Registered No.
03321199

Punch Partnerships (PML) Limited

Report and Financial Statements

14 August 2022

Punch Partnerships (PML) Limited
Period ended 14 August 2022

COMPANY INFORMATION

DIRECTORS

E Bashforth		
S Dando		
S Allen	Resigned:	16 December 2021

SECRETARY

F Appleby	Resigned:	22 August 2022

AUDITOR
Cooper Parry Group Limited
Sky View
Argosy Road
East Midlands Airport
Derby
DE74 2SA

BANKERS
Barclays Bank plc
One Snowhill
Snow Hill Queensway
Birmingham
B3 2WN

REGISTERED OFFICE
Jubilee House
Second Avenue
Burton upon Trent
Staffordshire
DE14 2WF

STRATEGIC REPORT

Registered No. 03321199

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is the leasing of public houses to independent publicans and the wholesale supply of drink products.

Operations are managed at a group level, at CF Cooper Holdings Limited.

Sales have recovered well since reopening of pubs in 2021 following the national lockdowns implemented in response to the COVID-19 pandemic. Trade in the year was however negatively impacted by rising COVID-19 cases during December 2021 and the introduction of the Government's 'Plan B' restrictions which had a negative impact on the Company's Christmas trading period. Notwithstanding the challenging operating environment, we believe we delivered a solid financial performance and the underlying liquidity position of the Company remains healthy.

KEY PERFORMANCE INDICATORS

EBITDA
The underlying earnings before interest, tax, depreciation and amortisation for the 52 week period ended 14 August 2022 is £69,018,000 (52 week period ended 15 August 2021: £38,127,000) calculated as follows:

	2022	**2021**
Underling operating profit	£60,741,000	£30,766,000
Depreciation	£8,277,000	£7,361,000
EBITDA	**£69,018,000**	**£38,127,000**

Profit before tax
The underlying profit before tax for the 52 week period ended 14 August 2022 is £21,447,000 (loss before tax for the 52 week period ended 15 August 2021: £1,936,000).

Net debt
The net debt excluding any deferred issue costs at 14 August 2022 was £583,356,000 (15 August 2021: £581,572,000) calculated as follows:

	2022	**2021**
Secured loans	£589,338,000	£589,338,000
Cash	£(5,982,000)	£(12,834,000)
Net debt	**£583,356,000**	**£576,504,000**

RESULTS AND DIVIDENDS

The profit after taxation for the 52 week period amounted to £1,811,000 (52 week period ended 15 August 2021: loss after taxation of £33,139,000). During the period, the company made a distribution in specie of £nil (2021: £62,255,000). The directors do not propose the payment of a final dividend (2021: £nil).

SECTION 172 STATEMENT
Under section 172 of the Companies Act the directors of the company have a duty to promote the success of the company for the benefit of shareholders as a whole. 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 acted in a way they consider, 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 have 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 as between members of the company.

STRATEGIC REPORT

Stakeholders

The directors believe it is important to work together with stakeholders, building positive relationships in order to deliver long-term sustainable success. As the company is a wholly owned subsidiary of the Punch Pubs & Co. Group Limited Group's ("the Group") the company's key stakeholders are largely the same as those of Punch Pubs & Co. Group Limited. Decisions affecting the company are based on group, strategy, filtered down from the group. The Group's key stakeholders are as follows:

Shareholders: There is close engagement between the Group board, key management personnel and investors to deliver the strategic objectives of the Group as referred to in the Strategic Report and maximise its shareholders' returns.

Employees: The Group is committed to regular, two way communications between the board and employees, with strong structures and channels in place for consultation and feedback. The leadership team deliver regular business briefs to employees on the Group's performance and also hold regular, two-way consultation sessions with employees.

We know that a huge part of what makes our business such a great place to work is our inclusive culture and environment, where all of our people can truly be themselves, whilst realising their full potential. This means that all employees and applicants are treated equally, regardless of their age, disability, race, religion or belief, gender, sexual orientation, marital or civil partnership status.

The Group is an equal opportunities employer, committed to providing equal opportunities in recruitment, promotion, career development, training and reward to all employees without discrimination. The Group gives full consideration to applications for employment from disabled persons, where the requirements of the job can be adequately fulfilled by such persons. Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions.

Publicans: The Group operates as a population of over 1,200 individual pub businesses, creating exciting possibilities through the pub-by-pub approach, with publicans at the heart of everything we do, using our scale for the benefit of each of our pubs, publicans and their guests.

Debt holders: The Group is largely financed through a secured loan and revolving credit facility. Debt providers receive quarterly reporting updates on the relevant security group.

Suppliers: The Group seeks to maintain strong, long term, relationships with key suppliers to ensure high quality and service levels are sustained. Senior members of the management team regularly meet with key suppliers to ensure relationships are upheld. We require suppliers to adhere to relevant Group policies and complete a questionnaire and upload documents on; Ethical Trading, Modern Slavery and Anti Bribery.

It is the Group's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Group and its suppliers, provided that all trading terms and conditions have been complied with.

Regulators and government: The Group's policy is to conduct all of our business in an honest and ethical manner. The Group takes a zero tolerance approach to bribery and corruption and we are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate.

The legal and regulatory landscape is risk assessed as part of our risk management framework, and there is ongoing engagement with regulators through correspondence and regular meetings to discuss key issues that impact the Group.

The directors also review the Group's tax policy annually.

At board meetings the directors address compliance by the Group with its governance codes and reinforces the board's requirements that its business be conducted to all due ethical standards and with integrity. Appropriate regulation is considered in all board decision making and regulatory policies adapted if required to ensure best practice.

Community: The Group is committed to managing the wider social, environmental and economic impacts of its operations, including with regard to responsible drinking, ethical behaviour, corporate social responsibility and acting in an environmentally friendly manner.

We are committed to making a positive contribution to the communities within which we operate, including the payment of taxes, reducing our environmental impact and creating employment opportunities.

STRATEGIC REPORT

Corporate social responsibility

Our Corporate Social Responsibility ("CSR") strategy, underpinned by our Doing Well, By Doing Good programme, seeks to involve our employees, Publicans and Management Partners in making our business and, in turn, their businesses, more ethical and environmentally friendly.

We're in the process of finalising that strategy – Our Punch Promise - that will contribute to the world's global action plan – the UN Sustainable Development Goals.

These goals form the foundation of our strategy, as we want our 1,200 pubs to contribute to the world's goals, albeit at a local level.

The goals are the largest and best understood framework, adopted by more than 80% of leading businesses. Using the goals as a framework means that we're speaking the same language as Governments and the next generation of young people.

The latter being those who are visiting our pubs, joining our own workforce, and influencing the direction of our future as a modern and progressive pub company.

We've already identified the goals that are most relevant to our business and we're currently in the final stages of setting ambitious commitments and targets to tackle these.

The specific goals we've chosen are:

- Goal 3 – Good Health & Wellbeing
- Goal 7 – Affordable & Clean Energy
- Goal 8 – Decent Work & Economic Growth
- Goal 12 – Responsible Consumption & Production.

Environmental Impact:

Electric Adoption: Punch remains committed to the installation of a minimum of 10 electric charge points into the Punch estate (including Head Office) by the end of the year (2022) and ensuring that all new orders for company cars by the end of 2023 are for electric.

Environmental Responsibility: Punch is aware that our Scope 3 emissions are centred heavily around our Leased and Tenanted (L&T) estate and supply chain. We are working with our suppliers to ensure that both parties achieve overall Net Zero.

Supporting our L&T Estate: We are in the midst of a test trial to help our L&T Publicans reduce their Greenhouse Gas emissions and start their Net Zero journey. To achieve this, we have undertaken a trial with Zellar, an online platform that calculates each pub's Scope 1, 2 and 3 emissions. The platform provides helpful advice and community support for business owners.

Zero Waste to Landfill: Punch is committed to preventing 100% of waste ending up in landfill from both our Head Office and within our pubs by the end of 2028, faster if we can.

