

The Unique Pub Company Limited
(formerly Coinmajor Limited)
(Registered Number: 4197697)

Annual Report

**For the period from incorporation on 10 April 2001 to
30 September 2002**



The Unique Pub Company Limited (formerly Coinmajor Limited)

Directors' Report for the period from incorporation on 10 April 2001 to 30 September 2002

The directors present their report together with the audited consolidated financial statements for the period from incorporation on 10 April 2001 to 30 September 2002.

Principal activities

The Unique Pub Company Limited is the parent company of The Unique Pub Holding Company Limited, The Unique Pub Funding Company Limited, Unique Pubs Holdings Limited, Unique Pubs Limited, Unique Pub Investments Limited, Unique Pub Properties Limited, SupplyLine Services Limited, Thame Pub Management Limited, RetailLink Management Limited, The Unique Pub Finance Company PLC, Unique Acquisitions Limited, Voyager Pub Group Limited, Bede Holding Company Limited, Bede Intermediate Company Limited, Voyager Pub Group Holdings Limited as well as a number of dormant companies.

The principal activity of the company is that of an investment holding company. The Group's principal activity is the ownership and letting of public houses and arranging the supply of beer and other beverages to the tenants of tenanted and leased public houses.

During the period, the group also ran managed houses. Whilst the group retains the ability and permissions to run some managed houses it did not run any such pubs as at 30 September 2002.

Review of business activities

On 12 March 2002 the company acquired the entire issued share capital of The Unique Pub Holding Company Limited (formerly Buildtimber Limited) for a consideration of £1 million.

On 18 March 2002 The Unique Pub Holding Company Limited acquired the entire issued share capital of The Unique Pub Funding Company Limited (formerly Decorbranch Limited) for a consideration of £1million.

On 20 March 2002 The Unique Pub Funding Company Limited acquired the entire issued share capital of Unique Pubs Holdings Limited (formerly Angel Street Holdings PLC) for a cash consideration of £234 million. In addition as part of the acquisition The Unique Pub Funding Company Limited advanced funds to Unique Pubs Holdings Limited and certain subsidiary companies to facilitate the repayment of external bank and parent company indebtedness.

Unique Pubs Holdings Limited is the parent company of the Unique and Voyager groups, which owned 3,219 pubs and 970 pubs respectively at 20 March 2002.

At acquisition, The Unique group was financed by £1,145 million of securitised bonds issued on the Luxembourg Stock Exchange in 1999 and 2001 whilst the Voyager group was financed by £658 million of bank and equity investor loans including accrued interest. On acquisition, the Voyager loans were repaid and the group raised £600 million bank debt and £1,385 million unsecured Deep Discount Bonds 2012 with a subscription price of £446 million.

On 26 April 2002 the £600 million bank debt was repaid using a new loan of £700 million to The Unique Pub Funding Company Limited. £85 million was repaid to certain holders of the Deep Discount Bonds 2012.

The Unique Pub Company Limited (formerly Coinmajor Limited)

Directors' Report for the period from incorporation on 10 April 2001 to 30 September 2002 (Continued)

Review of business activities (Continued)

On 20 September 2002 The Unique Pub Finance Company PLC issued further securitised bonds totalling £855 million. £173 million was used to repay existing securitised bonds, with the balance being lent onwards to Unique Pub Properties Limited.

On 30 September 2002 888 pubs were sold by Voyager Pub Group Limited to Unique Pub Properties Limited using proceeds of the 20 September 2002 bond issue and other available resources. The securitised estate comprised 4,074 pubs at the end of the period and the total estate comprised 4,120 pubs. Also on 30 September 2002 the £700 million bank debt borrowed by The Unique Pub Funding Company was repaid.

The securitisation documents entered into as part of the arrangement to issue bonds by The Unique Pub Finance Company PLC are inter alia:-

- Estate Purchase Agreement
- Intercompany Loan Agreement
- Debenture
- Cash Management Agreement
- Asset Management Agreement
- Hedge Agreement
- Beer Supply Agreement
- Bank Account Agreement
- MBIA Guarantee (2002 Issue only)

issued in accordance with the terms of the securitisation and whose key terms are set out in the Offering Circular issued by The Unique Pub Finance Company PLC dated 20 September 2002.

Results for the year

For the period to 30 September 2002, the group is reporting a loss before tax of £18,257,000.

Future developments

The directors intend to continue to actively manage the estate and if possible increase its size through the acquisition of additional public houses which satisfy the investment criteria required by the holders of the bonds issued by The Unique Pub Finance Company PLC, a subsidiary company. The group also intends to improve its operations through continuing to extend its range of suppliers and the range of products made available to its customers through its subsidiaries SupplyLine Services Limited and Voyager Pub Group Limited.

Dividend

The directors do not recommend the payment of a dividend for the period.

The Unique Pub Company Limited (formerly Coinmajor Limited)

Directors' Report for the period from incorporation on 10 April 2001 to 30 September 2002 (Continued)

Directors

The directors who held office during the period and since the end of the period were:

Y Chotai*	(appointed 20 March 2002)
I Heywood*	(appointed 20 March 2002, resigned 3 October 2002)
K Honeywood	(appointed 20 March 2002)
Instant Companies Limited	(appointed 10 April 2001, resigned 12 March 2002)
J Jenner	(appointed 12 March 2002, resigned 20 March 2002)
G MacDonald*	(appointed 19 June 2002)
R Munton* (Chairman)	(appointed 20 March 2002)
W Priestley*	(appointed 3 October 2002)
G Tuppen*	(appointed 31 July 2002)
G Turner	(appointed 20 March 2002)
A Winning	(appointed 19 June 2002)

* non executive directors

Y Chotai and R Munton both have beneficial interests in 203 A ordinary shares and 36 C ordinary shares. These shares are held by Cinven nominee companies. I Heywood, W Priestley and G MacDonald hold indirect interests in the company through their investments in entities that have invested in the funds in the company.

