

Mercury Taverns PLC
Annual report
for the year ended 30 September 2001

Registered Number 2850597



Mercury Taverns PLC

Annual report

for the year ended 30 September 2001

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Mercury Taverns PLC

Directors' report for the year ended 30 September 2001

The directors present their annual report and the audited financial statements of the company for the year ended 30 September 2001.

Principal activities

The principal activity of the company during the year was as a dormant company.

Review of the business

The company has not traded during the year.

Results and dividends

During the year ended 30 September 2001 the company made neither a profit nor a loss before taxation (2000: £nil). The directors do not recommend the payment of a dividend.

Directors and their interests

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

Mr M J Armstrong

Mr A Cross

Mr N A Sammons

Mr J R Sands

Mr R Turnbull

The directors hold no beneficial interest in the shares of the company. The beneficial interests of the directors at the end of the year in the shares of the ultimate parent undertaking, Pubmistress Limited, are disclosed in the annual report of that company.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 September 2001 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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.

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Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board

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

A Cross
Secretary

25 January 2002

Mercury Taverns PLC

Independent auditors' report to the members of Mercury Taverns PLC

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 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. The other information comprises the directors' report and the chairman's statement.

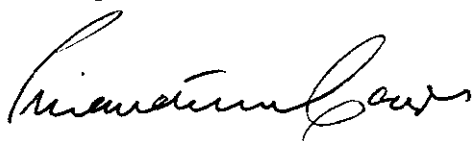
Basis of audit opinion

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 30 September 2001 and of its result 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

25 January 2002

Mercury Taverns PLC

Profit and loss account for the year ended 30 September 2001

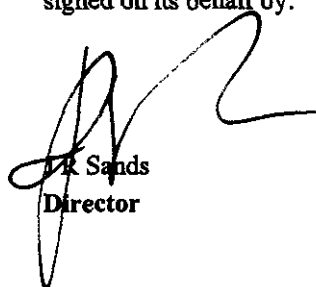
The company did not trade in the current or previous year and consequently made neither a profit nor a loss.

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Balance sheet as at 30 September 2001

	Note	2001 £'000	2000 £'000
Debtors – Amounts falling due within one year	2	5,279	5,279
Debtors – Amounts falling due after more than one year	2	29,590	29,590
		34,869	34,869
Creditors – Amounts falling due within one year	3	(30,587)	(30,587)
Net assets		4,282	4,282
Capital and reserves			
Called up share capital	4	7,530	7,530
Share premium account	5	14	14
Profit and loss account	5	(3,262)	(3,262)
Total equity shareholders' funds	6	4,282	4,282

The financial statements on pages 4 to 9 were approved by the board of directors on 25 January 2002 and were signed on its behalf by:



J.R. Sands
Director

Mercury Taverns PLC

Accounting policies

These financial statements are prepared under the historical cost convention, the accounting policies set out below and in accordance with applicable accounting standards.

Deferred taxation

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.

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard 1 (Revised 1996) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Mercury Taverns (Holdings) Limited and its cash flows are included within the consolidated cash flow statement of Pubmistress Limited, the ultimate parent undertaking at 30 September 2001.

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Notes to the financial statements for the year ended 30 September 2001

1 Directors' emoluments

None of the directors received any remuneration from the company during the year (2000: £Nil).

2 Debtors

	2001	2000
	£'000	£'000
Amounts falling due within one year:		
Amounts owed by immediate parent undertaking	1,964	1,964
Amounts owed by fellow subsidiary undertakings	3,315	3,315
	5,279	5,279
Amounts falling due after one year:		
Amounts owed by fellow subsidiary undertakings	29,590	29,590
	34,869	34,869

3 Creditors – Amounts falling due within one year

	2001	2000
	£'000	£'000
Amounts owed to fellow subsidiary undertakings	30,472	30,472
Amounts owed to immediate parent undertaking	115	115
	30,587	30,587

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4 Share capital

	2001	2000
	£	£
Authorised		
11,030,000 (2000: 11,030,000) ordinary shares of £1 each	11,030,000	11,030,000
Allotted and fully paid		
7,530,000 (2000: 7,530,000) ordinary shares of £1 each	7,530,000	7,530,000

5 Share premium account and reserves

	Share premium account	Profit and loss account
	£'000	£'000
At 30 September 2001 and 2 October 2000	14	(3,262)

6 Reconciliation of movement in shareholders' funds

	2001	2000
	£	£
Shareholders' funds at 2 October 2000 and 30 September 2001	7,615	7,615

7 Contingent liabilities

In accordance with the terms of a Deed of Charge dated 5 July 1999 (as amended 17 February 2000) the company has guaranteed the payments of principal of, and interest on, the loan notes issued by Pubmaster Finance Limited. The total outstanding indebtedness of the loan notes at 30 September 2001 was £379,000,000 (2000: £414,000,000).

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8 Related party transactions

Transactions with other companies within the Pubmistress Limited group are not disclosed as the company has taken advantage of the exemption available under Financial Reporting Standard 8 "Related Party Disclosures".

9 Ultimate parent undertaking

The immediate parent undertaking is Mercury Taverns (Holdings) Limited.

The ultimate parent undertaking and controlling party is Pubmistress Limited, a company registered in England and Wales. Copies of Pubmistress Limited consolidated financial statements can be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff, CF4 3HZ.