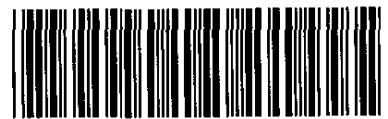


**Registered number: 03982425**

**PUNCH TAVERNS (DC) HOLDINGS LIMITED**

**UNAUDITED ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

TUESDAY



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**PUNCH TAVERNS (DC) HOLDINGS LIMITED**

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**PUNCH TAVERNS (DC) HOLDINGS LIMITED**

**COMPANY INFORMATION**

**DIRECTORS**

C J Moore  
L J W Mountstevens  
S M Paterson

**REGISTERED NUMBER**

03982425

**REGISTERED OFFICE**

Elsley Court  
20-22 Great Titchfield Street  
London  
W1W 8BE  
United Kingdom

## **PUNCH TAVERNS (DC) HOLDINGS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their annual report and the financial statements of Punch Taverns (DC) Holdings Limited (the "company") for the year ended 31 December 2019. The company is a wholly owned subsidiary of Punch Taverns (RH) Limited. The ultimate parent company at the year end is Heineken Holding N.V. and the ultimate controlling party is Mrs C.L de Carvalho-Heineken. Heineken N.V and subsidiary undertakings form the "group", with Heineken N.V. heading up the largest company into which the results of the company are consolidated.

### **PRINCIPAL ACTIVITY**

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

### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £33,462k (2018: £nil). The increase in profit is attributable to receipt of dividend in specie from struck-off subsidiaries.

During the year, no dividends were paid or proposed (2018: £nil).

### **DIRECTORS**

The directors who served during the year and up to the date of signing the financial statements were:

D M Forde (resigned on 31 July 2020)  
C J Moore  
L J W Mountstevens  
S M Paterson (appointed on 24 April 2019)  
D J Tannahill (resigned on 24 April 2019)

### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

The company made no political contributions or donations to UK charities during the year (2018: £nil).

### **FUTURE DEVELOPMENTS**

The company is expected to continue as an intermediate holding company for the foreseeable future.

### **FINANCIAL RISK MANAGEMENT POLICY**

The main risks associated with the company's financial assets and liabilities are set out below.

#### **Liquidity risk**

Liquidity risk refers to the risk that the company will not be able to meet its liabilities as they fall due. The company benefits from the management of liquidity risk being undertaken at global level. With spread of the COVID-19 crisis to all geographies, the Heineken Group has entered the crisis with a strong balance sheet as well as undrawn committed credit facilities and has successfully secured additional financing on the debt capital market. The management of liquidity risk continues to be managed globally and the company benefits from the support by other UK group companies under common control. Liquidity risk is therefore deemed limited.

#### **Interest rate risk**

Interest rate risk refers to the risk that changes in market rates will impact on the performance of the company. The company benefits from the management of interest rate risk being undertaken at a group level and therefore interest rate risk is viewed at a group level.

## **PUNCH TAVERNS (DC) HOLDINGS LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **UK WITHDRAWAL FROM THE EU**

The UK electorate voted to leave the European Union ("EU") on 23 June 2016. The UK invoked Article 50 of the Lisbon Treaty on 29 March 2017, which triggered a two-year period, subject to extension, during which the UK government negotiated a withdrawal agreement with the EU.

At the start of 2018 the UK Management Team established a Brexit Risk Cabinet which includes functional experts from across the business. Throughout 2019 UK operations were actively stress tested and contingency plans were put in place to mitigate any impact of a No Deal Brexit.

The UK formally exited the EU on 31 January 2020 and entered a transition period until 31 December 2020. During this transition period, the UK's trading relationship will be used to negotiate the future trading relationship between the UK and the EU.

The company holds a number of investments, with the majority of these being UK based. The majority of subsidiaries revenues are generated in the UK. The impact of Brexit on this entity is therefore considered limited.

