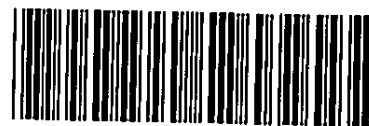


Admiral Taverns (Max) Limited

Report and Financial Statements

52 weeks ended 28 May 2011

WEDNESDAY



A0P5GK74

A11

28/12/2011

#17

COMPANIES HOUSE

Admiral Taverns (Max) Limited

Directors

A Clifford
G Pearson
J Paveley
K Georgel

Secretary

A G Secretarial Limited

Auditors

Ernst & Young LLP
No 1 Colmore Square,
Birmingham B4 6HQ

Solicitors

Addleshaw Goddard
150 Aldersgate Street
London EC1A 4EJ

Registered Office

150 Aldersgate Street
London EC1A 4EJ

Directors' report

The directors present their report and financial statements for the 52 week period ended 28 May 2011

Results and dividends

The profit for the period after taxation amounted to £2,005,000 (2010 – £189,039,000) after operating and non operating exceptional income of £nil (2010 – £187,017,000) The directors do not recommend a final dividend (2010 – £nil)

Principal activity and review of the business

The principal activity of the company is to act as a holding company

As the company is a holding company there is no operating activity and therefore the operating profit in the company is nil Profit before tax is £2,005,000 as a result of net interest income receivable relating to intercompany loans

A comprehensive review of the state of affairs of the group into which the company is consolidated, including key performance indicators and key risks and uncertainties is contained in the report and financial statements of Admiral Taverns Group Holdings Limited, the ultimate parent undertaking at the period end

Going concern

The company meets its day to day working capital requirements through a bank facility provided to Admiral Taverns Bidco Limited, the company's immediate parent undertaking ("the Bidco sub-group"), which is due for renewal on 30 November 2012 The directors have prepared detailed forecasts for the Bidco sub-group through to 31 May 2013 which has been compared to the available facility (that runs to 30 November 2012) and the covenant tests set out therein This review, which includes appropriate sensitivity analysis, shows that the Bidco sub-group will be able to meet its liabilities as they fall due throughout the period to 30 November 2012

Based on the above, and after making appropriate enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the financial statements

Directors

The directors who served the company during the period were as follows

L D'Arcy (resigned 7 July 2010)

A Clifford

G Pearson

J Paveley

K Georgel (appointed 2010)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

Directors' report

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Glenn Pearson', followed by a long horizontal flourish.

Glenn Pearson
Director
23 November 2011

Statement of directors' responsibilities

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

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

Independent auditor's report

to the members of Admiral Taverns (Max) Limited

We have audited the financial statements of Admiral Taverns (Max) Limited for the 52 week period ended 28 May 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 16. 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 28 May 2011 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report

to the members of Admiral Taverns (Max) Limited

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



Andrew Merrick (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP (Statutory Auditor)

Birmingham

23 November 2011

Profit and loss account

for the 52 weeks ended 28 May 2011

	Notes	2011 £000	2010 £000
Interest receivable and similar income	5	2,008	2,024
Interest payable and similar charges	6	(3)	(2)
Impairment of fixed asset investments	9	–	(61,723)
Fundamental financial restructuring	7	–	248,740
Profit on ordinary activities before taxation		2,005	189,039
Tax	8	–	–
Profit for the financial period	14	2,005	189,039

All amounts relate to continuing operations

Statement of total recognised gains and losses

for the 52 weeks ended 28 May 2011

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £2,005,000 for the period ended 28 May 2011 (2010 – £189,039,000)

Balance sheet

at 28 May 2011

	Notes	2011 £000	2010 £000
Current assets			
Debtors	10	78,500	78,500
Creditors amounts falling due within one year	11	(96,834)	(98,839)
Net current liabilities		(18,334)	(20,339)
Creditors amounts falling due in more than one year	12	(52)	(52)
Net liabilities		(18,386)	(20,391)
Capital and reserves			
Called up share capital	13	—	—
Profit and loss account	14	(18,386)	(20,391)
Shareholders' deficit	14	(18,386)	(20,391)

