

Registered number: 7427021

GREENE KING PUBS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the 52 weeks ended 1 May 2016



GREENE KING PUBS LIMITED

COMPANY INFORMATION

Directors	R Anand K Davis C Houlton R Lewis K Millbanks
Company secretary	Mrs L A Keswick
Registered number	7427021
Registered office	Westgate Brewery Bury St Edmunds Suffolk IP33 1QT
Auditor	Ernst & Young LLP Statutory Auditor One Cambridge Business Park Cambridge CB4 0WZ

GREENE KING PUBS LIMITED

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GREENE KING PUBS LIMITED

STRATEGIC REPORT **For the 52 weeks ended 1 May 2016**

Introduction

The directors present their strategic report for the 52 weeks ended 1 May 2016.

Business review

The company's principal activity is that of a property leasing company, leasing property to other members of the Greene King plc group. The company has not engaged in any other activity since incorporation and no future changes to its principal activity are envisaged.

Principal risks and uncertainties

As a 100% owned subsidiary of the Greene King plc group, the principal risks and uncertainties faced by the company are consistent with those disclosed within the Greene King plc financial statements for the 52 weeks ended 1 May 2016.

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 Greene King Pubs Limited are managed at a Greene King plc group level and the directors therefore believe 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 plc is discussed in the Greene King plc annual report and financial statements which are publicly available.

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



Mrs L A Keswick

Secretary

Date: 30 January 2017

GREENE KING PUBS LIMITED

DIRECTORS' REPORT For the 52 weeks ended 1 May 2016

The directors present their report and the financial statements for the 52 weeks ended 1 May 2016.

Results and dividends

The profit for the 52 weeks, after taxation, amounted to £20,662,000 (2015 -£102,072,000).

No dividends were paid or proposed during the period (2015: £250,000,000).

Going concern

At the balance sheet date the company had net current liabilities of £445,711,000 and net assets of £1,449,389,000. This includes net amounts due to Greene King plc and other group undertakings amounting to £435,047,000. It is therefore clear 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 at least 12 months from the date of approval of these financial statements 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:

R Anand
K Davis
C Houlton
R Lewis
K Millbanks
J Webster (resigned 31 December 2015)
S J Connor (resigned 31 March 2016)

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.

Future developments

Growth and development of the business will continue to be encouraged and supported by the board.

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.

GREENE KING PUBS LIMITED

DIRECTORS' REPORT (CONTINUED)
For the 52 weeks ended 1 May 2016

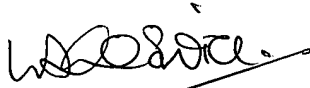
Post balance sheet events

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

Auditor

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

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



Mrs L A Keswick

Secretary

Date: 30 January 2017

GREENE KING PUBS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT **For the 52 weeks ended 1 May 2016**

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the 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 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.

GREENE KING PUBS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREENE KING PUBS LIMITED

We have audited the financial statements of Greene King Pubs Limited for the 52 weeks ended 1 May 2016 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 4, 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 Practice 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 1 May 2016 and of its profit for the 52 weeks then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been properly 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 Strategic report and Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

GREENE KING PUBS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREENE KING PUBS LIMITED

Matters on which we are required to report by exception

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

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


Bob Forsyth (Senior statutory auditor)

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

Date: 30 January 2017

GREENE KING PUBS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the 52 weeks ended 1 May 2016

	Note	52 weeks ended 1 May 2016 £000	52 weeks ended 3 May 2015 £000
Turnover	4	33,088	31,971
Gross profit		33,088	31,971
Administrative expenses		(7,545)	(7,386)
Exceptional administrative expenses	12	8,152	13,407
Fair value movements		-	85,296
Operating profit	5	33,695	123,288
Interest receivable and similar income	8	5,613	3,941
Interest payable and similar charges	9	(14,287)	(9,609)
Profit before tax		25,021	117,620
Taxation	10	(4,359)	(15,548)
Profit for the period		20,662	102,072

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2016 (2015:£nil).

The notes on pages 10 to 26 form part of these financial statements.

