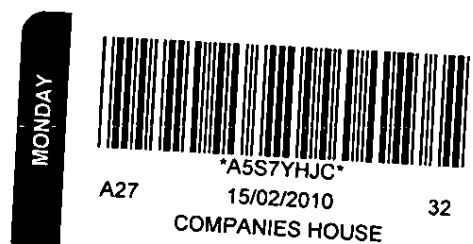


Registered No. 4914762

Spirit Intermediate Holdings Limited

Report and Financial Statements

22 August 2009



Spirit Intermediate Holdings Limited
Period ended 22 August 2009

DIRECTORS

P Dutton
N Preston
G Thorley

SECRETARY

C Stewart

AUDITORS

Ernst & Young LLP
1 Colmore Square
Birmingham
B4 6HQ

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 22 August 2009

Registered No 4914762

DIRECTORS' REPORT

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

RESULTS AND DIVIDENDS

The profit after taxation for the 52 week period amounted to £30,171,000 (53 week period ended 23 August 2008 loss after taxation of £10,821,000) The directors do not propose the payment of a final dividend (2008 £nil)

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company 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.

The directors of Spirit Intermediate Holdings 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.

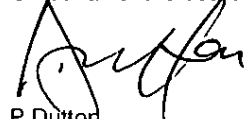
AUDIT INFORMATION

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

AUDITORS

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

On behalf of the board



P Dutton

Director

9 February 2010

Spirit Intermediate Holdings Limited
Period ended 22 August 2009

Registered No 4914762

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

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

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

We have audited the financial statements of Spirit Intermediate Holdings Limited for the period ended 22 August 2009 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion, the financial statements

- give a true and fair view of the state of the company's affairs as at 22 August 2009 and of its profit 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.

Ernst Young LLP

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

11 February 2010

Spirit Intermediate Holdings Limited

Period ended 22 August 2009

PROFIT & LOSS ACCOUNT

for the 52 week period ended 22 August 2009

	Notes	52 week period ended 22 August 2009 £000	53 week period ended 23 August 2008 £000
Interest payable	4	(14,999)	(15,288)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	<u>(14,999)</u>	<u>(15,288)</u>
Tax on loss on ordinary activities	5	45,170	4,467
PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	10	<u><u>30,171</u></u>	<u><u>(10,821)</u></u>

The profit and loss account relates entirely to continuing activities

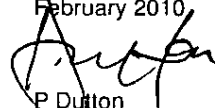
There are no recognised gains or losses other than those shown above

Spirit Intermediate Holdings Limited
Period ended 22 August 2009

BALANCE SHEET
as at 22 August 2009

	<i>Notes</i>	22 August 2009 £000	23 August 2008 £000
FIXED ASSETS			
Investments	6	373,167	373,167
		<u>373,167</u>	<u>373,167</u>
CURRENT ASSETS			
Debtors amounts falling due in less than one year	7	66,837	21,667
Debtors amounts falling due after more than one year	7	15,892	15,892
NET CURRENT ASSETS		<u>82,729</u>	<u>37,559</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>455,896</u>	<u>410,726</u>
CREDITORS amounts falling due after more than one year	8	(374,696)	(359,697)
NET ASSETS		<u><u>81,200</u></u>	<u><u>51,029</u></u>
CAPITAL AND RESERVES			
Called up share capital	9	157,000	157,000
Capital reserve	10	2,001	2,001
Profit and loss account	10	(77,801)	(107,972)
SHAREHOLDERS' FUNDS	10	<u><u>81,200</u></u>	<u><u>51,029</u></u>

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


P Dutton
Director

Spirit Intermediate Holdings Limited
Period ended 22 August 2009

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 22 August 2009

1 ACCOUNTING POLICIES

Basis of preparation

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

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

There have been no changes to accounting policies during the year

Group financial statements

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

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 substantively enacted at the balance sheet date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future have occurred at the balance sheet date