Waste Not: At Head Office, we have launched our Pineapple Parcels ensuring all unused, but already prepared, food is available to take home and enjoy, avoiding what would otherwise be wasted.

Carbon Footprint: Punch is in the process of creating a Roadmap to Net Zero, which will sit alongside our Sustainability Strategy. We will set out our reduction targets in Scopes 1, 2 and 3.

Energy Efficiency: Punch has undertaken bespoke energy audits across our L&T and Management Partnerships (MP) estate; highlighting areas of excessive energy usage and educating Publicans and Management Partners on areas of wasted energy. By adopting these small habits, each pub will be able to reduce their energy consumption by at least 10%. We have also been able to offer market competitive energy pricing to Publicans through our new PubSpark Energy scheme.

Smart Meters: All of our MP pubs are being upgraded with new metering and data functionality to provide half-hourly information by the end of 2023.

Energy Reduction Trial: We are undertaking a test trial in six of our MP pubs, installing submetering to highlight key areas of high energy consumption and to enable accurate assessment of suitable high impact changes that we may implement across the estate. Through a combination of behavioural change and capex investment, we are targeting a reduction of 30% in overall energy consumption.

STRATEGIC REPORT

Renewable Energy: We are reviewing proposals to install Photovoltaic Solar Panels to the roof of Head Office.

Sustainable Sourcing: We are creating a Supplier Charter for our Suppliers to sign to show their commitment to sustainability. The Charter will clearly set out the minimum standards that we expect.

Biodiversity: Punch will look to partner with a like-minded charity to support our SDG targets and help mitigate our residual greenhouse gas emissions through biodiversity projects within the local communities where our pubs are situated.

Social impact:
Doing Well, by Doing Good underpins all we do, and we are committed to ensuring that the social impact of our business is a positive one. The key principles we adhere to are promoting responsible retailing of alcohol, supporting good causes and local communities.

We are active supporters of Drinkaware and promote the messages of the Drinkaware campaign throughout our business and are signatories to the Portman Group Alcohol Sponsorship Code. We have a dedicated Risk Management team in place to ensure that our pubs operate responsibly and to the highest standards.

Responsible retailing forms a key part of our Publican training and we provide our Publicans via the Punch Buying Club (an industry-leading online ordering and information portal), with a wide range of downloadable educational tools, advice and pub friendly materials.

We are proud of our involvement in encouraging young people into the hospitality sector through the MEDaL (Meet, Eat, Drink and Learn) programme. We have also partnered with a local school in Burton on Trent to deliver employability skills training which supports the Gatsby benchmark that schools now have to evidence. We continue to support students as part of the Career Ready programme providing mentor support and the delivery of key workshops.

Meanwhile, we support Hospitality Rising, an advertising recruitment campaign to change the perception of working in hospitality for the better, backed by the Hospitality and Tourism Skills Board.

For the 11th year running we have donated to Pub is the Hub, initiated by HRH King Charles, which encourages rural pub owners, licensees and local communities to work together to support, retain and locate services within the pub. We also support PubAid, a working party dedicated to promoting pubs as a force for good in their local communities.

More recently, we have teamed up with Ask for Clive, a registered charity that works with venues and organisations to promote LGBTQ+ inclusion and provide welcome spaces.

We also work with People's Captain, a craft beer business who want to use the power and community of craft beer to shift attitudes towards mental health. The aim is to make a positive social impact by helping people build connections through community and discovery.

As well as our own commitment to charities, we also encourage all of our Publicans and Management Partners to consider the role their pub business can play in the local community. Many pubs have diversified, off the back of the pandemic, to provide a wider community service, through services such as hosting the post office or local shop as well as providing meeting spaces to local clubs and societies. Local pubs are also perfectly positioned to coordinate fundraising events for local sports teams, charities and community groups.

Work place:
Great Pubs and epic hospitality experiences would not be possible without awesome people. With responsibility for over 1,200 pubs, we rely on a highly skilled and varied team of experts who are passionate about our industry. We want to be the employer of choice in the pub business and as part of that, our culture is one of our most valuable assets. We like to think we are a friendly bunch as part of a helpful working environment, where everyone's included, feels motivated, engaged and valued.

When it comes to training and support, we look after our publicans, management partners, staff and suppliers as our guests. They are always given a warm welcome, lots of good cheer and nurtured throughout their journey with us. Our people can come together at our state-of-the-art facilities, including The Welcome Inn, The Academy and our best-in-class Product Development Kitchen. We're proud to have these amazing spaces, supporting all our people in the best possible environment.

We continue to refresh our development initiatives to keep our teams one step ahead. Grow Your Talent, our personal development programme, continues to help drive focus and development for our teams and this year we have provided access to e-learning modules for all our publicans and their teams with over 20,000 e-learning modules being completed focusing not only on technical skills but softer skills in areas such as supporting mental health and wellbeing.

STRATEGIC REPORT

PRINCIPAL RISKS AND UNCERTAINTIES

In the course of normal business, the company continually assesses significant risks, categorised based on impact and likelihood. The following risks, while not intended to be a comprehensive analysis, constitute (in the opinion of the board) the principal risks and uncertainties currently facing the Group.

Economic climate and market risk
The Company operates in the leisure industry which is sensitive to economic conditions and pressures on disposable income. As well as consumer spending considerations, the Company could be impacted by restrictions on labour availability.

The market is also enduring inflationary cost pressures relating to food prices, utility costs, and employment costs. These can impact the Company's business directly but also impact publican profitability.

In addition, changes in interest rates and other economic factors could lead to an increase in the Company's weighted average cost of capital (WACC), reduced revenues or increased costs, all of which could impact our profitability and could lead to impairment in the value of property and goodwill carried on the balance sheet.

Mitigating actions and controls
- We carry out regular reviews of the impact of economic conditions on our budget and strategic plans.
- We continue to monitor our publicans via a support tool, together with analysis to highlight potential failures, and our operations managers continue to advise our publicans as they grow and diversify their businesses.
- We are committed to developing an estate of well invested, high quality pubs.

Business continuity, crisis management and disaster recovery risk
There is a risk that unexpected events such as fires, floods and pandemics will affect the Company's ability to operate.

Mitigating actions and controls
- Mitigating actions will depend on the nature of the event, how much foresight the Company had of the event and the reaction of the government, business and the public.
- Comprehensive disaster-recovery plan, seeking to minimise the impact of any such incidents.

Supply chain disruption risk
There is a risk that we will be unable to supply our pubs with the right products, when they need them, at a competitive price. All of which are fundamental to the success of the Company. Inability to supply certain goods for sale or increased product prices would reduce profits.

Mitigating actions and controls
- We work closely with our suppliers and distribution partners, in order to maintain availability of products.
- Long-term relationships with suppliers allow savings to be made through the purchase of large volumes.
- We perform regular estate reviews to allow us to assess the future strategy for pubs within the estate. This has allowed us to invest where appropriate; consider possible alternative use; or dispose of those pubs which no longer fit our future strategy.

Health and safety risk
There is a risk relating to the health and safety of our customers and employees if correct processes are not followed in relation to food contamination, equipment failure and harmful surroundings. Ineffective health and safety practices could result in prosecution, closure of pubs and reputational damage.

Mitigating actions and controls
- Food hygiene audits are performed.
- Employees are provided with health and safety training.
- Pubs are provided with the necessary resources and support to ensure that safe working practices are maintained.

Technology, cyber security, data security risk
There is a risk of losing key information or disrupting the operation of the business through system failures, cyber-attacks and internal or external data breaches. Any prolonged or significant failure of these systems could pose a risk to trading, including loss of profits and reputational damage.

Mitigating actions and controls
- We seek to minimise risk by ensuring that there are technologies, policies and procedures to ensure protection of hardware, software and information, including a disaster-recovery plan, systems of backups and external hardware and software.
- We continually assess the risks posed by cyber threats and makes changes to its technologies, policies and procedures to mitigate identified risks.

