

CK Steel (UK) Limited

**Annual report and financial statements
for the year ended 31 December 2022**

Registered number: 11398252

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Strategic report

For the year ended 31 December 2022

The directors present their Annual Report on the affairs of the company, together with the financial statements and independent auditor's report, for the year ended 31 December 2022. The accounts are presented under financial reporting standard 102 (FRS 102) issued by the Financial Reporting Council.

Principal activity

CK Steel (UK) Limited ("the company") is a wholly-owned subsidiary of CKA Holdings UK Limited. The principal activity of the company is that of an investment holding company.

Financial and operational review

The results and financial position of the company for the year ended 31 December 2022 are set out in the financial statements. As shown in the profit and loss account the company received dividend income of £8,480,000 for the year ended 31 December 2022 (2021 - £224,000,000). The net finance charge for the year ended 31 December 2022 includes a finance charge of £51,129,000 (2021 - £78,642,000) relating to unsecured loans from a fellow group company. On 11 March 2022, the company disposed of its entire interest in the shares of Bluebutton HoldCo 5 Broadgate (Jersey) Limited to Broadgate Five Holdings (Jersey) Limited for a consideration of £729,238,000 and a gain on disposal of £11,084,000. As a result of the reduced dividend income offset by the gain on disposal and reduction in net finance charge the company made a loss of £30,267,000 in the year (2021 – profit of £157,937,000).

The balance sheet shows the company's net asset position at the year-end of £2,459,495,000 (2021 - £1,841,362,000) the increase being the result of investments made in a year, partial loan repayment and a receipt of the amounts owned by group undertakings.

The company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of CK Asset Holdings Limited is discussed in that company's Annual Report which does not form part of this report.

Dividends

The directors do not recommend payment of a final dividend (2021 – nil). The directors declared an interim dividend of £92,600,000 (2021 – nil). No dividend has been declared or paid after the year end.

Disposals, acquisitions and issuance of shares

On 11 March 2022, the company disposed of its entire interest in the shares of Bluebutton HoldCo 5 Broadgate (Jersey) Limited to Broadgate Five Holdings (Jersey) Limited for a consideration of £729,238,000 and a gain on disposal of £11,084,000.

On 31 October 2022, the company subscribed for 200 shares with par value of £1 each in CK Noble (Jersey) Limited for a total subscription price of £915,000,000.

On 31 October 2022, the company issued 1,000 shares with par value of £1 each to CKA Holdings UK Limited for consideration of £741,000,000.

Strategic report (continued)

For the year ended 31 December 2022

Principal risks and uncertainties and financial risk management objectives and policies

The company holds investments in the pub retail and brewery industry. As such, the fundamental underlying risks for this company comprise those of the pub retail and brewery industry as discussed below.

The company generated returns to shareholders through long-term investment decisions requiring the evaluation of opportunities arising in the following areas:

- product portfolio and pricing to meet consumer tastes and habits, as well as market activity and competitor pricing;
- changes in economic uncertainty, high inflation and cost pressures from COVID-19, Brexit and National Living Wage/National Minimum Wage;
- reliance on key suppliers and third party distributors to supply goods, in particular food and drink;
- recruitment, retention and development of employees, particularly in the pub retail and brewery industry;
- compliance with health and safety, food safety and employment legislation;
- identification and execution of investment and development strategies which are value enhancing;
- availability of financing or refinancing at an acceptable cost;
- legislative changes, including planning consents and taxation;
- environmental and health and safety policies.

The company's activities also expose it to a number of financial risks, including credit risk and liquidity risk. The company is primarily financed by debt and equity, with liquidity risk managed through intergroup assets and liabilities. Credit risk is managed through the assessment of recoverability of balances. All intercompany balances are deemed recoverable. The recovery of the investments held in the balance sheet is a risk but based on the underlying cash flow forecasts the directors deem this risk to be low.

