

# PUNCH

Punch Pubs Group Limited

Unaudited Condensed Consolidated Financial Information

For the 16 weeks ended 3 December 2023

Registered number: 13420745



## **UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

For the 16 weeks ended 3 December 2023

### **Contents**

Operating and Financial Review	1
Condensed Consolidated Income Statement	3
Condensed Consolidated Statement of Comprehensive Income	4
Condensed Consolidated Balance Sheet	5
Condensed Consolidated Statement of Changes in Equity	6
Condensed Consolidated Cash Flow Statement	7
Notes to the Condensed Consolidated Financial Information	8 - 18

# PUNCH

Punch Pubs Group Limited

## OPERATING AND FINANCIAL REVIEW

For the 16 weeks ended 3 December 2023

Punch Pubs Group Limited announces its trading update for the 16 week period to 3 December 2023 (prior year 16 week period to 4 December 2022).

### Trading and Financial Performance

For the 16 weeks to 3 December 2023 total revenue was £96.0 million compared to £92.0 million in the prior year period of 16 weeks to 4 December 2022.

All three divisions (Leased and Tenanted, Management Partnership and Laine) delivered like-for-like sales growth for the 16 week period when compared to the prior year. Underlying outlet EBITDA for the pub estates (Management Partnership, Leased & Tenanted and Laine) before central costs increased by £2.3 million to £33.5 million.

EBITDA for the period was £25.0 million (prior year 16 weeks: £22.7 million) of which £25.6 million was classed as Underlying EBITDA (prior year 16 weeks: £23.9 million).

Underlying EBITDA for the 52 weeks to 3 December 2023 of £83.0 million compares positively to the £76.0 million of Adjusted Underlying EBITDA from the wider Punch Group in the year to August 2019, being the most recent financial year prior to the Covid pandemic.

### Investing Activities

In the 16 week period the Group has spent £7.7 million (prior year 16 weeks: £11.5 million) on expansionary and maintenance capital.

As noted in previous reports, having converted 71 pubs from Leased and Tenanted across to the Management Partnership division since August 2021, the rate of pub conversions has slowed down as we take time to select and build the next pipeline of pubs for transformational investment and conversion, taking learnings from the successful conversions we have completed to date.

We have now identified the next tranche of pubs to convert to the Management Partnership model, having identified a population of up to 70 pubs that would be suitable for conversion. Future conversions would be expected to achieve a return on investment of between 20% and 30% and would be phased progressively over a three year period.

During the most recent quarter we have transferred a small number of pubs to the Leased and Tenanted division, representing pubs with lower sales revenue opportunity that are better suited to a Leased and Tenanted model.

Net proceeds from the sale of properties in the period was £4.1 million (prior year 16 weeks: £1.1 million), at £1.7 million above book value (prior year 16 weeks: £0.2 million).

### Property Valuation

After having realised £4.1 million from property disposals in the period, property assets increased by £1.0 million in the period to £894.0 million (13 August 2023: £893.0 million). The Group benefits from operating a predominantly freehold estate, with 93% of the pub portfolio owned on a freehold or long leasehold (greater than 50 years remaining lease term) basis.

The Group's policy is to revalue its properties on a five-year rolling basis, 20% of the estate was valued by Savills (UK) Limited, independent chartered surveyors for the year ended 13 August 2023, a further 20% of the estate will be revalued for the year ending 11 August 2024.

The current net book value of properties at £894.0 million compares favourably to the full estate property valuation undertaken ahead of the High Yield Bond launch in May 2021 at £849.7 million. The increase in property values largely reflecting the purchase of the leased and tenanted pub estate from Youngs Pub Company in 2021, continued investment in the estate, and a small number of pub acquisitions and disposals.

## **Financial Position**

The Group generated a net cash inflow from operating activities for the period of £22.2 million (prior year 16 weeks: £17.0 million).

An interim dividend of £20.6 million for the current financial year ending 11 August 2024 was paid in the period. This dividend represents the first such payment since the launch of the bond in May 2021. The shareholder's current intention is to not propose any further dividend payments for this financial year.

As at the 3 December 2023 period end date the Group had £54.1 million of available liquidity (13 August 2023: £60.3 million), represented by £4.1 million of cash and cash equivalents and £50.0 million undrawn against the revolving credit facility. In addition, £2.6 million of cash held in deposit accounts is classified within prepayments (13 August 2023: £2.6 million).

## **Current Trading and Outlook**

The 10 weeks trading post the period end to 11 February 2024 has continued with strong like-for-like sales growth across all three divisions. Quarter 2 trading to date has been encouraging with profitability materially ahead of the prior year.

The Group expects to benefit from inflation positively impacting Leased and Tenanted net income together with the improving margins and the benefit of maturing sales and profitability in the pubs converted to the Management Partnership estate since August 2021.

