

Registered No.
3982441

Punch Taverns (PGE) Limited

Report and Financial Statements

18 August 2012



Punch Taverns (PGE) Limited
Period ended 18 August 2012

DIRECTORS

E Bashforth
S Dando
R Whiteside

SECRETARY

H Tyrrell

AUDITORS

KPMG Audit Plc
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

SOLICITORS

Slaughter & May
One Bunhill Row
London
EC1Y 8YY

REGISTERED OFFICE

Jubilee House
Second Avenue
Burton upon Trent
Staffordshire
DE14 2WF

Punch Taverns (PGE) Limited
Period ended 18 August 2012

DIRECTORS' REPORT

Registered No 3982441

The directors present their report and financial statements for the financial period ended 18 August 2012

RESULTS AND DIVIDENDS

The loss after taxation for the financial period amounted to £129,285,000 (52 week period ended 20 August 2011 loss after taxation of £401,643,000) The directors do not propose the payment of a final dividend (2011 £nil)

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is that of an intermediate holding company and the provider of supply fee support for the benefit of the Punch Taverns group

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.

The directors of Punch Taverns (PGE) Limited have concluded that the company has adequate resources to remain in operation for the foreseeable future. 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.

Punch Taverns (PGE) Limited
Period ended 18 August 2012

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the period, the company made charitable contributions of £nil (2011 £nil) The company made no political contributions during the period (2011 £nil)

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 s487 of the Companies Act 2006

On behalf of the board

A handwritten signature in black ink, appearing to be 'S Dando', with a stylized flourish at the end.

S Dando
Director
23 Oct 2012

Punch Taverns (PGE) Limited
Period ended 18 August 2012

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

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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, 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 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 AUDITORS' REPORT
TO THE MEMBERS OF PUNCH TAVERNS (PGE) LIMITED**

We have audited the financial statements of Punch Taverns (PGE) Limited for the period ended 18 August 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 17. 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, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

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 18 August 2012 and of its loss for the period then ended,
- 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



G A Watts
Senior Statutory Auditor
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
23 Oct 2012

Punch Taverns (PGE) Limited

Period ended 18 August 2012

PROFIT & LOSS ACCOUNT

for the 52 week period ended 18 August 2012

52 week period ended 18 August 2012				52 week period ended 20 August 2011		
Notes	Underlying items	Non-underlying items (note 3)	Total	Underlying items	Non-underlying items (note 3)	Total
	£000	£000	£000	£000	£000	£000
Administrative expenses	(37,114)	-	(37,114)	6,504	(29,984)	(23,480)
Loss on impairment of fixed asset investments	-	-	-	-	(344,870)	(344,870)
OPERATING (LOSS) / PROFIT	2	(37,114)	(37,114)	6,504	(374,854)	(368,350)
Income from shares in group undertakings		950	950	61,320	-	61,320
Profit on disposal of fixed asset investments		-	-	-	8,487	8,487
Interest receivable and similar income	5	52,282	1,068	44,110	-	44,110
Interest payable	6	(162,208)	(162,208)	(144,573)	-	(144,573)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(146,090)	1,068	(32,639)	(366,367)	(399,006)
Tax on (loss) / profit on ordinary activities	7	3,974	11,763	(9,344)	6,707	(2,637)
TAX ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	13	(142,116)	12,831	(41,983)	(359,660)	(401,643)

