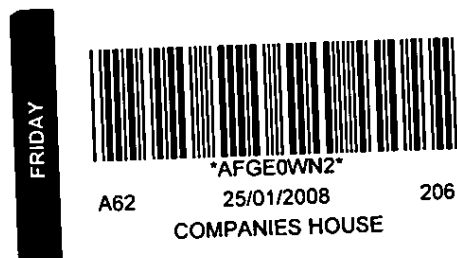


3946292

Punch Taverns (Offices) Limited
Report and Financial Statements
18 August 2007



Punch Taverns (Offices) Limited
Period ended 18 August 2007

Registered No 3946292

DIRECTORS

N Preston

G Thorley

R McDonald

P Dutton

(resigned 17 October 2007)

(appointed 17 October 2007)

SECRETARY

C Stewart

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

Punch Taverns (Offices) Limited
Period ended 18 August 2007

DIRECTORS' REPORT

The directors present their report and financial statements for the 52 week period ended 18 August 2007

RESULTS AND DIVIDENDS

The profit after tax for the period amounted to £1,650,000 (2006 £447,000) The directors do not propose the payment of a dividend (2006 £nil)

PRINCIPAL ACTIVITY

The principal activity of the company is that of a property leasing company

DIRECTORS

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

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



P Dutton
Director
22 January 2008

Punch Taverns (Offices) Limited
Period ended 18 August 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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. 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.

Punch Taverns (Offices) Limited
Period ended 18 August 2007

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

We have audited the company's financial statements for the period ended 18 August 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 19. 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 18 August 2007 and of its profit 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

22 January 2008

Punch Taverns (Offices) Limited
Period ended 18 August 2007

PROFIT & LOSS ACCOUNT

For the 52 week period ended 18 August 2007

	<i>Notes</i>	52 week period ended 18 August 2007 £000	52 week period ended 19 August 2006 £000
TURNOVER	2	511	622
Cost of sales		<u>(10)</u>	<u>(20)</u>
GROSS PROFIT		501	602
Administrative expenses		(286)	(115)
OPERATING PROFIT	3	<u>215</u>	<u>487</u>
Profit on disposal of fixed assets		1,554	-
Interest receivable	5	43	67
Interest payable and similar charges	6	(119)	(108)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,693</u>	<u>446</u>
Tax on profit on ordinary activities	7	(43)	1
PROFIT FOR THE PERIOD	15	<u>1,650</u>	<u>447</u>

The profit and loss account relates to continuing activities

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

Punch Taverns (Offices) Limited
Period ended 18 August 2007

BALANCE SHEET
as at 18 August 2007

	<i>Notes</i>	18 August 2007 £000	19 August 2006 £000
FIXED ASSETS			
Tangible fixed assets	8	6,630	6,099
CURRENT ASSETS			
Debtors amounts falling due in less than one year	9	1,840	302
Debtors amounts falling due after more than one year	9	1,415	1,465
Cash at bank and in hand		382	1,408
		<u>3,637</u>	<u>3,175</u>
CREDITORS amounts falling due in less than one year	10	(387)	(841)
NET CURRENT ASSETS		<u>3,250</u>	<u>2,334</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,880</u>	<u>8,433</u>
CREDITORS amounts falling due after more than one year	11	(7,788)	(8,004)
PROVISIONS FOR LIABILITIES	13	(13)	
NET ASSETS		<u>2,079</u>	<u>429</u>
CAPITAL AND RESERVES			
Called up share capital	14	-	-
Profit and loss account	15	2,079	429
SHAREHOLDERS' FUNDS	15	<u>2,079</u>	<u>429</u>



P Dutton
Director
22 January 2008

Punch Taverns (Offices) Limited
Period ended 18 August 2007

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 18 August 2007

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

There have been no material changes to accounting policies

Fixed assets

Fixed assets are initially recorded at cost

Depreciation

Depreciation is not provided on land and buildings as it is the opinion of the directors that depreciation as required by the Companies Act 1985 and generally accepted accounting principles would not be material

Depreciation is provided on other tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life, as follows

Fixtures and fittings	5 years
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The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

Leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the lease term

2 TURNOVER

Turnover, which is stated net of value added tax, represents property rentals invoiced to fellow subsidiaries. All turnover arises in the UK. All rental income is recognised in the financial period to which it pertains

Punch Taverns (Offices) Limited
Period ended 18 August 2007

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 18 August 2007

3 OPERATING PROFIT

This is stated after charging

	52 week period ended 18 August 2007 £000	52 week period ended 19 August 2006 £000
Tangible fixed assets - depreciation	286	112
Operating lease rentals on land and buildings	<u>3</u>	<u>6</u>

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

4 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

5 INTEREST RECEIVABLE

	52 week period ended 18 August 2007 £000	52 week period ended 19 August 2006 £000
Bank interest receivable	<u>43</u>	<u>67</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	52 week period ended 18 August 2007 £000	52 week period ended 19 August 2006 £000
Bank and other loans	44	107
Amortisation of deferred issue costs	16	1
Cost of terminating financing arrangements	<u>59</u>	<u>-</u>
	<u>119</u>	<u>108</u>