None of the other directors who held office during the period had any disclosable interest in the shares of the company.

Staff and employees

The directors attach a high priority to maintaining communications with all employees and retailers and encouraging a common awareness of the financial, economic and social issues facing the group.

It is the group's policy to give full consideration to suitable applicants for employment by disabled persons and to adapt the work place as appropriate. Opportunities also exist for employees of the group who become disabled to continue in their employment or to be trained for other positions in the group.

Charitable donations

Contributions for charitable purposes amounted to £850.
No political donations were made during the period.

The Unique Pub Company Limited (formerly Coinmajor Limited)

Directors' Report for the period from incorporation on 10 April 2001 to 30 September 2002 (Continued)

Creditor payment policy

The group's current policy concerning the payment of the majority of its trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU). For other suppliers, the group's policy is to:

- (a) settle the terms of payment with those suppliers when agreeing the terms of each transaction;
- (b) ensure that those suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- (c) pay in accordance with its contractual and other legal obligations.

The payment policy applies to all payments to creditors for revenue and capital supplies of goods and services without exception.

The company had no trade creditors at 30 September 2002.


Going concern

The directors have adopted the going concern basis in preparing the accounts. This is because the directors, after making enquiries and following a review of the group's budget for the next financial year, including cash flows and borrowing facilities, consider that the group has adequate resources to continue in operation for the foreseeable future.

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 8 January 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By Order of the Board

 . G. TURNER
Director
7th February 2003

The Unique Pub Company Limited (formerly Coinmajor Limited)

Corporate Governance

The Board is mindful of the principles of corporate governance outlined in the Combined Code on Corporate Governance, and has established formal management and Board structures to effect good governance.

The Board

(a) Composition

The Board is made up of:

- (i) two directors appointed by Cinven and one each appointed by Enterprise Inns plc, Legal and General Ventures and Princes Gate Investors. The terms of their appointment are established by the Investment and Shareholders Agreement dated 20 March 2002.
- (ii) Three executive directors of the company.

(b) Frequency

Board meetings are held at regular intervals. These meetings are held at the company's registered office (or such other venue as is approved by the directors).

The Board is circulated with agendas and Board papers at least seven days in advance of each meeting. As soon as practical after each meeting of the Board a copy of the minutes is circulated to the members.

Audit Committee

The membership of the Audit Committee consists of the chairman and all non-executive directors of the Company. The Audit Committee shall review the accounting policies and procedures of the Group, its internal financial control systems and its compliance with statutory requirements and shall consider any matter raised by the Group's auditors.

Remuneration Committee

The membership of the Remuneration Committee consists of the chairman and all non-executive directors of the Company provided that a committee member shall withdraw from any meeting while his own Remuneration is considered. The chief executive of the Company shall upon the committee's request prepare and deliver a report and recommendation on Remuneration. The Remuneration Committee has the rights and duties ascribed to it in the Articles of Association.

Management Team

The day to day management of the group is delegated to the Management Team comprising the executive directors and certain senior managers. Each member of the Management Team has specific areas of responsibility within the Group's business reflecting their own experience and expertise. The Management Team meet formally each week to deal with the executive business of the company not specifically reserved for the main Board or Board Committees.

The Unique Pub Company Limited (formerly Coinmajor Limited)

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;
- 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.

The directors are also responsible for the maintenance and integrity of the Group's websites, over which uncertainty regarding legal requirements is compounded as information published on the internet is accessible in many countries with different legal requirements relating to the preparation and dissemination of financial statements.

Independent Auditors' Report to the Members of The Unique Pub Company Limited (formerly Coinmajor Limited)

We have audited the financial statements which comprise the profit and loss account, the balance sheets, the cash flow statement, the statement of total recognised gains and losses and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This opinion has been prepared for, and only for, the company's members in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

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 United Kingdom Companies Act. 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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit opinion

We conducted our audit in accordance with 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.

**Independent Auditors' Report to the Members of
The Unique Pub Company Limited (formerly Coinmajor Limited)**

(Continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 30 September 2002 and of the loss and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Reneke van Cuijk LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

7 February 2003

The Unique Pub Company Limited (formerly Coinmajor Limited)

Consolidated Profit and Loss Account for the period ended 30 September 2002

	<i>Note</i>	Period ended 30 September 2002* £'000
Turnover	1	268,177
Cost of sales		(142,700)
Gross profit		125,477
Distribution costs		(4,514)
Administrative expenses		(18,318)
Operating profit	2	102,645
Profit on disposal of properties		1,159
Profit before interest and taxation		103,804
Interest receivable	5	4,972
Interest payable and similar charges	5	(127,061)
Other financial income		28
Profit/(loss) on ordinary activities before taxation		(18,257)
Taxation	6	17,805
Profit/(loss) on ordinary activities after taxation		(452)
Dividend		-
Profit/(loss) for the financial period		(452)

All of the operations of the group were acquired in the period.

There is no difference between the results for the period as stated and the loss for the period under the historical cost convention.

* The company commenced trading on 20 March 2002.

The notes on pages 14 to 36 form part of these financial statements.

The Unique Pub Company Limited (formerly Coinmajor Limited)

Consolidated Statement of Total Recognised Gains and Losses for the period ended 30 September 2002

	<i>Note</i>	Period ended 30 September 2002 £'000
(Loss) for the period		(452)
Actuarial (loss) recognised in the pension scheme	3	(2,154)
Movement on tax relating to pension asset		647
Other items		(171)
Revaluation of properties	9	111,349
Total recognised gains and losses		109,219

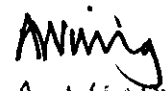
The notes on pages 14 to 36 form part of these financial statements.