## CONDENSED CONSOLIDATED INCOME STATEMENT

For the 16 weeks ended 3 December 2023

	Notes	16 weeks ended 3 December 2023			16 weeks ended 4 December 2022			52 weeks ended 13 August 2023		
		Underlying items £m	(Unaudited) Non- underlying items <sup>1</sup> £m	Total £m	Underlying items £m	(Unaudited) Non- underlying items <sup>1</sup> £m	Total £m	Underlying items £m	(Audited) Non- underlying items <sup>1</sup> £m	Total £m
Revenue	2	96.0	-	96.0	92.0	-	92.0	313.5	-	313.5
Operating costs before depreciation and amortisation		(70.4)	(0.6)	(71.0)	(68.1)	(1.2)	(69.3)	(232.2)	(2.2)	(234.4)
<b>EBITDA<sup>2</sup></b>		<b>25.6</b>	<b>(0.6)</b>	<b>25.0</b>	<b>23.9</b>	<b>(1.2)</b>	<b>22.7</b>	<b>81.3</b>	<b>(2.2)</b>	<b>79.1</b>
Depreciation and amortisation		(5.6)	-	(5.6)	(5.3)	-	(5.3)	(18.0)	-	(18.0)
Profit on sale of non-current assets		-	1.7	1.7	-	0.2	0.2	-	0.6	0.6
Impairment	3	-	-	-	-	-	-	-	(7.1)	(7.1)
Re-valuation of properties		-	-	-	-	-	-	-	(20.9)	(20.9)
<b>Operating profit / (loss)</b>		<b>20.0</b>	<b>1.1</b>	<b>21.1</b>	<b>18.6</b>	<b>(1.0)</b>	<b>17.6</b>	<b>63.3</b>	<b>(29.6)</b>	<b>33.7</b>
Finance income	4	-	-	-	-	-	-	0.1	-	0.1
Finance costs	5	(14.3)	-	(14.3)	(14.4)	-	(14.4)	(47.5)	-	(47.5)
<b>Profit / (loss) before taxation</b>		<b>5.7</b>	<b>1.1</b>	<b>6.8</b>	<b>4.2</b>	<b>(1.0)</b>	<b>3.2</b>	<b>15.9</b>	<b>(29.6)</b>	<b>(13.7)</b>
Taxation charge	6	(1.5)	0.1	(1.4)	(0.9)	-	(0.9)	(1.7)	(0.1)	(1.8)
<b>Profit / (loss) for the financial period</b>		<b>4.2</b>	<b>1.2</b>	<b>5.4</b>	<b>3.3</b>	<b>(1.0)</b>	<b>2.3</b>	<b>14.2</b>	<b>(29.7)</b>	<b>(15.5)</b>
Loss attributable to non-controlling interest		-	-	-	0.1	-	0.1	0.2	-	0.2
<b>Profit / (loss) for the financial period attributable to owners of the parent company</b>		<b>4.2</b>	<b>1.2</b>	<b>5.4</b>	<b>3.4</b>	<b>(1.0)</b>	<b>2.4</b>	<b>14.4</b>	<b>(29.7)</b>	<b>(15.3)</b>

<sup>1</sup> Non-underlying items are explained further in note 3

<sup>2</sup> EBITDA represents earnings before depreciation and amortisation, profit on the sale of non-current assets, impairment, re-valuation of properties, net finance costs, tax of the Group and loss attributable to non-controlling interest.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the 16 weeks ended 3 December 2023

		<b>16 weeks ended 3 December 2023</b>	<b>16 weeks ended 4 December 2022</b>	<b>52 weeks ended 13 August 2023</b>
	Notes	<b>(Unaudited) £m</b>	<b>(Unaudited) £m</b>	<b>(Audited) £m</b>
<b>Profit / (loss) for the financial period attributable to owners of the parent company</b>		<b>5.4</b>	<b>2.4</b>	<b>(15.3)</b>
<b>Other items that will not be reclassified to profit or loss in subsequent periods (net of tax):</b>				
Remeasurement of defined benefit pension scheme	19	(2.3)	(0.3)	(1.0)
Unrealised surplus on revaluation of properties		-	-	18.1
Tax relating to components of other comprehensive income that cannot be reclassified into profit or loss	6	0.6	0.1	0.2
<b>Other comprehensive profit for the period</b>		<b>(1.7)</b>	<b>(0.2)</b>	<b>17.3</b>
<b>Total comprehensive profit for the period attributable to owners of the parent company</b>		<b>3.7</b>	<b>2.2</b>	<b>2.0</b>

**CONDENSED CONSOLIDATED BALANCE SHEET**

as at 3 December 2023

	Notes	3 December 2023 (Unaudited) £m	13 August 2023 (Audited) £m
<b>Non-current assets</b>			
Property, plant and equipment	7	883.2	880.4
Right of use assets	9	58.6	59.6
Other intangible assets	8	0.9	0.9
		<b>942.7</b>	<b>940.9</b>
<b>Current assets</b>			
Inventories		3.9	4.1
Trade and other receivables	10	19.8	18.6
Assets classified as held for sale	13	10.8	12.6
Cash and cash equivalents	12	4.1	10.3
		<b>38.6</b>	<b>45.6</b>
<b>Total assets</b>		<b>981.3</b>	<b>986.5</b>
<b>Current liabilities</b>			
Trade and other payables	11	(62.5)	(51.6)
Short-term borrowings	14	(20.0)	(20.0)
Lease liabilities	9	(9.1)	(8.9)
		<b>(91.6)</b>	<b>(80.5)</b>
<b>Non-current liabilities</b>			
Borrowings	14	(593.9)	(593.2)
Lease liabilities	9	(63.8)	(64.8)
Retirement benefit obligations	19	-	-
Deferred tax liability		(19.4)	(18.6)
		<b>(677.1)</b>	<b>(676.6)</b>
<b>Total liabilities</b>		<b>(768.7)</b>	<b>(757.1)</b>
<b>Net assets</b>		<b>212.6</b>	<b>229.4</b>
<b>Equity</b>			
Called up share capital		-	-
Reorganisation reserve		(40.4)	(40.4)
Revaluation reserve		54.8	54.8
Capital reserve		1.1	1.0
Retained earnings		197.1	214.0
<b>Equity attributable to owners of the parent company</b>		<b>212.6</b>	<b>229.4</b>
Non-controlling interest		-	-
<b>Total equity</b>		<b>212.6</b>	<b>229.4</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 16 weeks ended 3 December 2023