#### **POST BALANCE SHEET EVENTS: COVID-19**

The COVID-19 pandemic and its impact on British society and the UK economy has been unprecedented. It has required the company to demonstrate resilience and adaptability in the face of considerable challenge and uncertainty. The closure of pubs, restaurants and bars on 23 March has significantly impacted the operating performance of the UK Group and company in 2020.

The UK Group and company has focused its response in three areas – the health, safety and wellbeing of stakeholders; the continuity of business operations; and finally, the mitigation of financial impact. All considerations have been addressed in the consolidated financial statements of Heineken UK Limited. The Heineken UK Group management team convened on a bi-weekly basis to manage business operations and interests guided by these principles and regularly communicated its decisions and actions to employees.

Along with our other pub businesses within the UK Group the company worked with its pub estate to ensure the safe and secure closure of pubs and the management of their businesses through the hibernation period. This included helping licensees access government support, but also providing pubs with cashflow relief through rent concessions and suspensions, and practical advice through its bespoke website – the Pub Collective. Rent concessions were granted by the wider Heineken UK Group. As restrictions eased, the Group have aided licensees in the disposal of out-of-date stock, the replenishment of new stock and the implementation of safe working practices as outlined by government. To assist return to trade, under new restrictions, the wider Heineken group developed the 'Swiftly' application, which allows for ordering and processing of cashless transactions at a safe distance for tenants, employees and customers.

Clearly, an event as unprecedented as the COVID-19 pandemic will have consequences over the short and medium term, however significant learnings have been made and practices adopted that will support greater productivity, lower costs, improve agility and create a flexible working environment for all.

#### **GOING CONCERN**

The financial position of the company is set out in the Statement of Financial Position on page 7 of the financial statements, the company has net current assets of £33,462k (2018: £nil). The financial performance of the company is presented in Statement of Comprehensive Income on page 6. The profit after taxation amounted to £33,462k (2018: £nil).

We entered the COVID-19 crisis with a strong market position. We have managed the situation as it has developed taking a number of mitigating actions across the business to allow the UK Group to face this unprecedented crisis in the best possible way, and to protect the long-term potential of our business. Any further developments will be managed carefully as we have already demonstrated, taking mitigating actions where required.

## **PUNCH TAVERNS (DC) HOLDINGS LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **GOING CONCERN (CONTINUED)**

Having reviewed the UK operating company's forecasts, projections and other relevant evidence including external industry judgement, the directors have a reasonable expectation that the UK Group and therefore the company, will continue in operational existence for the foreseeable future.

As disclosed in the consolidated financial statements of Heineken UK Limited, the outstanding liabilities at 31 December 2019 of the company has been guaranteed by Heineken UK Limited.

Additionally, Heineken International B.V., an intermediary parent, has confirmed that they do not intend to request a repayment of borrowings granted to fellow UK group companies under existing agreements for at least 12 months from the date of this report.

Accordingly, the financial statements of the company have been prepared on a going concern basis and we note that there are no material uncertainties in arriving at this conclusion.

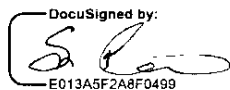
#### **EXEMPTION FROM AUDIT**

For the year ended 31 December 2019 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of accounts.

#### **SMALL COMPANIES EXEMPTION**

The directors have taken advantage of the small companies exemptions provided by section 414B of the Companies Act 2006 and not provided a Strategic Report.

This report was approved by the board on 24 September 2020 and signed on its behalf by:

DocuSigned by:  
  
E013A5F2A8F0499

**S M Paterson**  
Director

## **PUNCH TAVERNS (DC) HOLDINGS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019**

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), including FRS 101 "Reduced Disclosure Framework". 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 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; 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.

**PUNCH TAVERNS (DC) HOLDINGS LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Note</b>	<b>2019 £000</b>	<b>2018 £000</b>
Administrative expenses		<u>(950)</u>	-
<b>Operating loss</b>		<b>(950)</b>	-
Interest receivable and similar income	6	<u>34,412</u>	-
<b>Profit before tax</b>		<b>33,462</b>	-
Taxation	7	<u>-</u>	-
<b>Profit for the financial year</b>		<b>33,462</b>	-

The notes on pages 9 to 17 form part of these financial statements.

