

3470856

Punch Taverns Investments Limited

Report and Financial Statements

19 August 2006



Punch Taverns Investments Limited
Period ended 19 August 2006

Registered No. 3470856

DIRECTORS

R McDonald
N Preston
G Thorley

SECRETARY

C Stewart

AUDITORS

Ernst & Young LLP
1 Colmore Square
Birmingham
B4 6HQ

BANKERS

Barclays Bank plc
15 Colmore Row
Birmingham
B3 2EP

SOLICITORS

Slaughter & May
One Bunhill Row
London
EC1Y 8YY

REGISTERED OFFICE

Jubilee House
Second Avenue
Burton upon Trent
Staffordshire
DE14 2WF

Punch Taverns Investments Limited

Period ended 19 August 2006

DIRECTORS' REPORT

The directors present their report and financial statements for the 52 week period ended 19 August 2006.

RESULTS AND DIVIDENDS

The profit for the financial period amounted to £4,191,000 (2005: £4,308,000). The directors do not propose the payment of a dividend (2005: £nil).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is as a holding company.

DIRECTORS AND THEIR INTERESTS

The directors of the company who served during the period are listed on page 1.

None of the directors had any declarable interest in the shares of the company at 19 August 2006 or 20 August 2005.

The following directors have interests in the shares of Punch Taverns plc as follows:-

	<i>At 19 August 2006</i>		<i>At 20 August 2005</i>	
	Ord Shares	Ord Share Options	Ord Shares	Ord Share Options
R McDonald	69,654	46,101	55,566	187,422
N Preston	3,147	11,305	2,205	57,449
G Thorley	<u>154,439</u>	<u>1,892,111</u>	<u>150,441</u>	<u>3,356,474</u>

A third party indemnity provision (as defined in section 309B(1) of the Companies Act 1985) is in force for the benefit of directors.

AUDIT INFORMATION

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

AUDITORS

A resolution to re-appoint Ernst & Young LLP as the company's auditors will be put to the forthcoming Annual General Meeting.

On behalf of the board



R J McDonald
Director
20 December 2006

Punch Taverns Investments Limited
Period ended 19 August 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial ended which 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 ended. In preparing those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Punch Taverns Investments Limited
Period ended 19 August 2006

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PUNCH TAVERNS INVESTMENTS LIMITED

We have audited the company's financial statements for the period ended 19 August 2006 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 14. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

In addition we report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 19 August 2006 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Birmingham

20/12/2006

Punch Taverns Investments Limited
Period ended 19 August 2006

PROFIT & LOSS ACCOUNT

for the 52 week period ended 19 August 2006

	<i>Notes</i>	2006 £000	2005 £000
Other operating income		-	1,000
OPERATING PROFIT	2	-	1,000
Interest receivable	4	5,987	5,155
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,987	6,155
Tax on profit on ordinary activities	5	(1,796)	(1,847)
RETAINED PROFIT FOR THE PERIOD	11	4,191	4,308

The profit and loss account relates to continuing activities.

There are no recognised gains or losses other than those shown above.

Punch Taverns Investments Limited
Period ended 19 August 2006

BALANCE SHEET
at 19 August 2006

	<i>Notes</i>	19 August 2006 £000	20 August 2005 £000
FIXED ASSETS			
Investments	6	2,919,023	2,919,023
CURRENT ASSETS			
Debtors due within one year	7	34	39,006
Debtors due after more than one year	7	79,035	37,743
		<u>79,069</u>	<u>76,749</u>
CREDITORS: amounts falling due within one year	8	<u>(10,371)</u>	<u>(25,472)</u>
NET CURRENT ASSETS		68,698	51,277
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,987,721</u>	<u>2,970,300</u>
CREDITORS: amounts falling due after more than one year	9	(13,230)	-
NET ASSETS		<u>2,974,491</u>	<u>2,970,300</u>
CAPITAL AND RESERVES			
Called up share capital	10	653	653
Share premium	11	2,909,187	2,909,187
Profit and loss account	11	64,651	60,460
TOTAL EQUITY SHAREHOLDERS' FUNDS	11	<u>2,974,491</u>	<u>2,970,300</u>



R J McDonald
Director
20 December 2006

Punch Taverns Investments Limited

Period ended 19 August 2006

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 19 August 2006

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

In accordance with FRS 18 the directors have continued to review the accounting policies.

There have been no changes to accounting policies during the period.

Group Accounts

The company is exempt from preparing and delivering group accounts under s228 of the Companies Act 1985. The accounts present information about the company as an individual undertaking and not part of the group as a whole.

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.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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.

Fixed asset investments

Investments in subsidiary undertakings are included at cost, less provisions for impairment in value.

