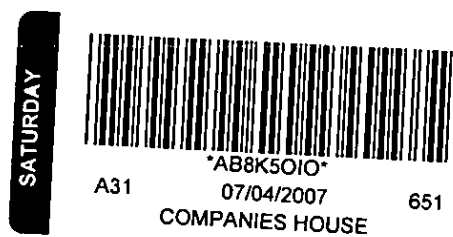


56674

**Huggins and Company, Limited**

**Report and Financial Statements**

**19 August 2006**



**Huggins and Company, Limited**  
**Period ended 19 August 2006**

Registered No 56674

**DIRECTORS**

N Preston	(appointed 5 January 2006)
R McDonald	(appointed 5 January 2006)
G Thorley	(appointed 5 January 2006)
D Walmsley	(resigned 5 January 2006)
B Smith	(resigned 5 January 2006)
K Jones	(resigned 5 January 2006)

**SECRETARY**

T Kendall

**AUDITORS**

Ernst & Young LLP  
1 Colmore Square  
Birmingham  
B4 6HQ

**BANKERS**

Barclays Bank plc  
15 Colmore Row  
Birmingham  
B3 2EP

**SOLICITORS**

Slaughter & May  
One Bunhill Row  
London  
EC1Y 8YY

**REGISTERED OFFICE**

Jubilee House  
Second Avenue  
Burton upon Trent  
Staffordshire  
DE14 2WF

**Huggins and Company Limited**  
**Period ended 19 August 2006**

**DIRECTORS' REPORT**

The directors present their report and financial statements for the 52 week period ended 19 August 2006

**RESULTS AND DIVIDENDS**

The profit after tax for the financial period amounted to £nil (52 week period ended 20 August 2005 £94,887,246) The directors do not propose the payment of a dividend (2005 £nil)

**PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The company did not trade in the period and the directors do not expect it to do so in the foreseeable future

As a result of refinancing, the assets and liabilities of Huggins and Company, Limited were transferred to Spirit Managed Pubs Limited, Spirit Managed Inns Limited and New Pubco (MC) Limited on 25 November 2004 Huggins and Company, Limited ceased trading on this date

On 5 January 2006 100% of the ordinary share capital of Spirit Group Holdings Limited, the ultimate parent of the company, was acquired by Punch Taverns (Redwood Bidco) Limited, a wholly owned subsidiary of Punch Taverns plc As a result of this transaction the new ultimate parent is Punch Taverns plc

**DIRECTORS AND THEIR INTERESTS**

The directors of the company who served during the period are listed on page 1

None of the directors had any declarable interest in the shares of the company at 19 August 2006 or 20 August 2005

The beneficial interests of Directors who held office at 19 August 2006 in the shares of Punch Taverns plc are shown below -

	<i>At 19 August 2006</i>		<i>At date of appointment</i>	
	Ord Shares	Ord Share Options	Ord Shares	Ord Share Options
N Preston	3,147	11,305	2,955	24,046
R McDonald	69,654	46,101	57,889	203,067
G Thorley	<u>154,439</u>	<u>1,892,111</u>	<u>154,247</u>	<u>3,392,111</u>

A third party indemnity provision (as defined in section 309B(1) of the Companies Act 1985) is in force for the benefit of 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**

A resolution to re-appoint Ernst & Young LLP as the company's auditors will be put to the forthcoming Annual General Meeting

On behalf of the board



R J McDonald  
Director  
3 April 2007

**Huggins and Company Limited**  
**Period ended 19 August 2006**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial period which 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 those 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 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

**Huggins and Company Limited**  
**Period ended 19 August 2006**

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF HUGGINS AND COMPANY LIMITED**

We have audited the company's financial statements for the period ended 19 August 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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**

The directors' responsibilities for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

In addition we report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 19 August 2006 and of its result for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

*Ernst & Young LLP*

Ernst & Young LLP  
Registered Auditor  
Birmingham

*3/4/2007*

**Huggins and Company Limited**  
**Period ended 19 August 2006**

**PROFIT & LOSS ACCOUNT**  
for the 52 week period ended 19 August 2006

*Notes*

		2006 £000	2005 £000
<b>TURNOVER</b>	2	-	4,629
Administrative expenses		-	(3,703)
<b>OPERATING PROFIT</b>	3	-	926
Profit on sale of fixed assets		-	94,200
Interest receivable	6	-	140
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	95,266
Tax on profit on ordinary activities	7	-	(379)
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	13	-	94,887

The results shown above relate to discontinued activities

There are no recognised gains and losses other than the reported result stated above

**Huggins and Company Limited**  
**Period ended 19 August 2006**

**BALANCE SHEET**  
at 19 August 2006

	<i>Notes</i>	19 August 2006 £000	20 August 2005 £000
<b>CURRENT ASSETS</b>			
Debtors due within one year	8	-	247,841
Debtors due after more than one year	8	247,841	-
<b>CREDITORS</b> amounts falling due within one year	9	-	(19,335)
<b>NET CURRENT ASSETS</b>		<u>247,841</u>	<u>228,506</u>
<b>CREDITORS</b> amounts falling due after more than one year	10	(19,335)	-
<b>NET ASSETS</b>		<u>228,506</u>	<u>228,506</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	326	326
Profit and loss account	13	228,180	228,180
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	13	<u>228,506</u>	<u>228,506</u>



R J McDonald  
Director  
3 April 2007

**Huggins and Company Limited**  
**Period ended 19 August 2006**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the 52 week period ended 19 August 2006

**1. ACCOUNTING POLICIES**

***Basis of preparation***

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain properties within the company and in accordance with applicable 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 period