GREENE KING PUBS LIMITED
Registered number: 7427021

BALANCE SHEET
As at 1 May 2016

	Note	1 May 2016 £000	3 May 2015 £000
Fixed assets			
Tangible assets	13	32,185	37,680
Investments	14	1,430,000	1,430,000
Investment property	15	441,549	483,613
		<u>1,903,734</u>	<u>1,951,293</u>
Current assets			
Debtors: amounts falling due within one year	16	1	352,854
Creditors: amounts falling due within one year	17	(445,712)	(865,452)
Net current liabilities		<u>(445,711)</u>	<u>(512,598)</u>
Total assets less current liabilities		<u>1,458,023</u>	<u>1,438,695</u>
Provisions for liabilities			
Deferred taxation	18	(8,634)	(9,968)
Net assets		<u><u>1,449,389</u></u>	<u><u>1,428,727</u></u>
Capital and reserves			
Called up share capital	19	117	117
Share premium account	20	714,955	714,955
Profit and loss account	20	734,317	713,655
Equity		<u><u>1,449,389</u></u>	<u><u>1,428,727</u></u>

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

K Davis
Director

Date: 30 January 2017



The notes on pages 10 to 26 form part of these financial statements.

GREENE KING PUBS LIMITED

STATEMENT OF CHANGES IN EQUITY
For the 52 weeks ended 1 May 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 4 May 2015	117	714,955	713,655	1,428,727
Comprehensive income for the period				
Profit for the period	-	-	20,662	20,662
At 1 May 2016	117	714,955	734,317	1,449,389

STATEMENT OF CHANGES IN EQUITY
For the 52 weeks ended 3 May 2015

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 5 May 2014	117	714,955	861,583	1,576,655
Comprehensive income for the period				
Profit for the period	-	-	102,072	102,072
Dividends: Equity capital	-	-	(250,000)	(250,000)
At 3 May 2015	117	714,955	713,655	1,428,727

The notes on pages 10 to 26 form part of these financial statements.

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the 52 weeks ended 1 May 2016**

1. GENERAL INFORMATION

Greene King Pubs Limited is a company 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 and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and applicable accounting standards.

Information on the impact of first-time adoption of FRS 101 is given in note 23.

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.

First time application of FRS 100 and FRS 101

In the current 52 weeks ended 1 May 2016, the company has adopted FRS 100 and FRS 101. In previous years the financial statements were prepared in accordance with applicable United Kingdom General Accepted Accounting Practice ('UK GAAP').

This change in the basis of preparation has materially altered the recognition and measurement requirements previously applied in accordance with UK GAAP. An explanation of the impact of the adoption of FRS 100 and FRS 101 for the first time is included in the note 23.

There have been no other material amendments to the disclosure requirements previously applied in accordance with UK GAAP.

The following principal accounting policies have been applied:

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the 52 weeks ended 1 May 2016**

2. ACCOUNTING POLICIES (CONTINUED)

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 paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
- 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 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 £445,711,000 and net assets of £1,449,389,000. This includes net amounts due to Greene King plc and other group undertakings amounting to £435,047,000. It is therefore clear 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 at least 12 months from the date of approval of these financial statements 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.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the 52 weeks ended 1 May 2016**

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures & fittings	- depreciated over their estimated useful lives which range from three to twenty years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

Residual value is reviewed at least at each financial year end and there is no depreciable amount if the residual value is the same as, or exceeds, book value.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use. Profit or loss on de-recognition is calculated as the difference between the net disposal proceeds and the carrying amount of the asset, and is included in the income statement in the year of de-recognition.

2.5 Investments

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

2.6 Investment property

Investment property is carried at fair value based on internal appraisals. No depreciation is provided. Changes in fair value are recognised in the profit and loss account.

2.7 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.

2.8 Turnover

Turnover comprises revenue recognised by the company in respect of rental income under operating leases during the period, exclusive of Value Added Tax and trade discounts. The rentals receivable are recognised on a straight line basis over the lease term.

Where there are benefits received and receivable as an incentive to sign the operating lease, these are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2.9 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.