	Called up share capital £m	Reorganisation reserve £m	Revaluation reserve £m	Capital reserve £m	Retained earnings £m	Non-controlling interest £m	Total equity £m
Total equity at 14 August 2022 (Audited)	-	(40.4)	37.4	0.6	230.1	(0.3)	227.4
Profit / (loss) for the period	-	-	-	-	2.4	(0.1)	2.3
Other comprehensive gains / (losses) for the period	-	-	-	-	(0.2)	-	(0.2)
Total comprehensive profit / (loss) for the period	-	-	-	-	2.2	(0.1)	2.1
Share based payment	-	-	-	0.1	-	-	0.1
<b>Total equity at 4 December 2022 (Unaudited)</b>	-	<b>(40.4)</b>	<b>37.4</b>	<b>0.7</b>	<b>232.3</b>	<b>(0.4)</b>	<b>229.6</b>
Total equity at 4 December 2022 (Unaudited)	-	(40.4)	37.4	0.7	232.3	(0.4)	229.6
Profit / (loss) for the period	-	-	-	-	(18.3)	0.3	(18.0)
Other comprehensive gains / (losses) for the period	-	-	18.1	-	(0.6)	-	17.5
Total comprehensive profit / (loss) for the period	-	-	18.1	-	(18.9)	0.3	(0.5)
Share based payment	-	-	-	0.3	-	-	0.3
Purchase of NCI	-	-	-	-	(0.1)	0.1	-
Transfer on disposal of non-current assets	-	-	(0.7)	-	0.7	-	-
<b>Total equity at 13 August 2023 (Audited)</b>	-	<b>(40.4)</b>	<b>54.8</b>	<b>1.0</b>	<b>214.0</b>	-	<b>229.4</b>
Total equity at 13 August 2023 (Audited)	-	(40.4)	54.8	1.0	214.0	-	229.4
Profit / (loss) for the period	-	-	-	-	5.4	-	5.4
Other comprehensive gains / (losses) for the period	-	-	-	-	(1.7)	-	(1.7)
Total comprehensive profit / (loss) for the period	-	-	-	-	3.7	-	3.7
Dividends Paid	-	-	-	-	(20.6)	-	(20.6)
Share based payment	-	-	-	0.1	-	-	0.1
<b>Total equity at 3 December 2023 (Unaudited)</b>	-	<b>(40.4)</b>	<b>54.8</b>	<b>1.1</b>	<b>197.1</b>	-	<b>212.6</b>

Called up share capital represents the nominal value of shares that have been issued.

Share premium represents the excess paid on the nominal value of shares issued by the company.

Reorganisation reserve represents the difference between net assets of the subsidiaries acquired and the price paid on the acquisition of the group's subsidiaries.

Revaluation reserve represents amounts revalued in relation to properties.

Capital reserve represents capital contributions received from the company's immediate parent undertaking.

Retained earnings represents all current and prior periods retained profit and losses after the payment of dividends.

Non-controlling interest represents the value attributable to minority shareholders.



**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

For the 16 weeks ended 3 December 2023

	<b>16 weeks ended 3 December 2023 (Unaudited) £m</b>	<b>16 weeks ended 4 December 2022 (Unaudited) £m</b>	<b>52 weeks ended 13 August 2023 (Audited) £m</b>
<b>Cash flows from operating activities</b>			
Operating profit	21.1	17.6	33.7
Depreciation and amortisation	5.6	5.3	18.0
Profit on sale of non-current assets	(1.7)	(0.2)	(0.6)
Impairment	-	-	7.1
Revaluation of properties	-	-	20.9
(Increase) / decrease in inventories	0.2	(0.4)	(0.1)
Increase in trade and other receivables	(1.2)	(1.4)	(4.7)
(Decrease) / increase in trade and other payables	0.5	(3.7)	5.4
Difference between pension contributions paid and amounts recognised in the income statement	(2.3)	(0.3)	(1.0)
<b>Cash generated from operations</b>	<b>22.2</b>	<b>16.9</b>	<b>78.7</b>
Income tax received	-	0.1	0.1
<b>Net cash generated from operating activities</b>	<b>22.2</b>	<b>17.0</b>	<b>78.8</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment - investments	(7.7)	(11.5)	(30.8)
Proceeds from sale of property, plant and equipment	4.1	1.1	11.2
Purchase of other intangible assets	(0.1)	(0.1)	(0.7)
Intercompany financing	(0.9)	-	(1.8)
Interest received	-	-	0.1
<b>Net cash used in investing activities</b>	<b>(4.6)</b>	<b>(10.5)</b>	<b>(22.0)</b>
<b>Cash flows from financing activities</b>			
Proceeds from facility drawdown	23.0	-	35.0
Repayment of facility principle	(23.0)	-	(45.0)
Dividends paid	(20.6)	-	-
Payment of lease liability	(2.7)	(2.8)	(9.9)
Interest paid	(0.5)	(0.3)	(39.2)
<b>Net cash used in financing activities</b>	<b>(23.8)</b>	<b>(3.1)</b>	<b>(59.1)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(6.2)</b>	<b>3.4</b>	<b>(2.3)</b>
Cash and cash equivalents at beginning of period	10.3	12.6	12.6
<b>Cash and cash equivalents at end of period</b>	<b>4.1</b>	<b>16.0</b>	<b>10.3</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the 16 weeks ended 3 December 2023

