

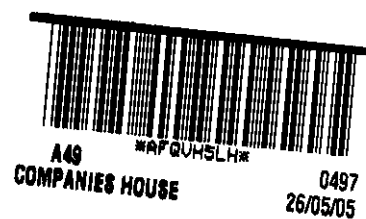
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**Punch Taverns (FH) Limited**

(formerly Punch Retail (Funding Holdings) Limited)

**Report and Financial Statements**

**21 August 2004**



**Punch Taverns (FH) Limited**  
**Period ended 21 August 2004**

Registered No. 3982429

**DIRECTORS**

N Preston  
G Thorley  
R McDonald

**SECRETARY**

S Rudd

**AUDITORS**

Ernst & Young LLP  
1 Colmore Square  
Birmingham  
B4 6HQ

**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 (FH) Limited**  
**Period ended 21 August 2004**

**DIRECTORS' REPORT**

The directors present their report and financial statements for the 52 week period ended 21 August 2004.

**CHANGE OF NAME**

On the 2 September 2004 a written resolution was passed to change the company name of Punch Retail (Funding Holdings) Limited to Punch Taverns (FH) Limited.

**RESULTS AND DIVIDENDS**

The profit for the period after taxation amount to £4,000 (53 week period ended 23 August 2003: £Nil). The directors do not propose the payment of a dividend (August 2003: £Nil).

**PRINCIPAL ACTIVITY**

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 21 August 2004 or 23 August 2003.

The beneficial interests of Directors who held office at 21 August 2004 in the shares of Punch Taverns plc are shown below:-

	<i>At 21 August 2004</i>		<i>At 23 August 2003</i>	
	Ord	Ord Share	Ord	Ord Share
	Shares	Options	Shares	Options
N Preston	1,044	60,587	1,000	98,327
G Thorley	138,044	5,314,004	137,750	6,400,649
R McDonald	<u>47,203</u>	<u>320,650</u>	<u>46,909</u>	<u>302,328</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  
20 May 2005

**Punch Taverns (FH) Limited**  
**Period ended 21 August 2004**

**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 of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Punch Taverns (FH) Limited**  
**Period ended 21 August 2004**

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF PUNCH TAVERNS (FH) LIMITED**

We have audited the company's financial statements for the period ended 21 August 2004 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 11. 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 21 August 2004 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  
20 May 2005

**Punch Taverns (FH) Limited**  
**Period ended 21 August 2004**

**PROFIT & LOSS ACCOUNT**  
for the 52 week period ended 21 August 2004

	<i>Notes</i>	<b>52 week period ended 21 August 2004 £000</b>	<b>53 week period ended 23 August 2003 £000</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	-
Tax on profit on ordinary activities	3	<u>4</u>	<u>-</u>
<b>RETAINED PROFIT FOR THE PERIOD</b>	8	<u><u>4</u></u>	<u><u>-</u></u>

The profit and loss account relates to continuing activities.

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

**Punch Taverns (FH) Limited**  
**Period ended 21 August 2004**

**BALANCE SHEET**  
at 21 August 2004

	<i>Notes</i>	<b>21 August 2004 £000</b>	<b>23 August 2003 £000</b>
<b>FIXED ASSETS</b>			
Investments	4	<u>2,388,478</u>	<u>2,388,478</u>
<b>CURRENT ASSETS</b>			
Debtors amounts falling due within one year	5	<u>4</u> 4	<u>-</u> -
<b>CREDITORS: amounts falling due within one year</b>	6	(12)	(12)
<b>NET CURRENT LIABILITIES</b>		<u>(8)</u>	<u>(12)</u>
<b>NET ASSETS</b>		<u>2,388,470</u>	<u>2,388,466</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	2,000,000	2,000,000
Capital contribution reserve	8	388,478	388,478
Profit and loss account	8	(8)	(12)
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	8	<u>2,388,470</u>	<u>2,388,466</u>



R J McDonald  
Director  
20 May 2005

**Punch Taverns (FH) Limited**  
**Period ended 21 August 2004**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the 52 week period ended 21 August 2004

**1. ACCOUNTING POLICIES**

*Basis of preparation*

The financial statements are prepared under the historical cost and in accordance with applicable accounting standards.

