

## **BEDE INTERMEDIATE COMPANY LIMITED**

Report and Financial Statements

Year ended 30 September 2002

Registered Number: 4154919

**ERNST & YOUNG**



# Bede Intermediate Company Limited

## DIRECTORS REPORT

for the year ended 30 September 2002

The Directors present their report on the affairs of the Company, together with the financial statements and report of the auditors, for the year ended 30 September 2002.

### Principal activities, business review, results and dividends

The principal activity of the company is to act as a holding company and will continue to do so for the foreseeable future.

The Company re-registered as a private company on 19 March 2002.

The directors do not recommend payment of a dividend, due to insufficient reserves being available for the declaration of the dividend due to the cumulative preference shareholders. The dividend due has been deducted from the profit and loss account but added back to the profit and loss reserve. The retained loss of £1,412 (2001: £951) will be transferred to reserves.

### Directors and their interests

The following served as Directors of the Company during the year:

F Duncan	(Appointed 20 March 2001, resigned 19 December 2001)
M Fresson	(Appointed 7 February 2001, resigned 20 March 2002)
K Honeywood	(Appointed 20 March 2002)
C Rowlinson	(Appointed 1 August 2001, resigned 20 March 2002)
G Turner	(Appointed 20 March 2002)
A Winning	(Appointed 19 June 2002)

None of the Directors had any interest in the shares of the Company during the year.

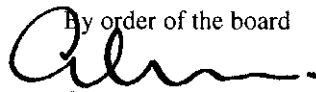
### Contracts and Arrangements

No Director was materially interested in any contract of significance to the Company's business.

### Liability insurance for Company officers

As permitted by section 310 (3) of the Companies Act 1985, the Company has maintained insurance cover for the Directors against liabilities in relation to the Company.

By order of the board

  
G. Turner  
Director

Dated

7th February 2003

## Bede Intermediate Company Limited

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

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;
- 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.

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF BEDE INTERMEDIATE COMPANY LIMITED**

We have audited the company's financial statements for the year ended 30 September 2002 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 17. 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 applicable 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.

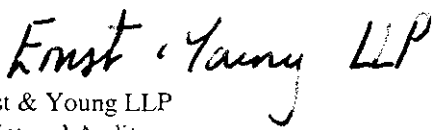
**Basis of audit opinion**

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 30 September 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Ernst & Young LLP  
Registered Auditor  
Birmingham

Date *7 February 2003*

# Bede Intermediate Company Limited

## PROFIT AND LOSS ACCOUNT for the year ended 30 September 2002

	Notes	Year ended 30 September 2002 £	235 days ended 29 September 2001 £
<b>OPERATING LOSS</b>	2	-	-
Interest receivable and similar income	3	13,711,936	14,116,110
Interest payable and similar charges	4	(13,711,844)	(14,116,202)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES</b>		92	(92)
Taxation	5	-	-
Dividends (including dividends and other appropriations in respect of non-equity shares)	6	(1,504)	(859)
<b>RETAINED LOSS FOR THE YEAR</b>	12	(1,412)	(951)

# Bede Intermediate Company Limited

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 30 September 2002

	Year ended 30 September 2002 £	(restated) 235 days ended 29 September 2001 £
Loss for the financial year	(1,412)	(951)
Equity accounting adjustment (see note 7)	145,586,036	-
Total recognised gains and losses relating to the year	145,584,624	(951)
Prior year adjustment (see note 1)	(24,047,038)	
Total gains and losses recognised since last annual report	121,537,586	