Going concern

The company's business activities, performance and position together with its principal risks and uncertainties likely to affect its future development and performance are set out in the Strategic report. As the balance sheet is showing net current liabilities position of £10,024k (2021 – net current assets £422,881k), the company is reliant on support from a wider group to remain a going concern. CKA Holdings UK Limited, a parent company, has confirmed that it will provide sufficient financial assistance to the company, as and when it is needed, to enable the company to continue its operations and fulfil its financial obligations now and in the future. The company is also projected to make losses in the short-term but expects to return to generating profits in the medium term once dividend distributions from its investments resume. The directors have made enquiries and reviewed the forecasts and have a reasonable expectation that the company has adequate resources and support from a wider group to continue operations for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.

Strategic report (continued)

For the year ended 31 December 2022

S.172 Statement

Section 172 of the Companies Act 2006 requires that a director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefits of its members as a whole, and in doing so have regard to the following factors:

- a. The likely consequences of any decision in the long term
- b. The interests of the company's employees
- c. The need to foster the company's business relationships with suppliers, customers and others
- d. The impact of the company's operations on the community and environment
- e. The desirability of the company maintaining a reputation of high standards for business conduct
- f. The need to act fairly between members of the company.

The board of directors have agreed to the factors set out above when discharging our section 172 duties along with any other relevant factors. We acknowledge that not every decision will have a positive outcome for all our stakeholders. We do however consider the company's strategic priorities and values and believe we have a decision-making process in place to enable us to make consistent and predictable decisions.

As a company we believe that we are trusted by our stakeholders and have a good reputation for high standards of professionalism within the business we conduct. As part of this, the Board has oversight of and actively monitors the strong control environment managed by senior management to ensure a high standard of business conduct is met and the reputation of the company is maintained.

The Company is a holding company and therefore has no customers, suppliers or employees.

Climate Reporting

Given the company does not trade and therefore consumes less than 40,000 KWH of energy per annum, it is exempt from reporting any disclosures under the Government Streamlined Energy and Carbon reporting regulations (SECR).

Approved by the Board of Directors.

Signed on behalf of the Board.



Kong Ting Chow,
Director

19 July 2023

Directors' report

For the year ended 31 December 2022

The directors present their Annual Report for the affairs of CK Steel (UK) Limited, together with the financial statements and auditor's report for the year ended 31 December 2022. The principal activity, business strategy, financial and operational review, dividends, outlook, principal risks and uncertainties and going concern are presented in the Strategic report on pages 1, 2 and 3.

Directors

The directors who served during the year and up to the date of this report were as follows:

Kong Ting Chow
Sun Keung Chung
Edmond Wai Leung Ho
Gerald Lai Chee Ma
Jonathan Theodore Miller
Eirene Yeung

Auditor

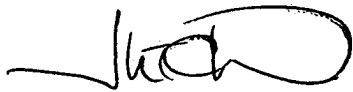
Each of the directors at the date of approval of this report confirms that:

- 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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006. Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Approved by the Board of Directors.

Signed on behalf of the Board.



Kong Ting Chow
Director
19 July 2023
3 More London Riverside, London, SE1 2AQ

Directors' responsibilities statement

For the year ended 31 December 2022

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 judgements 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; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent auditor's report to the members of CK Steel (UK) Limited
For the year ended 31 December 2022

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of CK Steel (UK) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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.

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 Financial Reporting Council's (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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Independent auditor's report to the members of CK Steel (UK) Limited (continued)

For the year ended 31 December 2022

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report to the members of CK Steel (UK) Limited (continued)

For the year ended 31 December 2022

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Independent auditor's report to the members of CK Steel (UK) Limited (continued)
For the year ended 31 December 2022

Report on other legal and regulatory requirements

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.



Anthony Matthews FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

19 July 2023

Profit and loss account
For the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Dividend income		8,480	224,000
Other income		2	12
Administrative expenses		(21)	(100)
Operating profit		8,461	223,912
Gain on disposal of an investment	2	11,084	-
Finance charges (net)	1	(51,072)	(67,961)
(Loss)/profit before taxation	2	(31,527)	155,951
Tax on (loss)/profit	3	1,260	1,986
(Loss)/profit for the financial year		(30,267)	157,937

All results are from continuing operations.