The Unique Pub Company Limited (formerly Coinmajor Limited)

Consolidated Balance Sheet as at 30 September 2002

	Note	2002 £'000
Fixed assets		
Properties	9	2,189,270
Other	10	3,144
Tangible fixed assets		2,192,414
Intangible fixed assets	8	(106,628)
Total fixed assets		2,085,786
Current assets		
Debtors	12	75,779
Cash at bank		153,157
		228,936
Creditors: amounts falling due within one year	13	(77,473)
Net current assets		151,463
Total assets less current liabilities		2,237,249
Creditors: amounts falling due after more than one year	14	(2,125,225)
Net assets before pension liability		112,024
Pension liability		(1,805)
Net assets		110,219
Capital and reserves		
Called up share capital	17	100
Share premium account	18	900
Revaluation reserve	18	111,349
Profit and loss account	18	(2,130)
Equity shareholders' funds		110,219

Approved by the Board on


 A. WINNING
 Director
 7th February 2003

The notes on pages 14 to 36 form part of these financial statements.

The Unique Pub Company Limited (formerly Coinmajor Limited)

Company Balance Sheet as at 30 September 2002

	Note	2002 £'000
Fixed assets		
Investment in shares in subsidiaries	11	110,297
Current assets		
Debtors		-
Cash at bank and in hand		-
		-
Creditors – amounts falling due within one year	13	(78)
Net current assets/(liabilities)		(78)
Total assets less current liabilities		110,219
Net assets		110,219
Capital and reserves		
Called up share capital	17	100
Share premium account	18	900
Revaluation reserve	18	109,297
Profit and loss account	18	(78)
Equity shareholders' funds		110,219

Approved by the Board on

A. Winning

A. WINNING

Director

7th February 2003

The notes on pages 14 to 36 form part of these financial statements.

The Unique Pub Company Limited (formerly Coinmajor Limited)

Consolidated Cash Flow Statement for the period ended 30 September 2002

	Note	2002 £'000	2002 £'000
Net cash inflow from operating activities (see below)			125,282
Returns on investments and servicing of finance			
Interest received		4,972	
Interest paid		(65,349)	
Refinancing costs		(97,955)	(158,332)
Taxation			2,760
Capital expenditure and financial investment			
Capital expenditure and acquisitions			
– properties		(2,074,214)	
– fixtures and fittings		(13,092)	
Proceeds from sale of properties		5,623	
Goodwill		106,628	
Purchase of other fixed assets		(3,966)	(1,979,021)
Financing			
Shares issued		1,000	
New borrowings		2,442,483	
Repayment of borrowings		(281,015)	2,162,468
Increase in cash			153,157
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit			102,645
Depreciation			5,742
(Increase) in debtors			(50,223)
Increase in creditors			67,118
			125,282
Reconciliation in movement in net cash to movement in net debt			
Increase in cash			153,157
Increase in borrowings			(2,161,468)
Movement			(2,008,311)
Net debt at beginning of period			-
Net debt at end of the period	16		(2,008,311)

The Unique Pub Company Limited (formerly Coinmajor Limited)

Notes to the Accounts – 30 September 2002

1 Accounting policies

(1) Basis of preparation

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with applicable Accounting Standards in the United Kingdom. The consolidated financial statements include the audited financial statements of the company and all of its subsidiaries for the period from incorporation on 10 April 2001 to 30 September 2002.

The directors consider that the accounting policies set out below are suitable and have been both consistently applied except where noted and are supported by reasonable and prudent judgements and estimates.

(2) Pensions

The company has adopted FRS 17 – Post retirement benefits in these financial statements.

The company operates both defined benefit and defined contribution pension schemes.

The cost of providing defined contribution pensions is charged to income as the contributions are made.

Defined benefit schemes are valued every three years using the projected unit method by qualified independent actuaries. The cost of providing defined benefit pensions is charged to administrative expenses to reflect the current and past service cost, with the return on the pension scheme investments shown as other financial income or expenses. Actuarial gains and losses are shown in the statement of total recognised gains and losses.

(3) Investments

Investments in subsidiaries are carried at not more than the underlying net asset values of the individual subsidiaries, as in the opinion of the directors this policy gives a true and fair view of the net assets of the company.

(4) Goodwill

When the fair value of the consideration for an acquired undertaking exceeds the fair value of its separable net assets the difference is treated as purchased goodwill and is capitalised and amortised through the profit and loss account over its estimated economic life.

Where the fair value of the separable net assets exceeds the fair value of the consideration for an acquired undertaking the difference is treated as negative goodwill and is capitalised and amortised through the profit and loss account in the period in which the non-monetary assets acquired are recovered. In the case of fixed assets this is the period over which they are depreciated, and in the case of current assets, the period over which they are sold or otherwise realised.

The Unique Pub Company Limited (formerly Coinmajor Limited)

Notes to the Accounts – 30 September 2002

1 Accounting policies (continued)

(5) Properties and related fixed assets

The group has adopted a policy of revaluation of its properties, as permitted by Financial Reporting Standard 15 - Tangible Fixed Assets. The assets are valued by independent Chartered Surveyors each year at the balance sheet date, on a rolling basis designed to ensure that all properties are specifically valued at least every five years. The effects of the valuation are reflected in the revaluation reserve or profit and loss account as appropriate.

A review of all properties to identify possible impairment is undertaken at the end of each year, with charges made as necessary. Depreciation is not charged systematically as such a charge would not be material.