The accounts were authorised for issue by the Board of Directors on 23 November 2011 and were signed on its behalf by



Glenn Pearson
Director

Notes to the financial statements

at 28 May 2011

1. Accounting policies

Basis of preparation

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

The accounting policies set out below have all been applied consistently throughout the period and the preceding period

Going concern

The directors are of the view that it is appropriate to consider the ability of the Bidco sub-group as a whole to operate within the terms of the LBG banking facility provided to Admiral Taverns Bidco Limited when assessing the ability of the company and the Bidco sub-group to operate as a going concern

As noted in the directors' report, the Bidco sub-group meets its day to day working capital requirements through a bank facility which is due for renewal on 30 November 2012. The directors have prepared detailed forecasts for the group through to 31 May 2013 which has been compared to the available facility (that runs to 30 November 2012) and the covenant tests set out therein. This review, which includes appropriate sensitivity analysis, shows that the Bidco sub-group will be able to meet its liabilities as they fall due throughout the period to 30 November 2012.

Based on the above, and after making appropriate enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Group financial statements

The company has taken advantage of the exemption available under section 400 of Companies Act 2006 not to prepare and deliver group financial statements.

Statement of cash flows

Under the provisions of FRS 1 (Revised), the company has not prepared a statement of cash flows because its ultimate parent undertaking, Admiral Taverns Group Holdings Limited, has prepared group financial statements which include the results of the company and which are publicly available.

Investments

Investments in subsidiaries are initially recorded at cost. Subsequently, at any period end, investments in subsidiaries are reviewed for impairment based on the net asset value of the subsidiary adjusted to reflect the directors' estimate of the existing use value of the pub estate owned by the subsidiary. Any impairment charge is recorded through the profit and loss account as an exceptional item, below operating profit.

Debt instruments

All interest bearing loans and borrowings are initially recorded at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the debts in the period.

Finance costs of debt, including transaction costs associated with the debt, are allocated over the expected term of the debt at a constant rate on the carrying amount.

Notes to the financial statements

at 28 May 2011

1. Accounting policies (continued)

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

2. Auditors' remuneration

Auditor's remuneration for the financial period ended 28 May 2011 was paid by Admiral Taverns (Chester) Limited, a fellow group company

3. Directors' remuneration

The directors' remuneration are paid by Admiral Taverns (Chester) Limited, a fellow group company. No amounts are attributable to the company.

4. Staff costs

The company had no employees during the period (2010 – none)

5. Interest receivable and similar income

	2011 £000	2010 £000
Interest receivable from group undertakings	2,008	2,024

6. Interest payable and similar charges

	2011 £000	2010 £000
Interest payable to group undertakings	3	2

Notes to the financial statements

at 28 May 2011

7. Fundamental financial restructuring

	2011 £000	2010 £000
Repayment of bank debt under group cross guarantee	–	(100)
Release of amounts owed to group undertakings	–	248,840
	<u>–</u>	<u>248,740</u>

The exceptional items noted above arose in respect of the capital and debt restructuring of the Admiral Taverns group of companies during the previous financial period

8. Tax

(a) There is no tax charge for the period

(b) Factors affecting tax for the period

The tax assessed for the period differs from the average rate of corporation tax in the UK of 27.67% (2010 – 28%). The differences are explained below

	2011 £000	2010 £000
Profit on ordinary activities before tax	2,005	189,039
Profit on ordinary activities multiplied by the average rate of corporation tax in the UK of 27.67% (2010 – 28%)	<u>555</u>	<u>52,931</u>
<i>Effects of</i>		
Income not allowable for tax purposes	–	(52,365)
Unrelieved tax losses carried forward	–	1,927
Group relief surrendered for nil consideration	432	1,532
Imputed interest charged for tax purposes	(987)	(4,025)
Current tax for the period	<u>–</u>	<u>–</u>