2. OPERATING RESULT

Auditor's remuneration is paid by another company within the Punch Taverns group.

3. DIRECTORS' EMOLUMENTS AND STAFF COSTS

The directors received no emoluments from the company in the current or preceding period. The company had no employees during the current or preceding period.

Punch Taverns Investments Limited
Period ended 19 August 2006

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 19 August 2006

4. INTEREST RECEIVABLE

	2006 £000	2005 £000
Interest receivable from group undertakings	<u>5,987</u>	<u>5,155</u>

5. TAXATION

	2006 £000	2005 £000
The charge for tax on the profit for the period comprises: UK corporation tax – current period charge	<u>1,796</u>	<u>1,847</u>

The rate of charge to UK corporation tax is reconciled as follows:

Reconciliation of tax charges

	2006 £000	2005 £000
Profit on ordinary activities before taxation	<u>5,987</u>	<u>6,155</u>
Profit on ordinary activities at standard rate of corporation tax in the UK (30%)	1,796	1,847
Current tax charge for period	<u>1,796</u>	<u>1,847</u>

Punch Taverns Investments Limited
Period ended 19 August 2006

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 19 August 2006

6. INVESTMENTS

Shares in
subsidiary
undertakings
£000

Cost and net book value

At 19 August 2006 and 20 August 2005

2,919,023

Details of the principal subsidiary undertakings in which the shareholding is in ordinary shares, all of which are 100% owned and incorporated in England and Wales, are as follows:

<i>Name of company</i>	<i>Nature of business</i>
<i>Owned Directly:</i>	
Punch Taverns Intermediate Holdings Limited	Holding company
Punch Taverns (Offices) Limited	Property company
<i>Owned by Punch Taverns Intermediate Holdings Limited:</i>	
Punch Taverns (ES) Limited	Holding company
<i>Owned by Punch Taverns (ES) Limited:</i>	
Punch Taverns Holdings Limited	Holding company
<i>Owned by Punch Taverns Holdings Limited:</i>	
Punch Taverns Finance plc	Financing company
Punch Taverns (PTL) Limited	Pub operating company

Punch Taverns Investments Limited
Period ended 19 August 2006

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 19 August 2006

7. DEBTORS

	2006 £000	2005 £000
<i>Due in less than one year</i>		
Other debtors	34	34
Amounts due from group undertakings	-	38,972
	<u>34</u>	<u>39,006</u>

	2006 £000	2005 £000
<i>Due after more than one year</i>		
Amounts due from group undertakings	<u>79,035</u>	<u>37,743</u>

The amounts due after one year include a subordinated loan with a fellow group undertaking of £43,730,000 (2005: £37,743,000). The loan accrues interest at 15% per annum and interest is capitalised quarterly in arrears.

8. CREDITORS: amounts falling due within one year

	2006 £000	2005 £000
Accruals and deferred income	247	247
Amounts owed to group undertakings	10,124	25,225
	<u>10,371</u>	<u>25,472</u>

9. CREDITORS: amounts falling due after one year

	2006 £000	2005 £000
Amounts owed to group undertakings	<u>13,230</u>	<u>-</u>

10. SHARE CAPITAL

	2006 No.	2006 £000	2005 No.	2005 £000
<i>Authorised share capital</i>				
Ordinary shares of £1 each	<u>690,000</u>	<u>690</u>	<u>690,000</u>	<u>690</u>
<i>Allotted, called up and fully paid:</i>				
Ordinary shares of £1 each	<u>652,622</u>	<u>653</u>	<u>652,622</u>	<u>653</u>

Punch Taverns Investments Limited
Period ended 19 August 2006

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 19 August 2006

11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share Capital £000	Share Premium £000	Profit & Loss Account £000	Total Shareholders' Funds £000
At 21 August 2004	653	2,909,187	56,152	2,965,992
Profit for the period	-	-	4,308	4,308
At 20 August 2005	653	2,909,187	60,460	2,970,300
Profit for the period	-	-	4,191	4,191
At 19 August 2006	653	2,909,187	64,651	2,974,491

12. CASHFLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent company (Punch Taverns plc) publishes consolidated financial statements.

13. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption in paragraph 3(c) of FRS 8 from disclosing transactions with related parties that are part of the Punch Taverns plc group or investees of the group. There were no other related party transactions during the period.

14. ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking and controlling party is Punch Taverns plc, a company registered in England & Wales.

Punch Taverns plc is the parent undertaking of the only group of undertakings for which group accounts are drawn up and of which the company is a member.

Copies of the accounts of Punch Taverns plc are available from Jubilee House, Second Avenue, Burton upon Trent, Staffordshire, DE14 2WF.