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the 52 weeks ended 1 May 2016**

2. ACCOUNTING POLICIES (CONTINUED)

2.10 Current and deferred taxation

The tax expense for the 52 weeks comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a change 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Exceptional items

Exceptional items are defined as items of income or expense which, because of their nature, size or expected frequency, merit separate presentation to allow a better understanding of the financial performance in the period.

2.12 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 board. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

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:

Impairment of tangible fixed assets

The company determines whether tangible fixed assets are impaired where there are indicators of impairment. This requires an estimation of the value-in-use and fair value less costs of disposal at a site level. Value-in-use calculations require assumptions to be made regarding the expected future cash flows from the cash generating unit and choice of a suitable discount rate in order to calculate the present value of those cash flows.

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the 52 weeks ended 1 May 2016

4. TURNOVER

Turnover represents rental income on operating leases receivable from related parties, net of value added tax.

All turnover arose within the United Kingdom.

5. OPERATING PROFIT

The operating profit is stated after charging:

	52 weeks ended 1 May 2016 £000	52 weeks ended 3 May 2015 £000
Depreciation of tangible fixed assets	7,545	7,386

6. STAFF COSTS

The company has no employees and did not incur any staff costs during the period (2015: £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 £5,488,900 (2015: £4,299,000) 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 5 (2015: 7).

7. AUDITOR'S REMUNERATION

The auditor's remuneration for the period of £1,000 (2015: £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.

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	52 weeks ended 1 May 2016 £000	52 weeks ended 3 May 2015 £000
Interest receivable from group undertakings	5,613	3,941

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the 52 weeks ended 1 May 2016

9. INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks ended 1 May 2016 £000	52 weeks ended 3 May 2015 £000
Interest payable to group undertakings	14,287	9,609

10. TAXATION

	52 weeks ended 1 May 2016 £000	52 weeks ended 3 May 2015 £000
CORPORATION TAX		
Current tax on profits for the year	5,740	5,940
Adjustments in respect of previous periods	(48)	(277)
TOTAL CURRENT TAX	5,692	5,663
DEFERRED TAX		
Origination and reversal of timing differences	(400)	9,885
Effects of changes in tax rates and laws	(995)	-
Adjustments in respect of prior periods	62	-
TOTAL DEFERRED TAX	(1,333)	9,885
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	4,359	15,548

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the 52 weeks ended 1 May 2016

10. TAXATION (CONTINUED)

FACTORS AFFECTING TAXATION FOR THE PERIOD

The tax assessed for the period is higher than (2015 -lower than) the standard rate of corporation tax in the UK of 20.0% (2015 -20.9%). The differences are explained below:

	52 weeks ended 1 May 2016 £000	52 weeks ended 3 May 2015 £000
Profit on ordinary activities before tax	25,021	117,621
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 -20.9%)	5,004	24,583
EFFECTS OF:		
Expenses not deductible for tax purposes	2,794	2,272
Adjustments to tax charge in respect of prior periods	15	(277)
Non-taxable exceptional profit on sale of tangible fixed assets	(1,630)	(2,803)
Effects of tax rates and laws	(995)	-
Deferred tax in respect of licensed estate	(829)	(8,227)
TOTAL TAXATION FOR THE PERIOD	4,359	15,548

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the 52 weeks ended 1 May 2016

10. TAXATION (CONTINUED)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Finance (No.2) Act 2015 reduced the rate of corporation tax from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020. These rate reductions were substantively enacted at the balance sheet date and are therefore included in these accounts.

In addition the Finance Act 2016 further reduces the rate of corporation tax to 17% from 1 April 2020. This further reduction had not been substantively enacted at the balance sheet date so it not included in these financial statements. However, it will further reduce the income tax charge in future periods.

11. DIVIDENDS

	1 May 2016 £000	3 May 2015 £000
Dividends paid on equity capital	-	250,000
Dividends of £nil per share (2015: £0.22) were paid in the year.		