Leasehold properties which have less than 20 years to run are amortised at rates and bases to reduce the book value to nil at the expiry of the leases.

Fixtures and fittings are depreciated on a straight line basis over 4 years.

(6) Tangible fixed assets and depreciation

Tangible fixed assets are included in the balance sheet at their acquisition cost together with any incidental costs of acquisition. Depreciation is charged so as to write off the costs of fixed assets over their estimated useful lives as follows:

Computer hardware and software	4 years
Personal computers	2 years
Other office equipment and furniture	8 years

(7) Turnover

Turnover includes retail sales from managed pubs, rental income, income from amusements with prize machines and income from the sale of beer and other products to public houses, net of discounts and VAT. Managed pubs sales includes drinks sales, food sales, amusement with and without prizes machines, door income and other sundry income.

All turnover arises in the United Kingdom.

(8) Operating lease costs

Operating lease costs are charged to the profit and loss account on a straight line basis over the life of the lease.

(9) Profits/(losses) on disposal of properties

Profits/(losses) on disposal of properties are the surplus/(deficit) of net proceeds (gross proceeds less fees) over the net book value at the date of sale.

The Unique Pub Company Limited (formerly Coinmajor Limited)

Notes to the Accounts – 30 September 2002

1 Accounting policies (continued)

(10) 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.

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;
- 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.

(11) Finance Leases

Assets held under finance leases are capitalised where material and included in tangible fixed assets at fair value at the inception of the lease. Each asset is depreciated over the shorter of its lease term and its estimated useful life. The obligations related to finance leases, net of finance charges in respect of future periods are included, as appropriate, under creditors due within one year or creditors due after more than one year. The interest element of the rental obligation is allocated to accounting periods during the lease term so as to produce a constant periodic rate of charge on the balance outstanding.

The Unique Pub Company Limited (formerly Coinmajor Limited)

Notes to the Accounts – 30 September 2002

2 Operating profit

	Period ended 30 September 2002 £'000
Operating profit is stated after (crediting)/charging:	
Rental income – land and buildings	(62,093)
Staff costs (see note 3)	22,887
Auditors' remuneration – audit services	87
Auditors' remuneration – other services	13
Operating lease rentals – plant and machinery	3,602
Operating lease rentals – other	2,762
Depreciation	5,812

Auditors' remuneration in respect of the company's audit was £14,000.

In addition the auditors provided services in relation to the securitisation and other matters for which they were paid £535,000. This amount is being amortised within refinancing costs in accordance with FRS4 (see note 14).

3 Staff costs

The company did not trade and had no employees until 20 March 2002 when the group acquired Unique Pubs Holdings Limited and its subsidiaries. From then until 30 September 2002, the monthly average number of employees was 3,526 and their total remuneration was as follows:

	Period ended 30 September 2002 £'000
Wages and salaries	20,244
Social security costs	1,353
Pension costs	1,290
	22,887

Pension scheme

RetailLink Management Limited (a subsidiary company) established a Pension Plan for its employees on 1 January 1999. The plan has defined contribution and defined benefit sections.

All employees of RetailLink Management Limited can participate in this plan on a defined contribution basis. Members of the defined contribution section of the plan benefit from company contributions and also have the opportunity to make their own contributions. The contributions are invested in separately administered individual accounts.

The Unique Pub Company Limited (formerly Coinmajor Limited)

Notes to the Accounts – 30 September 2002

3 Staff costs (continued)

Pension scheme (continued)

Employees previously in the GrandMet Group Pension Fund were given the opportunity to join the plan on 1 April 1999. This group of employees could choose between the defined contribution section and defined benefit section of the plan. Both the company and employees contribute to the defined benefit section, which is designed to broadly mirror the benefits offered by the GrandMet Group Pension Fund. Grand Metropolitan PLC allowed the existing employees of the company to continue participating in the GrandMet Group Pension Fund until 1 April 1999. Employees were allowed to transfer the full value of past benefits earned in the GrandMet Group Pension Fund into the defined benefit section of the then-new RetailLink Management Limited Pension Plan. More than £7.8 million was received by the defined benefit section as a result of these transfers.

The most recent actuarial valuation of the defined benefit section of the RetailLink Management Limited Pension Plan was at 5 April 2002, and updated to 30 September 2002. The valuation used the projected unit method and was carried out by William J Mercer, professionally qualified actuaries. The principal assumptions made by the actuaries were (in nominal terms):

	2002	2001	2000
	%	%	%
Rate of increase in salaries	3.30%	3.40%	3.70%
Rate of increase of pensions in payment	3.00%	3.00%	3.00%
Discount rate	5.50%	6.10%	6.50%
Inflation assumption	2.30%	2.40%	2.70%

The assets in the scheme and the expected rates of return were:

	Rate expected at year-end 30/09/2002	Value at year-end 30/09/2002 £ 000s
Equities	6.50%	6,004
Bonds	4.50%	818
Other	4.50%	-
Total market value of assets		6,822
Actuarial value of liability		(9,400)
Recoverable surplus/(deficit) in the schemes		(2,578)
Related deferred tax asset/(liability)		773
Net pension asset/(liability)		(1,805)

The Unique Pub Company Limited (formerly Coinmajor Limited)

Notes to the Accounts – 30 September 2002

3 Staff costs (continued)

Pension scheme (continued)

Analysis of the amount charged to operating profit

	Period ended 30 September 2002 £'000
Current service cost	326
Past service cost	-
Total operating charge	326

Analysis of net return on pension scheme

	Period ended 30 September 2002 £'000
Expected return on pension scheme assets	537
Interest on pension liabilities	(509)
Net return	28

