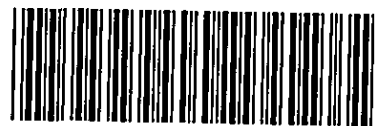


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**Freshwild Limited**  
**Report and Financial Statements**  
**19 August 2006**

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**Freshwild Limited**  
**Period ended 19 August 2006**

Registered No 4555609

**DIRECTORS**

N Preston	(appointed 5 January 2006)
R McDonald	(appointed 5 January 2006)
G Thorley	(appointed 5 January 2006)
D Walmsley	(resigned 5 January 2006)
K Jones	(resigned 5 January 2006)
B Smith	(resigned 5 January 2006)

**SECRETARY**

T Kendall

**AUDITORS**

Ernst & Young LLP  
1 Colmore Square  
Birmingham  
B4 6HQ

**BANKERS**

Barclays Bank plc  
15 Colmore Row  
Birmingham  
B3 2EP

**SOLICITORS**

Slaughter & May  
One Bunhill Row  
London  
EC1Y 8YY

**REGISTERED OFFICE**

Jubilee House  
Second Avenue  
Burton upon Trent  
Staffordshire  
DE14 2WF

**Freshwild Limited**  
**Period ended 19 August 2006**

**DIRECTORS' REPORT**

The directors present their report and financial statements for the 52 week period ended 19 August 2006

**RESULTS AND DIVIDENDS**

The profit for the financial period after taxation amounted to £nil (52 week period ended 20 August 2005 £90,367,000) The directors do not propose the payment of a dividend (2005 £50,000,000)

**PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The company did not trade in the period and the directors do not expect it to do so in the foreseeable future The company ceased to trade on 25 November 2004 when its assets and liabilities were transferred to Spirit Managed Pubs Limited, Spirit Managed Inns and New Pubco (MC) Limited as part of refinancing within the Spirit group of companies

On 5 January 2006 100% of the ordinary share capital of Spirit Group Holdings Limited, the ultimate parent of the group, was acquired by Punch Taverns (Redwood Bidco) Limited, a wholly owned subsidiary of Punch Taverns plc As a result of this transaction the new ultimate parent is Punch Taverns plc

**DIRECTORS AND THEIR INTERESTS**

The directors of the company who served during the period are listed on page 1

None of the directors had any declarable interest in the shares of the company at 19 August 2006 or 20 August 2005

The beneficial interests of Directors who held office at 19 August 2006 in the shares of Punch Taverns plc are shown below -

	<i>At 19 August 2006</i>		<i>At date of appointment</i>	
	<b>Ord Shares</b>	<b>Ord Share Options</b>	<b>Ord Shares</b>	<b>Ord Share Options</b>
N Preston	3,147	11,305	2,955	24,046
R McDonald	69,654	46,101	57,889	203,067
G Thorley	<u>154,439</u>	<u>1,892,111</u>	<u>154,247</u>	<u>3,392,111</u>

A third party indemnity provision (as defined in section 309B(1) of the Companies Act 1985) is in force for the benefit of directors

**AUDIT INFORMATION**

The directors confirm that, so far as they are aware, there is no relevant audit information of which the auditors are unaware and that each director has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

**AUDITORS**

A resolution to re-appoint Ernst & Young LLP as the company's auditors will be put to the forthcoming Annual General Meeting

On behalf of the board



R J McDonald  
Director  
3 April 2007

**Freshwild Limited**  
**Period ended 19 August 2006**

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

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Freshwild Limited**  
**Period ended 19 August 2006**

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF FRESHWILD LIMITED**

We have audited the company's financial statements for the period ended 19 August 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18. 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 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**

The directors' responsibilities for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

In addition 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.

We also 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.

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 19 August 2006 and of its result 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.

*Ernst & Young LLP*

Ernst & Young LLP  
Registered Auditor  
Birmingham

*3/4/2007*

**Freshwild Limited**  
**Period ended 19 August 2006**

**PROFIT & LOSS ACCOUNT**

for the 52 week period ended 19 August 2006

	<i>Notes</i>	<b>52 week period ended 19 August 2006 £'000</b>	<b>52 week period ended 20 August 2005 £'000</b>
<b>TURNOVER</b>	2	-	26,159
Operating costs	3	-	(20,417)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		-	5,742
Profit on sale of fixed assets		-	86,245
Interest receivable	6	-	238
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	92,225
Tax on profit on ordinary activities	7	-	(1,858)
<b>PROFIT FOR THE PERIOD</b>		-	90,367
Ordinary dividends on equity shares	8	-	(50,000)
<b>PROFIT RETAINED FOR THE PERIOD</b>	14	-	40,367

The profit and loss account relates to continuing activities

There are no recognised gains and losses for the period other than those shown above

