

Registered No 3512600

Punch Taverns Intermediate Holdings Limited

Report and Financial Statements

22 August 2009



Punch Taverns Intermediate Holdings Limited
Period ended 22 August 2009

DIRECTORS

P Dutton
N Preston
G Thorley

SECRETARY

C Stewart

AUDITORS

Ernst & Young LLP
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Birmingham
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SOLICITORS

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Punch Taverns Intermediate Holdings Limited
Period ended 22 August 2009

Registered No 3512600

DIRECTORS' REPORT

The directors present their report and financial statements for the 52 week period ended 22 August 2009

RESULTS AND DIVIDENDS

The loss after taxation for the 52 week period amounted to £1,089,291,000 (53 week period ended 23 August 2008 profit after taxation of £8,822,000) The directors do not propose the payment of a final dividend (2008 £nil)

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company was as a holding company During the period, the company received a capital contribution of £78,000 (2008 £2,414,000) from its immediate parent undertaking, Punch Taverns Investments Limited, which it then passed on to its immediate subsidiary undertaking, Punch Taverns (ES) Limited, also by way of capital contribution

On 14 August 2009, the company was involved in a group re-organisation to simplify group structure As a result, the company impaired its investment in subsidiary undertaking, Punch Taverns Intermediate Holdings Limited, by £1,095,754,000 and then sold its entire shareholding in that company to another group company, Punch Taverns (PGRH) Limited The company is expected to be dormant next year

Punch Taverns manages its operations at a group level and the directors therefore believe that disclosure of key performance indicators for the company are not appropriate to understand the development, performance or position of the business The performance of the Punch Taverns group is discussed in the Punch Taverns plc Annual Report and Financial Statements which are publicly available The directors do not consider that there are any specific principal risks and uncertainties applicable to the company which need to be disclosed

As explained in note 1 to the financial statements, the company is dependent upon support from its parent company to meet its liabilities as they fall due Enquiries have been made of the directors of the company's ultimate parent company, Punch Taverns plc, regarding the ability of Punch Taverns plc to continue as a going concern Therefore the directors have, continued to adopt the going concern basis in preparing the financial statements

DIRECTORS

The directors of the company who served during the period are listed on the previous 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

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

The company has elected to dispense with the obligation to appoint auditors annually under section 487 of the Companies Act 2006

On behalf of the board



P Dutton

Director

9 February 2010

Punch Taverns Intermediate Holdings Limited
Period ended 22 August 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PUNCH TAVERNS INTERMEDIATE HOLDINGS LIMITED**

We have audited the financial statements of Punch Taverns Intermediate Holdings Limited for the period ended 22 August 2009 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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

As explained more fully in the Statement of Directors' Responsibilities set out on the previous page, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion, the financial statements

- give a true and fair view of the state of the company's affairs as at 22 August 2009 and of its loss for the period then
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Ernst & Young LLP

Lorna McNeil (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

11 February 2010

Punch Taverns Intermediate Holdings Limited

Period ended 22 August 2009

PROFIT & LOSS ACCOUNT

for the 52 week period ended 22 August 2009

	Notes	52 week period ended 22 August 2009 £000	53 week period ended 23 August 2008 £000
Loss on impairment of investments	2	(1,095,754)	-
OPERATING LOSS	2	<u>(1,095,754)</u>	<u>-</u>
Interest receivable and similar income	4	23,510	20,618
Interest payable	5	(9,301)	(8,156)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(1,081,545)</u>	<u>12,462</u>
Tax on (loss) / profit on ordinary activities	6	(7,746)	(3,640)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	<u><u>(1,089,291)</u></u>	<u><u>8,822</u></u>

The profit and loss account relates entirely to discontinued activities

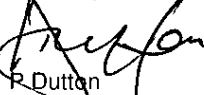
There are no recognised gains or losses other than those shown above

