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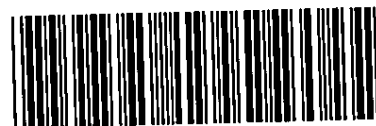
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Punch Taverns (Redwood Jerseyco) Limited

Report and Financial Statements

18 August 2007

THURSDAY



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COMPANIES HOUSE

Punch Taverns (Redwood Jerseyco) Limited
Period ended 18 August 2007

Registered No FC026466

DIRECTORS

R McDonald (resigned 17 October 2007)

N Preston

G Thorley

P Dutton (appointed 17 October 2007)

SECRETARY

Mourant & Co Secretaries Limited

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

22 Greenville Street

St Helier

Jersey

JE4 8PX

Punch Taverns (Redwood Jerseyco) Limited
Period ended 18 August 2007

DIRECTORS' REPORT

The directors present their report and financial statements for the 52 week period ended 18 August 2007.

RESULTS AND DIVIDENDS

The loss for the period amounted to £3,581,000 (37 week period ended 19 August 2006. £2,232,000) The directors do not propose the payment of a dividend (37 week period ended 19 August 2006 £nil)

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is as a financing company

Punch Taverns manages its operations at a group level and the directors therefore believe that disclosure of key performance indicators for the company are not appropriate to understand the development, performance or position of the business. The performance of the Punch Taverns group is discussed on the Punch Taverns plc Annual Report and Financial Statements which are publicly available

RISKS AND UNCERTAINTIES

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

DIRECTORS

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

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



P Dutton
Director
20 March 2008

Punch Taverns (Redwood Jerseyco) Limited
Period ended 18 August 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and generally accepted accounting principles

The Companies (Jersey) Law 1991 requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards)

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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 that 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 Companies (Jersey) Law 1991. 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

Punch Taverns (Redwood Jerseyco) Limited
Period ended 18 August 2007

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PUNCH TAVERNS (REDWOOD JERSEYCO) LIMITED

We have audited the company's financial statements for the period ended 18 August 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. 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 Article 110 of the Companies (Jersey) Law 1991. 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 preparing the financial statements in accordance with applicable Jersey law as 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).

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 (Jersey) Law 1991. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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 18 August 2007 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies (Jersey) Law 1991, and
- the information given in the Directors' Report is consistent with the financial statements.

Ernst & Young LLP
Ernst & Young LLP
Registered Auditor
Birmingham

20/3/2008.

Punch Taverns (Redwood Jerseyco) Limited
Period ended 18 August 2007

PROFIT & LOSS ACCOUNT
for the 52 week period ended 18 August 2007

	<i>Notes</i>	52 week period ended 18 August 2007 £000	37 week period ended 19 August 2006 £000
Interest receivable	4	19,197	12,960
Interest payable and similar charges	5	(24,313)	(16,149)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(5,116)	(3,189)
Tax on loss on ordinary activities	6	1,535	957
LOSS FOR THE PERIOD	12	(3,581)	(2,232)

The profit and loss account relates to continuing activities

There are no recognised gains or losses other than those shown above

Punch Taverns (Redwood Jerseyco) Limited
Period ended 18 August 2007

BALANCE SHEET
as at 18 August 2007

	<i>Notes</i>	18 August 2007 £000	19 August 2008 £000
CURRENT ASSETS			
Debtors amounts falling due in less than one year	7	4,934	3,437
Debtors amounts falling due after more than one year	7	274,809	269,318
		<u>279,743</u>	<u>272,755</u>
CREDITORS amounts falling due in less than one year	8	(2,442)	(2,480)
		<u>277,301</u>	<u>270,275</u>
NET CURRENT ASSETS			
CREDITORS amounts falling due after more than one year	9	(253,138)	(242,531)
		<u>24,163</u>	<u>27,744</u>
NET ASSETS			
CAPITAL AND RESERVES			
Called up share capital	11	~	~
Equity component of convertible bond	12	29,976	29,976
Profit and loss account	12	(5,813)	(2,232)
SHAREHOLDERS' FUNDS	12	<u>24,163</u>	<u>27,744</u>



P Dutton
Director
20 March 2008

Punch Taverns (Redwood Jerseyco) Limited
Period ended 18 August 2007

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 18 August 2007

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards and Companies (Jersey) Law 1991

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

There have been no changes to accounting policies during the year

Convertible bond

On issue the debt and equity components of convertible bonds are separated and recorded at fair value net of issue costs. The fair value of the debt component is estimated using the prevailing market interest rate for similar non-convertible debt. This amount is classified as a liability and measured on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option and is recognised in equity, net of income tax effects. The carrying amount of the equity component is not re-measured in subsequent years.

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.

2. OPERATING RESULT

Auditor's remuneration is paid by another company within the Punch Taverns group in the current and preceding periods.