Punch Taverns (Offices) Limited
Period ended 18 August 2007

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 18 August 2007

7 TAXATION

	52 week period ended 18 August 2007 £000	52 week period ended 19 August 2006 £000
The charge / (credit) for tax on the profit for the period comprises		
UK corporation tax		
- group relief (surrendered) / receivable	(74)	38
- adjustment in respect of previous period	-	(34)
	<u>(74)</u>	<u>4</u>
Deferred tax		
- current period tax charge	118	96
- adjustment in respect of previous period	-	(101)
- change in standard rate of tax	(1)	-
	<u>117</u>	<u>(5)</u>
	<u>43</u>	<u>(1)</u>
The (credit) / charge to UK corporation tax is reconciled as follows		
	52 week period ended 18 August 2007 £000	52 week period ended 19 August 2006 £000
Profit on ordinary activities before taxation	<u>1,693</u>	<u>446</u>
Profit on ordinary activities at standard rate of corporation tax in the UK (30%)	508	134
<i>Effects of</i>		
Expenses non deductible for tax purposes	2	-
Capital allowances in excess of depreciation	(118)	(96)
Profit on disposal of fixed assets	(466)	-
Adjustment in respect of previous period	-	(34)
Current tax (credit) / charge for the period	<u>(74)</u>	<u>4</u>

Punch Taverns (Offices) Limited
Period ended 18 August 2007

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 18 August 2007

8 TANGIBLE FIXED ASSETS

	Land & Buildings	Fixtures & Fittings	Total
	£000	£000	£000
Cost or valuation			
At 19 August 2006	7,360	620	7,980
Additions	737	1,044	1,781
Disposals	(2,433)	-	(2,433)
At 18 August 2007	5,664	1,664	7,328
Depreciation			
At 19 August 2006	1,469	412	1,881
Disposals	(1,469)	-	(1,469)
Depreciation	-	286	286
At 18 August 2007	-	698	698
Net book value			
At 18 August 2007	5,664	966	6,630
At 19 August 2006	5,891	208	6,099

The split of the net book value of land and buildings is as follows

	Freehold £000	Long Leasehold £000
At 18 August 2007	5,664	-
At 19 August 2006	4,944	947

The carrying value of land is £nil (2006 £nil)

9 DEBTORS

	2007 £000	2006 £000
Amounts falling due in less than one year		
Amounts due from group undertakings	1,791	173
Other debtors	48	20
Prepayments and accrued income	1	5
Deferred tax asset (note 13)	-	104
	1,840	302

	2007 £000	2006 £000
Amounts falling due after more than one year		
Amounts due from group undertakings	1,415	1,465

Punch Taverns (Offices) Limited
Period ended 18 August 2007

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 18 August 2007

10 CREDITORS. amounts falling due in less than one year

	2007 £000	2006 £000
Loans (note 12)	-	108
Trade creditors	72	202
Amounts owed to group undertakings	220	436
Accruals and deferred income	95	95
	<u>387</u>	<u>841</u>

11 CREDITORS amounts falling due after more than one year

	2007 £000	2006 £000
Loans (note 12)	-	1,218
Amounts owed to group undertakings	7,788	6,786
	<u>7,788</u>	<u>8,004</u>

12 LOANS

	2007 £000	2006 £000
Amounts repayable by instalments falling due		
In one year	-	108
Between one and two years	-	116
Between two and five years	-	407
In five years or more	-	711
Less deferred issue costs	-	(16)
	<u>-</u>	<u>1,326</u>

At 19 August 2006, the company had a bank loan with Barclays Bank plc, which was repayable by instalments, the final payment for which was due on 19 June 2015. The bank loan was fully repaid on 2 February 2007. The interest rate on the loan was LIBOR +1%.

The bank loans were secured by a deed of charge on the leasehold property of the company, which was disposed of during the current year.

13 PROVISIONS FOR LIABILITIES

	£000
Asset at 19 August 2006	(104)
Charge for the period	118
Change in standard rate of tax	(1)
Liability at 18 August 2007	<u>13</u>

The deferred tax asset consisted of depreciation in advance of capital allowances.

Punch Taverns (Offices) Limited
Period ended 18 August 2007

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 18 August 2007

14 SHARE CAPITAL

	2007 No.	2007 £	2006 No	2006 £
<i>Authorised share capital</i>				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
<i>Allotted, called-up and fully paid</i>				
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

15 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share Capital £000	Profit & Loss Account £000	Total Shareholders' Funds / (Deficit) £000
At 20 August 2005	-	(18)	(18)
Profit for the period	-	447	447
At 19 August 2006	<u>-</u>	<u>429</u>	<u>429</u>
Profit for the period	-	1,650	1,650
At 18 August 2007	<u>-</u>	<u>2,079</u>	<u>2,079</u>

16 FINANCIAL COMMITMENTS

	Land & Buildings 2007 £000	Land & Buildings 2006 £000
Operating leases which expire in over five years	<u>3</u>	<u>6</u>

Punch Taverns (Offices) Limited
Period ended 18 August 2007

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 18 August 2007

17 CASHFLOW 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

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

19 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 its group financial statements, which include the company, are available from Jubilee House, Second Avenue, Burton upon Trent, Staffordshire, DE14 2WF.