Profits are derived wholly from continued operations.



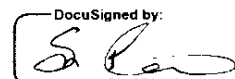
**PUNCH TAVERNS (DC) HOLDINGS LIMITED**  
**REGISTERED NUMBER: 03982425**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Investments	8	-	-
		-	-
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	51,217	-
		51,217	-
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	10	(17,755)	-
<b>Net current assets</b>		33,462	-
<b>Total assets less current liabilities</b>		33,462	-
<b>Net assets</b>		33,462	-
<b>Capital and reserves</b>			
Called-up share capital	11	-	-
Profit and loss account	12	33,462	-
<b>Total equity</b>		33,462	-

For the year ended 31 December 2019 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of accounts.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 September 2020 by:

DocuSigned by:  
  
 ED13A5F2A8F0499  
**S M Paterson**  
 Director

The notes on pages 9 to 17 form part of these financial statements.

**PUNCH TAVERNS (DC) HOLDINGS LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Called-up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 January 2019	-	-	-
Profit for the financial year and total comprehensive income	-	<b>33,462</b>	<b>33,462</b>
<b>At 31 December 2019</b>	<b>-</b>	<b>33,462</b>	<b>33,462</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>Called-up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 January 2018	-	-	-
Profit for the financial year and total comprehensive income	-	-	-
<b>At 31 December 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>

The notes on pages 9 to 17 form part of these financial statements.

## **PUNCH TAVERNS (DC) HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **1. GENERAL INFORMATION**

Punch Taverns (DC) Holdings Limited (the "company") is an intermediate holding company. The company is a private company limited by shares and is incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of its registered office is: Elsley Court, 20-22 Great Titchfield Street, London W1W 8BE, United Kingdom.

These financial statements are presented in pounds sterling, which is the company's functional and presentational currency.

#### **Adoption of new and revised standards**

***New and amended IFRS standards that are mandatorily effective for the current year.***

The company has adopted the following new International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), interpretations and amendments to existing standards, which are effective by EU endorsement for annual periods beginning on or after 1 January 2019.

#### **IFRS 16 Leases**

The new accounting standard, IFRS 16, introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged.

As the company has no leases, the directors have concluded that the new standard has had no impact.

In the current year, the company has applied a number of amendments to IFRS Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

#### **Amendments to IFRS 9 Prepayment Features with Negative Compensation**

The company has adopted the amendments to IFRS 9 for the first time in the current year. The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the 'solely payments of principal and interest' (SPPI) condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, financial assets with prepayment features with negative compensation do not automatically fail SPPI.

#### **Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures**

The company has adopted the amendments to IAS 28 for the first time in the current year. The amendment clarifies that IFRS 9, including its impairment requirements, applies to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity's net investment in an associate or joint venture. The company applies IFRS 9 to such long-term interests before it applies IAS 28. In applying IFRS 9, the company does not take account of any adjustments to the carrying amount of long-term interests required by IAS 28 (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

#### **Annual Improvements to IFRS Standards 2015–2017 Cycle Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs**

The company has adopted the amendments included in the Annual Improvements to IFRS Standards 2015–2017 Cycle for the first time in the current year. The Annual Improvements include amendments to four Standards:

#### **IAS 12 Income Taxes**

The amendments clarify that the company should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the company originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

## **PUNCH TAVERNS (DC) HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **1. GENERAL INFORMATION (CONTINUED)**

##### **Adoption of new and revised standards (continued)**

*New and amended IFRS standards that are mandatorily effective for the current year (continued).*

##### **IAS 23 Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

##### **IFRS 3 Business Combinations**

The amendments clarify that when the company obtains control of a business that is a joint operation, the company applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation.