**Freshwild Limited**  
**Period ended 19 August 2006**

**BALANCE SHEET**  
As at 19 August 2006

	<i>Notes</i>	<b>19 August 2006 £'000</b>	<i>Restated</i> <b>20 August 2005 £'000</b>
<b>FIXED ASSETS</b>			
Investments	9	-	-
<b>CURRENT ASSETS</b>			
Debtors	10	298,364	365,887
<b>CREDITORS</b> amounts falling due within one year	11	-	(275,636)
<b>NET CURRENT ASSETS</b>		<u>298,364</u>	<u>90,250</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>298,364</u>	<u>90,250</u>
<b>CREDITORS</b> amounts falling due after more than one year	12	(208,124)	(10)
<b>NET ASSETS</b>		<u>90,240</u>	<u>90,240</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	-	-
Profit and loss account	14	90,240	90,240
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	14	<u>90,240</u>	<u>90,240</u>

The company has restated the comparative balance sheet following adoption of FRS 25 'Financial Instruments Disclosure and Presentation' to record preference share capital as a liability on the balance sheet rather than within capital and reserves

  
R J McDonald  
Director  
3 April 2007

**Freshwild Limited**  
**Period ended 19 August 2006**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the 52 week period ended 19 August 2006

**1. ACCOUNTING POLICIES**

***Basis of preparation***

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

In accordance with FRS 18 the directors have continued to review the accounting policies

There have been no changes to accounting policies during the period

***Group financial statements***

The company 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

***Fixed asset investments***

Investments are stated at cost, less provision for impairment in value

***Turnover***

Turnover comprises sales, including recovery of duty where appropriate, and rent receivable excluding VAT

***Pension and other post retirement benefits***

For pension contributions the amount charged to the profit and loss account is the estimated cost of the promised benefits over a suitable future period. The cost is calculated so that it is a substantially level payment. The assets of the scheme are held separately from those of the company in separate trustee administered funds

***Taxation***

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

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

***Prior year adjustment***

The company has adopted FRS 25 'Financial Instruments: Disclosure and Presentation' to record preference share capital as a liability on the balance sheet rather than within capital and reserves. The company's Ordinary B share capital of £10,000 has been recognised on the balance sheet as a prior year adjustment, resulting in a reduction in net assets by this amount



**Freshwild Limited**  
**Period ended 19 August 2006**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the 52 week period ended 19 August 2006

**2. TURNOVER**

	52 weeks ended 19 August 2006 £'000	52 weeks ended 20 August 2005 £'000
Sales	-	26,027
Rental income	-	132
	<u>-</u>	<u>26,159</u>

The turnover of the company for the period is attributable to the single activity of the operation of pubs and pub restaurants, which was carried out in the United Kingdom

**3 OPERATING COSTS**

	52 weeks ended 19 August 2006 £'000	52 weeks ended 20 August 2005 £'000
Raw materials and consumables	-	6,354
Staff costs (note 5)	-	5,350
Depreciation	-	1,069
Other operating costs	-	7,644
	<u>-</u>	<u>20,417</u>

Operating lease costs on property for the period amounted to £nil (52 weeks ended 20 August 2005 £2,137,000)

Auditor's remuneration is paid by another company within the Punch Taverns group

**4. DIRECTORS' EMOLUMENTS**

The directors received no emoluments from the company in the current period or preceding period

**5. STAFF NUMBERS AND COSTS**

	52 weeks ended 19 August 2006 £'000	52 weeks ended 20 August 2005 £'000
Wages and salaries	-	4,935
Social security costs	-	325
Pension costs	-	90
	<u>-</u>	<u>5,350</u>

The average number of employees during the period was as follows

	2006	2005
Retail staff	<u>-</u>	<u>2,543</u>

**Freshwild Limited**  
**Period ended 19 August 2006**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the 52 week period ended 19 August 2006

**6. INTEREST RECEIVABLE**

	52 weeks ended 19 August 2006 £'000	52 weeks ended 20 August 2005 £'000
Interest receivable from group undertakings	-	238

**7. TAXATION**

	52 weeks ended 19 August 2006 £'000	52 weeks ended 20 August 2005 £'000
The charge for tax on the profit for the period comprises		
UK corporation tax	-	2,115
Deferred tax - current period	-	2,115
	-	(257)
	-	1,858

The deferred tax charges arise in respect of the origination and reversal of timing differences

*Reconciliation of tax charges*

	52 weeks ended 19 August 2006 £'000	52 weeks ended 20 August 2005 £'000
Profit on ordinary activities before taxation	-	92,225
Profit on ordinary activities at standard rate of corporation tax in the UK (30%)	-	27,668
<i>Effects of</i>		
Expenses not deductible for tax purposes	-	-
Depreciation in excess of capital allowances in the period	-	257
Depreciation on assets not qualifying for capital allowances	-	64
Profit on sale of tangible fixed assets	-	(25,874)
Current tax charge for the period	-	2,115