# Bede Intermediate Company Limited

## BALANCE SHEET At 30 September 2002

	Notes	30 September 2002 £	(restated) 29 September 2001 £
<b>FIXED ASSETS</b>			
Investments	7	121,538,998	(24,047,038)
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due after more than one year	8	-	250,116,110
Debtors: amounts falling due within one year	8	12,500	12,500
		12,500	250,128,610
<b>CREDITORS: amounts falling due within one year</b>	9	-	(92)
<b>NET CURRENT ASSETS</b>		12,500	250,128,518
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		121,551,498	226,081,480
<b>CREDITORS: amounts falling due after more than one year</b>	10	-	(250,116,110)
<b>NET ASSETS / (LIABILITIES)</b>		121,551,498	(24,034,630)
<b>CAPITAL AND RESERVES</b>			
Share capital	11	12,500	12,500
Profit and loss account	12	-	(92)
Non-distributable reserve	12	121,538,998	(24,047,038)
<b>TOTAL SHAREHOLDERS' FUNDS/(DEFICIT)</b>	13	121,551,498	(24,034,630)
<b>Total shareholders funds/(deficit) are represented by:</b>			
Shareholders' funds allocated to non-equity interests	13	14,863	13,359
Shareholders' funds allocated to equity interest	13	121,536,635	(24,047,989)
		121,551,498	(24,034,630)

Signed on behalf of the Board

Director  
Dated

AWinning  
AWINNING  
7 February 2003

NOTES TO THE FINANCIAL STATEMENTS

At 30 September 2002

1. **ACCOUNTING POLICIES**

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, unless otherwise stated, are set out below.

**Basis of accounting**

The financial statements are prepared under the historical cost convention, modified to include the company's investments on an equity basis. They have been drawn up to comply with applicable UK accounting standards.

In preparing the financial statements for the current year, the company has adopted FRS 19 'Deferred Tax'. The adoption of FRS 19 has resulted in a change in accounting policy for deferred tax. Deferred tax is recognised on a full provision basis in accordance with the accounting policy described below. Previously, deferred tax was provided for on a partial provision basis, whereby provision was made on all timing differences to the extent that they were expected to reverse in the future without replacement.

This change in accounting policy has not affected either shareholders' funds or the loss for the period ended 29 September 2001.

The company has changed its accounting policy for investments in subsidiary undertakings. These investments are stated at underlying net assets values whereas previously these were accounted for at cost.

The directors believe this policy is more appropriate as it reflects more accurately the underlying performance of these investments.

This change in accounting policy has resulted in a prior year adjustment. Shareholders' funds have been decreased by £24,047,038 at 29 September 2001, but this change has had no effect on the profit for the period ended 29 September 2001 and the current year.

**Cash flow**

In accordance with FRS 1 (Revised) these financial statements do not include a cash flow statement as the Company is a wholly owned subsidiary of The Unique Pub Company Limited whose financial statements include a consolidated cash flow statement.

**Consolidation**

The financial statements contain information about the individual Company and do not contain consolidated financial information as the parent of a group. The company is exempt from preparing group accounts under S.228 of Companies Act 1985 since the company is a wholly subsidiary undertaking of another UK company.

**Deferred Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

FRS 19 'Deferred Taxation' was issued on 7 December 2000 and is mandatory for years ending on or after 23 January 2002.



# Bede Intermediate Company Limited

## NOTES TO THE FINANCIAL STATEMENTS

At 30 September 2002

### 1. Deferred Taxation (continued)

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, or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and 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 the 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 when the replacement assets are sold; and
- Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### 2. OPERATING EXPENSES

The Company has no employees apart from the directors who receive no emoluments from the Company. The audit costs for this company are borne by Voyager Pub Group Limited.

### 3. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 30 September 2002 £	235 days ended 29 September 2001 £
Interest receivable on £236,000,000 zero coupon loan notes (see note 8)	13,711,936	14,116,110

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 30 September 2002 £	235 days ended 29 September 2001 £
Interest accrued on £236,000,000 zero coupon loan notes (see note 10)	13,711,936	14,116,110
Bank charges	(92)	92
	13,711,844	14,116,202

# Bede Intermediate Company Limited

## NOTES TO THE FINANCIAL STATEMENTS

At 30 September 2002

### 5. TAX

#### a) UK Current Tax

	Year ended 30 September 2002 £	235 days ended 29 September 2001 £
UK corporation tax on profits for the year @ 30%	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>

#### b) Factors affecting the tax charge for the year

The tax credit in the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:-

	£	£
Profit/(loss) on ordinary activities before tax	92	(92)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001:20%)	28	(28)
Effects of:		
Other	(28)	28
<b>Current tax credit for year (note a)</b>	<u>-</u>	<u>-</u>