Punch Taverns Intermediate Holdings Limited
Period ended 22 August 2009

BALANCE SHEET
as at 22 August 2009

	<i>Notes</i>	22 August 2009 £000	23 August 2008 £000
FIXED ASSETS			
Investments	7	-	2,976,218
		-	2,976,218
CURRENT ASSETS			
Debtors amounts falling due in less than one year	8	1,793	-
Debtors amounts falling due after more than one year	8	2,193,941	289,737
		2,195,734	289,737
CREDITORS amounts falling due in less than one year	9	(29,517)	(20,200)
NET CURRENT ASSETS		2,166,217	269,537
TOTAL ASSETS LESS CURRENT LIABILITIES		2,166,217	3,245,755
CREDITORS amounts falling due after more than one year	10	(221,890)	(212,215)
NET ASSETS		1,944,327	3,033,540
CAPITAL AND RESERVES			
Called up share capital	11	609	609
Share premium	12	2,966,259	2,966,259
Capital reserve	12	8,716	8,638
Profit and loss account	12	(1,031,257)	58,034
		-	-
SHAREHOLDERS' FUNDS	12	1,944,327	3,033,540

The financial statements were approved and authorised for issue by the board and signed on its behalf on 9 February 2010


R Dutton
Director

Punch Taverns Intermediate Holdings Limited
Period ended 22 August 2009

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 22 August 2009

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable UK 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 year

Group financial statements

The company is exempt, under s400 of the Companies Act 2006, from the obligation to prepare consolidated financial statements as the company is a wholly owned subsidiary undertaking of a parent company incorporated in the EU, which prepares consolidated financial statements. As such, these financial statements present information about the company as an individual undertaking and not about its group

Fundamental accounting concept – going concern

The ultimate parent has undertaken to support the company for a period of at least one year following the date of approval of these financial statements and not recall group debt until all other liabilities have been settled and the company has funds to repay. For this reason, the financial statements have been prepared on a going concern basis

Taxation

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

Share-based payments

A number of employees of the Punch Taverns group (including directors) receive an element of remuneration in the form of share based payment transactions, whereby employees render services in exchange for shares in the ultimate parent company Punch Taverns plc ('equity-settled transactions'). Equity settled transactions are measured at fair value at the date of grant. Details of the accounting policy are given in the financial statements of Punch Taverns plc

In the employing company the cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on a straight line basis over the vesting period based on the Group's estimate of how many of the awards will eventually

In Punch Taverns plc and all intermediary holding companies, this transaction is recognised as a capital contribution to the underlying company, therefore an increase to the underlying cost of investment

Punch Taverns Intermediate Holdings Limited
Period ended 22 August 2009

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 22 August 2009

2 OPERATING LOSS

This is stated after charging

	52 week period ended 22 August 2009 £000	53 week period ended 23 August 2008 £000
Impairment of fixed asset investment (note 7)	1,095,754	-

Auditors' remuneration is paid by another company in the Punch Taverns group in the current and preceding periods

3 DIRECTORS' EMOLUMENTS AND STAFF COSTS

The directors received no emoluments from the company in respect of their services in the current or preceding periods

The company had no employees during the current or preceding periods

Punch Taverns Intermediate Holdings Limited
Period ended 22 August 2009

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 22 August 2009

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	52 week period ended 22 August 2009 £000	53 week period ended 23 August 2008 £000
Interest receivable from group undertakings	23,289	20,449
Other interest receivable	221	169
	<u>23,510</u>	<u>20,618</u>

5 INTEREST PAYABLE

	52 week period ended 22 August 2009 £000	53 week period ended 23 August 2008 £000
Interest payable to group undertakings	9,301	8,156
	<u>9,301</u>	<u>8,156</u>

Punch Taverns Intermediate Holdings Limited
Period ended 22 August 2009

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 22 August 2009

6 TAXATION

	52 week period ended 22 August 2009 £000	53 week period ended 23 August 2008 £000
The tax charge for the period comprises		
UK corporation tax		
- current period group relief receivable	3,978	3,640
- adjustments in respect of prior periods	3,768	-
	<u>7,746</u>	<u>3,640</u>
Total tax charge for the period	<u><u>7,746</u></u>	<u><u>3,640</u></u>

There is no provided or unprovided deferred tax

Reconciliation of tax charges

	52 week period ended 22 August 2009 £000	53 week period ended 23 August 2008 £000
(Loss) / profit on ordinary activities before taxation	<u>(1,081,545)</u>	<u>12,462</u>
(Loss) / profit on ordinary activities at standard rate of corporation tax in the UK of 28.0% (2008: 29.21%)	(302,833)	3,640
Effects of		
Expenses not deductible for tax purposes	306,811	-
Adjustments in respect of prior periods	3,768	-
Total current tax charge	<u><u>7,746</u></u>	<u><u>3,640</u></u>

