

**MERCURY TAVERNS PLC**

**ANNUAL REPORT**

**26 SEPTEMBER 1999**

**Registered number 2850597**



**MERCURY TAVERNS PLC**

**ANNUAL REPORT**

**26 SEPTEMBER 1999**

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## **MERCURY TAVERNS PLC**

### **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 26 September 1999.

### **PRINCIPAL ACTIVITIES**

The company's principal activity is the management of public houses.

### **REVIEW OF THE BUSINESS**

The operating profit before exceptional items for the year ended 26 September 1999 was £2,236,000 (1998: £2,051,000). On 24 June 1999 the trade and certain assets and liabilities of the company were transferred to Pubmaster Limited, a fellow group undertaking in return for an inter company loan note.

### **RESULTS AND DIVIDENDS**

During the year ended 26 September 1999 the company made a profit before taxation of £1,746,000 (1998 loss: £4,351,000) after exceptional charges of £295,000 (1998: £3,604,000). The directors do not recommend the payment of a dividend.

### **DIRECTORS AND DIRECTORS' INTERESTS**

The directors who held office during the year were as follows:

M J Armstrong	(appointed 10 September 1999)
A Cross	
D S M Hatton	
J R Sands	
A J Vaughan	(resigned 28 February 1999)

R Turnbull was appointed a director on 6 October 1999.

The directors hold no beneficial interest in the shares of the company.

Mr A Cross held beneficially 6,200 ordinary 1p shares and 24,800 cumulative preference 1p shares in the ultimate parent company, Pubmaster Group Limited, both at the date of his appointment and at the year end.

The beneficial interest of the other directors at the end of the year in the shares of the ultimate parent company, Pubmaster Group Limited, are disclosed in that company's accounts.

## MERCURY TAVERNS PLC

### DIRECTORS' REPORT (continued)

#### YEAR 2000

The company is addressing Year 2000 issues in its information technology systems utilising in-house resources. Any hardware containing embedded chips are currently being addressed. The costs incurred to date have been expensed during the year, whilst future costs are considered by the directors to be immaterial.

#### AUDITORS

The directors are to propose a resolution that PricewaterhouseCoopers be reappointed auditors of the company at the general meeting at which accounts are laid before the company and that their remuneration be fixed by the directors.

By order of the board

A handwritten signature in black ink, appearing to be 'A Cross', written over a horizontal line.

A Cross  
Secretary

21 December 1999

## MERCURY TAVERNS PLC

### DIRECTORS' REPORT (continued)

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

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.
- 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 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.

By order of the board



A Cross  
Secretary

21 December 1999

## **AUDITORS' REPORT TO THE MEMBERS OF MERCURY TAVERNS PLC**

We have audited the financial statements on pages 5 to 22 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report, including as described on page 3, the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

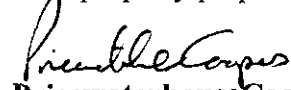
### **Basis of audit opinion**

We conducted our audit in accordance with 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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 26 September 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**PricewaterhouseCoopers**  
**Chartered Accountants and Registered Auditors**  
**Newcastle upon Tyne**

**21 December 1999**

**MERCURY TAVERNS PLC****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 26 SEPTEMBER 1999**

	<u>1999</u> £'000	<u>1998</u> £'000
<b>TURNOVER</b> (Notes 1(b) and 2)	6,886	13,693
Operating costs (Note 3)	(4,650)	(15,246)
	<hr/>	<hr/>
<b>OPERATING PROFIT/(LOSS)</b>	2,236	(1,553)
Loss on sale of fixed assets	(109)	(997)
Loss on sale of investments	-	(230)
	<hr/>	<hr/>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST</b>	2,127	(2,780)
Other interest receivable and similar income (Note 7)	12	445
Interest payable and similar charges (Note 8)	(393)	(2,016)
	<hr/>	<hr/>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b> (Note 4)	1,746	(4,351)
Tax on profit/(loss) on ordinary activities (Note 9)	-	-
	<hr/>	<hr/>
<b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b> (Note 19)	1,746	(4,351)
	<hr/> <hr/>	<hr/> <hr/>

