

Registered No.
03982441

Punch Pubs & Co Limited, formerly (Punch Taverns (PGE) Limited)

Report and Financial Statements

16 August 2020



Punch Pubs & Co Limited, formerly (Punch Taverns (PGE) Limited)
Period ended 16 August 2020

COMPANY INFORMATION

DIRECTORS

E Bashforth
S Dando

SECRETARY

F Appleby

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

SOLICITORS

Slaughter & May
One Bunhill Row
London
EC1Y 8YY

REGISTERED OFFICE

Jubilee House
Second Avenue
Burton upon Trent
Staffordshire
DE14 2WF

Punch Pubs & Co Limited, formerly (Punch Taverns (PGE) Limited)
Period ended 16 August 2020

STRATEGIC REPORT

Registered No. 03982441

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

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

RESULTS AND DIVIDENDS

The loss after taxation for the 52 week period amounted to £136,250,000 (52 week period ended 18 August 2019: loss after taxation of £55,250,000). The directors do not propose the payment of a final dividend (2019: £nil).

REVIEW OF THE BUSINESS

Operations are managed 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 group is discussed in the Vine Acquisitions Limited Annual Report and Financial Statements which can be requested from Companies House. The directors do not consider that there are any specific principal risks and uncertainties applicable to the company which

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.

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 Vine Acquisitions Limited group, the company's key stakeholders are largely the same as those of Vine Acquisitions Limited. Decisions affecting the company are based on group strategy, filtered down from the group. The Vine Acquisitions Limited group's ("the group") key stakeholders are as follows:

Shareholders: The group board meets every period to discuss the financial reporting and strategy of the group. The board includes directors of the group, who are employed by Patron Capital and May Capital, majority shareholders in the group. The board meetings give investors the opportunity to provide feedback to the directors on a range of matters.

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.

The group is an equal opportunities employer, welcoming pub lovers of all backgrounds. 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.

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.

The group is not restricted to any one operating model, but operates across the full spectrum of operating formats, from free-of-tie commercial leases, tied leases and tenancies, turnover leases and Managed Partnerships agreements to fully Managed pubs.

Debt holders: The group is largely financed through secured loan notes and facilities. Debt providers receive regular reporting updates on the relevant securitisation groups.

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.

Equality, diversity and disabled employees

The company does not have any employees but as a member of the Vine Acquisitions Limited group ("the group"), the group is committed to promoting diversity. To this end, the group is 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. The group continues to be supportive of the employment of disabled persons in accordance with their abilities and aptitudes, provided that they can be employed in a safe working environment. Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions.

Community, charity and environment

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 supporting 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 Buying Club (an industry-leading online ordering and information portal), with a wide range of downloadable educational tools, advice and pub friendly materials.

As well as our own commitment to charities, we also encourage all our publicans to consider the role their pub business can play in the local community. Many pubs have diversified 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.

Political donations

The company does not make any donations to any political party or organisation.

Culture and values

The public house has always been a Great British institution. The heart and soul of our nation, it's a place where everyone is welcome and so is our business. At our core, we're about treating people with the warmth and hospitality they'd expect in any of our pubs, and as part of that, our culture is one of our most valuable assets.

Our identity is a reflection of the way we work as a business, working together in an inclusive environment where everyone feels motivated, engaged and valued. Our values are what sets us apart, underpins how we behave, how we interact and how we work. Our Hashtags:

- #WeAreBold – We lead the charge on change
- #WeMakeThingsHappen – Bringing pace, quality and a positive impact to all that we do
- #WeWinTogether – We all can work, but together we succeed
- #OurBestSelf – We strive to fulfil our potential with support from Vine

Payment of suppliers

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

CORONAVIRUS AND GOING CONCERN

At the date of signing these financial statement, the directors have considered the effect of the Covid-19 pandemic on the company with the information available to it, and do not believe it will affect the company's ability to continue to trade for the foreseeable future. The outbreak of Covid-19 casts a high degree of uncertainty as to the future financial performance and cash flows of the company. The implications of this have been considered by the Director's in assessing the ability of the company to continue as a going concern.

After due consideration the Director's believe that they have a reasonable expectation that the company has sufficient resources to continue in operational existence for the 12 months from the date of approval of these financial statements, and therefore continue to adopt the going concern in their preparation. Please see note 1 for further details.

On behalf of the board

A handwritten signature in black ink, appearing to be 'S Dando', written in a cursive style.

