>

SPIRIT PUB COMPANY (HOLDCO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 26 April 2020

II. FIXED ASSET INVESTMENTS (CONTINUED)

SUBSIDIARY UNDERTAKINGS

The following were directly and indirectly held subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Spirit Pub Company (SGE) Limited	Intermediate holding company	Ordinary	100%
Spirit Pub Company (Derwent) Limited	Pub retailing	Ordinary	100%
Spirit Managed Funding Limited	Financing	Ordinary, Preference	100%
Spirit Pub Company (Trent) Limited	Pub retailing	Ordinary	100%
Spirit (Redwood Bidco) Limited	In MVL	Ordinary	100%
Spirit (Legacy) Pension Trustee Limited	Pension trustee	Ordinary	100%
Spirit Group Holdings Limited	Holding company	Ordinary	100%
Spirit Intermediate Holdings Limited	Holding company	Ordinary	100%
Spirit Group Parent Limited	Holding company	Ordinary	100%
Spirit Pub Company (Services) Limited	Management and administration	Ordinary	100%
Spirit Pub Company (Supply) Limited	Procurement of beverages for other group companies	Ordinary	100%
Spirit Acquisitions Holdings Limited	In MVL	Ordinary	100%
Spirit Acquisitions Guarantee Limited	In MVL	Limited by guarantee	N/A%
Spirit Managed Holdings Limited	Holding company	Ordinary	100%
Spirit Group Pension Trustee Limited	Pension trustee	Ordinary	100%
Spirit Group Equity Limited	Holding company	Ordinary	100%
Spirit (PSC) Limited	In MVL	Ordinary	100%
Spirit Acquisition Properties Limited	In MVL	Ordinary	100%
Tom Cobleigh Holdings Limited	In MVL	Ordinary	100%
Tom Cobleigh Group Limited	In MVL	Ordinary	100%
Spirit Financial Holdings Limited	Holding company	Ordinary	100%
Spirit Finco Limited	Non trading	Ordinary	100%
Spirit Parent Limited	Holding company	Ordinary	100%
Spirit Pub Company (Investments) Limited	Financing	Ordinary	100%
Spirit Funding Limited	Non trading	Ordinary	100%
Spirit Managed Inns Limited	Non trading	Ordinary	100%
Spirit Pubs Debenture Holdings Limited	Holding company	Ordinary	100%
Spirit Pubs Parent Limited	Holding Company	Ordinary	100%
Spirit Pub Company (Managed) Limited	Pub retailing	Ordinary	100%
Spirit Pub Company (Leased) Limited	Leasing of public houses	Ordinary	100%
Spirit (SGL) Limited	Intermediate holding company	Ordinary	100%
Tom Cobleigh Limited	Holding company	Ordinary	100%
The Nice Pub Company Limited	In MVL	Ordinary	100%
Spirit (AKE Holdings) Limited	Holding company	Ordinary	100%
Allied Kunick Entertainments Limited	Property	Ordinary	100%
Spirit (Faith) Limited	Property	Ordinary	100%
Spirit Retail Bidco Limited	Holding company	Ordinary	100%
Spirit Group Retail Pensions Limited	Pension trustee	Ordinary	100%
Spirit Group Retail Limited	Holding company	Ordinary; Additional Redeemable Preference Shares	100%

SPIRIT PUB COMPANY (HOLDCO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 26 April 2020

II. FIXED ASSET INVESTMENTS (CONTINUED)

SUBSIDIARY UNDERTAKINGS (CONTINUED)

Name	Principal activity	Class of shares	Holding
Spirit Group Retail (Northampton) Limited	In MVL	Ordinary; Preference Shares	100%
Cleveland Place Holdings Limited	Holding company	Ordinary	100%
Huggins and Company Limited	In MVL	Ordinary	100%
The Chef & Brewer Group Limited	Holding company	Ordinary	100%
Chef & Brewer Limited	In MVL	Ordinary	100%
City Limits Limited	In MVL	Ordinary	100%
Open House Limited	In MVL	Ordinary	100%
R.V. Goodhew Limited	Non trading	Ordinary; Deferred Ordinary	100%
Springtarn Limited	In MVL	Ordinary	100%
Spirit Group Retail (South) Limited	In MVL	Ordinary	100%
Whitegate Taverns Limited	In MVL	Ordinary	100%
Narnain	Holding company	Ordinary	100%
Dearg Limited	Holding company	Ordinary	25%
CPH Palladium Limited	Holding company	Ordinary	75%
Freshwild Limited	Holding company	Ordinary	100%
Mountloop Limited	Non trading	Ordinary	100%
Aspect Ventures Limited	In MVL	Ordinary	100%
AVL (Pubs) No.1 Limited	In MVL	Ordinary	100%
AVL (Pubs) No.2 Limited	In MVL	Ordinary	100%

Member voluntary liquidation "MVL"

The director believes that the carrying value of the investments is supported by their underlying net assets.

