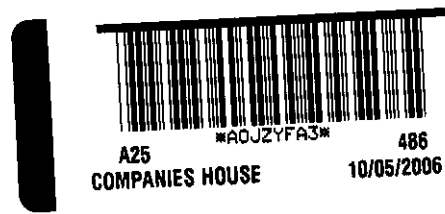


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**Punch Taverns (PMH) Limited**  
**Report and Financial Statements**  
**20 August 2005**



**Punch Taverns (PMH) Limited**  
**Period ended 20 August 2005**

Registered No.3720775

**DIRECTORS**

R J McDonald  
N D Preston  
G A Thorley  
Wilmington Trust SP Services (London) Limited

**SECRETARY**

S Rudd

**AUDITORS**

Ernst & Young LLP  
No 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

# Punch Taverns (PMH) Limited

## Period ended 20 August 2005

### DIRECTORS' REPORT

The directors present their report and financial statements for the 52 week period ended 20 August 2005.

### CHANGE OF NAME

On 2 September 2004 a written resolution was passed to change the company name of Pubmaster Holdings Limited to Punch Taverns (PMH) Limited.

### RESULTS AND DIVIDENDS

The company has not traded during the current or preceding period and consequently no profit and loss account is presented.

### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is that of an intermediate holding company.

During the period the company has been impacted by a group refinancing. As a result the company issued one ordinary share for a consideration of £33,052,000 (being settled by the receipt of the entire issued share capital of Punch Taverns (Centrum) Limited), giving rise to a share premium of £33,052,000 and one ordinary share for a consideration of £58,595,000 (being settled by the receipt of the entire issued share capital of InnSpired Group Limited), giving rise to a share premium of £58,595,000.

### 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 20 August 2005 or 21 August 2004.

The beneficial interests of directors who held office at 20 August 2005 in the shares of Punch Taverns plc are shown below:

	<i>At 20 August 2005</i>		<i>At 21 August 2004</i>	
	<b>Ord Shares</b>	<b>Ord Share Options</b>	<b>Ord Shares</b>	<b>Ord Share Options</b>
N Preston	2,205	57,449	1,044	60,587
R McDonald	55,566	187,422	47,203	320,650
G Thorley	150,441	3,356,474	138,044	5,314,004
Wilmington Trust SP Services (London) Limited	-	-	-	-

### 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  
5 May 2006

**Punch Taverns (PMH) Limited**  
**Period ended 20 August 2005**

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

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.

**Punch Taverns (PMH) Limited**  
**Period ended 20 August 2005**

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF PUNCH TAVERNS (PMH) LTD**

We have audited the company's financial statements for the period ended 20 August 2005 which comprise the Balance Sheet and the related notes 1 to 12. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

**Basis of audit opinion**

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

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

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 20 August 2005 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered Auditor  
Birmingham  
5 May 2006

**Punch Taverns (PMH) Limited**  
**Period ended 20 August 2005**

**BALANCE SHEET**  
at 20 August 2005

	<i>Notes</i>	20 August 2005 £'000	21 August 2004 £'000
<b>FIXED ASSETS</b>			
Investments	4	175,647	84,000
<b>CURRENT ASSETS</b>			
Debtors	5	5,700	5,700
<b>CREDITORS:</b> amounts falling due within one year	6	(5,700)	(5,700)
<b>NET CURRENT ASSETS</b>		-	-
<b>NET ASSETS</b>		175,647	84,000
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	84,000	84,000
Share premium	8	91,647	-
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	8	175,647	84,000



R J McDonald  
Director  
5 May 2006

# **Punch Taverns (PMH) Limited**

## **Period ended 20 August 2005**

### **NOTES TO THE FINANCIAL STATEMENTS**

for the period ended 20 August 2005

#### **1. ACCOUNTING POLICIES**

##### ***Basis of preparation***

These 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, under s228 of the Companies Act 1985, from the obligation to prepare consolidated financial statements as the company is a wholly owned subsidiary undertaking of a parent company incorporated in the EU, which prepares consolidated financial statements. As such, these financial statements present information about the company as an individual undertaking and not about its group.

##### ***Profit and loss account***

The company received no income and incurred no expenditure and consequently has made neither a profit nor a loss, therefore no profit and loss account is presented.