S Dando

Director

17 December 2020

Punch Pubs & Co Limited, formerly (Punch Taverns (PGE) Limited)
Period ended 16 August 2020

DIRECTORS' REPORT

Registered No. 03982441

The directors present their report and financial statements for the financial period ended 16 August 2020.

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.

POST BALANCE SHEET EVENTS

In response to rising Covid-19 case numbers, the Government announced the closure of all hospitality venues (including pubs) in England for on premises consumption for four weeks from Thursday 5 November until Wednesday 2 December. Different measures to address the rising Covid-19 case numbers were implemented in Wales and Scotland.

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.

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

17 December 2020

Punch Pubs & Co Limited, formerly (Punch Taverns (PGE) Limited)
Period ended 16 August 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' 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; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.

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 PUBS & CO LIMITED, FORMERLY (PUNCH TAVERNS (PGE) LIMITED)

Opinion

We have audited the financial statements of Punch Pubs and Co Limited for the year ended 16 August 2020 which comprise the profit and loss account, the statement of changes in equity, the balance sheet, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation 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 16 August 2020 and of the company's loss for the year then ended;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 and 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.

Material uncertainty related to going concern as a result of Covid 19

We draw attention to the going concern accounting policy of the financial statements which highlights that the company has been impacted by the Covid 19 pandemic, as stated in note 1. The extent to which the company is impacted, and its ability to continue as a going concern is uncertain, and will depend upon the severity of the pandemic. Our opinion is not modified in respect of this matter. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our audit 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 our knowledge and understanding of the company and its 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 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, 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 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.

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.

Katharine Warrington

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: 17 December 2020

Punch Pubs & Co Limited, formerly (Punch Taverns (PGE) Limited)

Period ended 16 August 2020

PROFIT & LOSS ACCOUNT

for the 52 week period ended 16 August 2020

52 week period ended 16 August 2020				52 week period ended 18 August 2019		
Notes	Underlying items	Non-underlying items (note 3)	Total	Underlying items	Non-underlying items (note 3)	Total
	£000	£000	£000	£000	£000	£000
Administrative income / (expenses)	2	(298)	(296)	262	41	303
Loss on impairment of fixed asset investments	-	(40,819)	(40,819)	-	-	-
Loss on disposal of fixed assets	-	(2)	(2)	-	(114)	(114)
OPERATING PROFIT / (LOSS)	2	(41,119)	(41,117)	262	(73)	189
Income from shares in group undertakings	-	-	-	30,637	-	30,637
Interest receivable	5	54,790	54,790	49,228	-	49,228
Interest payable	6	(154,273)	(154,273)	(136,625)	-	(136,625)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(99,481)	(140,600)	(56,498)	(73)	(56,571)
Tax on loss on ordinary activities	7	3,225	4,350	590	731	1,321
(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(96,256)	(136,250)	(55,908)	658	(55,250)

The profit and loss account relates to continuing activities.

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

Punch Pubs & Co Limited, formerly (Punch Taverns (PGE) Limited)
Period ended 16 August 2020

BALANCE SHEET

as at 16 August 2020

	<i>Notes</i>	16 August 2020 £000	18 August 2019 £000
FIXED ASSETS			
Investments	9	896,548	914,367
		<u>896,548</u>	<u>914,367</u>
CURRENT ASSETS			
Debtors: (including £5,448,000 (2019: £929,000) due after more than one year)	10	1,598,611	1,536,237
Cash at bank and in hand	11	1	6
		<u>1,598,612</u>	<u>1,536,243</u>
CURRENT LIABILITIES			
Creditors: amounts falling due in less than one year	12	(2,047,496)	(1,866,696)
		<u>(2,047,496)</u>	<u>(1,866,696)</u>
NET CURRENT LIABILITIES		<u>(448,884)</u>	<u>(330,453)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>447,664</u>	<u>583,914</u>
NON-CURRENT LIABILITIES			
CREDITORS: amounts falling due after more than one year	13	(10,000)	(10,000)
NET ASSETS		<u><u>437,664</u></u>	<u><u>573,914</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	62,599	62,599
Share premium		3,287,315	3,287,315
Capital reserve		19,561	19,561
Profit and loss account		(2,931,811)	(2,795,561)
SHAREHOLDER'S FUNDS		<u><u>437,664</u></u>	<u><u>573,914</u></u>

The financial statements were approved and authorised for issue by the board and signed on its behalf on
17 December 2020