Analysis of amount recognised in statement of total recognised gains and losses

	Period ended 30 September 2002 £'000
Actual return less expected return on assets	(1,868)
Experience gains and losses on liabilities	(152)
Changes in assumptions	(134)
Actuarial (loss) recognised in STRGL	(2,154)

The Unique Pub Company Limited (formerly Coinmajor Limited)

Notes to the Accounts – 30 September 2002

3 Staff costs (continued)

Pension scheme (continued)

Movement in deficit during the year

	Period ended 30 September 2002 £'000
(Deficit)/ surplus in scheme acquired with subsidiaries	(283)
Movement in year:	
(Current service cost)	(326)
Contributions	157
Net return on assets	28
Actuarial (loss)	(2,154)
Deficit in scheme at end of year	(2,578)

History of experience gains and losses

	2002	2001
Difference between expected and actual return on scheme assets:		
amount (£ 000s)	(1,868)	(2,918)
percentage of scheme assets	-27%	-38%
Experience gains and losses on scheme liabilities:		
amount (£ 000s)	(152)	(0)
percentage of scheme liabilities	-1%	0%
Total amount recognised in statement of total recognised gains and losses:		
amount (£ 000s)	(2,154)	(3,330)
percentage of scheme liabilities	-23%	-42%

The actuarial valuation at 30 September 2002 showed an increase in the deficit from £0.3m to £2.6m.

The Unique Pub Company Limited (formerly Coinmajor Limited)

Notes to the Accounts – 30 September 2002

4 Directors' emoluments

Directors' remuneration during the year was as follows:

	Period ended 30 September 2002 £'000
Aggregate emoluments	207
Aggregate amounts receivable under long-term incentive schemes	-
Defined contribution pension scheme payments	27

Retirement benefits are accruing to two directors under a money purchase scheme.

Emoluments of the highest paid director:

	Period ended 30 September 2002 £'000
Total amount of emoluments	94
Contributions to money purchase scheme	4

5 Net interest payable

	Period ended 30 September 2002 £'000
On loans repayable in more than five years to third parties	87,826
Amortisation of issue costs (see note 14)	38,381
Other interest	854
	127,061
Less interest receivable from third parties	(4,972)
Net interest payable	122,089

Included within interest on loans repayable in more than five years is a charge of £23,331,000 representing accrued finance costs on Deep Discount Bonds 2012, such interest only becomes payable on the redemption of Deep Discount Bonds.

The Unique Pub Company Limited (formerly Coinmajor Limited)

Notes to the Accounts – 30 September 2002

6 Tax on profit on ordinary activities

	Period ended 30 September 2002 £'000
UK Corporation tax at 30% on the loss on ordinary activities for the period	11,282
Current tax charge/(credit)	11,282
Current year deferred tax charge/(credit)	(29,087)
Deferred tax charge/(credit)	(29,087)
Tax on profit on ordinary activities	(17,805)

The current tax charge on profit on ordinary activities varied from the expected tax charge for the year due to the factors detailed in the table below.

	Period ended 30 September 2002 £'000
Expected tax (credit)	(5,477)
Expenses not deductible for tax purposes	920
Difference on capital gains	400
Capital allowances and depreciation	932
Timing differences on provisions	270
Timing difference on losses carried forward	32,823
Other timing differences	(17,671)
Use of tax losses brought forward	(915)
Current tax charge	11,282

7 Parent company profit and loss account

The company has taken advantage of Section 230 of the Companies Act 1985 not to publish the holding company's profit and loss account. The loss before tax dealt with in the holding company's accounts was £78,000.

The Unique Pub Company Limited (formerly Coinmajor Limited)

Notes to the Accounts – 30 September 2002

8 Intangible fixed assets - goodwill

	2002 £'000
Additions during the period	(106,628)
Balance as at 30 September 2002	(106,628)

Negative goodwill in the year arose on the acquisition of Unique Pubs Holdings Limited (formerly Angel Street Holdings PLC) by The Unique Pub Funding Company Limited (formerly Decorbranch Limited), a group company. This purchased goodwill relates to the value of the net assets acquired being in excess of the consideration paid. There has been no impairment of assets. The negative goodwill is to be amortised over the life of the assets, however, as the fixed assets are properties which are revalued annually and are not depreciated, there has been no amortisation in the current period.

The fair value of the assets and liabilities of Unique Pubs Holdings Limited and its subsidiary undertakings at the date of acquisition by The Unique Pub Funding Company Limited were as follows:

	£'m
Tangible fixed assets	2,089.5
Cash and cash equivalents	174.4
Other working capital	(60.2)
Creditors falling due after more than one year	(1,863.0)
Net assets	340.7
Cash consideration	234.1
Goodwill arising on acquisition	(106.6)

The Unique Pub Company Limited (formerly Coinmajor Limited)

Notes to the Accounts – 30 September 2002

9 Fixed assets – properties

	Freehold £'000	Long leasehold £'000	Short leasehold £'000	Fixtures & fittings £'000	Total £'000
Cost or valuation					
Additions in the period	1,938,410	127,401	8,403	13,092	2,087,306
Disposals in the period	(3,844)	(358)	-	(1,157)	(5,359)
Revaluation	98,395	11,053	1,901	-	111,349
At 30 September 2002	2,032,961	138,096	10,304	11,935	2,193,296
Depreciation					
Disposals in the period	-	-	(561)	(333)	(894)
Charge in the period	-	-	1,337	3,583	4,920
At 30 September 2002	-	-	776	3,250	4,026
Net book value					
At 30 September 2002	2,032,961	138,096	9,528	8,685	2,189,270

Properties include fixtures and fittings which are depreciated over four years.