The adjustment to the prior period tax charge reflects adjustments to the allocation of group relief within the group

There are no factors expected to materially affect future tax charges

Punch Taverns Intermediate Holdings Limited

Period ended 22 August 2009

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 22 August 2009

7 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £000
Cost	
As at 23 August 2008	2,976,218
Additions	78
Disposals	(2,976,296)
As at 22 August 2009	-
Impairment	
As at 23 August 2008	-
Provision for impairment	1,095,754
Disposal	(1,095,754)
As at 22 August 2009	-
Net book value	
As at 22 August 2009	-
As at 23 August 2008	2,976,218

During the period the company made a capital contribution of £78,000 (2008 £2,414,000) to its immediate subsidiary undertaking, Punch Taverns (ES) Limited

Also during the period, as part of a group re-organisation to simplify group structure, the company impaired its investment in subsidiary undertaking Punch Taverns (ES) Limited to market value and then sold its entire ordinary shareholding in that company to another group company at market value

The company held no shares in subsidiary undertakings at 22 August 2009

Punch Taverns Intermediate Holdings Limited
Period ended 22 August 2009

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 22 August 2009

8 DEBTORS

	2009 £000	2008 £000
Amounts falling due in less than one year.		
Amounts due from group undertakings	1,793	-
	<u>1,793</u>	<u>-</u>
Amounts falling due after more than one year	£000	£000
Loans due from group undertakings	146,711	126,717
Amounts due from group undertakings	2,047,230	163,020
	<u>2,193,941</u>	<u>289,737</u>

On 14 August 2009, as part of the group re-organisation, an amount due from fellow group undertaking, Punch Partnerships (PTL) Limited, of £146,711,000 was novated to fellow group undertaking, Punch Taverns (PRAF) Limited

Loans due from group undertakings represents a subordinated loan to fellow group company, Punch Partnerships (PTL) Limited, of £nil (2008 £126,717,000) Interest accrued at 17.5% per annum and was capitalised quarterly in arrears
Loans due from group undertakings represents a subordinated loan to fellow group company, Punch Taverns (PRAF) Limited, of £146,711,000 (2008 £nil) Interest accrues at 17.5% per annum and is capitalised quarterly in arrears

9 CREDITORS amounts falling due in less than one year

	2009 £000	2008 £000
Amounts owed to group undertakings	29,517	20,200
	<u>29,517</u>	<u>20,200</u>

10 CREDITORS amounts falling due after more than one year

	2009 £000	2008 £000
Loans owed to group undertakings	68,105	58,803
Amounts owed to group undertakings	153,785	153,412
	<u>221,890</u>	<u>212,215</u>

Loans owed to group undertakings represents a subordinated loan from fellow group company, Punch Taverns Investments Limited, of £68,104,000 (2008 £58,803,000) Interest accrues at 15% per annum and is capitalised quarterly in arrears

Punch Taverns Intermediate Holdings Limited

Period ended 22 August 2009

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 22 August 2009

11 SHARE CAPITAL

	2009 No	2009 £	2008 No	2008 £
<i>Authorised</i>				
Ordinary shares of £1 each	609,400	609,400	609,400	609,400
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	609,026	609,026	609,026	609,026

Punch Taverns Intermediate Holdings Limited

Period ended 22 August 2009

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 22 August 2009

12 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share Capital £000	Share Premium £000	Capital Reserve £000	Profit & Loss Account £000	Total Share- holders' Funds £000
At 18 August 2007	609	2,966,259	6,224	49,212	3,022,304
Profit for the period	-	-	-	8,822	8,822
Capital contribution received	-	-	2,414	-	2,414
At 23 August 2008	609	2,966,259	8,638	58,034	3,033,540
Loss for the period	-	-	-	(1,089,291)	(1,089,291)
Capital contribution received	-	-	78	-	78
At 22 August 2009	609	2,966,259	8,716	(1,031,257)	1,944,327

During the period, the company received a capital contribution of £78,000 (2008 £2,414,000) from its immediate parent undertaking, Punch Taverns Investments Limited

Punch Taverns Intermediate Holdings Limited
Period ended 22 August 2009

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 22 August 2009

13 CASH FLOW 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

14 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

15 ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is Punch Taverns Investments Limited, a company registered in England & Wales

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

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

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