***Pension and other post retirement benefits***

The expected cost of pensions in respect of defined benefit pension schemes is charged to the profit and loss account so as to spread the cost of pensions over the expected remaining service lives of employees in the scheme

***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

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

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

***Turnover***

Turnover comprises rent receivable excluding VAT



**Huggins and Company Limited**  
**Period ended 19 August 2006**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the 52 week period ended 19 August 2006

**2. TURNOVER**

	2006 £000	2005 £000
Rental income	<u>-</u>	<u>4,629</u>

The turnover of the company for the prior period is attributable to the single activity of the management of a property portfolio in the United Kingdom

**3. OPERATING PROFIT**

This is stated after charging	2006 £000	2005 £000
Depreciation	-	999
Operating lease rentals on land and buildings	<u>-</u>	<u>2,704</u>
	<u>-</u>	<u>3,703</u>

Auditor's remuneration is paid by another company within the Punch Taverns group

**4. DIRECTORS' EMOLUMENTS**

The directors received no emoluments from the company in the current period or preceding period

**5. STAFF NUMBERS AND COSTS**

The average number of employees during the period was as follows

	2006	2005
Employees	<u>-</u>	<u>3</u>

The payroll costs were borne by another company within the Punch Taverns group

**6. INTEREST RECEIVABLE**

	2006 £000	2005 £000
Interest receivable from group undertakings	<u>-</u>	<u>140</u>

**Huggins and Company Limited**  
**Period ended 19 August 2006**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the 52 week period ended 19 August 2006

**7 TAXATION**

	2006 £000	2005 £000
The charge for tax on the profit for the period comprises		
UK corporation tax	-	619
Deferred tax – current period	-	(240)
	<u>-</u>	<u>379</u>

*Reconciliation of tax charges*

	2006 £000	2005 £000
Profit on ordinary activities before taxation	<u>-</u>	<u>95,266</u>
Profit on ordinary activities at standard rate of corporation tax in the UK (30%)	-	28,580
<i>Effects of</i>		
Depreciation on assets not qualifying for capital allowances	-	60
Depreciation in excess of capital allowances in the period	-	240
Profit on sale of tangible fixed assets	-	(28,261)
Current tax charge for the period	<u>-</u>	<u>619</u>

**8. DEBTORS**

	2006 £000	2005 £000
<i>Due within one year</i>		
Amounts owed by group undertakings	<u>-</u>	<u>247,841</u>

	2006 £000	2005 £000
<i>Due after more than one year</i>		
Amounts owed by group undertakings	<u>247,841</u>	<u>-</u>

**9 CREDITORS. amounts falling due within one year**

	2006 £000	2005 £000
Amounts owed to group undertakings	<u>-</u>	<u>19,335</u>

**10 CREDITORS: amounts falling due after more than one year**

	2006 £000	2005 £000
Amounts owed to group undertakings	<u>19,335</u>	<u>-</u>

**Huggins and Company Limited**  
**Period ended 19 August 2006**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the 52 week period ended 19 August 2006

**11. PENSION COSTS**

The Huggins and Company Ltd pension scheme is a defined benefit scheme which is part of the Spirit Group Holdings Ltd group scheme. However, the contributions paid by the company are accounted as if the scheme were a defined contribution scheme, as the company is unable to identify its share of the underlying assets and liabilities in the scheme. A full valuation of the pension scheme can be found in the Punch Taverns plc Annual Report. The cost of contributions to the group scheme amount to £nil (52 weeks ended 20 August 2005 £nil).

**12. SHARE CAPITAL**

	2006 No.	2006 £	2005 No.	2005 £
<i>Authorised share capital:</i>				
Ordinary shares of £1 each	326,250	326,250	326,250	326,250
Preference shares of £1 each	<u>295,000,000</u>	<u>295,000,000</u>	<u>295,000,000</u>	<u>295,000,000</u>
	<u>295,326,250</u>	<u>295,326,250</u>	<u>295,326,250</u>	<u>295,326,250</u>
<i>Allotted, called up and fully paid.</i>				
Ordinary shares of £1 each	<u>326,250</u>	<u>326,250</u>	<u>326,250</u>	<u>326,250</u>

**13. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES**

	Share Capital £000	Revaluation Reserve £000	Profit and Loss Account £000	Total Shareholders' Funds £000
At 21 August 2004	326	28,130	105,163	133,619
Profit for the period ended 20 August 2005	-	-	94,887	94,887
Realisation of revaluation reserve	<u>-</u>	<u>(28,130)</u>	<u>28,130</u>	<u>-</u>
At 20 August 2005 and 19 August 2006	<u>326</u>	<u>-</u>	<u>228,180</u>	<u>228,506</u>

**14. CASH FLOW STATEMENT**

The company has taken advantage of the exemption under FRS1 not to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of an EU parent, in whose financial statements a consolidated cash flow statement is prepared.

**15. ULTIMATE PARENT UNDERTAKING**

The company's ultimate parent undertaking and controlling party is Punch Taverns 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 Punch Taverns plc.

Copies of the financial statements of Punch Taverns plc are available from the Secretary, Punch Taverns plc, Jubilee House, Second Avenue, Burton upon Trent, Staffordshire, DE14 2WF.

**Huggins and Company Limited**  
**Period ended 19 August 2006**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the 52 week period ended 19 August 2006

**16. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption in paragraph 3(c) of FRS 8 from disclosing transactions with related parties that are part of the Punch Taverns plc group or investees of the group. There were no other related party transactions during the period.