STRATEGIC REPORT

Legal and regulatory risk
The industry is highly regulated and there is a risk that the Company does not comply with regulations or there are breaches of internal policies. Non-compliance could result in financial penalties, criminal prosecution and reputational damage.

The Pubs Code is currently undergoing a consultation and statutory review, the operation of the Pubs Code could have an impact upon our profitability, our operational strategy and the relationships with our publicans.

Other regulatory risks that could impact the Company's business include changes in the legislation governing the sale of alcohol, licensing, taxation such as VAT, business rates and duty on alcoholic drinks and areas of social responsibility.

Mitigating actions and controls
• We work closely with our publicans and the rest of the industry to address the key issues facing the pub sector.
• We ensure that our training covers all aspects of licensing requirements and have due diligence in place to confirm that our pubs meet relevant licensing legislation.
• We work closely with local Licensing Authorities, to ensure individual pub licensing requirements are met and any issues are highlighted as soon as possible.
• Continued update of knowledge on changing regulations through training, completion of qualifications and communication with third party specialists.

Liquidity and covenant risk
The Group has a risk of being unable to maintain cash flows to meet the needs of the business. With insufficient funding, the business may not be able to grow in line with plans.

Mitigating actions and controls
• Cash flow forecasts are regularly produced to assist management in identifying liquidity requirements and are stress-tested for possible scenarios.
• Cash balances are invested in short-term deposits such that they are readily available to settle short-term liabilities or fund capital additions.

People risks
Failure to recruit, train and retain successful publicans and high calibre employees for our support teams may impact on our ability to deliver our strategic plan.

Mitigating actions and controls
• We provide industry leading induction training and coaching programmes for our new publicans.
• We undertake succession planning at all levels to ensure we attract and retain high calibre people.
• We have a remuneration strategy to ensure our teams are paid fairly and competitively.

GOING CONCERN
The directors are satisfied that they have a reasonable expectation that the company has sufficient resources together with the ability to access additional liquidity when the company needs to withstand adjustments to the base forecast, as well as the downside scenarios and to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements, and therefore continue to adopt the going concern in their preparation.

On behalf of the board

S Dando
Director
05 December 2022

DIRECTORS' REPORT

Registered No. 03321199

The directors present their report and financial statements for the financial period ended 14 August 2022.

DIRECTORS

The directors of the company who served during the period are listed on the Company Information page.

A third party indemnity provision (as defined in section 234 of the Companies Act 2006) is in force for the benefit of the directors.

DISCLOSURE IN THE STRATEGIC REPORT

Details of risks and uncertainties and future developments can be found in the strategic report and form part of this report by cross-reference.

AUDIT INFORMATION

The directors confirm that, so far as they are aware, there is no relevant audit information of which the auditor is unaware and that each director has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

STREAMLINED ENERGY AND CARBON REPORTING

The company has been included in the Punch Pubs & Co. Group Limited (formerly Vine Acquisitions Limited) consolidated accounts.

AUDITOR

The company has elected to dispense with the obligation to appoint an auditor annually under s487 of the Companies Act 2006.

On behalf of the board

S Dando
Director
05 December 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT, THE STRATEGIC REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report, the Strategic 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PUNCH PARTNERSHIPS (PML) LIMITED

Opinion

We have audited the financial statements Punch Partnerships (PML) Limited (the 'company') for the 52 week period ended 14 August 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the company financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 14 August 2022 and of the company's profit for the 52 weeks then ended;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements 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. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Director's 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. 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 with 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 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.

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.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 9, 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.

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:

Our assessment focused on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, UK adopted international accounting standards, and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the pub sector;

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias, in particular the director's assessment of impairment of property and post-employment benefits.
- investigated the rationale behind significant or unusual transactions;
- reviewed director's assessment of its revaluation policy; and
- reviewed nominals of certain nominal codes for indication of any management override.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and associated parties

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

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.

Cooper Parry Group Limited

Katharine Warrington (Senior Statutory Auditor)

for and on behalf of
Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: 9 December 2022

PROFIT & LOSS ACCOUNT
for the 52 week period ended 14 August 2022

	Notes	52 week period ended 14 August 2022 Underlying items £000	Non-underlying items (note 4) £000	Total £000	52 week period ended 15 August 2021 Underlying items £000	Non-underlying items (note 4) £000	Total £000
TURNOVER	2	162,793	-	162,793	83,909	-	83,909
Cost of sales		(68,364)	-	(68,364)	(35,334)	-	(35,334)
GROSS PROFIT		94,429	-	94,429	48,575	-	48,575
Administrative expenses		(44,312)	(1,383)	(45,695)	(17,809)	(793)	(18,602)
Profit on disposal of fixed assets and lease liabilities		-	2,472	2,472	-	5,146	5,146
Movement in valuation of properties	9	-	(2,984)	(2,984)	-	(1,542)	(1,542)
Impairment of tangible fixed assets	9	-	(2,967)	(2,967)	-	(2,774)	(2,774)
Impairment of right of use assets		-	(44)	(44)	-	(1,859)	(1,859)
OPERATING PROFIT / (LOSS)	3	50,117	(4,906)	45,211	30,766	(1,822)	28,944
Income from shares in group undertakings		-	75	75	1,809	-	1,809
Interest receivable and similar income	6	41	-	41	107	-	107
Interest payable and similar charges	7	(39,540)	-	(39,540)	(34,618)	(29,302)	(63,920)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		10,618	(4,831)	5,787	(1,936)	(31,124)	(33,060)
Tax (charge) / credit on ordinary activities	8	(2,925)	(1,051)	(3,976)	(4,196)	4,117	(79)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		7,693	(5,882)	1,811	(6,132)	(27,007)	(33,139)

The profit and loss account relates to continuing activities.

STATEMENT OF COMPREHENSIVE INCOME

for the 52 week period ended 14 August 2022

	52 week period ended 14 August 2022 £000	52 week period ended 15 August 2021 £000
Profit / (loss) for the period	1,811	(33,139)
Other comprehensive income:		
Items that will not be reclassified subsequently to profit and loss:		
Remeasurements of defined benefit pension liabilities (note 18)	5,095	110
Revaluation of tangible fixed assets (note 9)	(856)	7,035
Tax relating to components of other comprehensive income that will not be reclassified into profit or loss (note 15)	(1,189)	(21)
	3,050	7,124
Total comprehensive gains / (losses) for the period	4,861	(26,015)

Punch Partnerships (PML) Limited
Period ended 14 August 2022

BALANCE SHEET
as at 14 August 2022

	Notes	14 August 2022 £000	15 August 2021 £000
FIXED ASSETS			
Tangible fixed assets (including £5,713,000 (2021: £5,145,000) held for sale)	9	856,791	851,220
Right of use asset	16	8,130	6,937
Investments	10	-	-
		864,921	858,157
CURRENT ASSETS			
Debtors	11	23,136	30,988
Cash and cash equivalents	12	5,982	12,834
		29,118	43,822
CURRENT LIABILITIES			
Creditors: amounts falling due in less than one year	13	(56,117)	(80,072)
		(56,117)	(80,072)
NET CURRENT LIABILITIES		(26,999)	(36,250)
TOTAL ASSETS LESS CURRENT LIABILITIES		837,922	821,907
NON-CURRENT LIABILITIES			
Creditors: amounts falling due after more than one year	14	(568,604)	(556,915)
Deferred tax liability	15	(21,753)	(16,588)
Pension - defined benefit scheme liability	18	-	(5,700)
		(590,357)	(579,203)
NET ASSETS		247,565	242,704
CAPITAL AND RESERVES			
Called up share capital	19	2,000	2,000
Revaluation reserve		156,761	158,403
Profit and loss account		88,804	82,301
SHAREHOLDER'S FUNDS		247,565	242,704

The financial statements were approved and authorised for issue by the board and signed on its behalf on 05 December 2022

S Dando

Registered No. 03321199

STATEMENT OF CHANGES IN EQUITY
for the 52 week period ended 14 August 2022

	Share Capital £000	Share Premium £000	Revaluation Reserve £000	Profit & Loss Account £000	Total Equity £000
At 16 August 2020	2,000	277,022	68,340	(16,388)	330,974
Total loss for the period	-	-	-	(33,139)	(33,139)
Other comprehensive income	-	-	7,035	89	7,124
Transfers on disposal of fixed assets	-	-	83,028	(83,028)	-
Share Premium reduction	-	(277,022)	-	277,022	-
Dividends in specie (note 20)	-	-	-	(62,255)	(62,255)
At 15 August 2021	2,000	-	158,403	82,301	242,704
Total loss for the period	-	-	-	1,811	1,811
Other comprehensive (loss) / income	-	-	(856)	3,906	3,050
Transfers on disposal of fixed assets	-	-	(786)	786	-
At 14 August 2022	2,000	-	156,761	88,804	247,565

Share Capital represents the nominal value of shares that have been issued.