There have been no changes to accounting policies during the period.

*Fundamental accounting concept – Going concern*

The company's current liabilities exceed its current assets. However, the ultimate parent company has undertaken to support it and not recall group debt until all other liabilities have been settled and the company has funds to repay. For this reason the financial statements have been prepared on a going concern basis.

*Group financial statements*

The company is exempt, under s228 of the Companies Act 1985, from the obligation to prepare consolidated financial statements as the company is a wholly owned subsidiary undertaking of a parent company incorporated in the EU, which prepares consolidated financial statements. As such, these financial statements present information about the company as an individual undertaking and not about its group.

*Fixed asset investments*

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

*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.

**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.



**Punch Taverns (FH) Limited**  
**Period ended 21 August 2004**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the 52 week period ended 21 August 2004

**3. TAXATION**

	2004 £000	2003 £000
The credit for tax on the loss for the period comprises:		
Prior period over provision	<u>4</u>	<u>-</u>

**4. INVESTMENTS**

	Shares in subsidiary undertakings £000
At 23 August 2003 and at 21 August 2004	<u>2,388,478</u>

The principal subsidiary undertakings, which are all wholly owned, and in which the shareholdings are in ordinary shares, are as follows:

<i>Name of company</i>	<i>Nature of business</i>
<b><i>Owned directly:</i></b>	
Punch Taverns (MH) Limited (formerly Punch Retail Managed Holdings )	Holding company
Punch Taverns (CMS) Holding (formerly Punch Retail (CMS Ltd )	Holding Company
Punch Taverns (VPR) Limited (formerly Punch Pub Company (VPR) Ltd )	Operating Company
Punch Funding II Limited	Finance Company
<b><i>Owned by subsidiaries:</i></b>	
Punch Taverns (PR) Limited (formerly Punch Retail Limited)	Holding Company
Punch Taverns (OS) Limited (formerly Punch Retail (Off Sales) Limited)	Non-trading Company

All of the above are incorporated within the UK, except Punch Funding II Limited, which is incorporated in the Cayman Islands.

**Punch Taverns (FH) Limited**  
**Period ended 21 August 2004**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the 52 week period ended 21 August 2004

**5. DEBTORS: amounts falling due within one year**

	2004 £000	2003 £000
Corporation tax	2	-
Amounts due from group undertakings	2	-
	<u>4</u>	<u>-</u>

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

	2004 £000	2003 £000
Amounts due to group undertakings	<u>12</u>	<u>12</u>

**7. SHARE CAPITAL**

	2004 No (000)	2004 £000	2003 No (000)	2003 £000
<i>Authorised</i>				
Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
	2004 No (000)	2004 £000	2003 No (000)	2003 £000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>

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

	Share Capital £000	Capital Contribution Reserve £000	Profit & Loss Account £000	Total Share- holders' Funds £000
At 17 August 2002	2,000,000	96,700	(12)	2,096,688
Capital contribution from parent company	-	291,778	-	291,778
At 23 August 2003	<u>2,000,000</u>	<u>388,478</u>	<u>(12)</u>	<u>2,388,466</u>
Profit for the period	-	-	4	4
At 21 August 2004	<u>2,000,000</u>	<u>388,478</u>	<u>(8)</u>	<u>2,388,470</u>

**Punch Taverns (FH) Limited**  
**Period ended 21 August 2004**

**NOTES TO THE FINANCIAL STATEMENTS**

for the 52 week period ended 21 August 2004

**9. CASHFLOW 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 parent company (Punch Taverns plc) publishes consolidated financial statements.

**10. RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption in paragraph 3(c) of FRS8 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.

**11. ULTIMATE PARENT UNDERTAKING**

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

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

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