# MERCURY TAVERNS PLC

## BALANCE SHEET – 26 SEPTEMBER 1999

	1999	1998
	£'000	£'000
<b>FIXED ASSETS</b>		
Tangible assets (Note 10)	-	30,325
Investments (Note 11)	-	-
	-	30,325
<b>CURRENT ASSETS</b>		
Stocks (Note 12)	-	668
Debtors: due within one year (Note 13)	5,279	4,457
Debtors: due after more than one year (Note 13)	29,590	-
Cash at bank and in hand	-	118
	34,869	5,243
<b>CREDITORS: amounts falling due within one year (Note 14)</b>	(30,587)	(32,488)
<b>NET CURRENT ASSETS/ (LIABILITIES)</b>	4,282	(27,245)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	4,282	3,080
<b>CREDITORS: amounts falling due after more than one year (Note 15)</b>	-	(23)
<b>PROVISIONS FOR LIABILITIES AND CHARGES (Note 17)</b>	-	(521)
	4,282	2,536
<b>CAPITAL AND RESERVES</b>		
Called up share capital (Note 18)	7,530	7,530
Share premium account (Note 19)	14	14
Profit and loss account (Note 19)	(3,262)	(5,556)
Revaluation reserve (Note 19)	-	548
<b>EQUITY SHAREHOLDERS' FUNDS</b>	4,282	2,536

The financial statements were approved by the board of directors on 21 December 1999 and were signed on its behalf by:

  
J.R. Sands  
Director



**MERCURY TAVERNS PLC**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 26 SEPTEMBER 1999**

	1999 £'000	1998 £'000
<b>Profit/(loss) for the financial year</b>	1,746	(4,351)
Unrealised deficit on revaluation of land and buildings	-	(997)
<b>Total recognised gains and losses relating to the year</b>	<u>1,746</u>	<u>(5,348)</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES FOR THE YEAR  
ENDED 26 SEPTEMBER 1999**

	1999 £'000	1998 £'000
Reported profit/(loss) on ordinary activities before tax	1,746	(4,351)
Realised surplus on revaluation of land and buildings written back	<u>548</u>	<u>172</u>
Historical cost profit/(loss) on ordinary activities before taxation	<u>2,294</u>	<u>(4,179)</u>
Historical cost retained profit/(loss) for the financial year	<u>2,294</u>	<u>(4,179)</u>

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS FOR THE  
YEAR ENDED 26 SEPTEMBER 1999**

	1999 £'000	1998 £'000
<b>Profit/(loss) for the financial year</b>	1,746	(4,351)
Revaluation of land and buildings	-	(997)
<b>Net movement in shareholders' funds</b>	<u>1,746</u>	<u>(5,348)</u>
Opening shareholders' funds	2,536	7,884
<b>Closing shareholders' funds</b>	<u>4,282</u>	<u>2,536</u>

## MERCURY TAVERNS PLC

### NOTES TO THE ACCOUNTS – 26 SEPTEMBER 1999

#### 1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

##### (a) Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of certain fixed assets.

##### (b) Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

##### (c) Tangible fixed assets and depreciation

All licensed properties are carried at valuation and surpluses arising are taken directly to the revaluation reserve. Any under values identified are taken to the revaluation reserve to the extent that they are considered temporary and to the profit and loss account if they are permanent.

Freehold land and licensed properties which are freehold or held on a lease with an unexpired life exceeding 50 years are not depreciated. This policy is adopted on the basis that the licensed properties are maintained in such condition that their value is not diminished by the passage of time. Having regard to this, the requirements of the Companies Act 1985 and relevant accounting standards, the directors are of the opinion that any element of depreciation would not be significant.

The cost or valuation of other assets is written off over their estimated useful economic lives as follows:

Short leasehold properties (less than 50 years lease term)	- life of lease (straight line)
Fixtures fittings and equipment	- 5 to 10 years (straight line)
Motor vehicles	- 5 years (straight line)

##### (d) Stocks

Stocks are stated at the lower of cost and net realisable value.

## **MERCURY TAVERNS PLC**

### **NOTES TO THE ACCOUNTS – 26 SEPTEMBER 1999 (continued)**

#### **1 ACCOUNTING POLICIES (continued)**

##### **(e) Leases**

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a "finance lease". The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as "operating leases" and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

##### **(f) Pensions costs**

The company's contributions to certain defined contribution pension schemes were charged to the profit and loss account as incurred.

##### **(g) Taxation**

Taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability or asset will crystallise in the foreseeable future.

##### **(h) Investments**

Investments held as fixed assets are carried at cost less any provision for permanent diminution in value.