Share Premium account represents the excess paid on the nominal value of shares issued by the company.

The Revaluation Reserve represents amounts revalued in relation to properties.

The Profit and Loss Account represents all current and prior periods retained profit and losses after the payment of dividends.

During the prior year, the total amount standing to the credit of the share premium account was extinguished by special resolution.

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

1 ACCOUNTING POLICIES

Statutory Information
Punch Partnerships (PML) Limited is a private company limited by shares, registered in England and Wales. The Company's registered office is Jubilee House, Second Avenue, Burton Upon Trent, Staffordshire, DE14 2WF.

Basis of preparation
These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework ("FRS 101")*. The amendments to FRS 101 (2017/18 Cycle) issued in March 2018 and effective immediately have been applied.

The financial statements have been prepared over a 52 week period to 14 August 2022.

The functional currency of Punch Partnerships (PML) Limited is considered to be pounds Sterling because that is the currency of the primary economic environment in which the company operates. The consolidated financial statements are also presented in pounds Sterling.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

Cash Flow Statements and related notes
Comparative period reconciliations for share capital and tangible fixed assets
Disclosures in respect of transactions with wholly owned members of the group
Disclosures in respect of capital management
The effects of new but not yet effective IFRSs
Disclosures in respect of the compensation of key management personnel
Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Punch Pubs & Co. Group Limited (formerly Vine Acquisitions Limited) include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life
Disclosures required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows
Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the company
Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures

The company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

1 ACCOUNTING POLICIES

Measurement convention
The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: land and buildings, financial instruments classified as fair value through the profit or loss account or as available for sale. Non-current assets and disposal groups held for sale are stated at the lower or previous carrying amount and fair value less costs to sell. All amounts in the financial statements and notes have been rounded off to the nearest thousand Sterling Pound, unless otherwise stated.

Going concern
After due consideration the Directors' believe that they have a reasonable expectation that the company has sufficient resources together with the ability to access additional liquidity when the company needs to withstand adjustments to the base forecast, as well as the downside scenarios and to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements, and therefore continue to adopt the going concern in their preparation.

Tangible fixed assets and depreciation

Valuation
Properties are revalued annually, on a five-year rolling bases, to fair value in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation - Professional Standards January 2022, incorporating the UK National Supplement effective 2019, and IFRS 13. The valuation is based on current and future projected trading levels of each property, taking into account the location, physical attributes and sustainability of rent of each property. Changes in assumptions underlying valuations, such as the assessment of fair maintainable trade for each property, could impact the carrying value of land and buildings.

Surpluses arising from a revaluation increase are recognised directly in other comprehensive income in the revaluation reserve or are recognised as a credit in the profit and loss account to the extent that they reverse a revaluation decrease of the same asset previously recognised as a charge to the income statement. Any deficit arising from a revaluation decrease is recognised as a charge to other comprehensive income in the revaluation reserve to the extent that there is a credit balance in the revaluation reserve in respect of that asset. Any further decrease in value is recognised as a charge to the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

1 ACCOUNTING POLICIES

Depreciation

Depreciation is charged on a straight-line basis on freehold and long leasehold buildings over the estimated useful life of the asset. It is the company's policy to maintain the properties comprising the licensed estate in such a condition that the residual values of the properties, based on prices prevailing at the time of acquisition or subsequent revaluation, are at least equal to their book values. As a result, the depreciation charged on freehold and long leasehold buildings is nil.

It is the opinion of the directors that it is not practical or appropriate to separate from the value of the buildings the value of long life fixtures and fittings, which are an integral part of the buildings. This approach is supported by the opinion of an independent external adviser.

Landlord's fixtures and fittings include removable items, which are generally regarded as within landlord ownership. These are depreciated in accordance with the policy detailed below.

Depreciation is provided on other tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life, as follows:

Short leasehold properties - 50 years or the life of the lease if shorter with certain integral parts of buildings over 10-30 years
Landlord's fixtures and fittings - 5 years

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and when events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. A review for indicators of impairment is performed annually. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Any impairment charge is recognised in the income statement in the year in which it occurs. When an impairment loss, other than an impairment loss on goodwill, subsequently reverses due to a change in the original estimate, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, up to the carrying amount that would have resulted, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at 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.

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

1 ACCOUNTING POLICIES

Pensions
The company operates the Pubmaster defined benefit pension scheme.

Defined benefit pension scheme
The values of the scheme's liabilities have been determined by a qualified actuary based on the results of an actuarial valuation as at 6 April 2022, updated to 14 August 2022, the balance sheet date.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the company must agree with the Trustees of the Scheme the contributions to be paid to address any shortfall against the Statutory Funding Objective and contributions to pay for the future accrual of benefits. The Statutory Funding Objective does not currently impact on the recognition of the Scheme in these accounts.

Surpluses are only included to the extent that they are recoverable through reduced contributions in the future or through refunds from the schemes. The current service cost and any past service costs are included in the the profit and loss account within administrative expenses and the expected return on the schemes' assets is included within finance income or costs. Actuarial gains and losses, including differences between the expected and actual return on scheme assets, are recognised, net of deferred tax, in the statement of total recognised gains and losses.

Leases - lessee accounting
The company leases various licensed properties, offices and other commercial properties under lease agreements. At inception of a contract the company assesses whether the contract contains a lease. A lease is present where the contract grants the right to control the asset for a period of time in exchange for consideration. Where a lease is identified a right of use asset and a corresponding lease liability is recognised other than leases classed as "Short term," less than 12 months, or "Low value," under the available exemptions. Where the exemption has been taken advantage of the lease cost are recognised on a straight line basis over the life of the lease within the profit and loss account.

The lease payments are discounted using the companies incremental borrowing rate as 6.125% and 7% depending upon the date of lease liability being created. Prior to 24 June 2021 the incremental borrowing rate is set at 7% with the rate applied at 6.125% after this date.

When the lease liability is remeasured a revised discount rate is used based on the contract, or if non is available the companies incremental borrowing rate.

Where the lease liability is remeasured an equivalent adjustment is made to the right of use asset unless its carrying value is reduced to zero, in which case the adjustment is recognised in the profit and loss.

Right of use asset- initial recognition
The right of use asset comprises of the following:

•Initial measurement of the lease liability
•Any lease payments made at the commencement date, less any lease incentives received
•Any initial direct costs incurred by the company in taking out the lease
•Estimate of costs to be incurred by the company to restore the underlying asset to the condition required by the lease

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

1 ACCOUNTING POLICIES

Right of use asset- subsequent measurement
The right of use asset is depreciated over the shorter of the lease term and useful life of the asset on a straight line basis.

If a change in contract has been identified, see the "Lease liability- remeasurement" section for further information, the right of use asset will also be adjusted.