### 1. ACCOUNTING POLICIES

#### Basis of preparation

The Condensed Consolidated Financial Information has been prepared using accounting policies that are consistent with those followed in the preparation of the Group's annual Consolidated Financial Statements for the 52 weeks ended 13 August 2023 and which also apply at 11 August 2024. These are prepared in accordance with IFRS as adopted by the United Kingdom. The Condensed Consolidated Financial Information do not constitute Interim Financial Statements under IAS 34.

These financial statements do not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006 and the condensed consolidated financial information for the 16 weeks ended 3 December 2023 is unaudited.

The financial information for the 52 weeks ended 13 August 2023 is extracted from the audited accounts for the period ended 13 August 2023, which have been delivered to the Registrar of Companies. The auditors' report was unqualified and did not contain a statement under section 498 of the Companies Act 2006.

#### Going concern

The Directors have made enquiries into the adequacy of the Group's financial resources, through a review of the Group's budget and medium-term financial plan, including capital expenditure plans and cash flow forecasts.

#### *Liquidity and financing:*

The Group is financed through a £600.0m 5-year secured loan and a £70.0m revolving credit facility agreement. As at the 3 December 2023, the quarter end date, the Group had £4.1m of cash balances and £50m remaining undrawn against the revolving credit facility.

After due consideration the Directors' believe that they have a reasonable expectation that the Group has sufficient resources together with the ability to access additional liquidity when the Group needs to withstand adjustments to the base forecast, as well as the downside scenarios and to continue in operational existence for a period of at least 12 months from the date of distribution of the condensed consolidated financial information, and therefore continue to adopt the going concern basis in their preparation.

#### Key accounting judgements

The following are the key accounting judgements that management have made in the period.

#### *Impairment of property, plant, equipment and the right of use asset*

The directors have reviewed the portfolio to identify if there have been any indicators of impairment since the year end. The Directors do not consider there to be any indicator of impairment that would result in an impairment review at the current reporting date.

#### *Valuation of properties*

The Group has a policy to revalue the properties on a 5 year rolling basis based on the year end date. The directors deem that there are no indicators that would mean the property valuation would of changed materially since the year end and no revaluation was undertaken in the period, a revaluation of 20% of the pub estate will be carried out at the year end in-line with the Group's accounting policy.

#### *Defined benefit pension valuation*

The Group restricted the Defined Benefit Pension scheme asset to nil based on the fact the Group doesn't have an unconditional right to a refund or reduction in future contributions. The directors have deemed that the valuation of the Defined Benefit scheme hasn't materially changed since the year end, as a result any pension contributions made to the scheme are recognised in the Condensed Consolidated Statement of Comprehensive Income as a loss in the period.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the 16 weeks ended 3 December 2023

### 2. SEGMENTAL ANALYSIS

The business consists of a Leased and Tenanted division (L&T), a Management Partnership division (MP) and the Laine division, each having its own clear strategy. Each of these strategic business units consists of a number of cash generating units (CGUs), which are individual pubs. These CGUs generate their own revenues, which are consolidated to give the Group revenue and as a result, Group revenue is not reliant on one significant customer.

The Chief Operating Decision Maker, represented by the Board, reviews the performance of the L&T, MP and Laine divisions separately, at an underlying EBITDA level, as included in the internal management reports.

The Group operates and originates solely in the United Kingdom.

#### 16 weeks ended 3 December 2023 (Unaudited)

	L&T £m	MP £m	Laine £m	Unallocated £m	Total £m
Drink revenue	28.3	32.3	13.8	-	74.4
Food revenue	-	8.7	1.1	-	9.8
Rental income	8.6	0.2	0.1	-	8.9
Other revenue	0.9	1.7	0.3	-	2.9
Underlying revenue	37.8	42.9	15.3	-	96.0
Underlying operating costs <sup>1</sup>	(16.8)	(33.2)	(12.5)	(7.9)	(70.4)
EBITDA before non-underlying items	<b>21.0</b>	<b>9.7</b>	<b>2.8</b>	<b>(7.9)</b>	<b>25.6</b>
Underlying depreciation and amortisation					(5.6)
Operating non-underlying items					1.1
Net finance costs					(14.3)
UK income tax charge					(1.4)
Profit for the financial period					5.4
Loss attributable to non-controlling interest					-
<b>Profit for the financial period attributable to owners of the parent company</b>					<b>5.4</b>

<sup>1</sup> Unallocated underlying operating costs represent corporate overheads that are not allocated down to the divisional performance.