The profit and loss account relates to continuing activities

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

Punch Taverns (PGE) Limited
Period ended 18 August 2012

BALANCE SHEET
as at 18 August 2012

	<i>Notes</i>	18 August 2012 £000	20 August 2011 £000
FIXED ASSETS			
Investments	8	1,087,769	1,086,630
		<u>1,087,769</u>	<u>1,086,630</u>
CURRENT ASSETS			
Debtors amounts falling due in less than one year	9	4,129	5,926
Debtors amounts falling due after more than one year	9	2,423,520	2,512,596
Cash at bank and in hand		299	2,006
		<u>2,427,948</u>	<u>2,520,528</u>
CREDITORS amounts falling due in less than one year	10	(11,584)	(37,907)
NET CURRENT ASSETS		<u>2,416,364</u>	<u>2,482,621</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,504,133</u>	<u>3,569,251</u>
CREDITORS: amounts falling due after more than one year	11	(2,357,473)	(2,294,445)
NET ASSETS		<u><u>1,146,660</u></u>	<u><u>1,274,806</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	62,599	62,599
Share premium	13	3,236,119	3,236,119
Capital reserve	13	18,031	16,892
Profit and loss account	13	(2,170,089)	(2,040,804)
SHAREHOLDERS' FUNDS	13	<u><u>1,146,660</u></u>	<u><u>1,274,806</u></u>

The financial statements were approved and authorised for issue by the board and signed on its behalf on
23 October 2012



S Dando
Director

Punch Taverns (PGE) Limited
Period ended 18 August 2012

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 18 August 2012

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

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

Dividend income

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

Punch Taverns (PGE) Limited
Period ended 18 August 2012

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 18 August 2012

2 OPERATING (LOSS) / PROFIT

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

3 NON-UNDERLYING ITEMS

	52 week period ended 18 August 2012 £000	52 week period ended 20 August 2011 £000
Included within administrative expenses		
Group re-organisation costs	-	29,984
Included within loss on impairment of investments	-	344,870
Included within disposal of fixed asset investments	-	(8,487)
Included within interest receivable and similar income		
Non-underlying interest receivable (note 5)	1 (1,068)	-
Tax adjustments in respect of prior periods (note 7)	(11,763)	(6,707)
	<u>(12,831)</u>	<u>359,660</u>

¹ Represents interest received on Corporation Tax refund

4 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 (PGE) Limited
Period ended 18 August 2012

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 18 August 2012

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	52 week period ended 18 August 2012 £000	52 week period ended 20 August 2011 £000
Bank interest receivable	10	21
Interest receivable from group undertakings	52,179	44,089
Other interest receivable	93	-
Non-underlying interest receivable (note 3)	1,068	-
	<u>53,350</u>	<u>44,110</u>

6 INTEREST PAYABLE

	52 week period ended 18 August 2012 £000	52 week period ended 20 August 2011 £000
Other interest payable	-	1,136
Interest payable to group undertakings	162,208	143,437
	<u>162,208</u>	<u>144,573</u>

Punch Taverns (PGE) Limited
Period ended 18 August 2012

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 18 August 2012

7 TAXATION

	52 week period ended 18 August 2012 £000	52 week period ended 20 August 2011 £000
The tax (credit) / charge for the period comprises		
UK corporation tax		
- current period group relief surrendered	(3,337)	-
- adjustments in respect of prior periods	(12,400)	2,637
	<u>(15,737)</u>	<u>2,637</u>
Total tax (credit) / charge for the period	<u><u>(15,737)</u></u>	<u><u>2,637</u></u>

There is no provided or unprovided deferred tax

Reconciliation of tax (credit) / charge

	52 week period ended 18 August 2012 £000	52 week period ended 20 August 2011 £000
Loss on ordinary activities before taxation	<u>(145,022)</u>	<u>(399,006)</u>
Loss on ordinary activities at standard rate of corporation tax in the UK of 25 22% (2011 27 22%)	(36,575)	(108,609)
Effects of		
Expenses not deductible for tax purposes	33,238	108,609
Adjustments in respect of prior periods	(12,400)	2,637
Total current tax (credit) / charge	<u><u>(15,737)</u></u>	<u><u>2,637</u></u>

