

**Punch Taverns (PMH) Limited**  
**Report and Financial Statements**  
**19 August 2006**

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COMPANIES HOUSE

**Punch Taverns (PMH) Limited**  
**Period ended 19 August 2006**

Registered No.3720775

**DIRECTORS**

R J McDonald  
N D Preston  
G A Thorley  
Wilmington Trust SP Services (London) Limited

**SECRETARY**

C Stewart

**AUDITORS**

Ernst & Young LLP  
No 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

# Punch Taverns (PMH) Limited

## Period ended 19 August 2006

### DIRECTORS' REPORT

The directors present their report and financial statements for the 52 week period ended 19 August 2006.

### RESULTS AND DIVIDENDS

The profit after taxation for the year is £2,672,000 (2005: nil). The directors paid an interim dividend of £2,672,000 (2005: nil) and do not propose the payment of a final dividend (2005: nil).

### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

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

### DIRECTORS AND THEIR INTERESTS

The directors of the company who served during the period are listed on page 1.

None of the directors had any declarable interest in the shares of the company at 19 August 2006 or 20 August 2005.

The beneficial interests of directors who held office at 19 August 2006 in the shares of Punch Taverns plc are shown below:

	<i>At 20 August 2005</i>		<i>At 20 August 2005</i>	
	<b>Ord Shares</b>	<b>Ord Share Options</b>	<b>Ord Shares</b>	<b>Ord Share Options</b>
N Preston	3,147	11,305	2,205	57,449
R McDonald	69,654	46,101	55,566	187,422
G Thorley	154,439	1,892,111	150,441	3,356,474
Wilmington Trust SP Services (London) Limited	-	-	-	-

A third party indemnity provision (as defined in section 309B(1) of the Companies Act 1985) is in force for the benefit of 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

A resolution to re-appoint Ernst & Young LLP as the company's auditors will be put to the forthcoming Annual General Meeting.

On behalf of the board



R J McDonald  
Director  
18 January 2007

**Punch Taverns (PMH) Limited**  
**Period ended 19 August 2006**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial period which 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 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 which 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.

**Punch Taverns (PMH) Limited**  
**Period ended 19 August 2006**

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF PUNCH TAVERNS (PMH) LIMITED**

We have audited the company's financial statements for the period ended 19 August 2006 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 the preparation of 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).

In addition 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.

We also 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 19 August 2006 and of its result 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

*18/1/2007*

**Punch Taverns (PMH) Limited**  
**Period ended 19 August 2006**

**PROFIT & LOSS ACCOUNT**

For the 52 week period ended 19 August 2006

	<i>Notes</i>	52 week period ended 19 August 2006 £000	52 week period ended 20 August 2005 £000
<b>OPERATING RESULT</b>	2	-	-
Income received from group undertakings		2,672	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>2,672</u>	<u>-</u>
Taxation on profit on ordinary activities	4	-	-
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<u>2,672</u>	<u>-</u>
Interim dividend paid	5	(2,672)	-
<b>PROFIT FOR THE PERIOD</b>	10	<u>-</u>	<u>-</u>

The profit and loss account relates to continuing activities.

There are no recognised gains and losses other than the result reported above.

**Punch Taverns (PMH) Limited**  
**Period ended 19 August 2006**

**BALANCE SHEET**  
at 19 August 2006

	<i>Notes</i>	19 August 2006 £'000	20 August 2005 £'000
<b>FIXED ASSETS</b>			
Investments	6	175,647	175,647
<b>CURRENT ASSETS</b>			
Debtors	7	5,700	5,700
<b>CREDITORS: amounts falling due within one year</b>	8	(5,700)	(5,700)
<b>NET CURRENT ASSETS</b>		-	-
<b>NET ASSETS</b>		175,647	175,647
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	84,000	84,000
Share premium	10	91,647	91,647
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	10	175,647	175,647



R J McDonald  
Director  
18 January 2007

**Punch Taverns (PMH) Limited**  
**Period ended 19 August 2006**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 19 August 2006

**1. ACCOUNTING POLICIES**

*Basis of preparation*

These 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.

There have been no changes to accounting policies during the period.

*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.

*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.

*Investments*

Investments held as fixed assets are carried at cost less any provision for permanent diminution in value.

**2. OPERATING RESULT**

Auditor's remuneration is paid by another company within the Punch Taverns group.

**3. DIRECTORS' EMOLUMENTS AND STAFF COSTS**

The directors received no emoluments from the company in the current or preceding period. The company had no employees during the current or preceding period.