12. EXCEPTIONAL ITEMS

	52 weeks ended 1 May 2016 £000	52 weeks ended 3 May 2015 £000
Included within exceptional administrative expenses:		
Profit on sale of tangible fixed assets	(8,152)	(13,407)

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the 52 weeks ended 1 May 2016

13. TANGIBLE FIXED ASSETS

	Fixtures & fittings £000
COST	
At 4 May 2015	60,946
Additions	6,767
Disposals	(8,458)
At 1 May 2016	59,255
 DEPRECIATION	
At 4 May 2015	23,265
Charge for period on owned assets	7,545
Disposals	(3,740)
At 1 May 2016	27,070
 NET BOOK VALUE	
At 1 May 2016	32,185
At 3 May 2015	37,680

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the 52 weeks ended 1 May 2016

14. FIXED ASSET INVESTMENTS

	Investments in subsidiary company £000
COST OR VALUATION	
At 4 May 2015	1,430,000
At 1 May 2016	<u>1,430,000</u>
NET BOOK VALUE	
At 1 May 2016	<u>1,430,000</u>
At 3 May 2015	<u>1,430,000</u>

DIRECT SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Greene King Brewing and Retailing Limited	England & Wales	Ordinary & Preference	100 %	Brewing & retailing

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

INDIRECT SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Greene King Leasing No.1 Limited	England & Wales	Ordinary	100 %	Holding company
Greene King Leasing No.2 Limited	England & Wales	Ordinary	100 %	Financing company
Greene King Acquisitions No.2 Limited	England & Wales	Ordinary	100 %	Holding company
Belhaven Pubs Limited	Scotland	Ordinary	100 %	Financing company
Belhaven Brewery Company Limited	Scotland	Ordinary	100 %	Financing company
Belhaven Finance Limited	Scotland	Ordinary	100 %	Dormant

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the 52 weeks ended 1 May 2016

14. FIXED ASSET INVESTMENTS (CONTINUED)

Greene King Acquisitions (No.3) Limited	England & Wales	Ordinary	100 % Dormant
Hardys & Hansons Limited	England & Wales	Ordinary	100 % Dormant
Premium Casual Dining Limited	England & Wales	Ordinary	100 % Holding company
LFR Group Limited	Scotland	Ordinary	100 % Dormant
Cloverleaf Restaurants Limited	England & Wales	Ordinary	100 % Dormant
G.K. Holdings No.1 Limited	England & Wales	Ordinary	100 % Holding company
Premium Dining Restaurants and Pubs Limited	Scotland	Ordinary	100 % Retailing
Greene King Neighbourhood Estate Pubs Limited	England & Wales	Ordinary	100 % Financing company
Belhaven Group Properties Limited (in liquidation)	England & Wales	Ordinary	100 % Financing company
Old English Inns Limited	England & Wales	Ordinary	100 % Financing company

Since the balance sheet date Belhaven Group Properties Limited has been placed into members' voluntary liquidation.

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the 52 weeks ended 1 May 2016

15. INVESTMENT PROPERTY

	Freehold investment property £000
VALUATION	
At 4 May 2015	483,613
Additions at cost	4,940
Disposals	(47,004)
AT 1 MAY 2016	441,549

Investment property is carried at fair value based on internal appraisals.

16. DEBTORS: Amounts falling due within one year

	1 May 2016 £000	3 May 2015 £000
Amounts owed by group undertaking	1	352,854

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

17. CREDITORS: Amounts falling due within one year

	1 May 2016 £000	3 May 2015 £000
Amounts owed to group undertakings	435,048	854,891
Corporation tax payable	5,740	5,940
Accruals and deferred income	4,924	4,621
	445,712	865,452

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

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the 52 weeks ended 1 May 2016

18. DEFERRED TAXATION

	1 May 2016 £000	3 May 2015 £000
At beginning of year	(9,968)	(83)
Charged to the profit or loss	1,334	(9,885)
At end of year	<u>(8,634)</u>	<u>(9,968)</u>

The provision for deferred taxation is made up as follows:

	1 May 2016 £000	3 May 2015 £000
Accelerated capital allowances	(821)	(368)
Rolled over gains and property revaluation	(7,813)	(9,600)
	<u>(8,634)</u>	<u>(9,968)</u>

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the 52 weeks ended 1 May 2016

19. SHARE CAPITAL

	1 May 2016 £000	3 May 2015 £000
Shares classified as equity		
Allotted, called up and fully paid		
1,165,006,769 (2015 -1,165,006,800) Ordinary shares of £0.0001 each	117	117

20. RESERVES

Share premium

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.