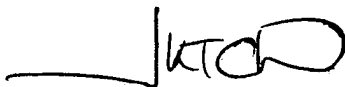
The accompanying notes are an integral part of this profit and loss account.

There are no recognised gains or losses other than those shown above and consequently no separate statement of comprehensive income is presented.

Balance sheet
As at 31 December 2022

	Notes	2022 £'000	2021 £'000
Non-current assets			
Investments	5	3,569,519	3,368,481
		<u>3,569,519</u>	<u>3,368,481</u>
Current assets			
Debtors - due within one year	6	2,342	428,143
Cash at bank and in hand		106	17,452
		<u>2,448</u>	<u>445,595</u>
Creditors: Amounts falling due within one year	7	<u>(12,472)</u>	<u>(22,714)</u>
Net current (liabilities)/assets		<u>(10,024)</u>	<u>422,881</u>
Total assets less current liabilities		3,559,495	3,791,362
Creditors: Amounts falling due after more than one year	8	<u>(1,100,000)</u>	<u>(1,950,000)</u>
Total net assets		<u>2,459,495</u>	<u>1,841,362</u>
Capital and reserves			
Called up share capital	9	3	2
Share premium	9	2,463,516	1,722,517
Profit and loss account		<u>(4,024)</u>	<u>118,843</u>
Total shareholder's funds		<u>2,459,495</u>	<u>1,841,362</u>

The financial statements of CK Steel (UK) Limited (11398252) were approved by the Board of Directors and authorised for issue on 19 July 2023. They were signed on its behalf by:



Kong Ting Chow
Director
19 July 2023

Statement of changes in equity
For the year ended 31 December 2022

	Notes	Called up share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
Balance as at 1 January 2021		1	1,704,518	(39,094)	1,665,425
Shares issued during the year	9	1	17,999	-	18,000
Profit for the year		-	-	157,937	157,937
Balance as at 31 December 2021		2	1,722,517	118,843	1,841,362
Shares issued during the year	9	1	740,999	-	741,000
Loss for the year		-	-	(30,267)	(30,267)
Dividends declared on equity shares	4	-	-	(92,600)	(92,600)
Balance as at 31 December 2022		3	2,463,516	(4,024)	2,459,495

Statement of accounting policies

For the year ended 31 December 2022

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the prior year.

General information and basis of accounting

CK Steel (UK) Limited (the company) is a company incorporated in the United Kingdom under the Companies Act 2006. The company is a private company limited by shares and is registered in England and Wales. The address of the company's registered office is 3 More London Riverside, London, SE1 2AQ, United Kingdom.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

The company is exempt from the requirement of FRS 102 (Section 7) to present a cash flow statement, certain financial instrument disclosures, and key management personnel disclosures, as it is an indirect wholly owned subsidiary of CK Asset Holdings Limited, which prepares consolidated financial statements which are publicly available. The company is not required to prepare group financial statements as it is an indirect wholly owned subsidiary of CK Asset Holdings Limited which prepares consolidated financial statements which are publicly available.

Going concern

The company's business activities, performance and position together with its principal risks and uncertainties likely to affect its future development and performance are set out in the Strategic report. As the balance sheet is showing net current liabilities position of £10,024k (2021 – net current assets £422,881k), the company is reliant on support from a wider group to remain a going concern. CKA Holdings UK Limited, a parent company, has confirmed that it will provide sufficient financial assistance to the company, as and when it is needed, to enable the company to continue its operations and fulfil its financial obligations now and in the future. The company is also projected to make losses in the short-term but expects to return to generating profits in the medium term once dividend distributions from its investments resume. The directors have made enquiries and reviewed the forecasts and have a reasonable expectation that the company has adequate resources and support from a wider group to continue operations for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.

Investments

Investments are shown at cost less provision for impairment. Impairment is calculated by comparing the carrying value with the recoverable amount of the investment.

Gain on sale of investment is recognised in the profit and loss account at the fair value of the consideration received less carrying amount of the investment and professional fees incurred in relation to the sale.