##### **IFRS 11 Joint Arrangements**

The amendments clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the company does not remeasure its PHI in the joint operation.

##### **Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement**

The company has adopted the amendments of IAS 19 for the first time in the current year. The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). IAS 19 is now clear that the change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income.

The paragraphs that relate to measuring the current service cost and the net interest on the net defined benefit liability (asset) have also been amended. The company will now be required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, the amendments make it clear that for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under IAS 19:99 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

##### **IFRIC 23 Uncertainty over Income Tax Treatments**

The company has adopted IFRIC 23 for the first time in the current year. IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the company to:

- determine whether uncertain tax positions are assessed separately or as a company; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings: If yes, the company should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings. If no, the company should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

## **PUNCH TAVERNS (DC) HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **2. ACCOUNTING POLICIES**

##### **2.1 Basis of preparation of financial statements**

The company meets the definition of a qualifying entity under Financial Reporting Standard 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council. Accordingly, these financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework'.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, fair value measurement, capital management, presentation of a cash flow statement, comparative reconciliations for fixed assets, standards not yet effective, impairment of assets and related party transactions.

The financial statements have been prepared on a going concern basis, based on the historical cost convention. Historical cost is generally based on fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The following principal accounting policies have been applied:

##### **2.2 Consolidated financial statements**

These financial statements are separate financial statements. The company is exempt from the preparation and delivery of consolidated financial statements under section 400 of the Companies Act 2006, because it is included in the group accounts of Heineken UK Limited. The group accounts of Heineken UK Limited are available to the public and can be obtained as set out in note 14.

##### **2.3 Going concern**

The financial position of the company is set out in the Statement of Financial Position on page 7 of the financial statements, the company has net current assets of £33,462k (2018: £nil). The financial performance of the company is presented in Statement of Comprehensive Income on page 6. The profit after taxation amounted to £33,462k (2018: £nil).

The directors continue to adopt the going concern basis in preparing the annual report and financial statements, as confirmed in the Directors' Report on page 3.

## **PUNCH TAVERNS (DC) HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **2. ACCOUNTING POLICIES (CONTINUED)**

##### **2.4 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment. Investment balances are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment charge is recognised in the Statement of Comprehensive Income.

These investments are subject to impairment reviews as follows:

At each Statement of Financial Position date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Comprehensive Income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

##### **2.5 Financial instruments**

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

###### **Financial assets**

The company classifies all of its financial assets as loans and receivables.

###### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

###### **Other financial liabilities**

The company classifies all of its other financial liabilities as liabilities at amortised cost.

## **PUNCH TAVERNS (DC) HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **2. ACCOUNTING POLICIES (CONTINUED)**

##### **2.5 Financial instruments (continued)**

###### **Financial liabilities at amortised cost**

Financial liabilities at amortised cost are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of Financial Position.

##### **2.6 Taxation**

Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

#### **3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

##### **Sources of estimation uncertainty**

The preparation of the financial statements requires the company to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The directors base their estimates on historical experience and various other assumptions that they believe are 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 apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The directors believe there are no key sources of estimation uncertainty in preparing these financial statements.

##### **Critical accounting estimates and judgements**

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of turnover and expenses during the reporting period.

Estimates and judgements are continually made and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The directors believe the following to be the key area of judgement:

- Impairment of fixed asset investments

At each reporting date, the company reviews the carrying amounts of its fixed asset investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indications exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### **4. AUDITOR'S REMUNERATION**

The company was entitled to exemption from audit under section 479A of the Companies Act 2006 and therefore incurred no audit fees in 2019 (2018: £nil). No non-audit services were provided to the company in previous year.

**PUNCH TAVERNS (DC) HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019****5. EMPLOYEES**

The company has no employees (2018: None). Directors' remuneration is borne by other group companies in both the current and prior years as they are employed by other group companies.