21. 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.

22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At the balance sheet date, the directors consider the immediate parent undertaking and immediate controlling party of Greene King Pubs 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.

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the 52 weeks ended 1 May 2016

23. FIRST TIME ADOPTION OF FRS 101

For all periods up to and including the year ended 3 May 2015, the company prepared its financial statements in accordance with previously extant United Kingdom Generally Accepted Accounting Practice ('UK GAAP'). These financial statements, for the period ended 1 May 2016, are the first the company has prepared in accordance with FRS 101.

Accordingly, the company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 1 January 2015 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the company has started from an opening balance sheet as at 5 May 2014, the company's date of transition to FRS 101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101. As such, this note explains the principal adjustments made by the company in restating its balance sheet as at 4 May 2014 prepared under previously extant UK GAAP and its previously published UK GAAP financial statements for the 52 weeks ended 3 May 2015.

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the 52 weeks ended 1 May 2016

23. FIRST TIME ADOPTION OF FRS 101 (CONTINUED)

		As previously stated 4 May 2014 £000	Effect of transition 4 May 2014 £000	FRS 101 (as restated) 4 May 2014 £000	As previously stated 3 May 2015 £000	Effect of transition 3 May 2015 £000	FRS 101 (as restated) 3 May 2015 £000
	Explanation						
Fixed assets	1	1,927,530	2,676	1,930,206	1,862,599	88,694	1,951,293
Current assets		236,511	-	236,511	352,854	-	352,854
Creditors: amounts falling due within one year		(589,978)	-	(589,978)	(865,452)	-	(865,452)
NET CURRENT LIABILITIES		(353,467)	-	(353,467)	(512,598)	-	(512,598)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,574,063	2,676	1,576,739	1,350,001	88,694	1,438,695
Provisions for liabilities	2	(83)	-	(83)	(368)	(9,600)	(9,968)
NET ASSETS		1,573,980	2,676	1,576,656	1,349,633	79,094	1,428,727
Capital and reserves	1,2	1,573,980	2,676	1,576,656	1,349,633	79,094	1,428,727

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the 52 weeks ended 1 May 2016

23. FIRST TIME ADOPTION OF FRS 101 (CONTINUED)

		As previously stated 3 May 2015 £000	Effect of transition 3 May 2015 £000	FRS 101 (as restated) 3 May 2015 £000
	Explanation			
Turnover		31,971	-	31,971
		31,971	-	31,971
Administrative expenses	1	5,298	723	6,021
Other operating income	1	-	85,296	85,296
OPERATING PROFIT		37,269	86,019	123,288
Interest receivable and similar income		3,941	-	3,941
Interest payable and similar charges		(9,609)	-	(9,609)
Taxation	2	(5,948)	(9,600)	(15,548)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE FINANCIAL PERIOD		25,653	76,419	102,072

Explanation of changes to previously reported profit and equity:

- 1 On transition to FRS 101, the company has adopted IAS 40 Investment Property in respect of its freehold land and buildings and has elected to hold the assets under the fair value model. As a consequence accumulated depreciation of £2,676,000 at 4 May 2014 (2015: £3,398,000) has been transferred to equity in accordance with the provisions of IAS 40. The fair value of the property was also increased by £85,296,000 following a valuation in May 2016.
- 2 As IFRS defines deferred tax in relation to temporary differences between carrying values and their related tax bases, rather than timing differences in the income statement, adjustments are required to recognise items for which no deferred tax was recognised under UK GAAP. As such, a deferred tax liability of £9,600,000 (2014: £nil) in relation to rolled over gains and property revaluation has been recognised.