Statement of accounting policies (continued)

For the year ended 31 December 2022

Net financing income

Interest income is recognised on an accrual basis less any payments received and paid within the reporting period, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at the effective interest rate applicable on the carrying amount.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Dividend income

Dividend income from subsidiaries is recognised on receipt of the dividend.

Other income

Other income is recognised at the fair value of the consideration receivable in respect of services provided during the year.

Reserves

The profit and loss reserve represents cumulative profits or losses and net of dividends paid.

Statement of accounting policies (continued)

For the year ended 31 December 2022

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

There are no critical accounting judgements.

Significant accounting estimates

The area of estimation that has a significant risk of resulting in material adjustment to carrying amounts of assets and liabilities is detailed below:

Impairment of investment

FRS 102 Section 27 requires an assessment at each reporting date of whether there is any indication that an asset within its scope may be impaired.

Impairment testing requires management to assess whether the carrying value of investments can be supported by the net present value of future cash flows that they generate. Calculating the net present value of the future cash flows requires estimates to be made in respect of forecasted cash flows, long-term growth rate, and the adoption of a suitable discount rate. Changes to the forecasted cash flows, long-term growth rate or discount rate used, could affect the overall value of investments held at the balance sheet date.

Notes to the financial statement
For the year ended 31 December 2022

1 Finance charges (net)

	2022	2021
	£'000	£'000
Interest payable and similar expenses:		
Unsecured loan by a fellow group company	(51,129)	(78,642)
	<hr/>	<hr/>
	(51,129)	(78,642)
Interest receivable and similar income:		
Interest on cash and cash equivalents	57	18
Unsecured loan to a fellow group company	-	10,663
	<hr/>	<hr/>
	57	10,681
	<hr/>	<hr/>
	(51,072)	(67,961)
	<hr/> <hr/>	<hr/> <hr/>

2 Loss before taxation

The directors did not receive any remuneration in relation to their services to the company during the current or prior years. The fees payable to the company's auditor was £9,000 (2021 - £5,000) for the financial statements audit and Nil (2021- Nil) for non-audit tax compliance services. There are no employees other than the directors.

During the year the company received dividend income from its subsidiaries undertaking Bluebutton HoldCo 5 Broadgate (Jersey) Limited of £8,480,000 (2021 - £224,000,000).

On 11 March 2022, the company disposed of its entire interest in the shares of Bluebutton HoldCo 5 Broadgate (Jersey) Limited to Broadgate Five Holdings (Jersey) Limited for a consideration of £729,238k less carrying amount of the investment of £713,962k and less the professional fees incurred in relation to the sale of £4,192k. The gain on disposal recognised in the profit and loss account is £11,084k.

3 Tax on (loss)/profit

The tax charge/(credit) comprises:

	2022	2021
	£'000	£'000
Current tax		
UK corporation tax	(1,260)	(1,986)
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Notes to the financial statement (continued)

For the year ended 31 December 2022

3 Tax on (loss)/profit (continued)

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the (loss)/profit before tax are as follows:

(Loss)/profit before taxation	(31,527)	155,951
	<hr/>	<hr/>
Tax on (loss)/profit at standard UK corporation tax rate of 19% (2021 – 19%)	(5,990)	29,631
Effects of:		
Income not taxable	(3,717)	(42,560)
Losses not recognised	-	12,929
Expenses not deductible for tax purposes	(1)	-
Restricted interest	7,469	-
Taxable capital gain	2,071	-
Recognition of previously unrecognised tax losses	(1,092)	(1,986)
	<hr/>	<hr/>
Tax charge/(credit) for the year	(1,260)	(1,986)
	<hr/>	<hr/>

The company earns its profits in the UK. Therefore, the tax rate used for tax on profit is the standard rate for UK corporation tax, currently 19%. The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate has been substantively enacted at the balance sheet date, as result deferred tax balances as at 31 December 2022 is measured at 25%.

A deferred tax asset has not been recognised on the basis that future profits cannot be determined with appropriate certainty.

As at 31 December 2022, the company has unrecognised tax losses of £119,815,000 (2021: £125,561,000) to carry forward against future taxable income. These tax losses have no expiry date.