##### **(i) Cash flow statement**

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cashflow statement as it is a wholly owned subsidiary undertaking of Mercury Taverns (Holdings) Limited and its cashflows are included within the consolidated cashflow statement of Pubmaster Group Limited, the ultimate parent undertaking.

#### **2 ANALYSIS OF TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

The company's turnover and loss on ordinary activities before taxation is derived from its principal activity as disclosed in the Directors' Report and arises wholly within the United Kingdom.

MERCURY TAVERNS PLC

NOTES TO THE ACCOUNTS – 26 SEPTEMBER 1999 (continued)

3 OPERATING COSTS

		1999		1998
	£'000	£'000	£'000	£'000
Other external charges including stocks				
- recurring	3,961		7,631	
- exceptional change in stocks	-		257	
		3,961		7,888
Staff costs (Note 6)				
- recurring	-		2,565	
- exceptional	-		752	
		-		3,317
Other operating charges				
- recurring	598		1,176	
- exceptional			2,287	
		598		3,463
Depreciation				
- recurring	91		270	
- exceptional	-		308	
		91		578
<b>Total operating costs</b>		<b>4,650</b>		<b>15,246</b>
Recurring		4,650		11,642
Exceptional		-		3,604
		4,650		15,246

Prior year exceptional staff costs represent termination payments to former directors made prior to the acquisition of the company by Pubmaster Limited.

The other prior year exceptional costs arose from a review of, and subsequent adjustment to, the assets and liabilities as recorded in the company's accounts at the date of its acquisition by Pubmaster Limited.

**MERCURY TAVERNS PLC**

**NOTES TO THE ACCOUNTS – 26 SEPTEMBER 1999 (continued)**

**4 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION**

	<u>1999</u> £'000	<u>1998</u> £'000
<b>Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):</b>		
Auditors' remuneration:		
Audit	3	8
Previous auditors – other services	-	23
Rentals payable under operating leases		
Land and buildings	170	549
Plant and machinery	-	23
Rents receivable from property	(915)	(1,344)
Depreciation	91	578
	<u>          </u>	<u>          </u>

**5 DIRECTORS' EMOLUMENTS**

**Directors' emoluments**

	<u>1999</u> £'000	<u>1998</u> £'000
Aggregate emoluments	-	258
Company contribution to defined contribution scheme	-	59
Compensation to past directors for loss of office	-	752
	<u>          </u>	<u>          </u>
	-	1,069
	<u>          </u>	<u>          </u>

# MERCURY TAVERNS PLC

## NOTES TO THE ACCOUNTS – 26 SEPTEMBER 1999 (continued)

### 5 DIRECTORS' EMOLUMENTS (continued)

#### Highest paid director

	<u>1999</u> £'000	<u>1998</u> £'000
Aggregate emoluments	-	83
Company contribution to defined contribution scheme	-	28
	<u>-</u>	<u>111</u>
	<u>-</u>	<u>111</u>

There are no retirement benefits accruing to directors (1998: None) under a defined contribution pension scheme.

### 6 STAFF NUMBERS AND COSTS

The average number of persons employed by the company (including directors) during the period of trading, analysed by category, was as follows:

	<u>1999</u>	<u>1998</u>
Administration	-	24
Retail	-	201
	<u>-</u>	<u>225</u>
	<u>-</u>	<u>225</u>

The aggregate payroll costs of these persons were as follows:

	<u>1999</u> £'000	<u>1998</u> £'000
Wages and salaries	-	3,039
Social security costs	-	149
Other pension costs	-	129
	<u>-</u>	<u>3,317</u>
	<u>-</u>	<u>3,317</u>

**MERCURY TAVERNS PLC**

**NOTES TO THE ACCOUNTS – 26 SEPTEMBER 1999 (continued)**

**7 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME**

	<u>1999</u> £'000	<u>1998</u> £'000
Bank interest	12	77
Dividends received	-	368
	<hr/>	<hr/>
	12	445
	<hr/>	<hr/>

**8 INTEREST PAYABLE AND SIMILAR CHARGES**

	<u>1999</u> £'000	<u>1998</u> £'000
Bank loans and overdrafts	96	2,007
Other loans	2	9
Exceptional charges	295	-
	<hr/>	<hr/>
	393	2,016
	<hr/>	<hr/>

The exceptional charges relate to the costs incurred in terminating the company's interest rate swap agreement during the year.

**9 TAXATION**

No tax charge has arisen in the period due to the utilisation of losses brought forward from previous accounting periods.