An impairment review will be undertaken in-line with note 1, any identified impairment will be recognised against the right of use asset.

Lease liability- initial recognition

The lease liability is initially measured at the present value of the lease payments not paid at the commencement date. If the discount rate isn't explicitly included in the lease the payments are discounted at the company's incremental borrowing rate.

Lease payments included within the initial recognition include:
•Fixed payments (including in-substance fixed payments)
•Variable lease payments that depend on an index or rate at the commencement date
•Amounts expected to be payable by the lessee under residual value guarantees
•Exercise price of a purchase option if the company is reasonably certain to exercise that option
•Payments for penalties for terminating the lease if the lease term reflects the company exercising the option

Lease liability- subsequent measurement
The lease liability is subsequently measured by increasing the carrying value to reflect interest on the lease liability and by reducing the carrying value to reflect the lease payments.

Lease liability- remeasurement
The lease liability is remeasured where:

•Change in the assessment of the original lease information; being a change in the lease term or exercise of a purchase option.
•Lease payments change due to a change in an index or a rate or a change in expected payment under the residual value guarantee
•The lease contract is modified and the lease modification isn't treated as a separate lease

The group early adopted COVID-19 Rent concessions amendment to IFRS 16 in the previous year financial statements. The amendments provide relief to the group from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, the group elected not to assess whether a COVID-19 related rent concession from a lessor is a lease modification for any change in lease payments resulting from the COVID-19 related rent concession as long as the rent concessions didn't continue past 30 June 2022, if this was the case the group recognised a rent concession as a reduction in lease liability with the credit charged to the Income Statement to reflect the reduced contractual rental payments. See note 16 for details of the rent concessions recognised within the group.

Dividend income
Dividend income is recognised when a dividend has been received from another group company.

Turnover
Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and VAT. Revenue in respect of drink sales is recognised at the point at which the goods are provided. Rental income is recognised on an accruals basis. All operations take place solely in the United Kingdom.

Dividend paid
Dividend distributions are recognised when the dividend has been declared and approved by the board.

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

1 ACCOUNTING POLICIES

Non-current assets held for sale
Properties identified for disposal which are classified in the balance sheet as non-current assets held for sale are held at the lower of carrying value on transfer to non-current assets held for sale, as assessed at the time of transfer, and fair value less costs to sell. The fair value less costs to sell is based on estimated net disposal proceeds which are provided by third party property agents who have been engaged to sell the properties. Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale and completion is expected within one year from the date of classification.

Non-underlying items
In order to provide a trend measure of underlying performance, profit is presented excluding items that management believe will distort comparability, either due to their significant nature, or as a result of specific accounting treatments. Further detail on the nature of non-underlying items is included in note 4 .

Significant accounting estimates and judgements
The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure or contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Management bases its estimates and judgements on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying value of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and judgements that have significant effect on the amounts recognised in the financial statements are detailed below:

Impairment of property, plant and equipment
Property, plant and equipment are reviewed for impairment if circumstances suggest that the carrying amount may not be recoverable. Recoverable amounts are determined based on value-in-use calculations and estimated sale proceeds. These calculations require assumptions to be made regarding future cash flows and the choice of a suitable discount rate in order to calculate the present value of those cash flows. Actual outcomes may vary from these estimates.

Valuation of property
Properties are revalued annually, on a five-year rolling basis, to fair value in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation - Professional Standards January 2022, incorporating the UK National Supplement effecitve 2019, and IFRS 13. The valuation is based on current and future projected trading levels of each property, taking into account the location, physical attributes and sustainability of rent of each property. Changes in assumptions underlying valuations, such as the assessment of fair maintainable trade for each property, could impact the carrying value or land and buildings.

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

1 ACCOUNTING POLICIES

Post-employment benefits
The present value of defined benefit pension scheme assets is determined on an actuarial basis and depend on a number of actuarial assumptions which are disclosed in note 18. Any change in these assumptions could impact the carrying amounts of pension assets.

Accounting Policy Changes
The company has applied the following interpretations and amendments for the first time in these financial statements:

• Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
• Configuration or Customisation Costs in Cloud Computing Arrangements (IAS 38 Intangible Assets) – Agenda Paper 2

The application of these new interpretations and amendments did not have a material impact on the financial statements.

Certain new accounting standards and interpretations have been published that are not yet effective and have not been adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods or on foreseeable future transactions.

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

2 TURNOVER

Turnover represents the amounts derived from the provision of goods and services to third parties which fall within the company's ordinary activities, stated net of value added tax. Rents receivable are recognised on a straight-line basis over the lease term. Other revenue represents machine income which is recognised in the period to which it relates. Revenue in respect of drink sales is recognised at the point at which the goods are provided. Turnover is derived solely within the United Kingdom.

Turnover includes:

	52 week period ended 14 August 2022 £000	52 week period ended 15 August 2021 £000
Drink revenue	109,639	57,100
Rental income	50,836	25,775
Other revenue	2,318	1,034
	162,793	83,909

3 OPERATING PROFIT / (LOSS)

This is stated after charging:

		52 week period ended 14 August 2022 £000	52 week period ended 15 August 2021 £000
Depreciation	- owned fixed assets	7,207	6,315
	- leased fixed assets	495	656
	- right of use assets	575	390

Auditor remuneration is paid by another company in the Punch Pubs & Co. Group Limited (formerly Vine Acquisitions Limited) group in the current and preceding periods. The amount of auditor remuneration relating directly to the company is £94,000 (2021: £60,000).

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

4 NON-UNDERLYING ITEMS

	52 week period ended 14 August 2022 £000	52 week period ended 15 August 2021 £000
Included within administrative expenses:		
Restructuring and other related one off costs	2,124	799
Rent concession (Covid-19 related)	-	(6)
Insurance claim income	(741)	-
	1,383	793
Movement in valuation of properties (note 9)[1]	2,984	1,542
Impairment of tangible fixed assets (note 9)	2,967	2,774
Impairment of right of use assets (note 16)	44	1,859
Included within income from shares in group undertakings	(75)	-
Included within fixed asset disposals:		
Profit on disposal of fixed assets	(2,472)	(5,147)
Profit on disposal of lease liabilities	-	1
Included within interest payable and similar income:		
Cost of terminating financing arrangements (note 7)	-	26,622
Fair value premium costs on settlement of intragroup loan	-	2,426
Subordinated loan interest payable[2]	-	254
	-	29,302
Tax charge / (credit) on non-underlying items	1,073	(1,470)
Adjustment to tax in respect of prior periods	(22)	(2,647)
	5,882	27,007

[1] The movement in the valuation of properties of £2,984,000 (2021: £1,542,000) comprises a downward valuation of £8,746,000 (2021: £6,878,000) where the fair value of an asset is less than the net book value, offset by a credit of £5,762,000 (2021: £5,336,000) where the fair value of an asset is greater than the net book value and the credit reverses a previous charge to the profit and loss account for impairment.

[2] Costs recognised on extinguishment of debt comprises £nil (2021: £25,991,000) of make-whole costs and £nil (2021: £631,000) of deferred issue costs derecognised.

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

5 DIRECTORS' EMOLUMENTS AND STAFF COSTS

	52 week period ended 14 August 2022 £000	52 week period ended 15 August 2021 £000
Directors' emoluments	1,418	1,116
Company contributions to money purchase pension schemes	91	101

The amounts in respect of the highest paid director are as follows:

	52 week period ended 14 August 2022 £000	52 week period ended 15 August 2021 £000
Director emoluments	705	586
Company contributions to money purchase pension schemes	51	51

The emoluments relate to services provided to the company in the current and preceding period. This is borne by another company in the Punch Pubs & Co. Group Limited group and recharged.

The company had no employees during the current or preceding periods.