(c) Deferred taxation assets not recognised are as follows

	2011 £000	<i>Not recognised</i> 2010 £000
Tax losses	<u>(10,162)</u>	<u>(12,036)</u>

The deferred tax asset in relation to tax losses is not recognised in the financial statements due to the uncertainty of when these losses will be utilised by the company

Notes to the financial statements

at 28 May 2011

8. Tax (continued)

In his budget of 24 March 2011, the Chancellor of the Exchequer announced Budget tax changes, which have an effect on the company's future tax position. The UK corporation tax rate was reduced to 26% on 1 April 2011. This rate change has been enacted at the balance sheet date and as such, in accordance with accounting standards, this change has been reflected in the company's financial statements as at 28 May 2011.

The Chancellor of the Exchequer also announced that the rate is then to reduce by a further 1% each year until it reaches 23%, from April 2012. These proposed rate changes had not yet been enacted at the balance sheet date, but are to be enacted on an annual basis. These rate changes will also impact the amount of the future cash tax payments to be made by the company.

The effect on the company of these proposed changes to the UK tax system will be reflected in the company's financial statements in future years, as appropriate, once the proposals have been substantively enacted.

9. Investments

*Shares in group
undertakings
£000*

Net book value

At 1 June 2010 and 28 May 2011

–

Details of the investments in which the company (unless indicated) holds 20% or more of the nominal value of any class of share are as follows:

<i>Name of company</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
<i>Directly held</i>			
Admiral Taverns (780) Limited	Ordinary shares	100%	Pub Company

The above entity is unlisted and incorporated in the United Kingdom.

Notes to the financial statements

at 28 May 2011

10 Debtors

	2011 £000	2010 £000
Amounts owed by group undertakings	78,500	78,500

Amounts falling due in more than one year included above are

	2011 £000	2010 £000
Amounts owed by group undertakings	28,500	28,500

Included within amounts owed by group companies is an unsecured loan of £28,500,000 to Admiral Taverns (780) Limited which was drawn on 30 May 2008 at an interest rate of LIBOR plus 1.5%. The loan is wholly repayable on 30 May 2018.

Also included in amounts owed by group undertakings is an unsecured loan of £50,000,000 to Admiral Taverns (780) Limited, which was drawn down in September 2006 at an interest rate of LIBOR plus 2% and is repayable on demand.

11. Creditors: amounts falling due within one year

	2011 £000	2010 £000
Amounts owed to group undertakings	96,834	98,839

12. Creditors: amounts falling due in more than one year

	2011 £000	2010 £000
Amounts owed to group undertakings	52	52

The amount due to group undertakings comprises an intercompany loan due to Admiral Taverns Bidco Limited. The loan bears interest at 2% above base rate on the face value of the debt and cannot be called by Admiral Taverns Bidco Limited other than in an insolvency event of any of the subsidiaries of Admiral Taverns Bidco Limited (other than Admiral Taverns Nevada Properties Limited) including the company.

13. Issued share capital

	No	2011 £000	No	2010 £000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	1	–	1	–

Notes to the financial statements

at 28 May 2011

14. Reconciliation of shareholders' deficit and movements on reserves

	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total share- holders' deficit £000</i>
At 1 June 2009	–	(209,430)	(209,430)
Profit for the period	–	189,039	189,039
At 1 June 2010	–	(20,391)	(20,391)
Profit for the period	–	2,005	2,005
At 28 May 2011	–	(18,386)	(18,386)

15. Related party transactions

The company has taken advantage of the exemption available under FRS 8 not to disclose transactions with other wholly owned members of the Admiral Taverns Group Holdings Limited group

There are no other related party transactions requiring disclosure in the financial statements

16. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Admiral Taverns Bidco Limited, a company incorporated in the United Kingdom

The company's ultimate parent undertaking is Admiral Taverns Group Holdings Limited, a company also incorporated in the United Kingdom. The group financial statements of this group will be available to the public and may be obtained from the registered office of Admiral Taverns Group Holdings Limited at 150 Aldersgate Street, London, EC1A 4EJ