

Enrichtech Limited
Directors' report and financial
statements
Registered number 04005588
Period ended 1 October 2006



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Company information

Directors:	RJ McDonald ND Preston GA Thorley
Secretary:	T Kendall
Registered Office	Jubilee House Second Avenue Burton upon Trent Staffordshire DE14 2WF
Registered Number:	04005588
Auditors:	KPMG LLP Altius House One North Fourth Street Milton Keynes MK9 1NE

Directors' report

The directors present their report and financial statements for the 52 week period ended 1 October 2006

Results and dividends

The results are set out on page 7 and show a loss on ordinary activities for the financial period of £1,602,000 after preference dividends (2005 profit £2,311,000) The directors do not propose the payment of an ordinary dividend (2005 nil)

Principal activities and review of the business

The company continues to act as a holding company for Mill House Inns Limited and it's subsidiaries trading as 'Mill House Inns'

The directors are satisfied with the performance of the group in the period and believe that it is well placed for the future

Mill House Inns manages its operations at a group level and the directors therefore believe that disclosure of key performance indicators for the company are not appropriate to understand the development, performance or position of the business The performance of the Mill House Inns group is discussed in the Broomco (3708) Limited Annual Report and Financial Statements which are available from the address in note 14

From 14 September 2006, the entire issued share capital of a parent undertaking, Broomco (3708) Limited, was acquired by Punch Taverns (Woodville) Limited From that date, the ultimate parent and controlling party has been Punch Taverns plc

Risks and uncertainties

The principal risks and uncertainties of the company, which are in line with those of the ultimate parent company, Punch Taverns plc, are discussed in the Punch Taverns plc Annual Report and Financial Statements

Directors and their interests

The directors, who held office during the period and since the end of the period, were as follows

SE Kennedy	(resigned 14 September 2006)
RKF Thomson	(resigned 14 September 2006)
RJ McDonald	(appointed 14 September 2006)
ND Preston	(appointed 14 September 2006)
GA Thorley	(appointed 14 September 2006)

No director had any material interest in any contractual agreement during or at the end of the period which is, or may be, significant No director who held office at the end of the period had any disclosable interest in the shares of the company The disclosable interests of the directors who held office at the end of the period, in the share capital of the ultimate parent company, Punch Taverns plc, are disclosed in the directors' report of that company

Political and charitable contributions

No political or charitable contributions were made by the company during the period (2005 nil)

Directors' report *(continued)*

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

By order of the board



RJ McDonald
Director

Jubilee House
Second Avenue
Burton upon Trent
Staffordshire
DE14 2WF

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Altus House
One North Fourth Street
Milton Keynes
MK9 1NE

Independent auditors' report to the members of Enrichtech Limited

We have audited the financial statements of Enrichtech Limited for the period ended 1 October 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under 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 auditor's 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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.

Independent auditors' report to the members of Enrichtech Limited
(continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 1 October 2006 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG LLP

*Chartered Accountants
Registered Auditor*

23 July 2007

Profit and loss account
for the 52 week period ended 1 October 2006

	<i>Note</i>	1 October 2006 £000	2 October 2005 £000
Turnover		-	-
Operating profit		-	-
Income from shares in group undertakings		-	1,997
Interest receivable and similar income	5	438	1,854
Interest payable and similar charges	6	(2,040)	(1,540)
(Loss)/profit on ordinary activities before taxation	2-4	(1,602)	2,311
Tax on profit on ordinary activities	7	-	-
(Loss)/profit for the period	12	(1,602)	2,311

The results reported above are derived entirely from continuing operations

The company has made no recognised gains or losses other than those identified above and, accordingly, no separate statement of recognised gains or losses has been presented

Balance sheet
as at 1 October 2006

	<i>Note</i>	1 October 2006 £000	2 October 2005 £000
Fixed assets			
Investments	8	12,795	12,795
Current assets			
Debtors	9	26,245	25,807
		<hr/>	<hr/>
Creditors amounts falling due within one year	10	26,245 (31,799)	25,807 (31,799)
		<hr/>	<hr/>
Net current liabilities		(5,554)	(5,992)
		<hr/>	<hr/>
Total assets less current liabilities		7,241	6,803
Creditors: amounts falling due after more than one year	11	(17,000)	(17,000)
		<hr/>	<hr/>
Net liabilities		(9,759)	(10,197)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	12	-	-
Revaluation reserve	13	2,000	2,000
Profit and loss account	13	(11,759)	(12,197)
		<hr/>	<hr/>
Shareholders' deficit	13	(9,759)	(10,197)
		<hr/>	<hr/>