### 6. DIVIDENDS

	Year ended 30 September 2002 £	235 days ended 29 September 2001 £
Dividends on non-equity shares:		
Appropriations in respect of cumulative preference shares	1,504	859
	<u>1,504</u>	<u>859</u>

# Bede Intermediate Company Limited

## NOTES TO THE FINANCIAL STATEMENTS

At 30 September 2002

### 7. INVESTMENTS

Subsidiary undertakings

	Shares at cost £	Equity accounting adjustment £	(restated) Total £
At 30 September 2001	-	(24,047,038)	(24,047,038)
Movement in the year	-	145,586,036	145,586,036
At 30 September 2002	-	121,538,998	121,538,998

The one ordinary share (cost 1 pence) held in Voyager Pub Group Holdings Limited represents the entire ordinary issued share capital of that company. Voyager Pub Group Holdings Limited is a holding company registered in England & Wales.

The equity accounting adjustment is made to the cost of investment in subsidiary undertakings in order to state these investments at the underlying net asset values.

### 8. DEBTORS

	30 September 2002 £	29 September 2001 £
<b>Debtors: amounts falling due after more than one year</b>		
Amounts due from group undertakings	-	250,116,110
<b>Debtors: amounts falling due within one year</b>		
Amounts due from group undertakings	12,500	12,500

On 23 March 2001, Voyager Pub Group Holdings Limited entered into an agreement with the company for the creation of a facility of up to £250,000,000 in relation to zero coupon unsecured notes due 2006.

On 26 March 2001, the company issued loan notes with an aggregate value of £236,000,000 redeemable on 27 March 2006 for a value of £416,170,910. The interest receivable for those loan notes has been calculated on the net proceeds paid and the total amount receivable. This benefit has been allocated to the profit and loss account over the term of the loan notes at a constant rate.

On 20 March 2002, the loan notes were repaid by Voyager Pub Group Holdings Limited at a value of £263,828,046.

### 9. CREDITORS: amounts falling due within one year

	30 September 2002 £	29 September 2001 £
Bank overdraft	-	92

# Bede Intermediate Company Limited

## NOTES TO THE FINANCIAL STATEMENTS

At 30 September 2002

### 10. CREDITORS: amounts falling due after more than one year

	30 September 2002	29 September 2001
	£	£
Zero coupon loan notes due within two to five years	-	250,116,110

On 23 March 2001, Bede Intermediate Company Limited entered into an agreement with Nomura International PLC for the creation of a facility of up to £250,000,000 in relation to zero coupon unsecured notes due 2006.

On 26 March 2001, loan notes with an aggregate value of £236,000,000 were issued which were to be redeemed on 27 March 2006 for a value of £416,170,910. The interest expense for these loan notes has been calculated as the difference between the net proceeds received and the total amount payable. This cost has been allocated to the profit and loss account over the term of the loan notes at a constant rate.

The remaining £14,000,000 of the original facility was cancelled with effect from 5 April 2001.

On 20 March 2002 the loan notes were repaid at a value of £263,828,046.

### 11. SHARE CAPITAL

	30 September 2002	29 September 2001
	£	£
<i>Authorised:</i>		
100 ordinary shares of £0.01 each	1	1
50,000 cumulative redeemable preference shares of £1.00 each	50,000	50,000
	<u>50,001</u>	<u>50,001</u>
<i>Allotted:</i>		
2 ordinary shares of £0.01 each	-	-
Cumulative redeemable preference shares of £1.00 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>
<i>Called up and paid up share capital:</i>		
2 ordinary shares of £0.01 each	-	-
50,000 cumulative £1 preference shares at 25p	12,500	12,500
	<u>12,500</u>	<u>12,500</u>

On 5 February 2001, 2 ordinary shares of £0.01 were issued at par for cash.

On the 15 March 2001 the company issued 50,000 cumulative redeemable preference shares of £1 each which were called up and partly paid up in cash to £0.25 to Bede Holding Company Limited.

