

**Punch Taverns Investments Limited**

**Report and Financial Statements**

**23 August 2003**



**Punch Taverns Investments Limited**  
**53 week period ended 23 August 2003**

Registered No. 3470856

**DIRECTORS**

R McDonald  
N Preston  
G Thorley

**SECRETARY**

S Rudd

**AUDITORS**

Ernst & Young LLP  
One Colmore Row  
Birmingham  
B3 2DB

**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

# **Punch Taverns Investments Limited**

## **53 week period ended 23 August 2003**

### **DIRECTORS' REPORT**

The directors present their report and financial statements for the 53 week period ended 23 August 2003.

### **RESULTS AND DIVIDENDS**

The profit for the financial period amounted to £5,609,000 (52 week period ended 17 August 2002: £5,125,000). The directors do not propose the payment of a dividend (August 2002: Nil).

### **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The principal activity of the company is as a holding company.

### **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 23 August 2003 or 18 August 2001.

The following directors have interests in the shares of Punch Taverns plc as follows:-

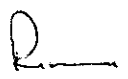
	<i>At 23 August 2003</i>		<i>At 17 August 2002</i>	
	<b>Ord Shares</b>	<b>Ord Share Options</b>	<b>Ord Shares</b>	<b>Ord Share Options</b>
R McDonald	46,909	310,603	46,909	159,751
N Preston	1,000	108,221	10,652	58,767
G Thorley	<u>137,750</u>	<u>6,405,399</u>	<u>127,750</u>	<u>6,250,760</u>

### **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  
Date

  
13/1/2004

**Punch Taverns Investments Limited**  
**53 week period ended 23 August 2003**

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

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.

**Punch Taverns Investments Limited**  
**53 week period ended 23 August 2003**

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF PUNCH TAVERNS INVESTMENTS LIMITED**

We have audited the company's financial statements for the period ended 23 August 2003 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. 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 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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 23 August 2003 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered Auditor  
Birmingham

13 January 2004

**Punch Taverns Investments Limited**  
**53 week period ended 23 August 2003**

**PROFIT & LOSS ACCOUNT**  
for the 53 week ended 23 August 2003 period

	<i>Notes</i>	<b>53 week period ended 23 August 2003 £000</b>	<b>52 week period ended 17 August 2002 £000</b>
Administrative expenses		-	10
<b>OPERATING PROFIT</b>		-	10
Interest receivable	3	8,013	6,794
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		8,013	6,804
Tax on profit on ordinary activities	4	(2,404)	(1,679)
<b>RETAINED PROFIT FOR THE PERIOD</b>	9	5,609	5,125


There are no recognised gains or losses other than those shown above.

**Punch Taverns Investments Limited**  
**53 week period ended 23 August 2003**

**BALANCE SHEET**  
at 23 August 2003

	<i>Notes</i>	<b>23 August 2003 £000</b>	<b>17 August 2002 £000</b>
<b>FIXED ASSETS</b>			
Investments	5	87,754	87,754
<b>CURRENT ASSETS</b>			
Debtors due within one year	6	4,214	4,214
Debtors due after more than one year	6	57,623	49,611
		61,837	53,825
<b>CREDITORS: amounts falling due within one year</b>	7	(21,099)	(18,696)
<b>NET CURRENT ASSETS</b>		40,738	35,129
<b>NET ASSETS</b>		<u>128,492</u>	<u>122,883</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	653	653
Share premium	9	77,918	77,918
Profit and loss account	9	49,921	44,312
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	9	<u>128,492</u>	<u>122,883</u>

R J McDonald  
Director  
Date

  
13/11/2003

# **Punch Taverns Investments Limited**

## **53 week period ended 23 August 2003**

### **NOTES TO THE FINANCIAL STATEMENTS**

for the 53 week period ended 23 August 2003

#### **1. ACCOUNTING POLICIES**

##### ***Basis of preparation***

The financial statements are prepared under the historical cost convention 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.

##### ***Group Accounts***

The company is exempt from preparing and delivering group accounts under s228 of the Companies Act 1985 (subsidiary of an EU parent). The accounts present information about the company as an individual undertaking and not part of the group as a whole.

##### ***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.

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

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.

##### ***Fixed asset investments***

Investments in subsidiary undertakings are included at cost, less provisions for impairment in value.

**Punch Taverns Investments Limited**  
**53 week period ended 23 August 2003**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the 53 weeks ended 23 August 2003

**2. DIRECTORS' EMOLUMENTS AND STAFF COSTS**

The directors received no emoluments from the company in the current or preceding period. The company had no employees during the current or preceding period.

