

Registered No.
07020781

Spirit Pub Company (Investments) Limited
formerly Punch Taverns Investments (S) Limited

Report and Financial Statements

20 August 2011



Spirit Pub Company (Investments) Limited
Period ended 20 August 2011

DIRECTORS

P Dutton	resigned	31 Jan 2011		
E Bashforth	resigned	04 Jul 2011		
S Dando	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 Pub Company (Investments) Limited
Period ended 20 August 2011

DIRECTORS' REPORT

Registered No 07020781

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

RESULTS AND DIVIDENDS

The profit after taxation for the financial period amounted to £1,453,000 (48 week period ended 21 August 2010 profit after taxation of £1,580,000) The directors do not propose the payment of a final dividend (2010 £nil)

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company is an internal financing company within the Spirit Pub Company plc group of companies. During the period, the company's principal activity was that of redeeming debt within the Spirit Pub Company group and holding that debt until cancelled. During the period, the company redeemed loan notes with a nominal value of £23,000,000. At the year end, there was £41,605,000 of loan notes held by the company not yet cancelled. Subsequent to the year end, the company cancelled loan notes with a nominal value of £17,904,000, and purchased loan notes with a nominal value of £36,117,000.

During the period, the Company acquired a freehold office building for £4,500,000 (see note 6) which is leased to another company in the Spirit Pub Company group.

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 is 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.

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 Pub Company (Investments) 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 PUB COMPANY (INVESTMENTS) LIMITED

We have audited the financial statements of Spirit Pub Company (Investments) Limited for the year ended 20 August 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18. 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 profit for the year 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 Pub Company (Investments) 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	48 week period ended 21 August 2010
	Notes	£000	£000
Administrative and other income		173	-
OPERATING PROFIT	2	<u>173</u>	<u>-</u>
Interest receivable and similar income	4	2,239	2,194
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>2,412</u>	<u>2,194</u>
Tax on profit on ordinary activities	5	(959)	(614)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	13	<u><u>1,453</u></u>	<u><u>1,580</u></u>

The profit and loss account relates to continuing activities

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

Notes 1 to 18 form part of these financial statements


Spirit Pub Company (Investments) 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			
Tangible fixed assets	6	4,587	-
		<u>4,587</u>	<u>-</u>
CURRENT ASSETS			
Other current asset investments	7	31,768	31,615
Debtors amounts falling due in less than one year	8	1,115	546
Debtors amounts falling due after more than one year	8	273	1,741
		<u>33,156</u>	<u>33,902</u>
CURRENT LIABILITIES			
Other creditors falling due in less than one year		(32,670)	(614)
CREDITORS amounts falling due in less than one year	9	<u>(32,670)</u>	<u>(614)</u>
NET CURRENT ASSETS		<u>486</u>	<u>33,288</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,073</u>	<u>33,288</u>
LONG TERM LIABILITIES			
Other creditors falling due after more than one year		(1,687)	(31,708)
CREDITORS amounts falling due after more than one year	10	<u>(1,687)</u>	<u>(31,708)</u>
PROVISIONS FOR LIABILITIES	11	(353)	-
NET ASSETS		<u><u>3,033</u></u>	<u><u>1,580</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	-	-
Profit and loss account	13	3,033	1,580
SHAREHOLDERS' FUNDS	13	<u><u>3,033</u></u>	<u><u>1,580</u></u>

Notes 1 to 18 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 Pub Company (Investments) 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

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

Current 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

Tangible fixed assets

Fixed assets are stated at cost

Depreciation

Depreciation is provided on 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

Buildings - 50 years

Fixtures and fittings - 5 years

An annual impairment review is carried out on such properties in accordance with FRS 11 and FRS 15

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

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

Spirit Pub Company (Investments) Limited
Period ended 20 August 2011

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

2 OPERATING PROFIT

Operating profit is stated after charging

	52 week period ended 20 August 2011 £000	48 week period ended 21 August 2010 £000
Depreciation - owned fixed assets	24	-

Auditor's remuneration in the current and preceding periods is paid by another company in the Spirit Pub Company group

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 Pub Company (Investments) Limited
Period ended 20 August 2011

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

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	52 week period ended 20 August 2011 £000	48 week period ended 21 August 2010 £000
Interest receivable on bonds	2,239	2,194
	<u>2,239</u>	<u>2,194</u>

Spirit Pub Company (Investments) 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	48 week period ended 21 August 2010 £000
The tax charge for the period comprises		
UK corporation tax		
- current period group relief receivable	606	614
	<u>606</u>	<u>614</u>
Deferred tax		
- current period charge	384	-
- change in standard rate of tax	(31)	-
	<u>353</u>	<u>-</u>
Total tax charge for the period	<u><u>959</u></u>	<u><u>614</u></u>

Reconciliation of tax charge

The current tax charge/(credit) for the period is lower (2010 same as) than the standard rate of corporation tax in the UK of 27.2% (2010 28%). The differences are explained below

	52 week period ended 20 August 2011 £000	48 week period ended 21 August 2010 £000
Profit on ordinary activities before taxation	<u>2,412</u>	<u>2,194</u>
Profit on ordinary activities at standard rate of corporation tax in the UK of 27.2% (2010 28.0%)	657	614
Effects of		
Capital allowances in excess of depreciation	(51)	-
Total current tax charge	<u><u>606</u></u>	<u><u>614</u></u>

Factors affecting current and future tax charge

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 accordingly.