S Dando

Company number: 03982441

Punch Pubs & Co Limited, formerly (Punch Taverns (PGE) Limited)

Period ended 16 August 2020

STATEMENT OF CHANGES IN EQUITY

for the 52 week period ended 16 August 2020

	Share Capital £000	Share Premium £000	Capital Reserve £000	Profit & Loss Account £000	Total Equity £000
At 18 August 2018	62,599	3,287,315	19,561	(2,740,311)	629,164
Loss for the period	-	-	-	(55,250)	(55,250)
At 18 August 2019	<u>62,599</u>	<u>3,287,315</u>	<u>19,561</u>	<u>(2,795,561)</u>	<u>573,914</u>
Loss for the period	-	-	-	(136,250)	(136,250)
At 16 August 2020	<u><u>62,599</u></u>	<u><u>3,287,315</u></u>	<u><u>19,561</u></u>	<u><u>(2,931,811)</u></u>	<u><u>437,664</u></u>

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

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

The Capital Reserve represents capital contributions made from other group companies.

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

Punch Pubs & Co Limited, formerly (Punch Taverns (PGE) Limited)
Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 16 August 2020

1 ACCOUNTING POLICIES

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("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.

The company's ultimate parent undertaking, Vine Acquisitions Limited, includes the company in its consolidated financial statements. The consolidated financial statements of Vine Acquisitions Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Companies House.

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 subsidiaries

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 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 intangible assets

Disclosures required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations

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.

Punch Pubs & Co Limited, formerly (Punch Taverns (PGE) Limited)
Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 16 August 2020

1 ACCOUNTING POLICIES

Changes in accounting policies

Measurement convention

The financial statements are prepared on the historical cost basis.

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 outbreak of Covid-19 casts a high degree of uncertainty as to the future financial performance and cash flows of the company. The implications of this have been considered by the Director's in assessing the ability of the company to continue as a going concern. During the period, the wider group has made use of support available to businesses during this difficult time under the Coronavirus Job Retention Scheme and has obtained additional support from its principal investors. During the period, the wider group also received various covenant waivers for its existing debt.

The events and future uncertain effect of potential government restrictions on the company and in addition, the ability of the wider group to provide such support, indicates a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

After due consideration the Director's believe that they have a reasonable expectation that the company has sufficient resources to continue in operational existence for the 12 months from the date of approval of these financial statements, and therefore continue to adopt the going concern in their preparation. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern; such as the recoverability of balances due from fellow group undertakings.

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 provided on temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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.

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 of 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 fixed asset investments

The company assesses the risk of impairment to the investment in its subsidiaries. There is a judgement in considering whether an impairment arises because of the difference between the carrying value and the fair value, being value in use.

Punch Pubs & Co Limited, formerly (Punch Taverns (PGE) Limited)
Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 16 August 2020

2 OPERATING PROFIT / (LOSS)

Auditor remuneration is paid by another company in the Vine Acquisitions Limited group in the current and preceding periods. The amount of auditor remuneration relating to the company is £1,000 (2018: £1,000).

3 NON-UNDERLYING ITEMS

	52 week period ended 16 August 2020 £000	52 week period ended 18 August 2019 £000
Included within administrative expenses:		
Sundry income	298	(41)
	<u>298</u>	<u>(41)</u>
Loss on impairment of investments	40,819	-
Included within fixed asset disposals:		
Loss on disposal of fixed assets	2	114
Tax charge on non-underlying items	-	198
Tax adjustments in respect of prior periods	(1,125)	(929)
Total non-underlying tax credit	<u>(1,125)</u>	<u>(731)</u>
	<u><u>39,994</u></u>	<u><u>(658)</u></u>

4 DIRECTORS' EMOLUMENTS AND STAFF COSTS

The directors did not receive any remuneration in respect of their services to the company (2019: nil). Their roles within the company are deemed to be incidental to their wider roles within the group and therefore the company bears no costs in relation to the directors.