**3. INTEREST RECEIVABLE**

	<b>2003</b> <b>£000</b>	<b>2002</b> <b>£000</b>
Interest receivable from group undertakings	<u>8,013</u>	<u>6,794</u>

**4. TAXATION**

	<b>2003</b> <b>£000</b>	<b>2002</b> <b>£000</b>
The charge for tax on the profit for the period comprises:		
UK corporation tax - current period group relief payment	2,404	2,071
UK corporation tax - over provision in prior period	<u>-</u>	<u>(392)</u>
	<u>2,404</u>	<u>1,679</u>

The rate of charge to UK corporation tax is reconciled as follows:

***Reconciliation of tax charges***

	<b>2003</b> <b>£000</b>	<b>2002</b> <b>£000</b>
Profit on ordinary activities before taxation	<u>8,013</u>	<u>6,804</u>
Profit on ordinary activities at standard rate of corporation tax in the UK (30%)	2,404	2,041
<i>Effects of:</i>		
Expenses not deductible for tax purposes	<u>-</u>	<u>30</u>
Current tax charge for period	<u>2,404</u>	<u>2,071</u>

There is no provided or unprovided deferred tax at the period end (2002: Nil).

# Punch Taverns Investments Limited

## 53 week period ended 23 August 2003

### NOTES TO THE FINANCIAL STATEMENTS

at 23 August 2003

#### 5. INVESTMENTS

Shares in  
subsidiary  
undertakings  
£000

**Cost:**

At 17 August 2002 and 23 August 2003

87,754

Details of the principal subsidiary undertakings in which the shareholding is in ordinary shares, all of which are 100% owned, are as follows:

<i>Name of company</i>	<i>Nature of business</i>
<b><i>Owned Directly:</i></b>	
Punch Taverns Intermediate Holdings Limited	Holding company
Punch Pub Company (Fradley) Limited	Pub operating company
Punch Taverns (Offices) Limited	Property company
Punch Pub Company (Red) Limited	Financing company
<b><i>Owned by Punch Taverns Intermediate Holdings Limited:</i></b>	
Punch Taverns Employee Scheme Limited	Holding company
<b><i>Owned by Punch Pub Company (Red) Limited:</i></b>	
L&P 34 Limited	Holding company
<b><i>Owned by L&amp;P 34 Limited:</i></b>	
Punch Pub Company (CMG) Limited	Pub operating company
<b><i>Owned by Punch Taverns Holdings Limited:</i></b>	
Punch Taverns Finance Limited	Financing company
Punch Pub Company (PTL) Limited	Pub operating company
Punch Taverns Beer Supply Company Limited	Intermediate supply company

All companies were incorporated in England and Wales.

**Punch Taverns Investments Limited**  
**53 week period ended 23 August 2003**

**NOTES TO THE FINANCIAL STATEMENTS**  
at 23 August 2003

**6. DEBTORS**

	<b>2003</b>	<b>2002</b>
	<b>£000</b>	<b>£000</b>
<i>Due in less than one year</i>		
Other debtors	34	34
Amounts due from group undertakings	4,180	4,180
	<u>4,214</u>	<u>4,214</u>

	<b>2003</b>	<b>2002</b>
	<b>£000</b>	<b>£000</b>
<i>Due after more than one year</i>		
Amounts due from group undertakings	<u>57,623</u>	<u>49,611</u>

The amounts due after one year relate to a subordinated loan with a fellow group undertaking. The loan accrues interest at 15% per annum and interest is capitalised quarterly in arrears.

**7. CREDITORS: amounts falling due within one year**

	<b>2003</b>	<b>2002</b>
	<b>£000</b>	<b>£000</b>
Corporation tax	6,250	3,846
Accruals and deferred income	1,246	1,247
Amounts owed to group undertakings	13,603	13,603
	<u>21,099</u>	<u>18,696</u>

**8. SHARE CAPITAL**

	<b>2003</b>	<b>2003</b>	<b>2002</b>	<b>2002</b>
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
<i>Authorised share capital</i>				
Ordinary shares of £1 each	<u>690,000</u>	<u>690,000</u>	<u>690,000</u>	<u>690,000</u>
<i>Called up share capital, amount paid up:</i>				
Ordinary shares of £1 each	<u>652,621</u>	<u>652,621</u>	<u>652,621</u>	<u>652,621</u>

**Punch Taverns Investments Limited**  
**53 week period ended 23 August 2003**

**NOTES TO THE FINANCIAL STATEMENTS**  
at 23 August 2003

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

	Share Capital	Share Premium	Profit & Loss Account	Total Share- holders' Funds
	£000	£000	£000	£000
At 18 August 2001	653	77,918	39,187	117,758
Profit for the period	-	-	5,125	5,125
At 17 August 2002	653	77,918	44,312	122,883
Profit for the period	-	-	5,609	5,609
At 23 August 2003	653	77,918	49,921	128,492

**10. CASHFLOW STATEMENT**

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

**11. RELATED PARTY DISCLOSURES**

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.

**12. ULTIMATE PARENT UNDERTAKING**

The company's ultimate parent undertaking and controlling party is Punch Taverns plc, a company registered in England & Wales.

Punch Taverns plc is the parent undertaking of the only group of undertakings for which group accounts are drawn up and of which the company is a member.

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