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	52 week period ended 14 August 2022 £000	52 week period ended 15 August 2021 £000
Bank interest receivable	-	85
Other interest receivable	41	22
	41	107

7 INTEREST PAYABLE AND SIMILAR CHARGES

	52 week period ended 14 August 2022 £000	52 week period ended 15 August 2021 £000
Bank and other loans	878	193
Net pension finance cost	464	495
Interest payable to group undertakings	37,427	33,410
Fair value premium costs on settlement of intragroup loan	-	2,426
Cost of terminating financing arrangements (note 4)	-	26,622
Interest payable on lease liability (note 16)	771	520
Subordinated loan interest payable to group undertakings	-	254
	39,540	63,920

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

8 TAXATION

Tax recognised in the profit and loss account

	52 week period ended 14 August 2022 £000	52 week period ended 15 August 2021 £000
UK corporation tax:		
Deferred tax:		
- originating and reversal of timing differences	3,998	2,726
- adjustments in respect of prior periods	(22)	(2,647)
	3,976	79
Total tax charge for the period	3,976	79

Tax recognised in other comprehensive income

	52 week period ended 14 August 2022 £000	52 week period ended 15 August 2021 £000
Remeasurements of defined benefit liability	1,189	21
	1,189	21

There is no provided or unprovided deferred tax.

Reconciliation of tax charge

	52 week period ended 14 August 2022 £000	52 week period ended 15 August 2021 £000
Profit / (loss) on ordinary activities before taxation	5,787	(33,060)
Profit / (loss) on ordinary activities at standard rate of corporation tax in the UK of 19% (2021: 19%)	1,100	(6,281)
Effects of:		
Expenses not deductible for tax purposes	1,554	4,957
Current period non-underlying charges	1,344	4,050
Adjustments in respect of prior periods	(22)	(2,647)
Total tax charge	3,976	79

Following on from the budget on 3 March 2021 an announcement was made to increase the corporation tax rate to 25% with effect from 1 April 2023. Based on the change in tax rate the deferred tax balance has been calculated and recognised based on the 25% enacted rate.

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

9 TANGIBLE FIXED ASSETS

	Land & buildings £000	Fixtures and fittings £000	Non-current assets classified as held for sale £000	Total £000
Cost or valuation:				
As at 15 August 2021	832,967	62,752	7,743	903,462
Additions	19,158	8,480	-	27,638
Revaluation	(5,139)	-	-	(5,139)
Disposals	(6,235)	(723)	(3,186)	(10,144)
Net transfers to non-current assets classified as held for sale	(4,886)	(293)	5,179	-
As at 14 August 2022	835,865	70,216	9,736	915,817
Depreciation:				
As at 15 August 2021	3,525	46,119	2,598	52,242
Charge for the year	1,659	6,043	-	7,702
Impairment losses	2,779	-	188	2,967
Revaluation	(1,299)	-	-	(1,299)
Disposals	(1,117)	(371)	(1,098)	(2,586)
Net transfers to non-current assets classified as held for sale	(2,043)	(292)	2,335	-
As at 14 August 2022	3,504	51,499	4,023	59,026
Net book value:				
As at 14 August 2022	832,361	18,717	5,713	856,791
As at 15 August 2021	829,442	16,633	5,145	851,220

If land and buildings had been measured using the cost model, the carrying amounts would be as follows:

	Total £000
Cost	934,753
Accumulated depreciation	(6,995)
Net book value at 14 August 2022	927,758
Net book value at 15 August 2021	941,457

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

9 TANGIBLE FIXED ASSETS

Impairment loss

When any indicators of impairment are identified, property, plant and equipment are reviewed for impairment based on each cash generating unit (CGU). The cash generating units are individual pubs. The carrying values of these individual pubs are compared to the recoverable amount of the CGUs, which is the higher of value-in-use (VIU) and fair value less costs to sell (FVLCS).

During the year, the FVLCS of the assets transferring into the non-current assets classified as held for sale category have been reviewed, and an impairment of £2,512,000 (15 August 2021: £2,8074,000) has been identified. The FVLCS was assessed on both external and internal valuations. Cash flows used in the VIU calculation were based on earnings before interest and taxation and used the forecasted cash flows included within the Group business plan for the first three years and then the cash flows were extrapolated for a further 45 years based on board approved growth rates. The pre-tax risk adjusted discount rate applied to cash flow projections was 6.21% based on the group Weighted Average Cost of Capital (WACC). Based on this review an impairment of £455,000 (15 August 2021: £nil) was identified.

Revaluation

Properties are revalued annually, on a five-year rolling basis, to fair value in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation - Professional Standards January 2022, incorporating the UK National Supplement effective 2019, and IFRS 13. The valuation is based on current and future projected trading levels of each property, taking into account the location, physical attributes and sustainability of rent of each property. Changes in assumptions underlying valuations, such as the assessment of fair maintainable trade for each property, could impact the carrying value of land and buildings. This was performed by Savills (UK) Limited.

Surpluses arising from a revaluation increase are recognised directly in other comprehensive income in the revaluation reserve or are recognised as a credit in the income statement to the extent that they reverse a revaluation decrease of the same asset previously recognised as a charge to the income statement. Any deficit arising from a revaluation decrease is recognised as a charge to other comprehensive income in the revaluation reserve to the extent that there is a credit balance in the revaluation reserve in respect of that asset. Any further decrease in value is recognised as a charge to the income statement.

At 14 August 2022, 240 properties were valued at their fair value less costs to sell resulting in an decrease in net assets of £3,840,000. Of the £3,840,000, £856,000 was charged to the revaluation reserve and £2,984,000 was charged to the profit and loss account in the period.

At 15 August 2021, 231 properties were valued at their fair value less costs to sell resulting in an increase in net assets of £5,493,000. Of the £5,493,000, £7,035,000 was credited to the revaluation reserve and £1,542,000 was charged to the profit and loss account in the period.

Non-current assets classified as held for sale

	2022	2021
	£000	£000
Non-current assets classified as held for sale	5,713	5,145

Non-current assets classified as held for sale represents pubs that are individually being actively marketed for sale with varying expected completion dates within one year. The value of non-current assets classified as held for sale represents the lower of the carrying value of the asset and expected net disposal proceeds.

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

10 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £000
Cost and net book value:	
As at 14 August 2022 and 15 August 2021	-

During the prior year Mercury Taverns (Holdings) Limited and Punch Taverns (CPM) Limited were distributed up to Punch Taverns (PMH) Limited, being the company's immediate parent undertaking at the time of distribution. Also during the year the company acquired Punch Partnerships (Seagull) Ltd for £1.

Details of the wholly owned subsidiary undertaking, in which the shareholding is in ordinary shares, is as follows:

Subsidiary undertaking	Principal
Held directly:	
Punch Partnerships (Seagull) Limited	Non trading company

The above companies are incorporated in England and Wales.
The registered office of the above companies is Jubilee House, Second Avenue, Burton Upon Trent, Staffordshire, DE14 2WF.

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

11 DEBTORS

	2022	2021
Amounts falling due in less than one year:	**£000**	**£000**
Trade debtors	3,837	4,849
Amounts due from group undertakings	16,475	24,034
Loans due from group undertakings	373	847
Prepayments and accrued income	2,451	1,258
	23,136	30,988

Included within loans due from group undertakings are non interest bearing loan owed from Punch Taverns (Acquisitions) Limited for £373,000 repayable on demand.

12 CASH AND CASH EQUIVALENTS

	2022	2021
	£000	**£000**
Cash at bank and in hand	5,982	12,834
	5,982	12,834

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

13 CREDITORS: amounts falling due in less than one year

	2022 £000	2021 £000
Loans owed to group undertakings	30,000	30,120
Lease liability (note 16)	1,199	1,024
Trade creditors	3,467	1,721
Amounts owed to group undertakings	10,083	28,443
Other creditors	8,315	8,239
Accruals and deferred income	3,053	5,817
Social security and other taxes	-	4,708
	56,117	80,072

14 CREDITORS: amounts falling due after more than one year

	2022 £000	2021 £000
Loans owed to group undertakings	559,338	548,531
Lease liability (note 16)	9,266	8,384
	568,604	556,915

Included within loans owed to group undertakings is a loan with fellow group undertaking, Punch Pubs Holdings Limited, of £589,338,000 (2021: £578,651,000) of which £30,000,000 (2021: £30,120,000) falls due in less than one year. The terms of the loans owed to group undertakings are such that the interest rate is identical to that of a fellow group company's secured loans. The interest terms and repayment profile of this loan is shown in note 17.