Punch Taverns (PGE) Limited

Period ended 18 August 2012

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 18 August 2012

8 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £000
Cost.	
As at 20 August 2011	2,786,186
Additions	1,139
As at 18 August 2012	<u>2,787,325</u>
Impairment:	
As at 18 August 2012 and 20 August 2011	<u>1,699,556</u>
Net book value:	
As at 18 August 2012	<u>1,087,769</u>
As at 20 August 2011	<u>1,086,630</u>

During the period the company made a capital contribution of £1,139,000 (2011 £5,023,000) to its immediate subsidiary undertaking, Punch Taverns (PGRH) Limited

Details of the principal wholly owned subsidiary undertakings, in which the shareholdings are in ordinary shares, are as follows

Subsidiary undertaking	Principal activity
Held directly.	
Punch Partnerships (PGRP) Limited	Pub Operating Company
Punch Partnerships (PPCS) Limited	Intermediate Supply Company
Punch Taverns (Offices) Limited	Property leasing Company
Punch Taverns (PGRH) Limited	Holding Company
Punch Taverns (Finco) Limited	Intermediate Holding Company

Held indirectly:	
Punch Partnerships (PTL) Limited	Pub Operating Company
Punch Partnerships (PML) Limited	Pub Operating Company
Punch Taverns Finance Plc	Financing Company
Punch Taverns Finance B Limited	Financing Company

Exemption has been taken to exclude subsidiary undertakings from the above disclosure, whose results or financial position do not principally affect the financial statements

The above companies are incorporated in England and Wales other than Punch Taverns Finance B Limited, which is incorporated in the Cayman Islands

Punch Taverns (PGE) Limited
Period ended 18 August 2012

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 18 August 2012

9 DEBTORS

	2012	2011
	£000	£000
Amounts falling due in less than one year		
Amounts due from group undertakings	3,337	3,481
Others debtors	2	2,445
Corporation tax	790	-
	<u>4,129</u>	<u>5,926</u>
Amounts falling due after more than one year		
	2012	2011
	£000	£000
Loans due from group undertakings	857,215	829,836
Amounts due from group undertakings	1,566,305	1,682,760
	<u>2,423,520</u>	<u>2,512,596</u>

Included within loans due from group undertakings is a non-interest bearing loan with parent company, Punch Taverns plc, of £545,776,000 (2011 £545,776,000)

Also included within loans due from group undertakings is a subordinated loan with a book value of £61,963,000 with Punch Partnerships (PML) Limited (2011 £57,000,000) This loan was novated from another group undertaking during the prior period, when the carrying value of the loan was £201,414,000 The loan is held net of a provision of £144,414,000 The loan accrues interest at 11% per annum, which is capitalised quarterly in arrears

Also included within loans due from group undertakings is a subordinated loan of £219,132,000 (August 2011 £196,717,000) to Innspired (Cedar) Limited The loan accrues interest at 11% per annum, which is capitalised quarterly in arrears

Also included within loans due from group undertakings are non-interest bearing loans to fellow group companies Punch Taverns Investments (A) Limited and Punch Taverns Investments (B) Limited of £6,748,000 and £13,643,000 respectively (2011 £6,748,000 and £13,643,000) Also included within loans due from group undertakings are non-interest bearing loans to fellow group companies, Punch Partnerships (PGRP) Limited, Punch Taverns (Barton) Limited and Pub com Limited of £1,071,000, £8,590,000 and £292,000 respectively (August 2011 £1,071,000, £8,590,000 and £292,000)

Punch Taverns (PGE) Limited
Period ended 18 August 2012

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 18 August 2012

10 CREDITORS: amounts falling due in less than one year

	2012	2011
	£000	£000
Amounts owed to group undertakings	661	21,045
Other creditors	-	995
Accruals and deferred income	10,923	15,867
	<u>11,584</u>	<u>37,907</u>

11 CREDITORS: amounts falling due after more than one year

	2012	2011
	£000	£000
Loans owed to group undertakings	1,805,745	1,645,125
Amounts owed to group undertakings	551,728	649,320
	<u>2,357,473</u>	<u>2,294,445</u>