#### 16 weeks ended 4 December 2022 (Unaudited)

	L&T £m	MP £m	Laine £m	Unallocated £m	Total £m
Drink revenue	27.2	30.3	13.4	-	70.9
Food revenue	-	8.4	1.2	-	9.6
Rental income	8.3	0.3	0.2	-	8.8
Other revenue <sup>1</sup>	1.0	1.4	0.3	-	2.7
Underlying revenue	36.5	40.4	15.1	-	92.0
Underlying operating costs <sup>2</sup>	(16.4)	(32.3)	(12.1)	(7.3)	(68.1)
EBITDA before non-underlying items	<b>20.1</b>	<b>8.1</b>	<b>3.0</b>	<b>(7.3)</b>	<b>23.9</b>
Underlying depreciation and amortisation					(5.3)
Operating non-underlying items					(1.0)
Net finance costs					(14.4)
UK income tax charge					(0.9)
Profit for the financial period					2.3
Loss attributable to non-controlling interest					0.1
<b>Profit for the financial period attributable to owners of the parent company</b>					<b>2.4</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the 16 weeks ended 3 December 2023

### 2. SEGMENTAL ANALYSIS (CONTINUED)

	52 weeks ended 13 August 2023 (Audited)				Total £m
	L&T £m	MP £m	Laine £m	Unallocated £m	
Drink revenue	91.0	105.2	47.0	-	243.2
Food revenue	-	29.0	3.9	-	32.9
Rental income	27.0	0.9	0.5	-	28.4
Other revenue <sup>1</sup>	3.0	4.7	1.3	-	9.0
Underlying revenue	121.0	139.8	52.7	-	313.5
Underlying operating costs <sup>2</sup>	(53.9)	(110.3)	(43.2)	(24.8)	(232.2)
EBITDA before non-underlying items	<b>67.1</b>	<b>29.5</b>	<b>9.5</b>	<b>(24.8)</b>	<b>81.3</b>
Underlying depreciation and amortisation					(18.0)
Operating non-underlying items					(29.6)
Net finance costs					(47.4)
UK income tax charge					(1.8)
Loss for the financial period					(15.5)
Loss attributable to non-controlling interest					0.2
<b>Loss for the financial period attributable to owners of the parent company</b>					<b>(15.3)</b>

Assets and liabilities	16 weeks ended 3 December 2023 (Unaudited)				Total £m
	L&T £m	MP £m	Laine £m	Unallocated £m	
Segment assets	607.4	274.3	67.5	4.3	953.5
Unallocated assets	-	-	-	27.8	27.8
Total assets	<b>607.4</b>	<b>274.3</b>	<b>67.5</b>	<b>32.1</b>	<b>981.3</b>
Segment liabilities	(11.3)	(11.8)	(49.0)	(1.4)	(73.5)
Unallocated liabilities	-	-	-	(695.2)	(695.2)
Total liabilities	<b>(11.3)</b>	<b>(11.8)</b>	<b>(49.0)</b>	<b>(696.6)</b>	<b>(768.7)</b>
Net assets / (liabilities)	<b>596.1</b>	<b>262.5</b>	<b>18.5</b>	<b>(664.5)</b>	<b>212.6</b>

	52 weeks ended 13 August 2023 (Audited)				Total £m
	L&T £m	MP £m	Laine £m	Unallocated £m	
Segment assets	603.3	277.3	68.5	4.4	953.5
Unallocated assets	-	-	-	33.0	33.0
Total assets	<b>603.3</b>	<b>277.3</b>	<b>68.5</b>	<b>37.4</b>	<b>986.5</b>
Segment liabilities	(11.1)	(11.6)	(49.5)	(1.5)	(73.7)
Unallocated liabilities	-	-	-	(683.4)	(683.4)
Total liabilities	<b>(11.1)</b>	<b>(11.6)</b>	<b>(49.5)</b>	<b>(684.9)</b>	<b>(757.1)</b>
Net assets / (liabilities)	<b>592.2</b>	<b>265.7</b>	<b>19.0</b>	<b>(647.5)</b>	<b>229.4</b>

There are no sales between the segments. Segment assets include property, plant and equipment, non-current assets held for sale, right of use assets and goodwill and exclude other intangible assets, inventories, receivables, cash and taxation, whilst all liabilities other than lease liabilities are unallocated.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the 16 weeks ended 3 December 2023

### 3. NON-UNDERLYING ITEMS

In order to provide a trend measure of underlying performance, profit is presented excluding items which management consider will distort comparability, either due to their significant non-recurring nature or as a result of specific accounting treatments. Included in the income statement are the following non-underlying items:

	16 weeks ended 3 December 2023 (Unaudited) £m	16 weeks ended 4 December 2022 (Unaudited) £m	52 weeks ended 13 August 2023 (Audited) £m
<b>Operating non-underlying items</b>			
Restructuring and other one-off costs	(0.5)	(1.1)	(1.8)
Profit on sale of non-current assets	1.7	0.2	0.6
Impairment	-	-	(7.1)
Movement in valuation of properties	-	-	(20.9)
Share based payment charge	(0.1)	(0.1)	(0.4)
<b>Total non-underlying items before tax</b>	<b>1.1</b>	<b>(1.0)</b>	<b>(29.6)</b>
<b>Tax</b>			
Tax impact of non-underlying items	0.1	0.1	0.3
Change in standard rate of tax	-	(0.1)	(0.4)
	<b>0.1</b>	<b>-</b>	<b>(0.1)</b>
<b>Total non-underlying items after tax</b>	<b>1.2</b>	<b>(1.0)</b>	<b>(29.7)</b>

### 4. FINANCE INCOME

	16 weeks ended 3 December 2023 (Unaudited) £m	16 weeks ended 4 December 2022 (Unaudited) £m	52 weeks ended 13 August 2023 (Audited) £m
<b>Bank interest receivable</b>	<b>-</b>	<b>-</b>	<b>0.1</b>

### 5. FINANCE COSTS

	16 weeks ended 3 December 2023 (Unaudited) £m	16 weeks ended 4 December 2022 (Unaudited) £m	52 weeks ended 13 August 2023 (Audited) £m
Interest payable on loan notes	11.9	11.9	39.4
Interest payable on lease liabilities	1.6	1.6	5.2
Net pension interest costs	0.1	0.2	0.5
Amortisation of deferred issue costs	0.7	0.7	2.4
<b>Total finance costs</b>	<b>14.3</b>	<b>14.4</b>	<b>47.5</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the 16 weeks ended 3 December 2023

### 6. TAXATION

Tax (charged) / credited in the income statement

	16 weeks ended 3 December 2023 (Unaudited)		
	Underlying £m	Non- underlying £m	Total £m
<b>Current tax</b>			
UK corporation tax - current period	(0.1)	0.1	-
	<b>(0.1)</b>	<b>0.1</b>	<b>-</b>
<b>Deferred tax</b>			
Origination and reversal of temporary differences - current period	(1.4)	-	(1.4)
	<b>(1.4)</b>	<b>-</b>	<b>(1.4)</b>
<b>Taxation charge</b>	<b>(1.5)</b>	<b>0.1</b>	<b>(1.4)</b>

Following on from the budget on 3 March 2021 an announcement was made to increase the corporation tax rate to 25% with effect from 1 April 2023. Based on the change in tax rate the deferred tax balance has been calculated and recognised based on the 25% enacted rate.

	16 weeks ended 4 December 2022 (Unaudited)		
	Underlying £m	Non- underlying £m	Total £m
<b>Current tax</b>			
UK corporation tax - current period	(0.1)	0.1	-
	<b>(0.1)</b>	<b>0.1</b>	<b>-</b>
<b>Deferred tax</b>			
Origination and reversal of temporary differences - current period	(0.8)	(0.1)	(0.9)
	<b>(0.8)</b>	<b>(0.1)</b>	<b>(0.9)</b>
<b>Taxation charge</b>	<b>(0.9)</b>	<b>-</b>	<b>(0.9)</b>

	52 weeks ended 13 August 2023 (Audited)		
	Underlying £m	Non- underlying £m	Total £m
<b>Current tax</b>			
UK corporation tax - current period	(0.6)	0.6	-
	<b>(0.6)</b>	<b>0.6</b>	<b>-</b>
<b>Deferred tax</b>			
Origination and reversal of temporary differences - current period	(1.1)	(0.3)	(1.4)
Origination and reversal of temporary differences - adjustments in respect of prior periods	-	(0.4)	(0.4)
	<b>(1.1)</b>	<b>(0.7)</b>	<b>(1.8)</b>
<b>Deferred tax</b>	<b>(1.7)</b>	<b>(0.1)</b>	<b>(1.8)</b>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

For the 16 weeks ended 3 December 2023

**6. TAXATION (CONTINUED)****Tax on items (charged) / credited to equity**

In addition to the amount credited to the income statement, tax movements recognised directly in equity through the consolidated statement of comprehensive income were as follows:

	<b>16 weeks ended 3 December 2023 (Unaudited) £m</b>	<b>16 weeks ended 4 December 2022 (Unaudited) £m</b>	<b>52 weeks ended 13 August 2023 (Audited) £m</b>
<b>Deferred tax</b>			
Deferred tax credit / (charge) on change in actuarial valuation of pension schemes	0.6	0.1	0.2
<b>Deferred tax credit / (charge) recognised directly in equity</b>	<b>0.6</b>	<b>0.1</b>	<b>0.2</b>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

