

Registered No.
3982441

Punch Taverns (PGE) Limited

Report and Financial Statements

23 August 2014

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COMPANIES HOUSE

Punch Taverns (PGE) Limited
Period ended 23 August 2014

DIRECTORS

E Bashforth	appointed	07 Oct 2014
S Billingham		
S Dando		

SECRETARY

F Appleby	appointed	07 Oct 2014
C Harris	resigned	07 Oct 2014

AUDITOR

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

BANKERS

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

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 23 August 2014

STRATEGIC REPORT

Registered No. 3982441

RESULTS AND DIVIDENDS

The loss after taxation for the 53 week period amounted to £169,753,000 (52 week period ended 17 August 2013: loss after taxation of £170,986,000). The directors do not propose the payment of a final dividend (2013: £nil).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is that of an intermediate holding company.

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.

On behalf of the board



S Dando

Director

11 November 2014

Punch Taverns (PGE) Limited
Period ended 23 August 2014

DIRECTORS' REPORT

Registered No. 3982441

The directors present their report and financial statements for the financial period ended 23 August 2014.

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.

POST BALANCE SHEET EVENTS

Events affecting the company occurring after the balance sheet date are disclosed in note 16 to the financial statements.

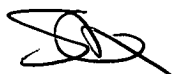
AUDIT INFORMATION

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.

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
11 November 2014

Punch Taverns (PGE) Limited
Period ended 23 August 2014

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

The directors are responsible for preparing the Directors' Report, 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).

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 AUDITOR'S REPORT
TO THE MEMBERS OF PUNCH TAVERNS (PGE) LIMITED**

We have audited the financial statements of Punch Taverns (PGE) Limited for the period ended 23 August 2014 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 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.

Respective responsibilities of directors and auditor

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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 23 August 2014 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 and Strategic 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.



Greg Watts
Senior Statutory Auditor
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
11 Nov 2014

Punch Taverns (PGE) Limited

Period ended 23 August 2014

PROFIT & LOSS ACCOUNT

for the 53 week period ended 23 August 2014

53 week period ended 23 August 2014				52 week period ended 17 August 2013			
Notes	Underlying items	Non-underlying items (note 3)	Total	Underlying items	Non-underlying items (note 3)	Total	
	£000	£000	£000	£000	£000	£000	
Administrative Loss	(12,468)	(3,778)	(16,246)	(47,969)	-	(47,969)	
OPERATING LOSS	2	(12,468)	(3,778)	(16,246)	(47,969)	-	(47,969)
Income from shares in group undertakings	-	-	-	1,245	-	1,245	
Interest receivable and similar income	5	60,372	-	60,372	54,677	-	54,677
Interest payable	6	(212,092)	-	(212,092)	(183,477)	-	(183,477)
LOSS ON ORDINARY ACTIVITIES BEFORE		(164,188)	(3,778)	(167,966)	(175,524)	-	(175,524)
Tax on loss on ordinary activities	7	(4,728)	2,941	(1,787)	3,891	647	4,538
(LOSS) / PROFIT ON ORDINARY ACTIVITIES	13	(168,916)	(837)	(169,753)	(171,633)	647	(170,986)

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 23 August 2014

BALANCE SHEET
as at 23 August 2014

	<i>Notes</i>	23 August 2014 £000	17 August 2013 £000
FIXED ASSETS			
Investments	8	1,088,227	1,088,105
		<u>1,088,227</u>	<u>1,088,105</u>
CURRENT ASSETS			
Debtors: amounts falling due in less than one year	9	1,312	5,706
Debtors: amounts falling due after more than one year	9	2,495,910	2,449,385
Cash at bank and in hand		65	377
		<u>2,497,287</u>	<u>2,455,468</u>
CREDITORS: amounts falling due in less than one year	10	(6,705)	(20,030)
NET CURRENT ASSETS		<u>2,490,582</u>	<u>2,435,438</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,578,809</u>	<u>3,523,543</u>
CREDITORS: amounts falling due after more than one year	11	(2,772,430)	(2,547,533)
NET ASSETS		<u><u>806,379</u></u>	<u><u>976,010</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	18,489	18,367
Profit and loss account	13	(2,510,828)	(2,341,075)
SHAREHOLDER'S FUNDS	13	<u><u>806,379</u></u>	<u><u>976,010</u></u>

The financial statements were approved and authorised for issue by the board and signed on its behalf on 11 November 2014



S Dando
Director

Punch Taverns (PGE) Limited
Period ended 23 August 2014

NOTES TO THE FINANCIAL STATEMENTS
for the 53 week period ended 23 August 2014

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.