Notes to the financial statement (continued)
For the year ended 31 December 2022

4 Dividends declared on equity shares

	2022 £'000	2021 £'000
Equity shares		
- interim dividend declared of approximately £30,867 (2021 – £0) per ordinary share	92,600	-

5 Investments

	2022 £'000	2021 £'000
Subsidiary (cost and net book value)	3,569,519	3,368,481

Analysis of subsidiaries

	£'000
As at 31 December 2021 (cost and net book value)	3,368,481
Additions	915,000
Disposals	(713,962)
31 December 2022	3,569,519

On 11 March 2022, the company disposed of its entire interest in the shares of Bluebutton HoldCo 5 Broadgate (Jersey) Limited to Broadgate Five Holdings (Jersey) Limited for a consideration of £729,238k less carrying amount of the investment of £713,962k and less the professional fees incurred in relation to the sale of £4,192k. The gain on disposal recognised in the profit and loss account is £11,084k.

On 31 October 2022, the company subscribed for 200 shares with par value of £1 each in CK Noble (Jersey) Limited for a total subscription price of £915,000,000.

Notes to the financial statement (continued)

For the year ended 31 December 2022

5 Investments (continued)

CK Steel (UK) Limited is the holding company of the following group:

Name of entity	Registered address	Principal activities	Ownership interest held by the company 2022 %
CK Noble (Jersey) limited	22 Grenville Street, St Helier, Jersey, JE4 8PX	Holding company	100%
CK Noble (UK) limited	3 More London Riverside, London, SE1 2AQ	Holding company	100%
Greene King Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
Gie Us Peece Limited	Belhaven Brewery, Brewery Lane, Dunbar, East Lothian EH42 1PE	Holding company	100%
Greene King CH Investments Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Property	100%
Greene King Commercial Investments Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Property	100%
Greene King Developments Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Financing	100%
Greene King GP Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Dormant	100%
Greene King Investments Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
Greene King Pension Scheme Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Pension trustee	100%
Greene King Properties Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Property	100%
Greene King Property Development Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Property	100%
Greene King Pubs Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
Greene King Residential Investments Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Property	100%
Greene King Retailing Parent Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
Johoco 2029 Limited	Suites G & H, Ground Floor Steam Mill, Steam Mill Street, Chester, Cheshire, CH3 5AN	Holding company	100%
Norman Limited	Hambro House, St Julian's Avenue, St Peter Port, Guernsey, GY1 3AE	Holding company	100%

Notes to the financial statement (continued)

For the year ended 31 December 2022

5 Investments (continued)

Name of entity	Registered address	Principal activities	Ownership interest held by the company 2022 %
Project Spirit Property 1 Limited	First Names House, Victoria Road, Douglas, Isle of Man IM2 4DF	Non-trading	100%
Project Spirit Property 2 Limited	First Names House, Victoria Road, Douglas, Isle of Man IM2 4DF	Non-trading	100%
Project Spirit Property 3 Limited	First Names House, Victoria Road, Douglas, Isle of Man IM2 4DF	Non-trading	100%
Spirit Pub Company Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
The Capital Pub Company Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Financing	100%
Allied Kunick Entertainments Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Non-trading	100%
Ashes Investment LP	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Financing	100%
Bar Lounge Limited	Suites G & H, Ground Floor Steam Mill, Steam Mill Street, Chester, Cheshire, CH3 5AN	Retailing	100%
Belhaven Brewery Company Limited	Belhaven Brewery, Brewery Lane, Dunbar, East Lothian EH42 1PE	Financing	100%
Belhaven Pubs Limited	Belhaven Brewery, Brewery Lane, Dunbar, East Lothian EH42 1PE	Holding company	100%
Cleveland Place Holdings Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
CPH Palladium Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
Dearg Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
Freshwild Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
G.K. Holdings No.1 Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
Greene King Acquisitions No.2 Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
Greene King Brewing and Retailing Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Brewing and retailing	100%

20 CK Steel (UK) Limited

Notes to the financial statement (continued)