Spirit Intermediate Holdings Limited
Period ended 22 August 2009

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 22 August 2009

2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

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

3 DIRECTORS' EMOLUMENTS AND STAFF COSTS

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

The company had no employees during the current or preceding periods

Spirit Intermediate Holdings Limited
Period ended 22 August 2009

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

4 INTEREST PAYABLE

	52 week period ended 22 August 2009 £000	53 week period ended 23 August 2008 £000
Interest payable to group undertakings	14,999	15,288
	<u>14,999</u>	<u>15,288</u>

Spirit Intermediate Holdings Limited
Period ended 22 August 2009

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

5 TAXATION

	52 week period ended 22 August 2009 £000	53 week period ended 23 August 2008 £000
The tax credit for the period comprises		
UK corporation tax		
- current period group relief surrendered	(4,200)	(4,466)
- adjustments in respect of prior periods	(40,970)	(1)
	<u>(45,170)</u>	<u>(4,467)</u>
Total tax credit for the period	<u><u>(45,170)</u></u>	<u><u>(4,467)</u></u>

Reconciliation of tax credits

	52 week period ended 22 August 2009 £000	53 week period ended 23 August 2008 £000
Loss on ordinary activities before taxation	<u>(14,999)</u>	<u>(15,288)</u>
Loss on ordinary activities at standard rate of corporation tax in the UK of 28.0% (2008: 29.21%)	(4,200)	(4,466)
Effects of		
Adjustments in respect of prior periods	(40,970)	(1)
Total current tax credit	<u><u>(45,170)</u></u>	<u><u>(4,467)</u></u>

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

There are no factors expected to materially affect future tax charges

Unprovided deferred tax relating to unutilised losses is £14,835,000 (2008: £34,621,000). This asset has not been recognised due to the uncertainty of future taxable profits.

Spirit Intermediate Holdings Limited

Period ended 22 August 2009

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 22 August 2009

6 FIXED ASSET INVESTMENTS

Shares in
subsidiary
undertakings
£000

Cost and net book value

As at 22 August 2009 and 23 August 2008

373,167

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

Spirit Group Parent Limited

Holding company

Held indirectly

Spirit Managed Holdings Limited

Holding company

Punch Pub Company Limited (formerly Spirit Group Limited)

company

Spirit Group Equity Limited

Holding company

Spirit Managed Funding Limited

Holding company

Punch Pub Company (Pubs) Limited (formerly 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

The above 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 22 August 2009

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 22 August 2009

7 DEBTORS

	2009	2008
	£000	£000
Amounts falling due in less than one year.		
Amounts due from group undertakings	66,837	21,667
	<u>66,837</u>	<u>21,667</u>
Amounts falling due after more than one year	2009	2008
	£000	£000
Amounts due from group undertakings	15,892	15,892
	<u>15,892</u>	<u>15,892</u>

8 CREDITORS amounts falling due after more than one year

	2009	2008
	£000	£000
Loans owed to group undertakings	345,289	330,290
Amounts owed to group undertakings	29,407	29,407
	<u>374,696</u>	<u>359,697</u>

Included within loans owed to group undertakings is a loan from fellow group company, Spirit Group Parent Limited, of £258,815,000 (2008 £243,816,000) Interest accrues on the original principal amount 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 (2008 £86,474,000)

Spirit Intermediate Holdings Limited

Period ended 22 August 2009

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 22 August 2009

9 SHARE CAPITAL

	2009 No '000	2009 £000	2008 No '000	2008 £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 22 August 2009

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 22 August 2009

10 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share Capital £000	Capital Reserve £000	Profit & Loss Account £000	Total Share- holders' Funds £000
At 18 August 2007	157,000	2,001	(97,151)	61,850
Loss for the period	-	-	(10,821)	(10,821)
At 23 August 2008	157,000	2,001	(107,972)	51,029
Profit for the period	-	-	30,171	30,171
At 22 August 2009	157,000	2,001	(77,801)	81,200

Spirit Intermediate Holdings Limited
Period ended 22 August 2009

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

11 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

12 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

13 ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is Spirit Group Holdings Limited, a company registered in England & Wales

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

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

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