Unique Pub Properties Limited's freehold and leasehold properties were valued at 30 September 2002 on the basis of open market value for existing use. The valuations were undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors in the United Kingdom by Christie & Co., a firm of independent Chartered Surveyors.

Voyager Pub Group Limited's freehold and leasehold properties were valued by the directors, after taking advice from independent professional valuers in the year, on the basis of open market value for existing use or open market value for alternative use.

These valuations have been incorporated into the financial statements and the resulting revaluation adjustments have been taken to the revaluation reserve. The revaluation in the year resulted in a net revaluation surplus of £111,349,000.

If the revalued assets were stated on the historical cost basis the book value would have been £2,069,236,000.

No provision has been made for any tax on capital gains which may arise on the disposal of the company's properties at their balance sheet amounts. At the balance sheet date the amount of the potential tax liability on capital gains, which would become payable under present legislation in the event of the sale of all properties at the amounts at which they are stated, is estimated at £153,000,000. Such a liability is not expected to arise since it is not the present intention of the directors to dispose of all of the properties.

The Unique Pub Company Limited (formerly Coinmajor Limited)

Notes to the Accounts – 30 September 2002

10 Tangible fixed assets

	Computers, office equipment, fixtures and fittings £'000	Total £'000
Cost:		
Additions in the period	3,966	3,966
At 30 September 2002	3,966	3,966
Depreciation:		
Charge for the period	822	822
At 30 September 2002	822	822
Net book value:		
At 30 September 2002	3,144	3,144

Included in the above are assets which are the subject of finance leases with a net book value of £474,000.

11 Fixed assets – investments in shares in subsidiaries

	2002 £'000
Subsidiary undertakings acquired in the period at cost	1,000
Revaluation of investment in subsidiaries	109,297
At 30 September 2002	110,297

The company's principal subsidiary undertakings are as follows:

- The Unique Pub Holding Company Limited*
- The Unique Pub Funding Company Limited
- Unique Pubs Holdings Limited
- Unique Pubs Limited
- Unique Pub Investments Limited
- The Unique Pub Finance Company PLC
- Unique Pub Properties Limited
- Unique Acquisitions Limited
- SupplyLine Services Limited
- Thame Pub Management Limited
- RetailLink Management Limited
- Voyager Pub Group Limited
- Voyager Pub Group Holdings Limited
- Bede Holding Company Limited
- Bede Intermediate Company Limited

* companies directly owned by The Unique Pub Company Limited

The Unique Pub Company Limited (formerly Coinmajor Limited)

Notes to the Accounts – 30 September 2002

11 Fixed assets – investments in shares in subsidiaries (continued)

All of the above subsidiaries are engaged in the operation of public houses or related activities in England, are wholly owned and are registered in England and Wales. All have been included in the consolidated financial statements.

12 Debtors

Group

	2002 £'000
Trade debtors	33,948
Deferred taxation (see below)	25,556
Other debtors	16,275
	<hr/>
	75,779

Deferred tax

	2002 £'000
Year end analysis	
Accelerated capital allowances	2,740
Other timing differences	(411)
Unrelieved losses	(27,885)
	<hr/>
	(25,556)

No deferred tax asset has been recognised in respect of £5 million of tax losses carried forward in a subsidiary undertaking.

13 Creditors - amounts falling due within one year

Group

	2002 £'000
Trade creditors	27,728
Corporation tax	10,511
Other taxes and social security	5,200
Other creditors	4,630
Accruals and deferred income	29,404
	<hr/>
	77,473

None of the above items are secured.

The Unique Pub Company Limited (formerly Coinmajor Limited)

Notes to the Accounts – 30 September 2002

13 Creditors - amounts falling due within one year (continued)

Company

	2002 £'000
Amounts owed to subsidiaries	41
Accruals and deferred income	37
	<hr/> 78

None of the above items are secured.

14 Creditors - amounts falling due after more than one year

Group

	2002 £'000
Bonds	1,800,468
Deep discount bonds	361,000
Accrued finance cost on deep discount bonds	23,331
	<hr/> 2,184,799
Unamortised refinancing costs	(59,574)
	<hr/> 2,125,225

Bonds

The principal terms of the bonds, of which £810,000,000 were issued on 30 March 1999 and £335,000,000 were issued on 2 March 2001 and £855,000,000 were issued on 20 September 2002, are as follows:

	Interest rate	Final repayment date	2002 £'000
A1 Loan	0.75% over 3 month LIBOR	September 2010	285,468
A2R Loan	0.48% over 3 month LIBOR	September 2013	300,000
A3 Loan	6.542%	March 2021	435,000
A4 Loan	5.659%	June 2027	365,000
M Loan	7.395%	March 2024	225,000
N Loan	6.464%	March 2032	190,000
			<hr/> 1,800,468

The Unique Pub Company Limited (formerly Coinmajor Limited)

Notes to the Accounts – 30 September 2002

14 Creditors - amounts falling due after more than one year (Continued)

The bonds are secured by way of:-

- (a) an assignment by way of first security over all The Unique Pub Finance Company PLC's ("UPF") right, title, interest and benefit, present and future, in, to and under the Intercompany Loan Agreement between UPF and Unique Pub Properties Limited ("UPPL")
- (b) a first fixed charge by way of equitable sub-mortgage over all of UPF's right, title, interest and benefit, present and future, in and to the first charge by way of equitable mortgages created by the Debenture
- (c) an assignment by way of first fixed security over UPF's right, title, interest and benefit, present and future, in and to the Debenture and Bank Account agreement
- (d) an assignment by way of first fixed security over UPF's right, title, interest and benefit, present and future, in, to and under the Liquidity Facility Agreement, the Subscription Agreement, the Cash Management Agreement, the Agency Agreement and the Group Relief Deed
- (e) a first charge over the amounts standing to the credit of UPF's bank accounts
- (f) a first fixed charge over certain investments permitted to be made pursuant to the Cash Management Agreement and
- (g) a first floating charge over all of UPF's property, assets and undertaking not already the subject of fixed security interests.
- (h) a first fixed charge over the company's intellectual property rights.
- (i) a first ranking floating charge over all of the company's assets and undertaking not the subject of fixed security interests.
- (j) an unconditional and irrevocable guarantee for A2R notes as to scheduled interest and scheduled principal from 30 September 2002.