The financial statements were approved by the board of directors on 13 July 2007 and were signed on its behalf by



RJ McDonald
Director

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of preparation

The financial statements are prepared under historical costs convention as modified by the revaluation of certain properties within the company and are in accordance with applicable accounting standards

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

In these financial statements, the following new standards have been applied

- FRS 20 'Share-based payments',
- FRS 21 'Events after the balance sheet date',
- The presentation requirements of FRS 25 'Financial Instruments presentation and disclosure', and
- FRS 28 'Corresponding amounts'

Where applicable, the accounting policies under these new standards are set out below with an indication of the effects of their adoption, if any. FRS 28 'Corresponding amounts' has no material effect as it imposes the same requirements for comparatives hitherto requirements by the Companies Act 1985

The group is exempt from preparing and delivering group financial statements under s228 of the Companies Act 1985. The financial statements present information about the company as an individual undertaking and not part of the group as a whole

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As 100% of the company's voting rights are controlled within the group headed by Punch Taverns plc, the company has taken advantage of the exemption contained within FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Punch Taverns plc, within which this Company is included, can be obtained from the address given in note 14

Going concern

The financial statements have been prepared on the going concern basis, notwithstanding net liabilities of £9,759,000, which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Punch Taverns plc, the company's immediate holding undertaking. Punch Taverns plc has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due. As with any company placing reliance on other group entities for financial support, the directors acknowledge there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Financial instruments and adoption of FRS 25

The adoption of FRS 25 has resulted in a change in accounting policy in respect of the presentation of ordinary shares as financial liabilities. This change in accounting policy has resulted in a prior year restatement to present preference shares as financial liabilities rather than within equity. Accordingly, dividends thereon have now been presented within interest payable.

Notes (continued)

1 Accounting policies (continued)

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 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 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 difference 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

Dividends on shares presented within shareholders funds

Dividends unpaid at the balance sheet date are only recognised as a liability to the extent that they are appropriately authorised and are no longer at the discretion of the Company, Unpaid dividends that do not meet this criteria are disclosed in the notes to the financial statements

2 Directors' emoluments

No remuneration has been received by the directors for their services to the company during the period (2005 nil)

3 Employee information

All staff are employed by a fellow group company, Mill house Inns (Trading) Limited

4 Loss on ordinary activities before taxation

The auditors' fees were borne by a fellow group company. There are no fees for non-audit services in either period

5 Interest receivable and similar income

	1 October 2006 £000	2 October 2005 £000
Interest receivable from subsidiary undertakings	438	1,509
Gain on redemption of loan notes	-	345
	<u>438</u>	<u>1,854</u>

Notes (continued)

6 Interest payable and similar charges

	1 October 2006 £000	2 October 2005 £000
Other interest	-	31
Interest on loan notes	-	408
Non-equity dividends (see note 13)	2,040	1,101
	<u>2,040</u>	<u>1,540</u>

7 Taxation on profit on ordinary activities

There is no tax charge for the period (2005 nil)

The standard rate of corporation tax in the UK is 30% (2005 30%)

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the (loss)/profit before tax is as follows

	1 October 2006 £000	2 October 2005 £000
<i>Current tax reconciliation</i>		
(Loss)/profit on ordinary activities before tax	(1,602)	2 311
Current tax at 30% (2005 30%)	(481)	693
<i>Effects of</i>		
Non-taxable net dividend expense/(income)	481	(268)
Tax losses	-	(425)
Total current tax charge (see above)	<u>-</u>	<u>-</u>

The potential deferred taxation asset, which has not been recognised on the basis of the fact that the directors do not consider there to be sufficient certainty of this asset crystallising in the foreseeable future, are as follows

	Unprovided 1 October 2006 £000	2 October 2005 £000
Timing differences relating to loan relationship deductions	(168)	(1,566)
Potential deferred tax asset (not recognised)	<u>(168)</u>	<u>(1,566)</u>

Notes (continued)

8 Fixed asset investments

	1 October 2006 £000	2 October 2005 £000
Shares in subsidiary undertakings		
Carrying amount (valuation) at beginning of period	12,795	10,795
Revaluation	-	2,000
Carrying amount (valuation) at end of period	12,795	12,795

As required by FRS 11, the directors performed a review of the carrying value of investments held by the company. For the periods to 1 October 2006 the annual review did not result in any additional revaluation or impairment being made.