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2019 £000	2018 £000
Dividend in specie from struck-off subsidiaries	<u>34,412</u>	-

**7. TAXATION**

	2019 £000	2018 £000
<b>Corporation tax</b>		
Current tax on profit for the year	-	-
<b>Total current tax</b>	<u>-</u>	<u>-</u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is the same as (2018: nil tax) the standard rate of corporation tax in the UK of 19% (2018: 19%) as set out below:

	2019 £000	2018 £000
Profit before tax	<u>33,462</u>	-
Profit multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	6,358	-
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes	180	-
Non-taxable income	<u>(6,538)</u>	-
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<u>-</u>	<u>-</u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

The Finance (No. 2) Act 2015 and The Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%. As substantive enactment is after the Statement of Financial Position date, deferred tax balances as at 31 December 2019 continue to be measured at a rate of 17%. There is no deferred tax recognised thus the change in rate following the March 2020 Budget has no impact to the financial statement.



**PUNCH TAVERNS (DC) HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019****8. INVESTMENTS**

	<b>Shares in subsidiary undertakings £000</b>
<b>Cost:</b>	
As at 1 January 2019 and 31 December 2019	-
<b>Net book value:</b>	
As at 31 December 2019	-
As at 31 December 2018	-

**DIRECT SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Country of incorporation</b>	<b>Holding</b>
ADR Financial Services (Birmingham) Limited <sup>(1)*</sup>	England & Wales	100%
ADR Financial Services (Finchley) Limited <sup>(1)*</sup>	England & Wales	100%
Agnew Stores (Holdings) Limited <sup>(2)</sup>	Scotland	100%
Agnews Liquorworld Limited <sup>(1)*</sup>	England & Wales	50%
Andrew Dick & Sons, Limited <sup>(2)</sup>	Scotland	100%
Ansells Leisure Limited <sup>(1)*</sup>	England & Wales	100%
Ansells Limited <sup>(1)*</sup>	England & Wales	100%
Bartlett & Hobbs Limited <sup>(1)*</sup>	England & Wales	100%
Brierley Court Hop Farms Limited <sup>(1)*</sup>	England & Wales	100%
Bruce's Brewery (World's End) Limited <sup>(1)*</sup>	England & Wales	100%
Cameron Park Limited <sup>(2)*</sup>	Scotland	50%
Caskies of Alloa Limited <sup>(2)*</sup>	Scotland	64.51%
Cougar Beer Company Limited <sup>(2)*</sup>	Scotland	100%
Dalgarno (Wine Cellars) Limited <sup>(2)*</sup>	Scotland	50%
Duke's of Argyle Street Limited <sup>(2)*</sup>	Scotland	100%
Duke's of Exchange Place Limited <sup>(2)*</sup>	Scotland	51.02%
Golisha Limited <sup>(2)*</sup>	Scotland	100%
Halls Brewery Company Limited <sup>(1)*</sup>	England & Wales	100%
Ind Coope-Friary Meux Limited <sup>(1)*</sup>	England & Wales	100%
J. & M. Polson, Limited <sup>(2)*</sup>	Scotland	100%
La Societe Brasserie Bleu Limited <sup>(1)*</sup>	England & Wales	100%
Newmarsh Limited <sup>(1)*</sup>	England & Wales	100%
Punch (JT) Limited <sup>(1)*</sup>	England & Wales	100%
Punch Beer Brands Limited <sup>(1)*</sup>	England & Wales	100%
Punch Inns (UK) Limited <sup>(1)*</sup>	England & Wales	100%
Punch Management Services Limited <sup>(1)*</sup>	England & Wales	100%
Punch National Brands Limited <sup>(1)*</sup>	England & Wales	100%
Punch Taverns (Ash) Limited <sup>(2)*</sup>	Scotland	100%
Punch Taverns (JPC) Limited <sup>(1)*</sup>	England & Wales	100%
Punch Taverns (Vintage) Limited <sup>(1)*</sup>	England & Wales	100%
Punch Taverns (Willow) Limited <sup>(1)*</sup>	England & Wales	100%
Rogano Limited <sup>(2)*</sup>	Scotland	100%
Skol Lager Limited <sup>(1)*</sup>	England & Wales	100%
Strettons Brewery Company Limited <sup>(1)*</sup>	England & Wales	49.12%
Tetley Limited <sup>(1)*</sup>	England & Wales	100%
The Tetley Pub Company Limited <sup>(1)*</sup>	England & Wales	100%