Fixed asset investments

Investments are stated at cost, less provision for impairment in value. The carrying value of investments is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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.

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 3.

Punch Taverns (PGE) Limited
Period ended 23 August 2014

NOTES TO THE FINANCIAL STATEMENTS

for the 53 week period ended 23 August 2014

2 OPERATING LOSS

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

3 NON-UNDERLYING ITEMS

	53 week period ended 23 August 2014 £000	52 week period ended 17 August 2013 £000
Included within administrative expenses:		
Capital restructuring, redundancy and other related one-off costs	3,778	-
	<u>3,778</u>	<u>-</u>
Tax relief on non-underlying items	(839)	-
Tax adjustments in respect of prior periods	(2,102)	(647)
	<u>837</u>	<u>(647)</u>

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 23 August 2014

NOTES TO THE FINANCIAL STATEMENTS
for the 53 week period ended 23 August 2014

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	53 week period ended 23 August 2014 £000	52 week period ended 17 August 2013 £000
Bank interest receivable	3	7
Interest receivable from group undertakings	60,354	54,670
Other interest receivable	15	-
	<u>60,372</u>	<u>54,677</u>

6 INTEREST PAYABLE

	53 week period ended 23 August 2014 £000	52 week period ended 17 August 2013 £000
Interest payable to group undertakings	212,092	183,477
	<u>212,092</u>	<u>183,477</u>

Punch Taverns (PGE) Limited
Period ended 23 August 2014

NOTES TO THE FINANCIAL STATEMENTS
for the 53 week period ended 23 August 2014

7 TAXATION

The tax charge / (credit) for the period comprises:

UK corporation tax:

- current period group relief receivable / (surrendered)
- adjustments in respect of prior periods

Total tax charge / (credit) for the period

There is no provided or unprovided deferred tax.

Reconciliation of tax charge / (credit)

	53 week period ended 23 August 2014 £000	52 week period ended 17 August 2013 £000
Loss on ordinary activities before taxation	(167,966)	(175,524)
Loss on ordinary activities at standard rate of corporation tax in the UK of 22.22% (2013: 23.61%)	(37,322)	(41,441)
Effects of:		
Expenses not deductible for tax purposes	39,967	37,550
Adjustments in respect of prior periods	(858)	(647)
Total current tax charge / (credit)	1,787	(4,538)

Punch Taverns (PGE) Limited

Period ended 23 August 2014

NOTES TO THE FINANCIAL STATEMENTS

for the 53 week period ended 23 August 2014

8 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £000
Cost:	
As at 17 August 2013	2,787,661
Additions	122
As at 23 August 2014	<u>2,787,783</u>
Impairment:	
As at 23 August 2014 and 17 August 2013	<u>1,699,556</u>
Net book value:	
As at 23 August 2014	<u>1,088,227</u>
As at 17 August 2013	<u>1,088,105</u>

During the period the company made a capital contribution of £122,000 (2013 £336,000) 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 Taverns (Services) Limited	Immediate Supply Company
Punch Taverns (Offices) Limited	Property Leasing Company
Punch Taverns (PGRH) Limited	Holding Company
Punch Taverns (Finco) Limited	Immediate 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 23 August 2014

NOTES TO THE FINANCIAL STATEMENTS

for the 53 week period ended 23 August 2014

9 DEBTORS

	2014	2013
	£000	£000
Amounts falling due in less than one year:		
Amounts due from group undertakings	-	4,179
Social security and other taxes	-	89
Corporation tax	1,312	1,438
	<u>1,312</u>	<u>5,706</u>
	2014	2013
	£000	£000
Amounts falling due after more than one year:		
Loans due from group undertakings	913,262	861,727
Amounts due from group undertakings	1,582,648	1,587,658
	<u>2,495,910</u>	<u>2,449,385</u>

Included within loans due from group undertakings is a non-interest bearing loan with parent company, Punch Taverns plc, of £545,776,000 (2013: £545,776,000).

Also included within loans due from group undertakings is a subordinated loan with a book value of £82,689,000 with Punch Partnerships (PML) Limited (2013: £61,821,000). The loan is held net of a provision of £144,414,000. The loan accrues interest at 15% per annum, which is capitalised quarterly in arrears.