**MERCURY TAVERNS PLC**

**NOTES TO THE ACCOUNTS - 26 SEPTEMBER 1999 (continued)**

**10 TANGIBLE FIXED ASSETS**

	Land and buildings £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
<b>Cost or valuation</b>				
At 27 September 1998	31,047	821	141	32,009
Additions	550	53	-	603
Disposals	(1,386)	-	(21)	(1,407)
Transfer to fellow subsidiaries	(30,211)	(874)	(120)	(31,205)
	<hr/>	<hr/>	<hr/>	<hr/>
At 26 September 1999	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 27 September 1998	1,072	541	71	1,684
Provided during the period	40	42	9	91
Disposals	-	-	(1)	(1)
Transfer to fellow subsidiaries	(1,112)	(583)	(79)	(1,774)
	<hr/>	<hr/>	<hr/>	<hr/>
At 26 September 1999	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book amount</b>				
At 26 September 1999	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 27 September 1998	29,975	280	70	30,325
	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of motor vehicles includes £Nil (1998: £56,305) held under finance leases and hire purchase contracts.



**MERCURY TAVERNS PLC**

**NOTES TO THE ACCOUNTS - 26 SEPTEMBER 1999 (continued)**

**10 TANGIBLE FIXED ASSETS (continued)**

The net book amount of land and buildings comprises:

	1999 £'000	1998 £'000
Freehold	-	25,271
Long leasehold	-	4,126
Short leasehold	-	578
	<hr/>	<hr/>
	-	29,975
	<hr/>	<hr/>

The historical cost of amounts included at valuation is as follows:

	1999 £'000	1998 £'000
Cost	-	30,443
Depreciation	-	(472)
	<hr/>	<hr/>
Net book value	-	29,971
	<hr/>	<hr/>

# MERCURY TAVERNS PLC

## NOTES TO THE ACCOUNTS - 26 SEPTEMBER 1999 (continued)

### 11 INVESTMENTS

	Subsidiary undertakings £'000
Cost and net book amount at start and end of year	-

On 24 June 1999 the company's 100% holding in Dublin Pub Company Limited was transferred at its net book amount to Pubmaster Group Limited.

### 12 STOCKS

	1999 £'000	1998 £'000
Finished goods and goods for resale	-	668

### 13 DEBTORS

	1999 £'000	1998 £'000
Amounts falling due within one year:		
Trade debtors	-	482
Amounts owed by group undertakings:		
- immediate parent	1,900	1,900
- fellow subsidiaries	3,379	1,614
Other debtors	-	439
Prepayments and accrued income	-	22
	5,279	4,457
Amounts falling due after one year:		
Amounts owed by group undertakings	29,590	-
	34,869	4,457

# MERCURY TAVERNS PLC

## NOTES TO THE ACCOUNTS - 26 SEPTEMBER 1999 (continued)

### 14 CREDITORS: Amounts falling due within one year

	1999 £'000	1998 £'000
Obligations under finance leases and hire purchase contracts (note 16)	-	21
Amounts owed to group undertakings:		
- fellow subsidiaries	30,472	30,493
- immediate parent	115	115
Trade creditors	-	1,222
Other taxes and social security	-	26
Other creditors	-	292
Accruals and deferred income	-	319
	<hr/> 30,587 <hr/>	<hr/> 32,488 <hr/>

### 15 CREDITORS: Amounts falling due after more than one year

	1999 £'000	1998 £'000
Obligations under finance leases and hire purchase contracts (note 16)	-	23
	<hr/>	<hr/>

### 16 OBLIGATIONS UNDER LEASES AND HIRE PURCHASE CONTRACTS

There are no payments due under finance leases (1998: £25,000 due within one year and £24,000 due between two and five years). There are no finance charges allocated to future periods (1998: £5,000). The 1998 net liability of £44,000 is split current £21,000 and non-current £23,000.