Spirit Pub Company (Investments) Limited

Period ended 20 August 2011

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 20 August 2011

6 TANGIBLE FIXED ASSETS

	Land & buildings £000	Fixtures and fittings £000	Total £000
Cost			
As at 21 August 2010	-	-	-
Additions	4,500	111	4,611
As at 20 August 2011	<u>4,500</u>	<u>111</u>	<u>4,611</u>
Depreciation			
Charge for the period	23	1	24
As at 20 August 2011	<u>23</u>	<u>1</u>	<u>24</u>
Net book value			
As at 20 August 2011	<u>4,477</u>	<u>110</u>	<u>4,587</u>
As at 21 August 2010	<u>-</u>	<u>-</u>	<u>-</u>

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

	Freehold £000	Total £000
As at 20 August 2011	<u>4,477</u>	<u>4,477</u>
As at 21 August 2010	<u>-</u>	<u>-</u>

Spirit-Pub Company (Investments) Limited-

Period ended 20 August 2011

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 20 August 2011

7 CURRENT ASSET INVESTMENTS

	Other investments £000
Cost	
As at 21 August 2010	31,615
Additions	18,907
Disposals	(18,754)
As at 20 August 2011	<u>31,768</u>
Cost and net book value	
As at 20 August 2011	<u>31,768</u>
As at 21 August 2010	<u>31,615</u>

Current asset investments represent debenture bonds issued by the Spirit Issuer plc that have been purchased and are still held by the company at the period end. The fair value of these purchased debenture bonds at 20 August 2011 is £34,440,000.

Spirit Pub Company (Investments) Limited
Period ended 20 August 2011

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

8 DEBTORS

	2011	2010
	£000	£000
Amounts falling due in less than one year		
Prepayments and accrued income	1,115	546
	<u>1,115</u>	<u>546</u>
Amounts falling due after more than one year	2011	2010
	£000	£000
Amounts due from group undertakings	273	1,741
	<u>273</u>	<u>1,741</u>

9 CREDITORS amounts falling due in less than one year

	2011	2010
	£000	£000
Loans owed to group undertakings	31,312	-
Amounts owed to group undertakings	1,287	614
Accruals and deferred income	45	-
Social security and other taxes	26	-
	<u>32,670</u>	<u>614</u>

During the year the company was involved in restructuring in order to rationalise intercompany loans. Included within loans owed to group undertakings is a non interest bearing loan from fellow group undertaking, Spirit Pub Company (SGE) Limited (2010 £31,312,000 falling due after more than one year). The loan is repayable on demand.

10 CREDITORS amounts falling due after more than one year

	2011	2010
	£000	£000
Loans owed to group undertakings	-	31,708
Accruals and deferred income	50	-
Amounts owed to group undertakings	1,637	-
	<u>1,687</u>	<u>31,708</u>

Included within loans owed to group undertakings in the prior year was a non interest bearing loan of £31,312,000 which was re-assigned as part of the restructuring during the year of the Spirit Pub Company group and was repaid in the year.

Spirit Pub Company (Investments) Limited
Period ended 20 August 2011

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

11 PROVISIONS FOR LIABILITIES

		Deferred taxation £000
As at 21 August 2010		-
Charged to the profit and loss account		353
As at 20 August 2011		<u>353</u>
	2011 £000	2010 £000
The deferred tax balance consists of		
Depreciation in excess of capital allowances	353	-
	<u>353</u>	<u>-</u>

Spirit Pub Company (Investments) Limited

Period ended 20 August 2011

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 20 August 2011

12 SHARE CAPITAL

	2011 No	2011 £	2010 No	2010 £
<i>Authorised</i>				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
<i>Allotted, called up and partly paid</i>				
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Spirit Pub Company (Investments) Limited

Period ended 20 August 2011

NOTES TO THE FINANCIAL STATEMENTS

for the 52 week period ended 20 August 2011

13 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share Capital	Profit & Loss	Total
	£000	Account	Shareholders'
		£000	Funds
			£000
At 21 August 2010	-	1,580	1,580
Profit for the period	-	1,453	1,453
At 20 August 2011	<u>-</u>	<u>3,033</u>	<u>3,033</u>

Spirit Pub Company (Investments) Limited
Period ended 20 August 2011

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

14 FINANCIAL COMMITMENTS

	2011 £000	2010 £000
Contracted not provided	<u>45</u>	<u>-</u>

15 FINANCIAL INSTRUMENT DISCLOSURES

The consolidated financial statements of Spirit Pub Company plc contain financial instrument disclosures which comply with FRS 29 'Financial Instruments Disclosures'. Consequently, the company has taken advantage of the exemption in FRS 29 not to present separate financial instrument disclosures for the company.

16 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.

17 POST BALANCE SHEET EVENTS

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

Subsequent to the year end, the Company transferred debenture bonds held within current asset investments at the period end with a nominal value of £11,904,000 for surrender and cancellation and purchased loan notes with a nominal value of £36,117,000, none of which were transferred for surrender and cancellation.

18 ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is Spirit 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.