**Punch Taverns (PMH) Limited**  
**Period ended 19 August 2006**

**NOTES TO THE FINANCIAL STATEMENTS**

for the period ended 19 August 2006

**4. TAXATION**

There is no taxation charge or credit for the current year (2005: nil).

*Reconciliation of tax charges*

	2006 £000	2005 £000
Profit on ordinary activities before taxation	<u>2,672</u>	<u>-</u>
Profit on ordinary activities at standard rate of corporation tax in the UK (30%)	802	-
<i>Effects of:</i>		
Non-taxable income	(802)	-
Current tax charge for period	<u>-</u>	<u>-</u>

**5. DIVIDENDS**

An interim dividend of £2,672,000 was paid during the year to the company's parent company. This represents a dividend payment of 3.18p per share. No dividend was paid in the prior period.

**Punch Taverns (PMH) Limited**  
**Period ended 19 August 2006**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 19 August 2006

**6. FIXED ASSET INVESTMENTS**

Shares in  
subsidiary  
undertakings  
£000

Cost and net book amount:

At 19 August 2006 and 20 August 2005

175,647

The subsidiaries, all of which are wholly owned, are as follows:

Subsidiary undertaking	Country of registration or incorporation	Principal Activity
<b>Held by Punch Taverns (PMH) Limited</b>		
Punch Taverns (PML) Limited	England	Operator of public houses
Punch Taverns Finance B Limited	Cayman Islands	Finance
Punch Taverns (SPML) Limited	England	Non-trading
Punch Taverns (Centrum) Limited	England	Non-trading
InnSpired Group Limited	England	Non-trading
<b>Held by subsidiary undertakings</b>		
Punch Taverns (CPM) Limited	England	Property management
Punch Taverns (SPM) Limited	England	Non-trading
Punch Taverns (DPM) Limited	England	Non-trading
Mercury Taverns (Holdings) Limited	England	Non-trading
Mercury Taverns plc	England	Non-trading
InnSpired Taverns Limited	England	Non-trading
InnSpired Taverns II Limited	England	Non-trading
InnSpired Pubs Limited	England	Non-trading
InnSpired Holdings Limited	England	Non-trading
InnSpired Developments Limited	England	Non-trading
InnSpired Company Limited	England	Non-trading
InnSpired (ESOP) Limited	England	Non-trading
Rhesus Limited	England	Non-trading
Ushers of Trowbridge Limited	England	Non-trading

**7. DEBTORS: amounts falling due within one year**

	2006	2005
	£000	£000
Amounts owed by immediate parent undertaking	<u>5,700</u>	<u>5,700</u>

**Punch Taverns (PMH) Limited**  
**Period ended 19 August 2006**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 19 August 2006

**8. CREDITORS: amounts falling due within one year**

	2006 £000	2005 £000
Amounts owed to subsidiary undertakings	<u>5,700</u>	<u>5,700</u>

**9. SHARE CAPITAL**

	2006 No.	2006 £	2005 No.	2005 £
<i>Authorised share capital:</i>				
Ordinary shares of £1 each	<u>84,000,200</u>	<u>84,000,200</u>	<u>84,000,200</u>	<u>84,000,200</u>
<i>Allotted, called-up and fully paid:</i>				
Ordinary shares of £1 each	<u>84,000,102</u>	<u>84,000,102</u>	<u>84,000,102</u>	<u>84,000,102</u>

**10. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES**

	Share Capital £000	Share Premium £000	Profit and loss account £000	Total Share- holders' Funds £000
At 21 August 2004	84,000	-	-	84,000
Issue of shares to group companies	-	91,647	-	91,647
At 20 August 2005	<u>84,000</u>	<u>91,647</u>	-	<u>175,647</u>
Profit after tax for the period	-	-	2,672	2,672
Interim dividend paid	-	-	(2,672)	(2,672)
At 19 August 2006	<u>84,000</u>	<u>91,647</u>	<u>-</u>	<u>175,647</u>

**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 TRANSACTIONS**

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. There were no other related party transactions during the period.

**Punch Taverns (PMH) Limited**  
**Period ended 19 August 2006**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 19 August 2006

**13. GUARANTEES**

Under the terms of a Trust Deed dated 30 June 1999 (as amended 28 November 2002 and 1 August 2005), the company has guaranteed the payments of principal of, and interest on, the loan notes issued by Punch Taverns Finance B Limited. The total outstanding indebtedness of the loan notes at 19 August 2006 was £1,248,500,000 (2005: £1,417,838,000).

**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.