

2676948

# **The Slug & Lettuce Group Limited**

## **Report and Financial Statements**

29 May 2004

**ERNST & YOUNG**



# The Slug & Lettuce Group Limited

Registered No: 2676948

## **Directors**

S Lawson  
M Robson

## **Secretary**


E Lavelle

## **Auditors**

Ernst & Young LLP  
Wessex House  
19 Threefield Lane  
Southampton  
SO14 3QB

## **Registered office**

SFI House  
165 Church Street East  
Woking  
Surrey  
GU21 6HJ

 **ERNST & YOUNG**

## Directors' report

The directors present their report and financial statements for the year to 29 May 2004.

### Results and dividends

The profit for the year amounted to £nil. The directors do not recommend the payment of any dividends.

### Principal activities and review of the business

The principal activity of the company is that of an intermediate holding company.

### Directors

The directors who served the company during the year were as follows:

S Lawson	(appointed 23 June 2003)
T K Andrews	(resigned 7 June 2004)
A M Latham	(resigned 3 October 2003)


Subsequent to the year end, the following was appointed as a director of the company:  
M Robson (appointed 7 June 2004)

The interests of the current directors who are also directors of the parent undertaking, SFI Group plc, are disclosed in its financial statements. On 28th May 2004 SFI Group Plc was acquired by SFI Holdings Limited thereby becoming the ultimate parent undertaking.

### 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



M Robson  
Director

16 September 2004

## **Statement of directors' responsibilities in respect of the financial statements**

Company law requires the directors to prepare financial statements for each financial year 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 year. 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; 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.

## **Independent auditors' report**

**to the members of The Slug & Lettuce Group Limited**

We have audited the company's financial statements for the year ended 29 May 2004 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 10. *These financial statements have been prepared on the basis of 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**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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 United Kingdom Auditing Standards 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 judgements 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.

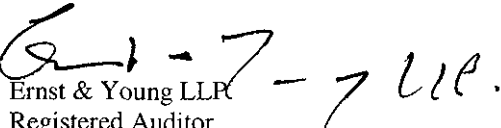
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

## **Independent auditors' report**

**to the members of The Slug & Lettuce Group Limited (continued)**

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 29 May 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Ernst & Young LLP  
Registered Auditor  
Southampton

16 September 2004

## Profit and loss account

for the year to 29 May 2004

	Notes	2004 £000	2003 £000
<b>Turnover</b>		—	—
Administrative expenses		—	(1,933)
<b>Profit on ordinary activities before taxation</b>	2	—	1,933
Tax on profit on ordinary activities		—	—
<b>Profit retained for the financial year</b>		—	1,933

## Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £nil attributable to the shareholders for the year ended 29 May 2004 (2003 - profit of £1,933,000).

## Balance sheet

at 29 May 2004

	Notes	2004 £000	2003 £000
<b>Fixed assets</b>			
Investments	4	699	699
<b>Current assets</b>			
Debtors	5	40,880	40,880
<b>Creditors:</b> amounts falling due within one year	6	(23,557)	(23,557)
<b>Net current assets</b>		17,323	17,323
<b>Total assets less current liabilities</b>		18,022	18,022
<b>Capital and reserves</b>			
Called up share capital	8	1,420	1,420
Share premium account	9	12,334	12,334
Other reserves	9	1,207	1,207
Profit and loss account	9	3,061	3,061
<b>Equity shareholders' funds</b>	9	18,022	18,022



M Robson  
Director

16 September 2004

## Notes to the financial statements

at 29 May 2004

### 1. Accounting policies

#### *Basis of preparation*

The financial statements are prepared under the historical cost convention.

#### *Cash flow statement*

The directors have taken advantage of the exemption in Financial Reporting Standard No 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 publishes consolidated financial statements.

#### *Consolidation*

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirements to prepare group financial statements, as the company is included in the consolidated accounts of SFI Group plc. Accordingly, these financial statements present information about the company as an individual undertaking and not about its group.

#### *Investments*

Investments in subsidiary undertakings are stated at cost, less provision for impairment in value.

### 2. Operating profit

This is stated after charging/(crediting):

	2004 £000	2003 £000
Auditors' remuneration - audit services	—	—
The company's directors and audit fees are borne by the ultimate parent company.		
Release of doubtful debt provision	—	(1,933)

The company's audit fees are borne by the ultimate parent company.

### 3. Staff costs

No salaries or wages have been paid to employees, including the directors, during the year.

### 4. Investments

	<i>Investment in Subsidiary Undertaking £000</i>
Cost:	
At 1 June 2003 and 29 May 2004	2,955
Net book value:	
At 1 June 2003 & 29 May 2004	699

## Notes to the financial statements

at 29 May 2004

### 4. Investments (continued)

The company's wholly owned subsidiary undertakings, all of which registered in England and Wales, are as follows:-

Slug and Lettuce Limited\*  
 Belcher's Brewery Limited  
 Cromwell Taverns Limited  
 Grosvenor Taverns Limited  
 Finsbury Taverns Limited  
 Slug and Lettuce Holdings Limited  
 Hedgehog and Hogshead Limited  
 CT Limited\*  
 Belcher's Pubs Limited  
 Bar BQ Limited  
 S & L (Stoney Lane) Limited (Formerly The Water Poet Limited)

Slug and Lettuce Limited is engaged in the operation of public houses in the United Kingdom, all other subsidiaries are non-trading.

\* Indirectly owned.

### 5. Debtors

	2004 £000	2003 £000
Amounts owed by group undertakings	<u>40,880</u>	<u>40,880</u>

### 6. Creditors: amounts falling due within one year

	2004 £000	2003 £000
Amounts owed to group undertakings	<u>23,557</u>	<u>23,557</u>

### 7. Related party transactions

Advantage has been taken of the exemption available under Financial Reporting Standard 8 not to disclose details of transactions with group undertakings, as the consolidated accounts of SFI Group plc, in which the company is included, are publicly available.

### 8. Share capital

	2004 £000		2003 £000	
Ordinary shares of £0.10 each		<u>1,725</u>		<u>1,725</u>
	<i>Allotted, called up and fully paid</i>			
	2004		2003	
	No.	£000	No.	£000
Ordinary shares of £0.10 each	14,200,592	<u>1,420</u>	14,200,592	<u>1,420</u>

## Notes to the financial statements

at 29 May 2004

### 9. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Share premium account</i>	<i>Merger Reserve</i>	<i>Profit and loss account</i>	<i>Total share-holders' funds</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 31 May 2003 and 29 May 2004	1,420	12,334	1,207	3,061	18,022

### 10. Ultimate parent company

The directors consider SFI Group plc to be the parent undertaking. Consolidated financial statements for the parent undertaking for the year ended 29 May 2004 can be obtained from the Company Secretary, SFI House, 165 Church Street East, Woking, Surrey, GU21 6HJ.

On 28th May 2004 SFI Group Plc was acquired by SFI Holdings Limited thereby becoming the ultimate parent undertaking.