Also included within loans due from group undertakings is a subordinated loan of £272,982,000 (2013: £244,177,000) 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 Partnerships (PGRP) Limited, Punch Taverns (Barton) Limited, Pub.com Limited and Punch Taverns Investments (B) Limited of £1,071,000, £8,590,000, £292,000 and £1,862,000 respectively (2013: £1,071,000, £8,590,000, £292,000 and £nil).

Punch Taverns (PGE) Limited
Period ended 23 August 2014

NOTES TO THE FINANCIAL STATEMENTS

for the 53 week period ended 23 August 2014

10 CREDITORS: amounts falling due in less than one year

	2014	2013
	£000	£000
Amounts owed to group undertakings	191	166
Other creditors	-	6,031
Accruals and deferred income	6,470	13,833
Social security and other taxes	44	-
	<u>6,705</u>	<u>20,030</u>

11 CREDITORS: amounts falling due after more than one year

	2014	2013
	£000	£000
Loans owed to group undertakings	2,201,313	1,989,221
Accruals and deferred income	5	-
Amounts owed to group undertakings	<u>571,112</u>	<u>558,312</u>
	<u>2,772,430</u>	<u>2,547,533</u>

Loans owed to group undertakings include loans from Punch Taverns plc of £201,106,000 and £1,244,388,000 (2013: £178,694,000 and £1,074,691,000), 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 £265,497,000 (2013: £245,514,000) which accrues interest at 16% per annum, and a non-interest bearing loan of £14,420,000 (2013: £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 (2013: £172,871,000).

Also included within loans owed to group undertakings are non-interest bearing loans from fellow group companies 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 £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 (2013: £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 23 August 2014

NOTES TO THE FINANCIAL STATEMENTS

for the 53 week period ended 23 August 2014

12 SHARE CAPITAL

	2014	2014	2013	2013
	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 23 August 2014

NOTES TO THE FINANCIAL STATEMENTS

for the 53 week period ended 23 August 2014

13 RECONCILIATION OF SHAREHOLDER'S FUNDS AND MOVEMENTS ON RESERVES

					Total
	Share Capital £000	Share Premium £000	Capital Reserve £000	Profit & Loss Account £000	Shareholder's funds £000
At 18 August 2012	62,599	3,236,119	18,031	(2,170,089)	1,146,660
Loss for the period	-	-	-	(170,986)	(170,986)
Capital contribution received	-	-	336	-	336
At 17 August 2013	62,599	3,236,119	18,367	(2,341,075)	976,010
Loss for the period	-	-	-	(169,753)	(169,753)
Capital contribution received	-	-	122	-	122
At 23 August 2014	62,599	3,236,119	18,489	(2,510,828)	806,379

Punch Taverns (PGE) Limited
Period ended 23 August 2014

NOTES TO THE FINANCIAL STATEMENTS
for the 53 week period ended 23 August 2014

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 23 August 2014, no obligation exists for dividends declared after that date (August 2013: £nil).

On the 8 October 2014 Punch Taverns plc announced the successful completion of the restructuring process. The directors of Punch Taverns (PGE) Limited believe that the completion of the restructuring creates a robust and sustainable long term structure for the company and the wider Punch group.

As part of the restructuring process the following transactions took place in Punch Taverns (PGE) Limited after the period end:

On 30 September 2014 all Non-Redeemable Shares (1,251,983,344 shares) of £0.05 each in PGE (held by Punch Taverns plc) were reclassified into 1,251,983,344 Ordinary Shares of £0.05 each (still held by Punch Taverns plc).

Also on 30 September 2014 the one Special Dividend Share of £0.05 (held by Punch Taverns plc) was reclassified into one Ordinary Share of £0.05 (still held by Punch Taverns plc).

On 8 October 2014 Punch Taverns (PGE) Limited issued to Punch Taverns plc one Ordinary Share of £0.05 fully paid at par plus a premium of £49,999,999.95.

Also on 8 October 2014 Punch Taverns (PGE) Limited issued to Punch Taverns plc one Ordinary Share of £0.05 fully paid at par plus a premium of £302,202.43.

Also on 8 October 2014 Punch Taverns (PGE) Limited issued to Punch Taverns plc one Ordinary Share of £0.05 fully paid at par plus a premium of £893,410.25.

The share capital of the company following these transactions is as follows:

	No.	£000
<i>Allotted, called up and fully paid:</i>		
Ordinary Shares of 5p each	<u>1,251,983,348</u>	<u>62,599</u>

17 ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is Punch Taverns plc a company registered in England and 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.