Deep Discount Bonds

The Deep Discount Bonds have a final redemption value of £1,124,214,000 in 2012.

Unamortised refinancing costs

Issue costs relating to the issue of securitised bonds by The Unique Pub Finance Company PLC and the issue of Deep Discount Bonds by The Unique Pub Holding Company Limited are being amortised over the period to which they relate in accordance with FRS4.

The Unique Pub Company Limited (formerly Coinmajor Limited)

Notes to the Accounts – 30 September 2002

15 Financial Instruments

The group purchases or issues financial instruments in order to finance its operations and to manage the interest rate and currency risks that arise from those operations and from its sources of finance. In addition, various financial balances arise directly from the group's operations.

The group finances its operations through a mixture of retained profits, bank borrowings and bonds. The group has also entered into interest rate swap agreements in order to assist its management of its interest rate risk.

The group does not trade in financial instruments.

As the group has no foreign currency instruments and has no plans to obtain such instruments, the main risks arising from the group's financial instruments are interest rate risk and liquidity risk and the group's policies for managing these risks are summarised below.

Interest rate risk

The group finances its operations through a mixture of retained profits and long term borrowings. The group borrows at both fixed and floating rates of interest but only in sterling.

While the interest rate characteristics of new borrowings are positioned according to expected movements in interest rates, the group seeks to avoid exposure to unfavourable interest rate movements and the group makes use of interest rate swaps to generate the desired interest profile.

The group's policy is to keep the majority of its borrowings at fixed rates of interest; at 30 September 2002, after the effect of interest rate swaps, 100% of the group's interest bearing borrowings were at fixed rates.

Interest rate swaps

On 20 March 2002 Unique Pubs Holdings Limited was acquired by The Unique Pub Funding Company Limited (UPFCL). Bridging loan finance was put in place in UPFCL to enable the acquisition to take place together with £600m of interest rate swaps to cap its future interest cost.

On 20 September 2002, Unique Pub Properties Limited and The Unique Pub Finance Company PLC raised £855m of new debt in a Tap Issue designed to redeem debt and acquire a portfolio of 888 pubs from Voyager Pub Group Limited. The Tap Issue impacted on the amount of floating rate note debt in place in UPP that required hedging.

The Unique Pub Company Limited (formerly Coinmajor Limited)

Notes to the Accounts – 30 September 2002

15 Financial Instruments (continued)

Interest rate swaps (continued)

Prior to the 2002 Tap Issue, UPP had two swaps in place, one being a flexi swap and the other a fixed swap. With these existing swaps and the swaps in UPFCL the group overall was over-hedged. As a consequence the following restructuring was effected:

- i) UPP's existing flexi swap was reduced in size and replaced by a fixed swap starting at £150m. The second existing swap was left unchanged.
- ii) The swaps in UPFCL, to the value of £600m, were reduced in size to match the requirements of the group's floating rate note exposure. These swaps were then cancelled by UPFCL and entered into, under the same terms, by UPP. UPFCL crystallised a charge payable to the counterparty banks whilst UPP was compensated by the counterparty banks to the value of £57.5m for entering into 'marked to market' swaps. This compensation is being treated as deferred income in the individual accounts of UPP to match against future interest swap costs. In the entity accounts of UPFCL the £57.5m charge has been expensed in the profit and loss account.

The swap coverage at 30 September 2002 is as follows:

	£m	Interest rate
Existing swap 1	150	5.885%
Existing swap 2	48	5.66%
New swap 1	130	7.8725%
New swap 2	137	7.8725%
New swap 3	121	7.934%
	586	7.594%

The expiry profile of the swaps is as follows:-

	Outstanding balance £m
September 2002	586
September 2003	577
September 2004	541
September 2005	492
September 2006	441
September 2007	387
September 2008	330
September 2009	271
September 2010	208
September 2011	141
September 2012	75
September 2013	8

This swap coverage matches the floating rate note exposure at 30 September 2002 under the 2002 Tap Issue.

The Unique Pub Company Limited (formerly Coinmajor Limited)

Notes to the Accounts – 30 September 2002

15 Financial Instruments (continued)

Liquidity risk

The group is keen to take opportunities to expand, for which liquidity is required. The group's policy is to maintain sufficient resources to take opportunities as they arise, an assessment of which is made on an ongoing basis.

It is also the group's policy to borrow for the long term. At 30 September 2002 100% of the group's borrowings were repayable in more than five years with the option to redeem early subject to the maintenance of various covenants.

Short term debtors and creditors

Short term debtors and creditors have been excluded from the following disclosures except those arising from traditional lending and deposit taking activities.

The following table shows the expected maturity profile of financial liabilities:-

	2002 £'000
Repayable in less than one year	-
Repayable in more than one year but less than two years	-
Repayable in more than two years but less than five years	-
Repayable in more than five years	2,184,799
	<hr/> 2,184,799

The following analysis sets out the interest rate risk of the financial liabilities, all of which are sterling liabilities after taking account of the swaps.

