

Registered No. 4914762

Spirit Intermediate Holdings Limited

Report and Financial Statements

Period ended 23 August 2008

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COMPANIES HOUSE

Spirit Intermediate Holdings Limited
Period ended 23 August 2008

DIRECTORS

P Dutton

(appointed 17 October 2007)

R McDonald

(resigned 17 October 2007)

N Preston

G Thorley

SECRETARY

T Kendall

AUDITORS

Ernst & Young LLP

1 Colmore Square

Birmingham

B4 6HQ

BANKERS

Barclays Bank plc

15 Colmore Row

Birmingham

B3 2EP

SOLICITORS

Slaughter & May

One Bunhill Row

London

EC1Y 8YY

REGISTERED OFFICE

Jubilee House

Second Avenue

Burton Upon Trent

Staffordshire

DE14 2WF

Spirit Intermediate Holdings Limited
Period ended 23 August 2008

DIRECTORS' REPORT

The directors present their report and financial statements for the 53 week period ended 23 August 2008.

RESULTS AND DIVIDENDS

The loss for the 53 week period amounted to £10,821,000 (52 week period ended 18 August 2007: loss of £11,699,000). The directors do not propose the payment of a dividend (2007: £nil).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

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

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 309B (1) of the Companies Act 1985) is in force for the benefit of the directors.

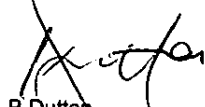
AUDIT INFORMATION

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

AUDITORS

The company has elected to dispense with the obligation to appoint auditors annually under section 386 of the Companies Act 1985.

On behalf of the board



P Dutton
Director

22 December 2008

Spirit Intermediate Holdings Limited
Period ended 23 August 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

The financial statements are required by law to 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Spirit Intermediate Holdings Limited
Period ended 23 August 2008

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SPIRIT INTERMEDIATE HOLDINGS LIMITED

We have audited the company's financial statements for the period ended 23 August 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

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

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

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

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

Basis of audit opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 23 August 2008 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Birmingham

23 December 2008

Spirit Intermediate Holdings Limited

Period ended 23 August 2008

PROFIT & LOSS ACCOUNT

for the 53 week period ended 23 August 2008

	Notes	53 week period ended 23 August 2008 £000	52 week period ended 18 August 2007 £000
Interest receivable	4	-	181
Interest payable	5	(15,288)	(14,951)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(15,288)	(14,770)
Tax on loss on ordinary activities	6	4,467	3,071
LOSS FOR THE PERIOD	11	(10,821)	(11,699)

The profit and loss account relates to continuing activities.

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

Spirit Intermediate Holdings Limited
Period ended 23 August 2008

BALANCE SHEET
as at 23 August 2008

	<i>Notes</i>	23 August 2008 £000	18 August 2007 £000
FIXED ASSETS			
Investments	7	373,167	373,167
		<u>373,167</u>	<u>373,167</u>
CURRENT ASSETS			
Debtors: amounts falling due in less than one year	8	21,667	17,201
Debtors: amounts falling due after more than one year	8	15,892	15,892
Cash at bank and in hand		-	16
		<u>37,559</u>	<u>33,109</u>
CREDITORS: amounts falling due in less than one year	x	-	-
NET CURRENT ASSETS		<u>37,559</u>	<u>33,109</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>410,726</u>	<u>406,276</u>
CREDITORS: amounts falling due after more than one year	9	(359,697)	(344,426)
NET ASSETS		<u><u>51,029</u></u>	<u><u>61,850</u></u>
CAPITAL AND RESERVES			
Called up share capital	10	157,000	157,000
Capital reserve	11	2,001	2,001
Profit and loss account	11	(107,972)	(97,151)
SHAREHOLDERS' FUNDS	11	<u><u>51,029</u></u>	<u><u>61,850</u></u>


P. Dutton
Director

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 December 2008

Spirit Intermediate Holdings Limited
Period ended 23 August 2008

NOTES TO THE FINANCIAL STATEMENTS
for the 53 week period ended 23 August 2008

1 ACCOUNTING POLICIES

Basis of preparation

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

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

Changes in accounting policies

During the period, in order to clarify the nature of intercompany balances, the company has reclassified certain balances. Firstly, intercompany loan balances and interest due on those balances have been reclassified from amounts due to / from group undertakings to loans due to / from group undertakings. In addition, the company has modified the classification of intercompany trading balances. In accordance with FRS 3, comparatives have been restated where the impact has been deemed significant. These reclassifications have had no impact on net assets overall, but have increased amounts due from group undertakings in less than one year by £3,000, increased amounts due from group undertakings after more than one year by £635,000, decreased amounts owed to group undertakings in less than one year by £13,681,000, increased loans owed to group undertakings after more than one year by £315,019,000 and decreased amounts owed to group undertakings after more than one year by £300,700,000.

Group financial statements

The company is exempt, under s228 of the Companies Act 1985, 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.

Fixed asset investments

Investments are stated at cost, less provision for impairment in value.

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.

Spirit Intermediate Holdings Limited
Period ended 23 August 2008

NOTES TO THE FINANCIAL STATEMENTS
for the 53 week period ended 23 August 2008

2 OPERATING RESULT

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

3 DIRECTORS' EMOLUMENTS AND STAFF COSTS

The directors received no emoluments in respect of their services to the company in the current or preceding period.