For the year ended 31 December 2022

5 Investments (continued)

Name of entity	Registered address	Principal activities	Ownership interest held by the company 2022 %
Greene King Leasing No.1 Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
Greene King Leasing No.2 Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Financing	100%
Greene King Neighbourhood Estate Pubs Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Financing	100%
Greene King Retail Services Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Employment	100%
Greene King Retailing Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Pub retailing	100%
Greene King Services Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Employment	100%
Hardys & Hansons Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Non-trading	100%
Hickory's (ROS) Limited	Suites G & H, Ground Floor Steam Mill, Steam Mill Street, Chester, Cheshire, CH3 5AN	Retailing	100%
Hickory's Smokehouse Limited	Suites G & H, Ground Floor Steam Mill, Steam Mill Street, Chester, Cheshire, CH3 5AN	Dormant	100%
Hickory's (West Kirby) Limited	Suites G & H, Ground Floor Steam Mill, Steam Mill Street, Chester, Cheshire, CH3 5AN	Dormant	100%
Huggins and Company Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Financing	100%
Jeely Peece Limited	Belhaven Brewery, Brewery Lane, Dunbar, East Lothian, EH42 1PE	Holding company	100%
LFR Group Limited	Belhaven Brewery, Brewery Lane, Dunbar, East Lothian, EH42 1PE	Dormant	100%
Mountloop Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Financing	100%
Namain	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
Old English Inns Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Financing	100%

21 CK Steel (UK) Limited

Notes to the financial statement (continued)

For the year ended 31 December 2022

5 Investments (continued)

Name of entity	Registered address	Principal activities	Ownership interest held by the company 2022 %
Premium Dining Restaurants and Pubs Limited	Belhaven Brewery, Brewery Lane, Dunbar, East Lothian EH42 1PE	Retailing	100%
R.V. Goodhew Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Financing	100%
Realpubs Developments Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Financing	100%
Realpubs II Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Financing	100%
Sapphire Food South West No.2 Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Dormant	100%
Serkin Limited	Belhaven Brewery, Brewery Lane, Dunbar, East Lothian EH42 1PE	Retailing	100%
Spirit (AKE Holdings) Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
Spirit (Faith) Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Financing	100%
Spirit (Legacy) Pension Trustee Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Pension trustee	100%
Spirit (SGL) Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
Spirit Financial Holdings Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
Spirit Finco Limited	PO Box 309, Ugland House, Grand Cayman, KY1-1004	Financing	100%
Spirit Funding Limited	PO Box 309, Ugland House, Grand Cayman, KY1-1004	Financing	100%
Spirit Group Equity Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
Spirit Group Holdings Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
Spirit Group Parent Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
Spirit Group Retail (Northampton) Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Financing	100%

Notes to the financial statement (continued)

For the year ended 31 December 2022

5 Investments (continued)

Name of entity	Registered address	Principal activities	Ownership interest held by the company 2022 %
Spirit Group Retail Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
Spirit Intermediate Holdings Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
Spirit Managed Funding Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Financing	100%
Spirit Managed Holdings Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
Spirit Managed Inns Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Financing	100%
Spirit Parent Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
Spirit Pub Company (Derwent) Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Financing	100%
Spirit Pub Company (Holdco) Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
Spirit Pub Company (Investments) Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Financing	100%
Spirit Pub Company (Leased) Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Leasing of public houses	100%
Spirit Pub Company (Managed) Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Pub retailing	100%
Spirit Pub Company (Services) Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Intercompany recharging vehicle	100%
Spirit Pub Company (SGE) Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
Spirit Pub Company (Supply) Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Intercompany recharging vehicle	100%
Spirit Pub Company (Trent) Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Pub retailing	100%
Spirit Pubs Debenture Holdings Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%

Notes to the financial statement (continued)