	Country of incorporation	Description of shares held	Proportion of nominal value of shares held by the Company	Nature of business
Mill House Inns Limited	Great Britain	Ordinary £1 shares	100%	Development/management of public houses
Mill House Inns (Leaseholds) Limited	Great Britain	Ordinary £1 shares	*100%	Development/management of public houses
Mill House Inns (Retford) Limited	Great Britain	Ordinary £1 shares	*100%	Holding company
Mill House Inns (Trading) Limited	Great Britain	Ordinary £1 shares	*100%	Development/management of public houses
Millhouse Pubs Limited	Great Britain	Ordinary £1 shares	*100%	Development/management of public houses
Golden Pheasant Restaurant Limited	Great Britain	Ordinary £1 shares	*100%	Development/management of public houses
Harppan Limited	Great Britain	Ordinary £1 shares	*100%	Development/management of public houses
Pioneer Inns and Taverns Limited	Great Britain	Ordinary £1 shares	*100%	Development/management of public houses
Pioneer Pub Company Limited	Great Britain	Ordinary £1 shares	*100%	Development/management of public houses
Top Dog Pub Company Limited	Great Britain	Ordinary £1 shares	*100%	Development/management of public houses

* held indirectly

All subsidiaries operate in the United Kingdom

Notes (continued)

9 Debtors

	1 October 2006 £000	2 October 2005 £000
Other debtors	-	64
Amounts owed by subsidiary undertakings	26,245	25,743
	<u>26,245</u>	<u>25,807</u>

10 Creditors: amounts falling due within one year

	1 October 2006 £000	2 October 2005 £000
Amounts owed to group undertakings	31,799	31 799
	<u>31,799</u>	<u>31 799</u>

11 Creditors: amounts falling due after more than one year

	1 October 2006 £000	2 October 2005 £000
17 000,000 preference shares (bearing a fixed cumulative preferential dividend at 12% per annum)	17,000	17 000
	<u>17,000</u>	<u>17 000</u>

12 Share capital

	1 October 2006 £000	2 October 2005 £000
<i>Authorised</i>		
1,000 ordinary shares of £1	1	1
	<u>1</u>	<u>1</u>
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1	-	-
	<u>-</u>	<u>-</u>

Preference shares have been reclassified as financial liabilities, in accordance with FRS 25 (see note 11)

Notes (continued)

13 Reconciliation of shareholders' funds and movement on reserves

	Share capital	Revaluation reserve	Profit and loss account	Total
	£000	£000	£000	£000
Opening shareholders' funds	-	2,000	(12,197)	(10,197)
Loss for the period	-	-	(1,602)	(1,602)
Add back additional finance cost of non-equity shares	-	-	2,040	2,040
Closing shareholders' funds/(deficit)	-	2,000	(11,759)	(9,759)

A preference dividend of £2,040,000 (2005 £1,101,000) has been recognised within the profit and loss account. However, since the company has insufficient distributable reserves from which to make this payment, adjustment has been made to reverse the liability previously held within the balance sheet and credit profit and loss reserves accordingly. Cumulative arrears at 1 October 2006 were therefore £3,141,000 (2005 £1,101,000).

14 Ultimate parent company

The immediate parent undertaking is Jodsal Limited, a company incorporated in the United Kingdom, who own 100% of the share capital in the company.

Until 14 September 2006 the ultimate holding and controlling company was Broomco (3708) Limited, a company incorporated in the United Kingdom. On this date the entire share capital of Broomco (3708) Limited, was acquired by Punch Taverns (Woodville) Limited, a subsidiary of Punch Taverns plc.

The ultimate holding and controlling company is therefore Punch Taverns plc, a company incorporated in the United Kingdom. The largest and smallest group in which the results of the company are consolidated is that headed by Punch Taverns plc. The consolidated accounts of this group are available to the public and may be obtained from The Secretary, Punch Taverns plc, Jubilee House, Second Avenue, Burton upon Trent, Staffordshire, DE14 2WF.