	2002 £'000
Floating rate	-
Fixed rate	2,184,799
	<hr/> 2,184,799

Fixed rate financial instrument weighted averages

Interest rate	6.9 %
Time for which rate is fixed (years)	18.4

The financial effect of the interest rate swaps, amounting to a charge of £4,290,000, has been included in the interest cost for the period.

The Unique Pub Company Limited (formerly Coinmajor Limited)

Notes to the Accounts – 30 September 2002

15 Financial Instruments (Continued)

Short term debtors and creditors (Continued)

The book values and fair values of the financial instruments at 30 September were:-

	Book value 2002 £'000	Fair value 2002 £'000
Cash at bank and in hand	(153,157)	(153,157)
A1 Loan	285,468	285,183
A2R Loan	300,000	300,300
A3 Loan	435,000	473,062
A4 Loan	365,000	365,183
M Loan	225,000	251,775
N Loan	190,000	192,850
Deep discount bonds	361,000	361,000
Deep discount bonds accrued finance cost	23,331	23,331
	2,031,642	2,072,527

The book values and fair values of the A1, A2R, A3, A4, M and N loans at 30 September 2002 are shown above. The fair value information was obtained from Goldman Sachs International, the Arranger of the issue of the bonds on the Luxembourg Stock Exchange in 2002 and is based on the market values.

16 Net debt

	2002 £
Bonds	1,800,468
Deep discount bonds – principal	361,000
	2,161,468
Cash at bank	(153,157)
Net debt	2,008,311

The Unique Pub Company Limited (formerly Coinmajor Limited)

Notes to the Accounts – 30 September 2002

17 Called up share capital

	2002 £
Authorised	
753,915 A ordinary shares of 10p each	75,391.50
167,785 B ordinary shares of 10p each	16,778.50
78,300 C ordinary shares of 10p each	7,830.00
101,379,092 D ordinary shares of 1p each	1,013,790.92
	1,113,790.92
Allotted and called up	
753,915 A ordinary shares of 10p each	75,391.50
167,785 B ordinary shares of 10p each	16,778.50
78,300 C ordinary shares of 10p each	7,830.00
	100,000.00

Enterprise Inns plc has an option to purchase the entire share capital of the company between January 2004 and November 2004.

18 Reserves

Group

	Share premium £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
Shares issued in the period	900	-	-	900
Revaluation of properties	-	111,349	-	111,349
Net actuarial loss recognised in the pension scheme	-	-	(1,507)	(1,507)
Other Statement of Total Recognised Gains and Losses items	-	-	(171)	(171)
(Loss)/Profit for the period	-	-	(452)	(452)
At 30 September 2002	900	111,349	(2,130)	110,119

The Unique Pub Company Limited (formerly Coinmajor Limited)

Notes to the Accounts – 30 September 2002

18 Reserves (continued)

Reconciliation of movement in shareholders' funds

	Period ended 30 September 2002 £'000
Issue of shares	1,000
Net actuarial loss recognised in the pension scheme	(1,507)
Other Statement of Total Recognised Gains and Losses items	(171)
Total recognised profit/(loss) for the period	(452)
Revaluation of properties	111,349
Shareholders' funds at 30 September 2002	110,219

Company

	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
Revaluation of investment in subsidiaries	109,297	-	109,297
(Loss) for the period	-	(78)	(78)
At 30 September 2002	109,297	(78)	109,219

Reconciliation of movement in shareholders' funds

	Period ended 30 September 2002 £'000
Issue of shares	1,000
Revaluation of investment in subsidiaries	109,297
Total recognised (loss) for the year	(78)
Shareholders' funds at 30 September 2002	110,219

The Unique Pub Company Limited (formerly Coinmajor Limited)

Notes to the Accounts – 30 September 2002

19 Commitments

Group capital expenditure committed is as follows:

	2002 £'000
At 30 September	3,899

At 30 September 2002, the group had minimum annual commitments under non-cancellable operating leases as follows:

	2002 £'000
Plant and machinery	
Operating leases which expire in:-	
Less than one year	105
More than one year but less than two years	252
More than two years but less than five years	323
	680
Land and buildings	
Operating leases which expire in:-	
More than two years but less than five years	161
More than five years	3,212
	3,373
Total	4,053

20 Finance lease commitments

Future minimum payments under finance leases are as follows:

	2002 £'000
Within one year	138
In more than one year, but not more than five years	449
After five years	-
Total gross payments	587
Less finance charges included above	(106)
	481

The total value of leases repayable by instalments any part of which falls due after more than 5 years is £Nil.

The Unique Pub Company Limited (formerly Coinmajor Limited)

Notes to the Accounts – 30 September 2002

21 Related party transactions

Matters that are required to be disclosed as transactions with related parties are as follows:

- (i) The balances of Deep Discount Bonds controlled by funds managed by Cinven, Legal and General Ventures, Princes Gate Investors and Enterprise Inns plc at the year end, including accrued finance costs, were £192,596,000, £49,173,000, £63,106,000 and £79,456,000 respectively.
- (ii) Cinven Limited has charged and been paid £78,000 in relation to monitoring fees due from The Unique Pub Company Limited.

22 Controlling party

The company is ultimately owned and controlled by funds managed by Cinven; these funds control 52.6% of the issued share capital.

23 Contingent liability

Certain employees of the group are participants of a Shareholder Bonus Scheme ('The Bonus Scheme'). The principles of The Bonus Scheme were established by the Remuneration Committee in June 2002. The payment under the scheme is contingent upon Enterprise Inns plc exercising their option to purchase the remaining share capital of the company. The maximum payment to the members of The Bonus Scheme is £5m.