For the year ended 31 December 2022

5 Investments (continued)

Name of entity	Registered address	Principal activities	Ownership interest held by the company 2022 %
Spirit Pubs Parent Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
Spirit Retail Bidco Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
The Chef & Brewer Group Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Holding company	100%
Tom Cobleigh Limited	Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT	Financing	100%
Ubiquitous Chip Ltd	Belhaven Brewery, Brewery Lane, Dunbar, East Lothian EH42 1PE	Retailing	100%
Upstairs at the Grill Limited	Suites G & H, Ground Floor Steam Mill, Steam Mill Street, Chester, Cheshire, CH3 5AN	Dormant	100%
Greene King Finance plc	8th Floor 100 Bishopsgate, London, United Kingdom, EC2N 4AG	Financing	100%
Greene King Finance Parent Limited	8th Floor 100 Bishopsgate, London, United Kingdom, EC2N 4AG	Holding company	100%
Oak Swap Limited	Third Floor 1, King's Arms Yard, London, EC2R 7AF	Dormant	100%
Spirit Issuer plc	Third Floor 1, King's Arms Yard, London, EC2R 7AF	Financing	100%
Spirit Issuer Parent Limited	Third Floor 1, King's Arms Yard, London, EC2R 7AF	Holding company	100%

Notes to the financial statement (continued)

For the year ended 31 December 2022

6 Debtors

	2022	2021
	£'000	£'000
Amounts falling due within one year:		
Amounts owed by group undertakings	1,120	428,141
VAT recoverable	-	2
Income tax recoverable	1,222	-
	<hr/>	<hr/>
	2,342	428,143
	<hr/>	<hr/>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

7 Creditors: amounts falling due within one year

	2022	2021
	£'000	£'000
Interest owed to group undertaking	11,839	19,573
Amounts owed to group undertakings	600	3,059
Accruals and trade payables	33	82
	<hr/>	<hr/>
	12,472	22,714
	<hr/>	<hr/>

Interest owed to the immediate parent undertaking is unsecured, interest free and repayable within one month.

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

8 Creditors: amounts due after more than one year

	2022	2021
	£'000	£'000
CKA Holdings UK Limited 14 June 2018 loan	-	850,000
CKA Holdings UK Limited 11 November 2019 loan	1,100,000	1,100,000
	<hr/>	<hr/>
	1,100,000	1,950,000
	<hr/>	<hr/>

Notes to the financial statement (continued)

For the year ended 31 December 2022

8 Creditors: amounts falling due after more than one year (continued)

The unsecured loan of £850,000,000 was issued on 14 June 2018 by CKA Holdings UK Limited with rate of interest of 3.61% per annum with a final repayment date falling 7 years after the first drawdown date, which was 14 June 2018. The interest is treated as a finance charge and is charged to the profit and loss account over the term of the loan. The company paid £420M to CKA Holdings UK Limited in December 2021 and recognised this as an amount owed by a group company. This amount was used to partially repay the £850M loan from CKA Holdings UK Limited in January 2022. The remaining £430M of this loan facility was repaid in March 2022. As such, this loan was repaid in full during the 1st quarter of 2022.

The second unsecured loan of £1,100,000,000 was issued on 11 November 2019 by CKA Holdings UK Limited with rate of interest of 4.27% per annum with a final repayment date falling 10 years after the first drawdown date, which was 11 November 2019. The interest is treated as a finance charge and is charged to the profit and loss account over the term of the loan.

9 Called up share capital and share premium

	Called up share capital £'000	Share premium account £'000
Called up share capital		
<i>Allotted, called-up and fully paid</i>		
At 1 January 2022: 2,000 ordinary £1 shares	2	1,722,517
1,000 ordinary £1 shares	1	740,999
	<hr/>	<hr/>
At 31 December 2022: 3,000 ordinary £1 shares	3	2,463,516
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statement (continued)

For the year ended 31 December 2022

10 Related party transactions

The company is an indirect wholly owned subsidiary of CK Asset Holdings Limited and utilises the exemption contained in FRS 102 section 33 2.2, "Related Party Disclosures", not to disclose any transactions with entities that are a wholly owned part of the group.

11 Ultimate controlling party

CKA Holdings UK Limited is the immediate parent company at the balance sheet date.

CK Asset Holdings Limited is the ultimate parent company, a company listed on The Stock Exchange of Hong Kong Limited and incorporated in the Cayman Islands. The address of the registered office is PO Box 309, Umland House, Grand Cayman, KY1-1104, Cayman Islands. The group financial statements of CK Asset Holdings Limited, which is both the largest and smallest group into which the financial results of the company are consolidated, can be obtained from 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.