**Freshwild Limited**  
**Period ended 19 August 2006**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the 52 week period ended 19 August 2006

**8 DIVIDENDS**

	19 August 2006 £'000	20 August 2005 £'000
Amounts paid to group undertakings		
- Ordinary A shares	-	49,500
- Ordinary B shares	-	500
	<u>-</u>	<u>50,000</u>

**9. INVESTMENTS**

	Shares in subsidiary undertakings £
<b>Cost and net book value</b>	
At 19 August 2006 and 20 August 2005	<u>90</u>

Details of the investments in which the company holds share capital are as follows

<i>Subsidiary undertakings</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
Mountloop Limited	Ordinary shares	90%	Dormant

The above company is incorporated in England and Wales

**10 DEBTORS**

	19 August 2006 £'000	20 August 2005 £'000
Amounts due from group undertakings	<u>298,364</u>	<u>365,887</u>

**11. CREDITORS** *amounts falling due within one year*

	19 August 2006 £'000	20 August 2005 £'000
Amounts owed to group undertakings	<u>-</u>	<u>275,636</u>

**Freshwild Limited**  
**Period ended 19 August 2006**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the 52 week period ended 19 August 2006

**12 CREDITORS. amounts falling due after more than one year**

	19 August 2006 £'000	<i>Restated</i> 20 August 2005 £'000
Amounts owed to group undertakings	208,114	-
10,000 Ordinary B shares of £1 each	10	10
	<u>208,124</u>	<u>10</u>

The company has 7,500,000 authorised and 10,000 issued Ordinary B shares which are classified as a liability rather than equity

***Ordinary B Shares***

The holders of these shares are entitled to attend but not vote at general meetings of the company. The holders of these shares are entitled, in priority to the holders of any other class of share, to receive a cumulative fixed preferential dividend at the rate of five percent per annum of the nominal amount for the time being paid up or credited as being paid up thereon. The holders of these shares shall also be entitled to receive, pro rata to the shares held, a dividend equal to one ninety ninth of the amount of any class A dividend. On a distribution of assets of the company on a winding up or other return of capital (other than a redemption or purchase by the company of its own shares), the holders of these shares shall be entitled to receive on a pari passu basis the amount paid up or credited as paid up in respect of the nominal value of the shares plus, pro rata to the number of these shares held, one percent of the excess distribution amount.

**13 SHARE CAPITAL**

	19 August 2006 No.	19 August 2006 £	<i>Restated</i> 20 August 2005 No	<i>Restated</i> 20 August 2005 £
<i>Authorised share capital</i>				
Ordinary A shares of £1 each	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>
<i>Allotted, called up and fully paid</i>				
Ordinary A shares of £1 each	<u>90</u>	<u>90</u>	<u>90</u>	<u>90</u>

***Ordinary A Shares***

The holders of these shares are entitled to attend and vote at general meetings of the company. The holders of these shares are entitled to such dividend as the company or the directors shall declare or pay, including any dividend which the directors consider represents profits of the company in respect of a period prior to 31 March 2003. On a distribution of assets of the company on a winding up or other return of capital (other than a redemption or purchase by the company of its own shares), the holders of these shares shall be entitled to receive on a pari passu basis the amount paid up or credited as paid up in respect of the nominal value of the shares plus, pro rata to the number of these shares held, ninety-nine percent of the excess distribution amount.

**Freshwild Limited**  
**Period ended 19 August 2006**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the 52 week period ended 19 August 2006

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

	<i>Restated</i>	<i>Profit</i>	<i>Restated</i>
	<b>Share</b>	<b>&amp; Loss</b>	<b>Total</b>
	<b>Capital</b>	<b>Account</b>	<b>Shareholders'</b>
	<b>£000</b>	<b>£000</b>	<b>Funds</b>
			<b>£000</b>
At 21 August 2004	-	49,874	49,874
Profit for the period	-	90,367	90,367
Dividend attributable to ordinary shareholders	-	(50,000)	(50,000)
At 20 August 2005 and 19 August 2006	<u>-</u>	<u>90,240</u>	<u>90,240</u>

**15. PENSION COSTS**

The Freshwild Ltd pension scheme is a defined benefit scheme which is part of the Spirit Group Holdings Ltd group scheme. However, the contributions paid by the Company are accounted as if the scheme were a defined contribution scheme, as the company is unable to identify its share of the underlying assets and liabilities in the scheme. The cost of contributions to the group scheme amount to £nil (52 weeks ended 20 August 2005 £90,000).

**16. CASH FLOW STATEMENT**

The company has taken advantage of the exemption under FRS1 not to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of an EU parent, in whose financial statements a consolidated cash flow statement is prepared.

**17. RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption in paragraph 3(c) of FRS 8 from disclosing transactions with related parties that are part of the Punch Taverns plc group or investees of the group. There were no other related party transactions during the period.

**18. ULTIMATE PARENT UNDERTAKING**

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

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

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