

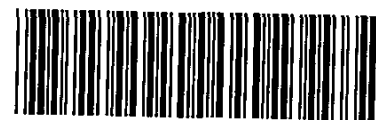
Registered No.
4271973

Spirit Managed Holdings Limited

Report and Financial Statements

20 August 2011

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Spirit Managed Holdings Limited
Period ended 20 August 2011

DIRECTORS

G Thorley	resigned	06 Sep 2011		
P Dutton	resigned	31 Jan 2011		
E Bashforth	resigned	04 Jul 2011		
S Dando	appointed	06 Sep 2011	resigned	04 Jul 2011
R Margerrison	appointed	04 Jul 2011	resigned	22 Nov 2011
S Stone	appointed	04 Jul 2011	resigned	30 Apr 2012
L Bell	appointed	22 Nov 2011		
P Gallagher	appointed	22 Nov 2011		

SECRETARY

C Stewart

AUDITOR

KPMG Audit Plc
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

SOLICITORS

Slaughter and May
One Bunhill Row
London
EC1Y 8YY

REGISTERED OFFICE

Sunrise House
Ninth Avenue
Burton upon Trent
Staffordshire
DE14 3JZ

Spirit Managed Holdings Limited
Period ended 20 August 2011

DIRECTORS' REPORT

Registered No. 4271973

The directors present their report and financial statements for the financial period ended 20 August 2011

RESULTS AND DIVIDENDS

The loss after taxation for the financial period amounted to £2,966,000 (52 week period ended 21 August 2010 loss after taxation of £150,377,000) The directors do not propose the payment of a final dividend (2010 £nil)

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company is a non-trading company

On 1 August 2011 the Spirit Pub Company group was demerged from Punch Taverns plc group (see Spirit Pub Company plc financial statements for further detail of demerger)

Spirit Pub Company 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 Spirit Pub Company group is discussed in the Spirit Pub Company 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 Managed 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 s487 of the Companies Act 2006

On behalf of the board



P Gallagher

Director

18 May 2012

Spirit Managed Holdings Limited
Period ended 20 August 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPIRIT MANAGED HOLDINGS LIMITED

We have audited the financial statements of Spirit Managed Holdings Limited for the year ended 20 August 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. 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 auditor's 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 auditor

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, and express an opinion on, 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 20 August 2011 and of its loss 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.

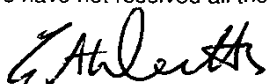
Opinion on other matter prescribed by the Companies Act 2006

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.



G Watts (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
18 May 2012

Spirit Managed Holdings Limited

Period ended 20 August 2011

PROFIT & LOSS ACCOUNT

for the 52 week period ended 20 August 2011

		52 week period ended 20 August 2011	52 week period ended 21 August 2010
	<i>Notes</i>	£000	£000
Loss on impairment of fixed asset investments		-	(147,918)
OPERATING LOSS	2	-	(147,918)
Interest payable	4	(4,076)	(3,415)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(4,076)	(151,333)
Tax on loss on ordinary activities	5	1,110	956
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	11	(2,966)	(150,377)

The profit and loss account relates to continuing activities

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

Notes 1 to 14 form part of these financial statements


Spirit Managed Holdings Limited
Period ended 20 August 2011

BALANCE SHEET
as at 20 August 2011

	<i>Notes</i>	20 August 2011 £000	21 August 2010 £000
FIXED ASSETS			
Investments	6	242,022	242,022
		<u>242,022</u>	<u>242,022</u>
CURRENT ASSETS			
Debtors amounts falling due in less than one year	7	6,307	5,060
Debtors amounts falling due after more than one year	7	3,250	295
		<u>9,557</u>	<u>5,355</u>
CURRENT LIABILITIES			
Other creditors falling due in less than one year		(1,212)	-
CREDITORS: amounts falling due in less than one year	8	<u>(1,212)</u>	<u>-</u>
NET CURRENT ASSETS		<u>8,345</u>	<u>5,355</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>250,367</u>	<u>247,377</u>
LONG TERM LIABILITIES			
Other creditors falling due after more than one year		(27,270)	(21,314)
CREDITORS amounts falling due after more than one year	9	<u>(27,270)</u>	<u>(21,314)</u>
NET ASSETS		<u><u>223,097</u></u>	<u><u>226,063</u></u>
CAPITAL AND RESERVES			
Called up share capital	10	193,341	193,341
Share premium	11	231,340	231,340
Capital reserve	11	2,000	2,000
Profit and loss account	11	(203,584)	(200,618)
SHAREHOLDERS' FUNDS	11	<u><u>223,097</u></u>	<u><u>226,063</u></u>

Notes 1 to 14 form part of these financial statements

The financial statements were approved and authorised for issue by the board and signed on its behalf on 18 May 2012


P Gallagher
Director

Spirit Managed Holdings Limited
Period ended 20 August 2011

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 20 August 2011

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

Cash flow statement

The directors have taken advantage of the exemption in FRS 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, Spirit Pub Company plc, publishes consolidated financial statements

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements

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

Spirit Managed Holdings Limited
Period ended 20 August 2011

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 20 August 2011

2 OPERATING LOSS

Auditor's remuneration is paid by another company in the Spirit Pub Company 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-Managed Holdings Limited
Period ended 20 August 2011