Loans owed to group undertakings include loans from Punch Taverns plc of £159,091,000 and £930,422,000 (August 2011 £141,639,000 and £805,274,000), which bear interest on the principal loan amount at 12% and 15% respectively

Also included within loans owed to group undertakings is a loan to fellow group company Avebury Properties Limited of £225,908,000 (2011 £206,303,000) which accrues interest at 16% per annum, and a non-interest bearing loan of £14,420,000 (2011 £14,420,000)

Also included within loans owed to group undertakings is a non-interest bearing loan to fellow group company Punch Taverns (Finco) Limited of £172,871,000 (2011 £172,871,000)

Also included within loans owed to group undertakings are non-interest bearing loans from fellow group companies, Punch Taverns (PPCS) Limited, Punch Taverns (Centrum) Limited, Punch Taverns (Jubilee) Limited, Punch Taverns (SPML) Limited, Punch Centrum Loan Company Limited, Punch Taverns (PMT) Limited, Punch Taverns (PMM) Limited, Punch Taverns (PMI) Limited, Punch Taverns (PMH) Limited, InnSpired (ITB) Limited and InnSpired Group Limited of £nil, £34,246,000, £6,204,000, £118,898,000, £27,000, £8,568,000, £568,000, £2,000, £5,700,000, £64,135,000, and £64,683,000 respectively (2011 £1,588,000, £34,246,000, £6,204,000, £118,898,000, £27,000, £8,568,000, £568,000, £2,000, £5,700,000, £64,135,000, and £64,683,000)

Punch Taverns (PGE) Limited

Period ended 18 August 2012

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 18 August 2012

12 SHARE CAPITAL

	2012	2012	2011	2011
	No	£000	No	£000
<i>Allotted, called up and fully paid</i>				
Deferred shares of 5p each	1,251,983,344	62,599	1,251,983,344	62,599
Special dividend share of 5p each	1	-	1	-
	<u>1,251,983,345</u>	<u>62,599</u>	<u>1,251,983,345</u>	<u>62,599</u>

The special dividend share confers the right to receive a special dividend or dividends of an amount not exceeding £108,000,000 in aggregate in priority to any other distribution of income or capital by the company on a date or dates to be determined by the directors, but no other right to income, capital or voting, save that if all the other shares in the capital of the company are deferred shares, the special dividend share shall carry one vote

The deferred shares do not carry any right to participate in the profits of the company or to receive notice of our attendance, speak or vote at general meetings, and carry a right to a return of capital on a winding-up after payments have been made to holders of the special dividend share

Punch Taverns (PGE) Limited

Period ended 18 August 2012

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 18 August 2012

13 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 21 August 2010	62,599	3,236,119	11,869	(1,639,161)	1,671,426
Loss for the period	-	-	-	(401,643)	(401,643)
Capital contribution received	-	-	5,023	-	5,023
At 20 August 2011	<u>62,599</u>	<u>3,236,119</u>	<u>16,892</u>	<u>(2,040,804)</u>	<u>1,274,806</u>
Loss for the period	-	-	-	(129,285)	(129,285)
Capital contribution received	-	-	1,139	-	1,139
At 18 August 2012	<u>62,599</u>	<u>3,236,119</u>	<u>18,031</u>	<u>(2,170,089)</u>	<u>1,146,660</u>

During the period, the company received a capital contribution of £1,139,000 (2011 £5,023,000) from its parent company, Punch Taverns plc

Punch Taverns (PGE) Limited
Period ended 18 August 2012

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 18 August 2012

14 CASH FLOW STATEMENT

The directors have taken advantage of the exemption in FRS 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

15 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 wholly owned subsidiaries of the Punch Taverns plc group. There were no other related party transactions during the period.

16 POST BALANCE SHEET EVENTS

At 18 August 2012, no obligation exists for dividends declared after that date (Aug 2011 £nil)

17 ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is Punch Taverns plc, 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