The cumulative redeemable preference shares are entitled to a dividend level of 12% per annum accruing on a daily basis. On a return of capital on a winding up, the holders shall be entitled to £1 per share in preference to all other shareholders, payable 30 June and 31 December. Holders of these shares do not have the right to vote at meetings.

# Bede Intermediate Company Limited

## NOTES TO THE FINANCIAL STATEMENTS

At 30 September 2002

### 12. MOVEMENT IN RESERVES

	<i>Profit and loss account</i>	<i>Non-distributable reserve</i>	<i>(restated) Total</i>
	£	£	£
At 30 September 2001	(92)	(24,047,038)	(24,047,130)
Equity accounting adjustment	-	145,586,036	145,586,036
Retained loss for the year	(1,412)	-	(1,412)
Appropriation in respect of cumulative redeemable preference shares	1,504	-	1,504
At 30 September 2002	-	121,538,998	121,538,998

The non-distributable reserves represent the equity accounting adjustment applied to the cost of investments in subsidiary undertakings in order to state these investments at the underlying net asset values.

### 13. RECONCILIATION OF SHAREHOLDERS FUNDS

	<i>Year ended</i>	<i>(restated) 235 days ended</i>
	<i>30 September</i>	<i>29 September</i>
	<i>2002</i>	<i>2001</i>
	£	£
Total recognised gains and losses	145,584,624	(951)
Appropriations in respect of cumulative redeemable preference shares	1,504	859
New shares issued	-	12,500
	145,586,128	12,408
Shareholders' funds at 30 September (originally £12,408 before deducting prior year adjustment of negative £24,047,038)	(24,034,630)	-
Prior year adjustment	-	(24,047,038)
Shareholders' funds/deficit at 30 September 2002	121,551,498	(24,034,630)

# Bede Intermediate Company Limited

## NOTES TO THE FINANCIAL STATEMENTS

At 30 September 2002

### 13. RECONCILIATION OF SHAREHOLDERS FUNDS *(continued)*

#### Shareholders funds allocated to non-equity

	30 September 2002	29 September 2001
	£	£
Non-equity share capital	12,500	12,500
Cumulative dividend not yet declared	2,363	859
	<u>14,863</u>	<u>13,359</u>

#### Shareholders funds allocated to equity

	£	£
Equity share capital	-	-
Profit and loss reserve	-	(92)
Non-distributable reserve	121,538,998	(24,047,038)
Cumulative dividend due to non-equity shareholders	(2,363)	(859)
	<u>121,536,635</u>	<u>(24,047,989)</u>

### 14. DEFERRED TAXATION

There is no unprovided deferred tax asset/liability at the year end.

### 15. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS 8 not to disclose details of the related party transactions required by the standard on the grounds that consolidated accounts of the ultimate parent company are publicly available.

### 16. ULTIMATE PARENT UNDERTAKING

The Company is a subsidiary undertaking of Bede Holding Company Limited, a company registered in England & Wales.

The group in which the results of Bede Intermediate Company Limited are consolidated is that headed by The Unique Pub Company Limited, a company registered in England & Wales. Copies of The Unique Pub Company Limited consolidated accounts are available at Mill House, Aylesbury Road, Thame, OX9 3AT.

### 17. CONTROLLING PARTY

Up until 20 March 2002, The Nomura Group of Companies, of which Nomura International plc is the principal UK subsidiary, had the ability to exercise a controlling influence over the company through the Nomura Group's holding of warrants to subscribe for ordinary shares of Angel Street Holdings Plc (now Unique Pubs Holdings Limited), a former subsidiary undertaking of Angel Street Capital Limited. Bede Holding Company Limited is a subsidiary of Unique Pubs Holdings Limited and is also an intermediate holding company.

Upon the acquisition of Unique Pubs Holdings Limited (formerly Angel Street Holdings Plc) on the 20 March 2002, the company is ultimately owned and controlled by funds managed by Cinven Limited which owns shares representing 52.6 % of the issued share capital of The Unique Pub Company Limited.