For the 16 weeks ended 3 December 2023

**7. PROPERTY, PLANT AND EQUIPMENT**

	Land and buildings £m	Public house fixtures and fittings £m	Total £m
<b>Cost</b>			
At 13 August 2023 (Audited)	861.2	42.3	903.5
Additions	4.8	2.9	7.7
Disposals	(1.4)	(0.6)	(2.0)
<b>At 3 December 2023 (Unaudited)</b>	<b>864.6</b>	<b>44.6</b>	<b>909.2</b>
<b>Accumulated depreciation and impairment</b>			
At 13 August 2023 (Audited)	8.3	14.8	23.1
Charge for the period	1.1	3.0	4.1
Disposals	(0.7)	(0.5)	(1.2)
<b>At 3 December 2023 (Unaudited)</b>	<b>8.7</b>	<b>17.3</b>	<b>26.0</b>
<b>Net book value at 3 December 2023 (Unaudited)</b>	<b>855.9</b>	<b>27.3</b>	<b>883.2</b>
Net book value at 13 August 2023 (Audited)	852.9	27.5	880.4

The Group's policy is to revalue its properties on a five year rolling basis. There has been no valuation of the properties in the 16 weeks ended 3 December 2023, in-line with the Group's policy.

**8. OTHER INTANGIBLE ASSETS**

	Other intangible assets £m
<b>Cost</b>	
At 13 August 2023 (Audited)	1.6
Additions	0.1
<b>At 3 December 2023 (Unaudited)</b>	<b>1.7</b>
<b>Amortisation and impairment</b>	
At 13 August 2023 (Audited)	0.7
Charge for the period	0.1
<b>At 3 December 2023 (Unaudited)</b>	<b>0.8</b>
<b>Net book value at 3 December 2023 (Unaudited)</b>	<b>0.9</b>
Net book value at 13 August 2023 (Audited)	0.9

Other intangible assets relate to computer software.



**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

For the 16 weeks ended 3 December 2023

**9. LEASES****Group as a Lessee**

<b>Right of use assets</b>	<b>Property £m</b>	<b>Vehicles £m</b>	<b>Total £m</b>
<b>Cost</b>			
At 13 August 2023 (Audited)	69.9	2.4	72.3
Additions	-	0.1	0.1
Remeasurement	0.3	-	0.3
<b>At 3 December 2023 (Unaudited)</b>	<b>70.2</b>	<b>2.5</b>	<b>72.7</b>
<b>Accumulated depreciation and impairment</b>			
At 13 August 2023 (Audited)	11.9	0.8	12.7
Charge for the period	1.2	0.2	1.4
<b>At 3 December 2023 (Unaudited)</b>	<b>13.1</b>	<b>1.0</b>	<b>14.1</b>
<b>Net book value at 3 December 2023 (Unaudited)</b>	<b>57.1</b>	<b>1.5</b>	<b>58.6</b>
Net book value at 13 August 2023 (Audited)	58.0	1.6	59.6

**Lease liabilities**

	<b>£m</b>
At 13 August 2023 (Audited)	73.7
Additions	0.1
Disposals	(0.1)
Finance charge on lease liability	1.6
Repayments	(2.7)
Remeasurement	0.3
<b>At 3 December 2023 (Unaudited)</b>	<b>72.9</b>

Lease liabilities have been analysed between current and non-current as follows:

	<b>3 December 2023 (Unaudited) £m</b>
Current	9.1
Non-current	63.8
<b>At 3 December 2023 (Unaudited)</b>	<b>72.9</b>

The Group is a lessor of licensed properties to publicans. The leases have various terms, escalation clauses and renewal rights. The total non-cancellable future minimum lease payments expected to be received are:

	<b>3 December 2023 (Unaudited) £m</b>
Within one year	25.3
One to two years	17.3
Two to three years	13.8
Three to four years	10.7
Four to five years	7.2
After five years	20.8
	<b>95.1</b>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

For the 16 weeks ended 3 December 2023

**9. LEASES (CONTINUED)**

The Group leases various licensed properties, offices and other commercial properties under non-cancellable operating lease agreements. The leases have various terms escalation clauses and renewal rights. The Group also leases vehicles under non-cancellable lease agreements. The future minimum rentals payable under non-cancellable operating leases are:

	<b>3 December 2023 (Unaudited) £m</b>
Within one year	9.0
Between one and five years	32.1
After five years	102.7
	<b>143.8</b>

**10. TRADE AND OTHER RECEIVABLES**

<b>Amounts falling due within one year</b>	<b>3 December 2023 (Unaudited) £m</b>	<b>13 August 2023 (Audited) £m</b>
Trade receivables	6.0	5.9
Prepayments	10.2	9.8
Intercompany loan	2.7	1.8
Other receivables	0.6	0.7
Amounts due from group undertakings	0.3	0.4
	<b>19.8</b>	<b>18.6</b>

Intercompany loans relates to a loan to Punch Pubs Limited of £2.7m (13 August 2023: £1.8m). Interest is charged at 6.125% per annum with unpaid accrued interest capitalised each year. The loan is repayable on demand.

**11. TRADE AND OTHER PAYABLES**

<b>Amounts falling due within one year</b>	<b>3 December 2023 (Unaudited) £m</b>	<b>13 August 2023 (Audited) £m</b>
Trade payables	13.3	19.3
Accruals and deferred income	30.6	17.6
Social security and other tax	7.1	4.2
Other payables	11.5	10.5
	<b>62.5</b>	<b>51.6</b>

**12. CASH AND CASH EQUIVALENTS**

	<b>3 December 2023 (Unaudited) £m</b>	<b>13 August 2023 (Audited) £m</b>
<b>Cash and cash equivalents</b>	<b>4.1</b>	<b>10.3</b>

Cash and cash equivalents includes £0.3m (13 August 2023: £2.0m) which is held in deposit accounts and is not available for general use by the Group.