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

15 DEFERRED TAX

	2022 £000	2021 £000
Liabilites at the beginning of the period	(16,588)	(16,600)
Charged to profit and loss account	(3,976)	(79)
Transfer from group undertaking	-	112
Charged to other comprehensive income	(1,189)	(21)
	(21,753)	(16,588)

The movements in deferred tax assets and liabilities during the period are shown below:

Deferred tax assets

	Tax losses £000	Retirement benefit liabilites £000	Other £000	Total £000
At 16 August 2020	965	1,139	331	2,435
Credited to profit or loss	241	307	14	562
Charged to equity	-	(21)	-	(21)
At 15 August 2021	1,206	1,425	345	2,976
Charged to profit and loss account	-	(236)	(61)	(297)
Charged to equity	-	(1,189)	-	(1,189)
At 14 August 2022	1,206	-	284	1,490

Deferred tax liabilities

	Accelerated capital allowances £000
At 16 August 2020	19,035
Charged to profit and loss account	641
Transfer from group undertaking	(112)
At 15 August 2021	19,564
Charged to profit and loss account	3,679
At 14 August 2022	23,243

At the balance sheet date, the company has unused tax losses of £4,820,000 (15 August 2021: £4,820,000) and unused capital losses of £27,748,000 (15 August 2021: £1,712,000) available for offset against future profits. A deferred tax asset has been recognised in respect of £4,820,000 (15 August 2021: £4,820,000) of such losses, which are expected to be utilised against the future profit streams of the company. Current legislation deems that these losses may be carried forward for an unlimited number of years.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

16 LEASES

The company leases various licensed properties, offices and other commercial properties under lease agreements. The leases have various terms, escalation clauses and renewal rights. The terms of these contracts varyand all the leases met the operating lease criteria where the company was a lessee.

The company also has certain leases with lease terms of less than 12 months and leases that are classed as low value. The company applies the "short term lease" and "lease of low value assets" recognition exemption for these disclosures.

Right of use assets and lease liabilities are recognised for each lease agreement for which the company is a lessee.

Right of use assets

	Property leases
	£000
Cost	
As at 15 August 2021	9,927
Additions	1,478
Remasurement	334
As at 14 August 2022	11,739
Accumulated depreciation	
As at 15 August 2021	2,990
Charge for the year	575
Impairment	44
As at 14 August 2022	3,609
Net book value at 14 August 2022	8,130
Net book value at 15 August 2021	6,937

During the year, an impairment of £44,000 (15 August 2021: £1,859,000) has been identified.

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

16 LEASES

Lease Liabilities

	£000
As at 15 August 2021	9,408
Addition	1,542
Finance cost on lease liabilites	771
Repayment of lease liabilities	(1,590)
Remeasurement	334
As at 14 August 2022	10,465

Lease liabilities have been analysed between current and non-current as follows:

	2022 £000	2021 £000
Current	1,199	1,024
Non-Current	9,266	8,384
	10,465	9,408

Amounts recognised in profit and loss account

	2022 £000	2021 £000
Finance cost on lease liabilities	(771)	(520)
Right of Use Depreciation	(575)	(390)
Right of Use Impairment	(44)	(1,859)
	(1,390)	(2,763)

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

17 INTEREST-BEARING LOANS AND BORROWINGS

Punch Partnerships (PML) Limited has loans owed to group company, Punch Pubs Holdings Limited (note 14). The terms of the loans are such that the interest rate is identical to that of a fellow group company's secured loans as set out below.

	2022 £000	2021 £000
Creditors falling due within one year		
Revolving credit facility	30,000	30,000
Deferred issue costs	(2,205)	(2,186)
	27,795	27,814
Creditors falling due after more than one year		
Secured loan notes	559,338	559,338
Deferred issue costs	(6,375)	(8,621)
	552,963	550,717

	2022 £000	2021 £000
Details of the secured loans are as follows:		
Punch Finance PLC loan notes repayable by June 2026 at 6.125% per annum	559,338	559,338
Punch Pubs Holdings Limited loan facility repayable by December 2022 at SONIA + 3.25% per annum	30,000	30,000
	589,338	589,338
Less: deferred issue costs	(8,580)	(10,807)
	580,758	578,531

The loans are secured over the assets of the company and certain other companies in the Punch Pubs & co. Group Limited group.

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

18 Pension - defined benefit scheme liability

During the current and prior period, the company operated one funded defined benefit pension scheme; the Pubmaster Pension Scheme. The pension plan has not invested in any of the company's own financial instruments, nor in properties or other assets used by the company.

Number of members in the defined benefit pension scheme at 14 August 2022:

	Active	Preserved	Pensioner
Number of members	2	152	356

Pension liability	**2022 £000**	**2021 £000**
Liability brought forward	5,700	6,000
Charged to the profit and loss account	186	246
Cash payments during the period	(791)	(436)
Restriction on defined benefit scheme (charged to SOCI)	1,618	-
Actuarial gain	(6,713)	(110)
Liability	-	5,700

The tables below illustrate the impact of the defined benefit scheme on the profit and loss account and the balance sheet and relate to the Pubmaster Pension Scheme. The information presented is that which was calculated in accordance with IAS 19.

The amounts recognised in the profit and loss account are as follows:

Analysis of the amounts charged to operating costs:	2022 £000	2021 £000
Current service cost	(106)	(83)
Past service cost	-	(72)
Total service cost	(106)	(155)

	£000	£000
Net interest cost	(80)	(91)

Remeasurement gains and losses shown in the SOCI in the period:

	2022 £000	2021 £000
Actual return / (loss) on assets excluding interest income	13,350	4,484
Experience loss on scheme obligations	(320)	-
Restriction on defined benefit scheme	1,618	-
Changes in assumptions underlying the present value of scheme obligations:		
Financial	(19,267)	(3,574)
Demographic	(476)	(800)
Remeasurement gains / (losses) recognised in the SOCI	(5,095)	110

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

18 Pension - defined benefit scheme liability (continued)

The amounts recognised in the balance sheet are as follows:

	2022 £000	2021 £000
Present value of scheme liabilities	(57,016)	(78,780)
Fair value of scheme assets	58,634	73,080
Restriction on defined benefit scheme (charged to SOCI)	(1,618)	-
Net retirement benefit liability recognised in the balance sheet	-	(5,700)

Movements in the present value of scheme liabilities are as follows:

	2022 £000	2021 £000
Present value of scheme liabilities at beginning of period	78,780	76,000
Current service cost	106	83
Past service cost	-	72
Interest cost	1,160	1,156
Actuarial (gains) / losses	(20,063)	4,374
Contributions paid by scheme participants	10	9
Benefits paid	(2,977)	(2,914)
Present value of scheme liabilities at end of period	57,016	78,780

Movements in the fair value of scheme assets are as follows:

	2022 £000	2021 £000
Fair value of scheme assets at beginning of period	73,080	70,000
Interest on scheme assets	1,080	1,065
Remeasurement (losses) / gains	(13,350)	4,484
Contributions paid by employer	791	436
Contributions paid by scheme participants	10	9
Benefits paid	(2,977)	(2,914)
Fair value of scheme assets at end of period	58,634	73,080

Scheme assets are stated at their market values at the balance sheet date and the expected return on scheme assets is derived as a weighted average of the expected return on each asset class, recognising the proportions of the assets invested in each. The expected return on each asset class is determined after taking external expert advice and by reference to relevant equity and bond indices.