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 20 August 2011

4 INTEREST PAYABLE

	52 week period ended 20 August 2011 £000	52 week period ended 21 August 2010 £000
Interest payable to group undertakings	4,076	3,415
	<u>4,076</u>	<u>3,415</u>

Spirit Managed Holdings Limited
Period ended 20 August 2011

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 20 August 2011

5 TAXATION

	52 week period ended 20 August 2011 £000	52 week period ended 21 August 2010 £000
The tax credit for the period comprises		
UK corporation tax		
- current period group relief surrendered	(1,110)	(956)
	<u>(1,110)</u>	<u>(956)</u>
Total tax credit for the period	<u>(1,110)</u>	<u>(956)</u>

There is no provided or unprovided deferred tax

Reconciliation of tax credit

The current tax credit for the period is the same as (2010 lower than) the standard rate of corporation tax in the UK of 27.2% (2010 28.0%). The differences are explained below

	52 week period ended 20 August 2011 £000	52 week period ended 21 August 2010 £000
Loss on ordinary activities before taxation	<u>(4,076)</u>	<u>(151,333)</u>
Loss on ordinary activities at standard rate of corporation tax in the UK of 27.2% (2010 28.0%)	(1,110)	(42,373)
Effects of		
Expenses not deductible for tax purposes	-	41,417
Total current tax credit	<u>(1,110)</u>	<u>(956)</u>

Factors affecting current and future tax credit

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012.

This will reduce the company's future current tax charge accordingly. It has not yet been possible to quantify the full anticipated effect of the announced further 1% rate reduction (in addition to the 1% reduction already substantively enacted on 5 July 2011), although this will further reduce the company's future current tax charge.

Spirit Managed Holdings Limited

Period ended 20 August 2011

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 20 August 2011

6 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £000
Cost	
As at 20 August 2011 and 21 August 2010	<u>389,940</u>
Impairment	
As at 20 August 2011 and 21 August 2010	<u>147,918</u>
Net book value	
As at 20 August 2011 and 21 August 2010	<u>242,022</u>

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 Equity Limited	Intermediate Holding Company
Spirit Group Pension Trustee Limited	Dormant
Held indirectly	
Spirit Pubs Debenture Holdings	Intermediate Holding Company
Spirit Pub Company (Managed) Limited	Pub operating company
Spirit Pub Company (Leased) Limited	Pub operating company
Spirit Pub Company (Investments) Limited	Intermediate Holding Company

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

Spirit Managed Holdings Limited
Period ended 20 August 2011

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 20 August 2011

7 DEBTORS

	2011	2010
	£000	£000
Amounts falling due in less than one year:		
Amounts due from group undertakings	6,307	5,060
	<u>6,307</u>	<u>5,060</u>

	2011	2010
	£000	£000
Amounts falling due after more than one year:		
Amounts due from group undertakings	3,250	295
	<u>3,250</u>	<u>295</u>

8 CREDITORS: amounts falling due in less than one year

	2011	2010
	£000	£000
Other creditors	1,212	-
	<u>1,212</u>	<u>-</u>

9 CREDITORS amounts falling due after more than one year

	2011	2010
	£000	£000
Loans owed to group undertakings	24,612	20,536
Amounts owed to group undertakings	2,658	778
	<u>27,270</u>	<u>21,314</u>

The company has a loan with its immediate parent company, Spirit Group Parent Limited, of £24,612,000 (2009 £20,536,000) Interest accrues at 20% per annum and is capitalised annually in arrears

Spirit Managed Holdings Limited

Period ended 20 August 2011

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 20 August 2011

10 SHARE CAPITAL

	2011 No.	2011 £000	2010 No	2010 £000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	<u>193,340,596</u>	<u>193,341</u>	<u>193,340,596</u>	<u>193,341</u>

Spirit Managed Holdings Limited

Period ended 20 August 2011

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 20 August 2011

11 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share Capital £000	Share Premium £000	Capital Reserve £000	Profit & Loss Account £000	Total Shareholders' Funds £000
At 22 August 2009	193,341	231,340	2,000	(50,241)	376,440
Loss for the period	-	-	-	(150,377)	(150,377)
At 21 August 2010	<u>193,341</u>	<u>231,340</u>	<u>2,000</u>	<u>(200,618)</u>	<u>226,063</u>
Loss for the period	-	-	-	(2,966)	(2,966)
At 20 August 2011	<u><u>193,341</u></u>	<u><u>231,340</u></u>	<u><u>2,000</u></u>	<u><u>(203,584)</u></u>	<u><u>223,097</u></u>

Spirit Managed Holdings Limited
Period ended 20 August 2011

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 20 August

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 wholly owned subsidiaries of the Spirit Pub Company plc group. There were no other related party transactions during the period.

13 POST BALANCE SHEET EVENTS

At 20 August 2011, no obligation exists for dividends declared after that date (Aug 2010: £nil).

14 ULTIMATE PARENT UNDERTAKING

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

The company's ultimate parent undertaking and controlling party is Spirit Pub Company 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 Spirit Pub Company plc.

Copies of the financial statements of Spirit Pub Company plc are available from Sunrise House, Ninth Avenue, Burton upon Trent, DE14 3JZ.