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

Punch Pubs & Co Limited, formerly (Punch Taverns (PGE) Limited)
Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 16 August 2020

5 INTEREST RECEIVABLE

	52 week period ended 16 August 2020 £000	52 week period ended 18 August 2019 £000
Bank interest receivable	-	1
Interest receivable from group undertakings	54,790	49,227
	<u>54,790</u>	<u>49,228</u>

6 INTEREST PAYABLE

	52 week period ended 16 August 2020 £000	52 week period ended 18 August 2019 £000
Bank and other loans	600	85
Loss on release of intercompany balance	300	-
Interest payable to group undertakings	153,373	136,540
	<u>154,273</u>	<u>136,625</u>

Punch Pubs & Co Limited, formerly (Punch Taverns (PGE) Limited)
Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 16 August 2020

7 TAXATION

Tax recognised in the profit and loss account

	52 week period ended 16 August 2020 £000	52 week period ended 18 August 2019 £000
UK corporation tax:		
- current period group relief surrendered	-	(394)
- adjustments in respect of prior periods	169	2
	<u>169</u>	<u>(392)</u>
Deferred tax:		
- originating and reversal of timing differences	(3,510)	-
- adjustments in respect of prior periods	(1,009)	(929)
	<u>(4,519)</u>	<u>(929)</u>
Total tax credit for the period	<u>(4,350)</u>	<u>(1,321)</u>

Reconciliation of tax credit

	52 week period ended 16 August 2020 £000	52 week period ended 18 August 2019 £000
Loss on ordinary activities before taxation	<u>(140,600)</u>	<u>(56,571)</u>
Current tax at 19.00% (2019: 19.00%)	(26,714)	(10,748)
Effects of:		
Expenses not deductible for tax purposes / (income not chargeable for tax purposes)	23,432	(5,798)
Adjustments to tax in respect of prior periods (non-underlying)	(840)	(929)
Current period charge	(228)	190
Group relief		15,964
Total tax credit	<u>(4,350)</u>	<u>(1,321)</u>

Punch Pubs & Co Limited, formerly (Punch Taverns (PGE) Limited)

Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 16 August 2020

8 TANGIBLE FIXED ASSETS

	Land & buildings £000	Total £000
Cost:		
As at 18 August 2019	-	-
Additions	2	2
Disposals	(2)	(2)
As at 16 August 2020	<u>-</u>	<u>-</u>
Depreciation:		
As at 16 August 2020 and 18 August 2019	<u>-</u>	<u>-</u>
Net book value:		
As at 16 August 2020 and 18 August 2019	<u>-</u>	<u>-</u>

Punch Pubs & Co Limited, formerly (Punch Taverns (PGE) Limited)

Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 16 August 2020

9 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £000
Cost:	
As at 18 August 2019	3,006,103
Additions	23,000
As at 16 August 2020	<u>3,029,103</u>
Impairment:	
As at 18 August 2019	2,091,736
Provision for impairment	40,819
As at 16 August 2020	<u>2,132,555</u>
Net book value:	
As at 16 August 2020	<u>896,548</u>
As at 18 August 2019	<u>914,367</u>

During the year, the company acquired one ordinary share in each of Punch Taverns Barton Intermediate Holding Company Limited and Punch Taverns (Services) Limited, for a total consideration of £8,000,000 and £15,000,000 respectively.

During the year, the company impaired its investments resulting in an impairment of £40,819,000.

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	Intermediate supply company
Punch Partnership Limited	Dormant
Punch Taverns (PGRA) Limited	Dormant
Punch Taverns (Shawshank) Limited	Dormant
Punch Taverns QUEST Trustee Limited	Dormant
Punch Group Limited	Dormant
Punch Taverns Loanco (B) Limited	Non-trading
Punch Taverns (PGRH) Limited	Non-trading
Punch Taverns (Finco) Limited	Intermediate holding company
Punch Taverns Reserve Company Limited	Non-trading
InnSpired (Cedar) Limited	Non-trading
Punch Taverns Reserve II Company Limited	Dormant
Punch Taverns (ITG) Limited	Dormant
Punch Centrum Intermediate Holding Company Limited	Dormant
Punch Taverns (Redwood Guaranteeco) Limited	Dormant
Punch Taverns (PMG) Limited	Dormant
Punch Jubilee Intermediate Holding Company Limited	Dormant
Punch Taverns Barton Intermediate Holding Company Limited	Dormant
Punch Taverns (Woodville) Limited	Non-trading
Punch Taverns (Redwood Midco) Limited	Dormant
Punch Taverns (APL 35) Limited	Non-trading company
Punch Taverns (APL 278) Limited	Non-trading company
Avebury Group Limited	Dormant
Van Klaveren BV	Dormant

Punch Pubs & Co Limited, formerly (Punch Taverns (PGE) Limited)

Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 16 August 2020

Held indirectly:

Punch Partnerships (PML) Limited
 Punch Taverns Finance B Limited
 Punch Taverns Holdco (B) Limited
 Broomco (3708) Limited
 InnSpired (ITB) Limited
 InnSpired Company Limited
 InnSpired Group Limited
 InnSpired Holdings Limited
 Mill House Inns (Trading) Limited
 Pioneer Pub Company Limited
 Punch Taverns (ES) Limited
 Punch Taverns Investments Limited
 Rhesus Limited
 Silverhoney Limited
 Tudor Street Acquisitions Limited
 Punch Taverns (PRAF) Limited
 Brewed and Baked Limited
 InnSpired Pubs Limited
 InnSpired Taverns Limited
 Pub.Com Limited
 Punch Centrum Loan Company Limited
 Punch Taverns (CPM) Limited
 Punch Taverns (PGRF) Limited
 Punch Taverns (PMI) Limited
 Punch Taverns (PMM) Limited
 Punch Taverns (PMT) Limited
 Punch Taverns (PRAC) Limited
 Punch Taverns Group Limited
 Punch Taverns Intermediate Holdings Limited
 Ushers of Trowbridge Limited
 Mercury Pubs Limited
 Avebury Inns Limited
 Avebury Pub Company Limited
 CB (1994) Limited
 Coinmine Limited
 Conquest Inns (Property) Limited
 Conquest Inns (Trading) Limited
 Conquest Inns Limited
 Falcon Pubs & Restaurants Limited
 Enrichtech Limited
 Golden Pheasant Restaurant Limited
 Harpplan Limited
 Inn Partnership Limited
 InnSpired (ESOP) Limited
 InnSpired Taverns II Limited
 Jodsal Limited
 Mercury Taverns (Holdings) Limited
 Mercury Taverns Limited

Principal activity

[illegible]

Punch Pubs & Co Limited, formerly (Punch Taverns (PGE) Limited)

Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 16 August 2020

Held indirectly (continued):

Mill House Inns (Leaseholds) Limited	Dormant
Mill House Inns (Retford) Limited	Dormant
Mill House Inns Limited	Dormant
Millhouse Pubs Limited	Dormant
Old Tradition Inns Limited	Dormant
Pioneer Inns and Taverns Limited	Dormant
Punch Inns Limited	Dormant
Mighty Local Limited	Dormant
Punch Signature Pubs Limited	Dormant
Punch Taverns (AH) Limited	Dormant
Punch Taverns (Avebury) Limited	Non-trading
Punch Taverns (Branston) Limited	Pub operating company
Punch Taverns (Centrum) Limited	Dormant
Punch Taverns (DPM) Limited	Dormant
Punch Taverns (PMH) Limited	Dormant
Punch Taverns (PMMH) Limited	Dormant
Punch Taverns (PMST) Limited	Dormant
Punch Pubs Limited	Dormant
Punch Taverns (SPM) Limited	Dormant
Punch Taverns (SPML) Limited	Dormant
Punch Taverns Barton Loan Company Limited	Dormant
Punch Taverns Development Company Limited	Dormant
Punch Taverns Intermediate Holdco (B) Limited	Dormant
Punch Taverns Investments (A) Limited	Dormant
Punch Taverns Investments (B) Limited	Dormant
Silverhoney Holdings Limited	Dormant
Stanford Pubs Limited	Dormant
Stanford Taverns Limited	Dormant
The Dublin Pub Company Limited	Dormant
The Inn Partnership Pension Scheme Limited	Dormant
The Local Pub Company Limited	Dormant
The Pear Tree Inn Limited	Dormant
Top Dog Pub Company Limited	Dormant
Tudor Street Holdings Limited	Dormant
Punch Taverns Interco (A) Limited	Dormant
InnSpired Developments Limited	Dormant
Punch Taverns (PMI) Limited	Dormant
Punch Taverns (BSV) Limited	Dormant

The above companies are incorporated in United Kingdom with the exception of Punch Taverns Finance B Limited which is incorporated in Cayman Islands and Van Klaveren BV which is incorporated in the Netherlands.

The registered office is the same as Punch Pubs & Co Limited apart from Punch Taverns Finance B Limited, Pub.com Limited and Van Klavern BV. Punch Taverns Finance B Limited's registered office is PO BOX 309, George Town, Grand Cayman, Cayman Islands. Pub.com Limited's registered office is TLT Scotland Ltd, 140 West George Street, Glasgow, G2 2GH. Van Klavern BV's registered office is Prins Vernhardplein 200, Amsterdam, the Netherlands.