The major categories of plan assets as a percentage of total plan assets are as follows:

	2022	2021
Equities	7.4%	6.7%
Bonds	45.2%	51.3%
Diversified growth funds	35.6%	32.7%
Other	11.8%	9.3%

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

The history of experience adjustments on the schemes for the current and previous financial years is as follows:

	2022	2021	2020	2019	2018
Present value of retirement benefit liabilities	(57,016)	(78,780)	(76,000)	(75,600)	(69,400)
Fair value of plan assets	58,634	73,080	70,000	71,300	67,300
Net asset / (liability) in the scheme	1,618	(5,700)	(6,000)	(4,300)	(2,100)
Experience adjustments on scheme liabilities	20,063	(4,374)	(1,800)	(6,200)	3,800
Percentage of scheme liabilities	-35.2%	5.6%	2.4%	8.2%	5.5%
Experience adjustments on scheme assets	(13,350)	4,484	(200)	4,500	200
Percentage of scheme assets	(22.8)%	6.1%	(0.3)%	6.3%	0.3%

Pubmaster Pension Scheme funding

The Pubmaster Pension Scheme is a defined benefit scheme operated in the UK. The values of the scheme's liabilities have been determined by a qualified actuary based on the results of an actuarial valuation as at 6 April 2022, updated to 14 August 2022, the balance sheet date.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the Group must agree with the Trustees of the Scheme the contributions to be paid to address any shortfall against the Statutory Funding Objective and contributions to pay for the future accrual of benefits. The Statutory Funding Objective does not currently impact on the recognition of the Scheme in these accounts.

The Scheme is managed by a board of Trustees appointed in part by the Group (which includes a professional independent trustee) and part from elections by members of the Scheme. The Trustees have responsibility for obtaining valuations of the fund, administering benefit payments and investing the Scheme's assets. The Trustees delegate some of these functions to their professional advisers where appropriate.

The Scheme exposes the Group to a number of risks:

• **Investment risk:** The Scheme holds investments in asset classes, such as equities, which have volatile market values. While these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges.
• **Interest rate risk:** The Scheme's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Scheme holds assets such as equities, the value of the assets and liabilities may not move in the same
• **Inflation risk:** A significant proportion of the benefits under the Scheme are linked to inflation. Although the Scheme's assets are expected to provide a good hedge against inflation over the long term, movements over the short-term could lead to deficits emerging.
• **Mortality risk:** In the event that members live longer than assumed a deficit will emerge in the Scheme.
• **Member options:** Certain benefit options may be exercised by members without requiring the consent of the Trustees or the Company, for example exchanging pension for cash at retirement. In this example, if fewer members than expected exchange pension for cash at retirement then a funding strain will emerge.
• **Insurer covenant risk:** The Trustees hold annuity policies for a group of pensioners in the Scheme. If the insurance company goes insolvent then these pensions will have to be provided directly by the Scheme and a deficit will emerge.

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

The mortality assumptions at the year end are based on standard mortality tables that allow for future mortality improvements. The assumptions are that the life expectancy of a member who retires at the age of 65 is as follows:

	2022	2021
Male currently aged 50	22.9 years	23.1 years
Male currently aged 65	21.8 years	21.9 years
Female currently aged 50	25.5 years	25.6 years
Female currently aged 65	24.2 years	24.3 years

The assumptions used in determining the valuations are as follows:

	2022	2021
Rate of increase of salaries	4.20%	4.25%
Rate of increase in pensions	2.45%	2.65%
Discount rate	3.50%	1.50%
Inflation assumption (RPI)	3.50%	3.55%
Inflation assumption (CPI)	3.00%	3.05%

The results are very sensitive to the assumptions used, the methods and types of assumption used in preparing the sensitivity analysis did not change compared to the previous period. The table below shows the approximate effect on the Scheme's liabilities of changing some of the key financial assumptions, whilst all other assumptions remain the same. The impact of adjustments to assumptions are as follows:

Adjustments to assumptions	Approximate effect on liabilities and deficit £000
Reduce discount rate by 0.1% per annum	700
Increase inflation by 0.1% per annum (and all associated assumptions)	(400)

The assets in the scheme and expected rates of return were:

	Value at 14 August 2022 £000	Value at 15 August 2021 £000
Equities	4,334	4,907
Bonds	26,524	37,407
Diversified growth funds	20,877	23,854
Insured pensions	426	487
Direct lending	6,313	5,822
Cash	160	543
Total market value of assets	58,634	73,020
Present value of scheme liabilities	(57,016)	(78,780)
Deficit in the scheme before deferred tax	1,618	(5,760)
Restriction on defined benefit scheme	(1,618)	-
Deferred tax asset	-	1,425
Net pension liability	-	(4,335)

Defined Contribution Scheme Funding
The defined contribution scheme is paid from Punch Taverns (Services) Limited, this is due to the company having no employees.

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

19 SHARE CAPITAL

	2022 No. 000	2022 £000	2021 No. 000	2021 £000
Allotted, called up and fully paid:				
Ordinary shares of £1 each	2,000	2,000	2,000	2,000

During the prior year, one ordinary share was issued for a consideration of £1.

20 DIVIDENDS

	52 week period ended 14 August 2022 £000	52 week period ended 15 August 2021 £000
Interim distribution in specie (£nil per ordinary share (2021: £31,127.48))	-	62,255

During the prior year Mercury Taverns (Holdings) Limited and Punch Taverns (CPM) Limited were distributed up to the Punch Taverns (PMH), being the company's immediate parent undertaking at time of distribution.

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 14 August 2022

21 FINANCIAL COMMITMENTS

	2022 £000	2021 £000
Contracted not provided	1,543	2,623

At 14 August 2022 the company had annual commitments under non-cancellable operating leases as set out below:

Land and buildings

	2022 £000	2021 £000
Less than one year	1,131	1,014
Between one and five years	3,960	3,406
More than five years	26,662	17,261
	31,753	21,681

There are no variable lease payments, expenses relating to short term leases, expenses relating to low value assets.

The Company leases various licensed properties, offices and other commercial properties under non-cancellable operating lease agreements. The leases have various terms, escalation clauses and renewal rights.

The total future minimum sublease payments expected to be received are £2,035,000 (15 August 2021: £3,022,000).

The company leases out its property assets to tenants in the form of operating leases. Previously all renumeration received on these contracts was in the form of fixed rental payments. A variation was sign on 15 August 2021 to convert intragroup operating leases to a variable rent dependent on turnover. All external operating leases remain as fixed rental payments.

Land and buildings

	2022 £000	2021 £000
Less than one year	23,719	24,159
One to two years	17,357	17,985
Two to three years	13,725	14,646
Three to four years	9,894	12,692
Four to five years	5,899	5,386
More than five years	19,167	18,353
	89,761	93,221

22 ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is Punch Pubs Holding Limited a company registered in England and Wales.

Following completion of the sale of the Punch Group from Patron on 15th December 2021 the ultimate parent undertaking and controlling entity of the company is CF Cooper Holdings LP (the "Partnership"), a Cayman Islands limited partnership. As no one partner owns or controls more than 50% of the economics of the partnership, the partnership can be considered the ultimate parent. Prior to the acquisition, the company's ultimate parent undertaking and controlling party is Patron Capital, V L.P., a Jersey L.P. managed and controlled in Jersey.

The largest group in which the results of the company are consolidated is that headed by CF Cooper Holdings Limited, a company registered in England & Wales. The smallest group in which they are consolidated is that headed by Punch Pubs Group Limited, a company registered in England & Wales. The company is also included within Punch Pubs & Co. Group Limited (formerly Vine Acquisitions Limited) group, a company registered in England & Wales.

Copies of the financial statements of CF Cooper Holdings Limited, Punch Pubs & Co. Group Limited (formerly Vine Acquisitions Limited) and Punch Pubs Group Limited are available from Companies House.