All directly and indirectly held subsidiary undertakings, with the exception of Spirit Funding Limited and Spirit Finco Limited, are incorporated in England and Wales and their registered office is Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT.

Spirit Funding Limited and Spirit Finco Limited are incorporated in the Cayman Islands and their registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1004.

SPIRIT PUB COMPANY (HOLDCO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 26 April 2020

12. DEBTORS: Amounts falling due within one year

	26 April 2020 £000	28 April 2019 £000
Amounts owed by group undertakings held at amortised cost	50,925	50,958
Amounts owed by group undertakings held at fair value through profit or loss	248,477	243,373
	299,402	294,331
	299,402	294,331

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 £248,477,000 (2019: £243,373,000). 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. The interest rate agreed for the period was 7% per annum (2019: 7%). During the period accrued interest repayments of £8,109,000 (2019: £40,947,000) were received and at the balance sheet date the outstanding accrued interest included in the balance due was £14,874,000 (2019: £6,675,000). The balance is repayable on demand.

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 (2019: £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 £104,000 (2019: £70,000) have been recognised against the carrying value.

13. CREDITORS: Amounts falling due within one year

	26 April 2020 £000	28 April 2019 £000
Amounts owed to group undertakings	10,074	6,009
Corporation tax	3,459	4,065
	13,533	10,074
	13,533	10,074

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 26 April 2020

14. FINANCIAL INSTRUMENTS

	26 April 2020 £000	28 April 2019 £000
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	248,477	243,373
Financial assets that are debt instruments measured at amortised cost	50,925	50,958
	<u>299,402</u>	<u>294,331</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(10,074)	(6,009)

Financial assets measured at fair value through profit or loss comprise amounts owed by group undertakings.

Financial assets that are debt instruments measured at amortised cost comprise amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings.

SPIRIT PUB COMPANY (HOLDCO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 26 April 2020

14. FINANCIAL INSTRUMENTS (continued)

Fair values

Set out below is a comparison of carrying amounts and fair values of all 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:

Loans due from 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 loans 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 loans 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 26 April 2020 £000	Carrying value 26 April 2020 £000	Carrying value 28 April 2019 £000
Financial assets				
Amounts owed by group undertakings held at fair value through profit or loss	Level 3	248,477	248,477	243,373

The loans owed by group undertakings have been reclassified to be held at fair value through profit and loss upon adoption of IFRS 9 on 30 April 2018. IFRS 9 was adopted prospectively, hence, fair value comparatives have not been presented. For further details on the adoption of IFRS 9 please see note 2.3.

The discount rate used to calculate the fair value of the subordinated loans was 6.00% (2019: 5.42%). A 1% increase in this discount rate would decrease the fair value to £247,470,000 (2019: £240,963,000).

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 26 April 2020 and 28 April 2019 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 26 April 2020

14. FINANCIAL INSTRUMENTS (continued)

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

	26 April 2020 £000	28 April 2019 £000
Opening balance	243,373	266,419
Fair value gains	13,213	17,901
Settlements	(8,109)	(40,947)
Closing balance	248,477	243,373

15. CALLED UP SHARE CAPITAL

	26 April 2020 £	28 April 2019 £
Allotted, called up and fully paid		
61,000,006 (2019: 61,000,006) Ordinary shares of £1.00 each	61,000,006	61,000,006

16. 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.

17. 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 Greene King plc group. Amounts shown as owed to and by group subsidiaries are all held with fellow 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.

18. POST BALANCE SHEET EVENTS

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

SPIRIT PUB COMPANY (HOLDCO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 26 April 2020

19. 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 with its headquarters and principal place of business in Hong Kong. The company's shares are 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.