**PUNCH TAVERNS (DC) HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019****8. INVESTMENTS (CONTINUED)**

<b>Name</b>	<b>Country of incorporation</b>	<b>Holding</b>
Tolchard & Son Limited <sup>(1)</sup>	England & Wales	100%
Tramhill Limited <sup>(1)*</sup>	England & Wales	100%
Verdon Developments Limited <sup>(1)*</sup>	England & Wales	100%
Victoria Wine (Concessions) Limited <sup>(1)*</sup>	England & Wales	100%
Wine Market Limited (The) <sup>(1)*</sup>	England & Wales	100%

\* Denotes a subsidiary the company has a 100% indirect interest in, which was voluntarily struck off in September 2020.

**Registered address of investments:**

(1) Registered address of Elsley Court, 20-22 Great Titchfield Street, London, W1W 8BE

(2) Registered address of 3-4 Broadway Park, South Gyle Broadway, Edinburgh, EH12 9JZ

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

	<b>2019 £000</b>	<b>2018 £000</b>
Amounts owed by group undertakings	<b>51,217</b>	-
	<b>51,217</b>	-

All amounts owed by group undertakings are of a funding nature, unsecured and are repayable on demand. All loans with group companies are recorded at their fair value for both the current and previous year.

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

	<b>2019 £000</b>	<b>2018 £000</b>
Amounts owed to group undertakings	<b>17,755</b>	-

All amounts owed to group undertakings are of a funding nature, unsecured and are repayable on demand. All loans with group companies are recorded at their fair value for both the current and previous year.

**11. CALLED-UP SHARE CAPITAL**

	<b>2019 No.</b>	<b>2019 £000</b>	<b>2018 No.</b>	<b>2018 £000</b>
<b>Authorised, allotted, called up and fully paid:</b>				
Ordinary shares of £1 each	<b>129</b>	-	<b>129</b>	-

## **PUNCH TAVERNS (DC) HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **12. RESERVES**

##### **Profit and loss account**

The profit and loss account represents the accumulated profits, losses and distributions of the company.

#### **13. POST BALANCE SHEET EVENTS**

As noted in the Directors' Report on pages 3 the circumstances resulting from COVID-19 created an unprecedented level of uncertainty. Our Directors' Report details the additional work we have undertaken and factors considered as a result of COVID-19 and confirms our ability to continue on a going concern basis.

#### **14. ULTIMATE PARENT COMPANY**

The immediate parent undertaking as at the Statement of Financial Position date was Punch Taverns (RH) Limited, a company registered in England and Wales. Copies of its financial statements can be obtained from the Company Secretary, Elsley Court, 20-22 Great Titchfield Street, London, W1W 8BE, which is also its registered office.

The ultimate parent undertaking at the Statement of Financial Position date is Heineken Holding N.V. and the ultimate controlling party is Mrs C.L. de Carvalho-Heineken. Heineken N.V., a company registered in The Netherlands is the parent for the largest group of undertakings for which group financial statements were drawn up and of which the company was a member. Group financial statements for this company may be obtained from the Company Secretary, Heineken N.V., Tweede Weteringplantsoen 21, 1017 ZD, Amsterdam, The Netherlands, which is also the registered office.

The parent undertaking as at the Statement of Financial Position date, which was also the smallest group of undertakings for which group financial statements were drawn up and of which the company was a member, was Heineken UK Ltd, a company registered in Scotland. Group financial statements for this company may be obtained from the Company Secretary, 3-4 Broadway Park, South Gyle Broadway, EH12 9JZ, which is also its registered office.