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

Spirit Intermediate Holdings Limited
Period ended 23 August 2008

NOTES TO THE FINANCIAL STATEMENTS
for the 53 week period ended 23 August 2008

4 INTEREST RECEIVABLE

	53 week period ended 23 August 2008 £000	52 week period ended 18 August 2007 £000
Bank interest receivable	-	181
	<u>-</u>	<u>181</u>

5 INTEREST PAYABLE

	53 week period ended 23 August 2008 £000	52 week period ended 18 August 2007 £000
Interest payable to group undertakings	15,288	14,951
	<u>15,288</u>	<u>14,951</u>

Spirit Intermediate Holdings Limited
Period ended 23 August 2008

NOTES TO THE FINANCIAL STATEMENTS
for the 53 week period ended 23 August 2008

6 TAXATION

	53 week period ended 23 August 2008 £000	52 week period ended 18 August 2007 £000
The tax credit for the period comprises:		
UK corporation tax:		
- current period group relief surrendered	(4,466)	(4,431)
- adjustments in respect of prior periods	(1)	1,360
	<u>(4,467)</u>	<u>(3,071)</u>
Total tax credit for the period	<u>(4,467)</u>	<u>(3,071)</u>

There is no provided deferred tax.

There is no difference between the tax credit for the period and the loss for the period at the standard rate of corporation tax in the UK : 29.21% (2007: 30%).

There are no factors expected to materially affect future tax charges.

Unprovided deferred tax relating to unutilised losses is £34,621,000 (2007: £34,400,000). This asset has not been recognised due to the uncertainty of future taxable profits.

Spirit Intermediate Holdings Limited

Period ended 23 August 2008

NOTES TO THE FINANCIAL STATEMENTS

for the 53 week period ended 23 August 2008

7 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £000
Cost and net book value:	
As at 23 August 2008 and at 18 August 2007	<u>373,167</u>

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

Subsidiary undertaking	Principal activity
Held directly:	
Spirit Group Parent Limited	Holding company
Held indirectly:	
Spirit Managed Holdings Limited	Holding company
Spirit Group Limited	Management and administrative
Spirit Group Equity Limited	Holding company
Spirit Managed Funding Limited	Holding company
Spirit Managed Pubs Limited	Pub retailing
Spirit Acquisition Properties Limited	Holding company
Spirit (Faith) Limited	Pub retailing
Spirit (Lodges Holdings) Limited	Holding company
Aspect Ventures Limited	Property management

Details of the principal joint venture, in which the shareholding is 51% of ordinary shares, is as follows:

Joint venture:	
Allied Kunick Entertainments Limited	Property management

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

All companies are incorporated in England and Wales

In addition to the investments listed above, the company also maintains day-to-day control over Spirit issuer Parent Limited and its wholly owned subsidiary, Spirit Issuer plc, a Special Purpose Vehicle set up purely for the refinancing in the prior year.

Spirit Intermediate Holdings Limited
Period ended 23 August 2008

NOTES TO THE FINANCIAL STATEMENTS
for the 53 week period ended 23 August 2008

8 DEBTORS

	2008	<i>Restated</i> 2007
	£000	£000
Amounts falling due in less than one year:		
Amounts due from group undertakings	21,667	17,134
Social security and other taxes	-	67
	<u>21,667</u>	<u>17,201</u>

	2008	<i>Restated</i> 2007
	£000	£000
Amounts falling due after more than one year:		
Amounts due from group undertakings	15,892	15,892
	<u>15,892</u>	<u>15,892</u>

8 CREDITORS: Amounts falling due in less than one year

	2008	<i>Restated</i> 2007
	£000	£000
Amounts owed to group undertakings	-	-
	<u>-</u>	<u>-</u>

9 CREDITORS: Amounts falling due after more than one year

	2008	<i>Restated</i> 2007
	£000	£000
Loans owed to group undertakings	330,290	315,019
Amounts owed to group undertakings	29,407	29,407
	<u>359,697</u>	<u>344,426</u>

Included within loans owed to group undertakings is a loan from fellow group company, Spirit Group Parent Limited, of £243,816,000 (2007: £228,545,000). Interest accrues at 7% per annum.

Also included within loans owed to group undertakings is a non-interest bearing loan from fellow group company, Spirit Managed Inns Limited, of £86,474,000 (2007: £86,474,000).

Spirit Intermediate Holdings Limited

Period ended 23 August 2008

NOTES TO THE FINANCIAL STATEMENTS for the 53 week period ended 23 August 2008

10 SHARE CAPITAL

	2008 No. (000)	2008 £000	2007 No. (000)	2007 £000
<i>Authorised:</i>				
Ordinary shares of £1 each	157,000	157,000	157,000	157,000
<i>Allotted, called up and fully paid:</i>				
Ordinary shares of £1 each	157,000	157,000	157,000	157,000

Spirit Intermediate Holdings Limited

Period ended 23 August 2008

NOTES TO THE FINANCIAL STATEMENTS

for the 53 week period ended 23 August 2008

11 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share Capital £000	Capital Reserve £000	Profit & Loss Account £000	Total Share- holders' Funds £000
At 19 August 2006	150,000	1	(85,452)	64,549
Capital contribution received	-	2,000	-	2,000
Shares issued	7,000	-	-	7,000
Loss for the period	-	-	(11,699)	(11,699)
At 18 August 2007	<u>157,000</u>	<u>2,001</u>	<u>(97,151)</u>	<u>61,850</u>
Loss for the period	-	-	(10,821)	(10,821)
At 23 August 2008	<u>157,000</u>	<u>2,001</u>	<u>(107,972)</u>	<u>51,029</u>

Spirit Intermediate Holdings Limited
Period ended 23 August 2008

NOTES TO THE FINANCIAL STATEMENTS
for the 53 week period ended 23 August 2008

12 CASH FLOW STATEMENT

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

13 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption in paragraph 3(c) of FRS 8 from disclosing transactions with related parties that are part of the Punch Taverns plc group or investees of the group.

14 ULTIMATE PARENT UNDERTAKING

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.