##### ***Investments***

Investments held as fixed assets are carried at cost less any provision for permanent diminution in value.

#### **2. OPERATING RESULT**

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

#### **3. DIRECTORS' EMOLUMENTS AND STAFF COSTS**

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

**Punch Taverns (PMH) Limited**  
**Period ended 20 August 2005**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 20 August 2005

**4. FIXED ASSET INVESTMENTS**

<b>Cost and net book amount:</b>	<b>Shares in subsidiary undertakings £000</b>
At 21 August 2004	84,000
Additions in period	91,647
At 20 August 2005	<u>175,647</u>

The subsidiaries, all of which are wholly owned, are as follows:

<b>Subsidiary undertaking</b>	<b>Country of registration or incorporation</b>	<b>Principal Activity</b>
<b>Held by Punch Taverns (PMH) Limited</b>		
Punch Taverns (PML) Limited	England	Operator of public houses
Punch Taverns (SPML) Limited	England	Operator of public houses
Punch Taverns Finance B Limited (formerly Pubmaster Finance Limited)	Cayman Islands	Finance
Punch Taverns (Centrum) Limited	England	Non-trading
InnSpired Group Limited	England	Non-trading
<b>Held by subsidiary undertakings</b>		
Punch Taverns (CPM) Limited	England	Property Management
Punch Taverns (SPM) Limited	England	Non-trading
Punch Taverns (DPM) Limited	England	Non-trading
Mercury Taverns (Holdings) Limited	England	Non-trading
Mercury Taverns plc	England	Non-trading
InnSpired Taverns Limited	England	Non-trading
InnSpired Taverns II Limited	England	Non-trading
InnSpired Pubs Limited	England	Non-trading
InnSpired Holdings Limited	England	Non-trading
InnSpired Developments Limited	England	Non-trading
InnSpired Company Limited	England	Non-trading
InnSpired (ESOP) Limited	England	Non-trading
Rhesus Limited	England	Non-trading
Ushers of Trowbridge Limited	England	Non-trading

**5. DEBTORS: amounts falling due within one year**

	<b>2005 £000</b>	<b>2004 £000</b>
Amounts owed by immediate parent undertaking	<u>5,700</u>	<u>5,700</u>



**Punch Taverns (PMH) Limited**  
**Period ended 20 August 2005**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 20 August 2005

**6. CREDITORS: amounts falling due within one year**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Amounts owed to subsidiary undertakings	<u>5,700</u>	<u>5,700</u>

**7. SHARE CAPITAL**

	<b>2005</b>	<b>2005</b>	<b>2004</b>	<b>2004</b>
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
<i>Authorised share capital:</i>				
Ordinary shares of £1 each	84,000,200	84,000,200	84,000,100	84,000,100
<i>Allotted, called-up and fully paid:</i>				
Ordinary shares of £1 each	<u>84,000,102</u>	<u>84,000,102</u>	<u>84,000,100</u>	<u>84,000,100</u>

During the period the company increased its authorised share capital by 100 ordinary shares. The company then issued one ordinary share for a consideration of £33,052,000 (being settled by the receipt of the entire issued share capital of Punch Taverns (Centrum) Limited), giving rise to a share premium of £33,052,000 and one ordinary share for a consideration of £58,595,000 (being settled by the receipt of the entire issued share capital of InnSpired Group Limited), giving rise to a share premium of £58,595,000.

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

	<b>Share Capital</b>	<b>Share Premium</b>	<b>Total Shareholders' Funds</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 28 September 2003 and 21 August 2004	84,000	-	84,000
Transfers from group companies	-	91,647	91,647
At 20 August 2005	<u>84,000</u>	<u>91,647</u>	<u>175,647</u>

**9. 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.

**10. RELATED PARTY TRANSACTIONS**

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.

**Punch Taverns (PMH) Limited**  
**Period ended 20 August 2005**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 20 August 2005

**11. CONTINGENT LIABILITIES**

Under the terms of a Trust Deed dated 30 June 1999 (as amended 28 November 2002 and 1 August 2005), the company has guaranteed the payments of principal of, and interest on, the loan notes issued by Punch Taverns Finance B Limited (formerly Pubmaster Finance Limited). The total outstanding indebtedness of the loan notes at 20 August 2005 was £1,417,838,000 (2004 was £894,223,000).

**12. 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.