The comparative figure for 13 August 2023 taken from the audited accounts has been restated in comparison to the Q4 FY23 interim accounts to reclassify £2.6m of cash held in deposit accounts as prepayments.

**13. ASSETS CLASSIFIED AS HELD FOR SALE**

	<b>3 December 2023 (Unaudited) £m</b>	<b>13 August 2023 (Audited) £m</b>
<b>Assets classified as held for sale</b>	<b>10.8</b>	<b>12.6</b>

In addition to the transfers into assets classified as held for sale and the disposals during the period, there was an impairment to pubs of £nil (13 August 2023: £0.1m.)

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the 16 weeks ended 3 December 2023

### 14. NET DEBT

#### Analysis of net debt

	3 December 2023 (Unaudited) £m	13 August 2023 (Audited) £m
Secured loan notes	(600.0)	(600.0)
Revolving credit facility	(20.0)	(20.0)
Cash and cash equivalents	4.1	10.3
<b>Nominal value of net debt</b>	<b>(615.9)</b>	<b>(609.7)</b>
Capitalised debt issue costs	6.1	6.8
<b>Net debt</b>	<b>(609.8)</b>	<b>(602.9)</b>

#### Balance sheet:

Borrowings	(613.9)	(613.2)
Cash and cash equivalents	4.1	10.3
<b>Net debt</b>	<b>(609.8)</b>	<b>(602.9)</b>

#### Analysis of changes in net debt

	At 13 August 2023 (Audited) £m	Cash flow £m	Non-cash movements £m	December 2023 (Unaudited) £m
<b>Current assets</b>				
Cash and cash equivalents	10.3	(6.2)	-	4.1
<b>Debt</b>				
Secured borrowings	(613.2)	-	(0.7)	(613.9)
	(613.2)	-	(0.7)	(613.9)
<b>Net debt per Balance Sheet</b>	<b>(602.9)</b>	<b>(6.2)</b>	<b>(0.7)</b>	<b>(609.8)</b>

The Group is funded by two external sources of financing, a £600.0m secured loan due June 2026 and a Revolving Credit Facility "RCF" for £70.0m, of which £20.0m was drawn at the period end date.

### 15. FAIR VALUE

#### Fair value of non-derivative financial assets and liabilities

With the exception of the Group's secured loan notes, there are no material differences between the carrying value of non-derivative financial assets and financial liabilities and their fair values as at the balance sheet date.

The carrying value of Punch Finance PLC's listed debt at 3 December 2023 is £593.9m (13 August 2023: £593.2m) and the fair value, measured at market value, of this debt at that date is £540.2m (13 August 2023: £524.8m).

The fair value of the Group's secured loan notes have been measured by a level 1 valuation method as defined below.

#### Fair value hierarchy

Financial instruments carried at fair value are required to be measured by reference to the following levels:

Level 1 – quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the 16 weeks ended 3 December 2023

### 16. CAPITAL COMMITMENTS

#### Capital commitments for property, plant and equipment

	<b>3 December 2023 (Unaudited) £m</b>	<b>13 August 2023 (Audited) £m</b>
Contracted but not provided	<b>1.6</b>	<b>3.5</b>

### 17. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not contained in this note.

The key management personnel of the Company comprise members of the Punch Pubs & Co Group Limited (Formally Vine Acquisitions Limited) Board of Directors. There was a balance of £2.2m (14 August 2022: (£0.3m)) due from these companies at the period end.

Included within the amount due from group companies is a loan with Punch Pubs Limited, the balance at the period end was £1.8m (2022: £nil). Interest is payable on the loan at 6.125% per annum.

#### Transactions with key management personnel

Certain Directors and a company under common ownership are beneficiaries of a management incentive plan which (subject to performance conditions) provides for a bonus payment at an exit event. The Group has measured the fair value of the awards as at 13 August 2023 and has applied appropriate assessments as to the probability of these awards vesting at this period date.

### 18. SEASONALITY OF INTERIM OPERATIONS

The Group's financial results and cash flows have historically been subject to seasonal trends, affected by weather, holiday periods and the timing of major sporting events.

The seasonality of the pub industry results in variable demand and consequently, our revenue and operating results tend to fluctuate from period to period.

### 19. PENSIONS

The Pubmaster Pension Scheme is a defined benefit scheme operated in the UK. The values of the scheme's liabilities have been determined by a qualified actuary based on the results of an actuarial valuation as at 6 April 2022, updated to 13 August 2023. The contributions to defined benefit schemes for this financial year, were £2.3m, which are expensed to the Condensed Consolidated Statement of Other Comprehensive Income.

The Pubmaster Pension Scheme at 13 August 2023 had a net asset position of £45,000 (14 August 2022: £1,618,000). This has not been recognised in line with our accounting policy and the book value is recorded as nil.

### 20. DIVIDEND

On 14 August 2023 an interim dividend was approved for £20.6m, this was paid on 18 August 2023.