Punch Pubs & Co Limited, formerly (Punch Taverns (PGE) Limited)
Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 16 August 2020

10 DEBTORS

	2020	2019
	£000	£000
Amounts falling due in less than one year:		
Amounts due from group undertakings	508,685	505,543
Loans due from group undertakings	1,084,162	1,029,372
Prepayments and accrued income	92	-
Corporation tax	224	393
	<u>1,593,163</u>	<u>1,535,308</u>
	2020	2019
	£000	£000
Amounts falling due after more than one year:		
Deferred tax asset (note 14)	5,448	929
	<u>5,448</u>	<u>929</u>

Included within loans due from group undertakings is a non-interest bearing loan with parent company, Punch Taverns Limited, of £545,776,000 (2019: £545,776,000).

Also included within loans due from group undertakings is a subordinated loan of £527,369,000 (2019: £472,578,000) to Innspired (Cedar) Limited. The loan accrues interest at 15% 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 £2,114,000, £8,590,000, £292,000 and £22,000 respectively (2019: £2,114,000, £8,590,000, £292,000 and £22,000 respectively).

Punch Pubs & Co Limited, formerly (Punch Taverns (PGE) Limited)
Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 16 August 2020

11 CASH AND CASH EQUIVALENTS

	2020 £000	2019 £000
Cash at bank and in hand	1	6
	<u>1</u>	<u>6</u>

12 CREDITORS: amounts falling due in less than one year

	2020 £000	2019 £000
Loans owed to group undertakings	1,424,842	1,271,469
Amounts owed to group undertakings	622,186	595,036
Other creditors	-	2
Accruals and deferred income	468	189
	<u>2,047,496</u>	<u>1,866,696</u>

Loans owed to group undertakings includes a loan from the company's immediate parent company, Punch Taverns Limited of £1,178,671,000 (2019: £1,025,297,000). The loan accrues interest at a fixed rate of 15% and is capitalised annually in arrears. During the year capital repayments of £nil (2019: £11,332,000) were made.

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 (2019: £172,871,000).

Also included within loans owed to group undertakings are non-interest bearing loans from fellow group companies Punch Centrum Loan Company Limited, Punch Taverns (PMT) Limited, Punch Taverns (PMM) Limited, Punch Taverns (PMI) Limited, InnSpired (ITB) Limited and Punch Taverns (PMG) Limited of £27,000, £8,568,000, £568,000, £nil, £64,135,000 and £2,000 (2019: £27,000, £8,568,000, £568,000, £2,000, £64,135,000 and £nil).

13 CREDITORS: amounts falling due after more than one year

	2020 £000	2019 £000
Loan notes (note 15)	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

Punch Pubs & Co Limited, formerly (Punch Taverns (PGE) Limited)
Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 16 August 2020

14 DEFERRED TAX

	2020	2019
	£000	£000
Assets at the beginning of the period	929	-
Credited to profit and loss account	<u>4,519</u>	<u>929</u>
	<u><u>5,448</u></u>	<u><u>929</u></u>

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

Deferred tax assets

	Tax losses	Total
	£000	£000
Credited to profit or loss	929	929
At 18 August 2019	929	929
Credited to profit and loss account	<u>4,519</u>	<u>4,519</u>
At 16 August 2020	<u><u>5,448</u></u>	<u><u>5,448</u></u>

Punch Pubs & Co Limited, formerly (Punch Taverns (PGE) Limited)
Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 16 August 2020

15 INTEREST-BEARING LOANS AND BORROWINGS

	2020	2019
	£000	£000
Creditors falling due after more than one year		
Loan notes	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

During the prior period the company issued a fixed rate loan note at 6%, repayable by June 2024.

Punch Pubs & Co Limited, formerly (Punch Taverns (PGE) Limited)

Period ended 16 August 2020

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 16 August 2020

16 SHARE CAPITAL

	2020	2020	2019	2019
	No.	£000	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>	<u>1,251,983,348</u>	<u>62,599</u>

Punch Pubs & Co Limited, formerly (Punch Taverns (PGE) Limited)
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NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 16 August 2020

17 ULTIMATE PARENT UNDERTAKING

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

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 smallest and largest group in which the results of the company are consolidated is that headed by Vine Acquisitions Limited, a company registered in England & Wales.

Copies of the financial statements of Vine Acquisitions Limited are available from Companies House.