**MERCURY TAVERNS PLC**

**NOTES TO THE ACCOUNTS - 26 SEPTEMBER 1999 (continued)**

**17 PROVISIONS FOR LIABILITIES AND CHARGES**

**a) Contractual commitments**

	1999 £'000
At beginning of year	521
Utilised in the year	(256)
Transferred to fellow subsidiary	(265)
	<hr/>
At end of year	-
	<hr/> <hr/>

**b) Deferred tax**

The potential deferred tax asset not provided for is as follows:

	1999 £'000	1998 £'000
Short term timing differences	-	268
Accelerated capital allowances	-	(969)
Losses	-	1,558
	<hr/>	<hr/>
	-	857
	<hr/> <hr/>	<hr/> <hr/>

**MERCURY TAVERNS PLC**

**NOTES TO THE ACCOUNTS - 26 SEPTEMBER 1999 (continued)**

**18 SHARE CAPITAL**

**Authorised**

	1999 £'000	1998 £'000
11,030,000 ordinary shares of £1 each	11,030	11,030
	<u>          </u>	<u>          </u>

**Allotted and fully paid**

	1999 £'000	1998 £'000
7,530,000 ordinary shares of £1 each	7,530	7,530
	<u>          </u>	<u>          </u>

**19 SHARE PREMIUM ACCOUNT AND RESERVES**

	Revaluation reserve £'000	Share premium account £'000	Profit and loss account £'000
At 27 September 1998	548	14	(5,556)
Profit for the year	-	-	1,746
Realised on disposal of land and buildings	(548)	-	548
	<u>          </u>	<u>          </u>	<u>          </u>
At 26 September 1999	-	14	(3,262)
	<u>          </u>	<u>          </u>	<u>          </u>

# MERCURY TAVERNS PLC

## NOTES TO THE ACCOUNTS - 26 SEPTEMBER 1999 (continued)

### 20 TRANSFER OF BUSINESS

On 24 June 1999, the trade and certain assets and liabilities of the company were transferred to Pubmaster Limited, a fellow group undertaking. The net assets transferred and consideration received were as follows:

	£'000
Tangible fixed assets	29,431
Stocks	735
Debtors	725
Cash	662
Creditors	(1,698)
Provisions for liabilities and charges	(265)
	<hr/>
Net assets disposed of	29,590
	<hr/>
Satisfied by:	
Intercompany loan note	29,590
	<hr/>

### 21 COMMITMENTS

- a) Capital commitments at the end of the financial year for which no provision has been made.

	26 September 1999 £'000	27 September 1998 £'000
Committed but not provided	-	39
	<hr/>	<hr/>

## MERCURY TAVERNS PLC

### NOTES TO THE ACCOUNTS - 26 SEPTEMBER 1999 (continued)

#### 21 COMMITMENTS (continued)

b) Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings 1999 £'000	Other 1999 £'000	Land and buildings 1998 £'000	Other 1998 £'000
Operating leases which expire: between two and five years	-	-	29	-
over five years	-	-	153	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	182	-
	<hr/>	<hr/>	<hr/>	<hr/>

#### 22 CONTINGENT LIABILITIES

The company is party to a guarantee and debenture dated 25 November 1996 (as amended 11 June 1998) whereby it guarantees the loan stock of £78,200,000 issued by the ultimate parent undertaking, together with associated interest charges thereon.

*In accordance with the terms of a Deed of Charge dated 5 July 1999 the company has guaranteed the payments of principal of, and interest on, the Notes issued by Pubmaster Finance Limited. The total outstanding indebtedness of the Notes at 26 September 1999 was £305,000,000.*

#### 23 ULTIMATE PARENT COMPANY

The company is a subsidiary undertaking of Mercury Taverns (Holdings) Limited which is registered in England and Wales.

*The ultimate parent undertaking and ultimate controlling party is Pubmaster Group Limited. The consolidated financial statements of the group are available to the public and may be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff, CF4 3HZ.*

# MERCURY TAVERNS PLC

## NOTES TO THE ACCOUNTS - 26 SEPTEMBER 1999 (continued)

### 24 RELATED PARTY TRANSACTIONS

During the year to 27 September 1998, assets with a net book value of £2,284,743 were transferred to Broomco 1554 Limited, a company controlled by the former shareholders of Mercury Taverns (Holdings) Limited. These transactions resulted in a loss to the company of £853,929.

During the year the company entered into the following transactions in the ordinary course of business, with other related parties:

	<u>1999</u>		<u>1998</u>	
		Balance		Balance
	Purchases	outstanding at	Purchases	outstanding at
	£'000	year end	£'000	year end
		£'000		£'000
Marston, Thompson & Eversheds plc	-	-	3,759	-
Wolverhampton & Dudley Breweries plc	-	-	3,177	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Transactions with other companies within the Pubmaster Group are not disclosed as the company has taken advantage of the exemption available under Financial Reporting Standard No 8 "Related Party Disclosures".