3. DIRECTORS' EMOLUMENTS AND STAFF COSTS

The directors received no emoluments from the company in the current or preceding periods. The company had no employees during the current or preceding period.

4 INTEREST RECEIVABLE

	52 week period ended 18 August 2007 £000	37 week period ended 19 August 2006 £000
Interest receivable from group undertakings	<u>19,197</u>	<u>12,960</u>

Punch Taverns (Redwood Jerseyco) Limited
Period ended 18 August 2007

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 18 August 2007

5 INTEREST PAYABLE AND SIMILAR CHARGES

	52 week period ended 18 August 2007 £000	37 week period ended 19 August 2006 £000
Interest payable on convertible bond	22,670	15,030
Amortisation of deferred issue costs	1,643	1,119
	<u>24,313</u>	<u>16,149</u>

6. TAXATION

The company has been granted exempt status by the Jersey tax authorities and thus it does not pay Jersey tax. An annual fee of £600 is payable in respect of this status. The company is subject to UK income tax on its net rental income, after deduction of certain expenses including capital allowances.

	2007 £000	2006 £000
The credit for tax on the loss for the period comprises		
UK corporation tax		
- group relief surrendered	<u>(1,535)</u>	<u>(957)</u>

There is no difference between the tax credit for the period and the loss for the period at the standard rate of corporation tax in the UK (30%).

7 DEBTORS: Amounts falling due in less than one year

	2007 £000	2006 £000
Amounts due from group undertakings	<u>4,934</u>	<u>3,437</u>

DEBTORS: Amounts falling due after more than one year

	2007 £000	2006 £000
Amounts due from group undertakings	<u>274,809</u>	<u>269,318</u>

Included within amounts due from group undertakings is a loan to fellow group company, Punch Taverns (Redwood Bidco) Limited, of £277,245,000 (2006: £271,798,000). Interest accrues at 6.35% per annum.

8. CREDITORS: amounts falling due in less than one year

	2007 £000	2006 £000
Accruals and deferred income	<u>2,442</u>	<u>2,480</u>

9. CREDITORS: amounts falling due after more than one year

	2007 £000	2006 £000
Loans (see note 10)	253,131	242,531
Amounts owed from group undertakings	<u>7</u>	<u>-</u>
	<u>253,138</u>	<u>242,531</u>

Punch Taverns (Redwood Jerseyco) Limited
Period ended 18 August 2007

NOTES TO THE FINANCIAL STATEMENTS
for the 52 week period ended 18 August 2007

10 LOANS

	2007 £000	2006 £000
<i>Amounts falling due</i>		
After more than one year	258,608	249,651
Less Deferred issue costs	<u>(5,477)</u>	<u>(7,120)</u>
	<u>253,131</u>	<u>242,531</u>

Convertible bonds

The company issued £275 0m 5 0% convertible bonds at a nominal value of £275 0m on 14 December 2005. The bonds mature 5 years from the issue date and can be redeemed at that date for 107 21% (£294 8m) of their principal amount or can be converted, at the option of the holder, into ordinary shares at an initial conversion price of £11 782. The conversion price is subject to adjustment following capital distributions (whether by cash dividend, dividend in specie, scrip dividend, capitalisation issue or otherwise). These shares can then be converted into shares of Punch Taverns plc. The share price of the shares of Punch Taverns plc at the date of pricing of the convertible bonds in the market was £8 60.

The fair value of the convertible bond was assessed on issue using a market rate for an equivalent non-convertible bond. The net proceeds received on issue of the convertible bonds were immediately on-lent to another company in the Punch Taverns group.

The convertible bond recognised in the balance sheet is calculated as follows

	2007 £000	2006 £000
Convertible bond repayable December 2010 at 5% per annum	258,608	249,651
Less deferred issue costs	<u>(5,477)</u>	<u>(7,120)</u>
	<u>253,131</u>	<u>242,531</u>

The convertible bond is all repayable within two to five years

11. SHARE CAPITAL

	2007 No	2007 £	2006 No.	2006 £
<i>Authorised</i>				
Unlimited no par value shares	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
<i>Allotted, called up and fully paid:</i>				
Founder shares of no par value	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>

Punch Taverns (Redwood Jerseyco) Limited
Period ended 18 August 2007

NOTES TO THE FINANCIAL STATEMENT
for the 52 week period ended 18 August 2007

12 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share Capital £000	Equity component of convertible bond £000	Profit & Loss Account £000	Total Shareholders' Funds £000
At 9 December 2005	-	-	-	-
Convertible bond issued	-	29,976	-	29,976
Loss for the period	-	-	(2,232)	(2,232)
At 19 August 2006	-	29,976	(2,232)	27,744
Loss for the period	-	-	(3,581)	(3,581)
At 18 August 2007	-	29,976	(5,813)	24,163

13 CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent company (Punch Taverns plc) publishes consolidated financial statements

14. 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.

15 ULTIMATE PARENT UNDERTAKING

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

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

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