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Report of the Directors and
Financial Statements for the Year Ended 31 December 2002

for

Sphere Pubs Limited



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COMPANIES HOUSE 31/10/03

Sphere Pubs Limited

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for the Year Ended 31 December 2002

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Sphere Pubs Limited

Company Information
for the Year Ended 31 December 2002

DIRECTORS:

A.J. Taylor
T S Wilson

SECRETARY:

Ms S E A Standing

REGISTERED OFFICE:

Inn On The Green
Cookham Dean
Cookham
Maidenhead
Berkshire
SL6 9NZ

REGISTERED NUMBER:

3831880 (England and Wales)

AUDITORS:

Lerman & Co./Alfred Myers
Suite 5
8 - 14 Church Road
Stanmore
Middlesex
HA7 4AW

Sphere Pubs Limited

Report of the Directors
for the Year Ended 31 December 2002

The directors present their report with the financial statements of the company for the year ended 31 December 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2002.

DIRECTORS

The directors during the year under review were:

A.J. Taylor
T S Wilson

The directors holding office at 31 December 2002 did not hold any beneficial interest in the issued share capital of the company at 1 January 2002 or 31 December 2002.

The beneficial interests of the directors in the share capital of the holding company are shown in the accounts of that company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 period. In preparing those financial statements, the directors are required to

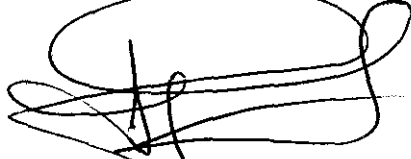
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

AUDITORS

The auditors, Lerman & Co./Alfred Myers, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



A.J. Taylor - Director

31 October 2003

Report of the Independent Auditors to the Shareholders of
Sphere Pubs Limited

We have audited the financial statements of Sphere Pubs Limited for the year ended 31 December 2002 on pages four to seven. These financial statements have been prepared under the historical cost convention and 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 on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom 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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

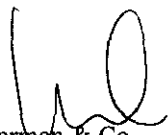
Basis of audit opinion

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 the company's affairs as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Lerman & Co
Suite 5
8 - 14 Church Road
Stanmore
Middlesex
HA7 4AW

31 October 2003

Sphere Pubs Limited

Profit and Loss Account
for the Year Ended 31 December 2002

	Notes	31.12.02 £	31.12.01 £
TURNOVER		-	-
OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	-	-
Tax on profit on ordinary activities	4	-	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		-	-
RETAINED PROFIT FOR THE YEAR		-	-

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses for the current year or previous year.

The notes form part of these financial statements

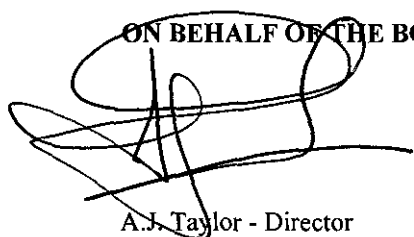
Sphere Pubs Limited

Balance Sheet

31 December 2002

	Notes	31.12.02 £	31.12.01 £
CURRENT ASSETS			
Debtors	5	2	2
TOTAL ASSETS LESS CURRENT LIABILITIES		2	2
CAPITAL AND RESERVES			
Called up share capital	6	2	2
SHAREHOLDERS' FUNDS	8	2	2

ON BEHALF OF THE BOARD:



A.J. Taylor - Director

Approved by the Board on 31 October 2003

The notes form part of these financial statements

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention.

The company was dormant throughout the current and previous years.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. **STAFF COSTS**

There were no staff costs for the year ended 31 December 2002 nor for the year ended 31 December 2001.

The average monthly number of employees during the year was as follows:

31.12.02	31.12.01
==	==

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.02 £	31.12.01 £
Directors' emoluments	- ==	- ==

4. **TAXATION**

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2002 nor for the year ended 31 December 2001.

5. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.02 £	31.12.01 £
Loan to parent company	2 ==	2 ==

6. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal	31.12.02	31.12.01
		value:	£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal	31.12.02	31.12.01
		value:	£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>

7. RESERVES

	Profit and loss account £
Retained profit for the year	-
At 31 December 2002	<u>-</u>

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.02	31.12.01
	£	£
Profit for the financial year	-	-
Opening shareholders' funds	<u>2</u>	<u>2</u>
Closing shareholders' funds	<u>2</u>	<u>2</u>
Equity interests	<u>2</u>	<u>2</u>