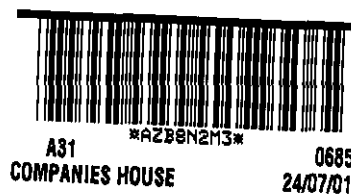


Gibbs Mew Limited

Report and Accounts

30 September 2000

Registered Number: 57422



Gibbs Mew Limited

Registered No: 57422

DIRECTORS

G E Tuppen
D C George

SECRETARY

D C George

AUDITORS

Ernst & Young
One Colmore Row
Birmingham
B3 2DB

REGISTERED OFFICE

Cranmore Avenue
Shirley
Solihull
West Midlands
B90 4LE

Gibbs Mew Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 September 2000.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activities of the Company consisted of the ownership and operation of licensed premises.

RESULTS AND DIVIDENDS

The Company did not trade during the year. The directors paid a final dividend of £5,000,000 (1999: £nil).

DIRECTORS

The directors of the Company during the year were:

D C George
G E Tuppen

The directors have no beneficial interest in the shares of the Company.

G E Tuppen and D C George are also directors of the ultimate parent company, Enterprise Inns plc, and their interests in the share capital of that company are shown in that company's accounts.

AUDITORS

Ernst & Young have expressed their willingness to continue in office as auditors. A resolution proposing their re-appointment will be put to the members at the Annual General Meeting.

By order of the Board



D C George
Secretary

STATEMENT OF DIRECTORS RESPONSIBILITIES AND RESPECT OF THE
ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, 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 accounts;
- prepare the accounts 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 accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS
to the Shareholders of Gibbs Mew Limited

We have audited the accounts on pages 5 to 12, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

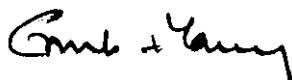
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 30 September 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor
Birmingham

Gibbs Mew Limited

PROFIT AND LOSS ACCOUNT for the year ended 30 September 2000

	Notes	2000 £000	1999 £000
TURNOVER			
Discontinued operations	2	-	16,966
		<u>-</u>	<u>16,966</u>
Operating costs	3	-	(8,944)
		<u>-</u>	<u>(8,944)</u>
OPERATING PROFIT			
Discontinued operations	4	-	8,022
		<u>-</u>	<u>8,022</u>
Profit on disposal of properties		-	371
Loss on disposal of fixed asset investments		(87)	-
		<u>(87)</u>	<u>371</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		(87)	8,393
Interest receivable and similar income	5	-	16
Interest payable and similar charges	6	-	(177)
		<u>-</u>	<u>(177)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(87)	8,232
Taxation	7	-	(2,088)
		<u>-</u>	<u>(2,088)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(87)	6,144
Dividends	8	(5,000)	-
		<u>(5,000)</u>	<u>-</u>
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR	14	(5,087)	6,144
		<u><u>(5,087)</u></u>	<u><u>6,144</u></u>

The Company has no recognised gains or losses other than those shown in the profit and loss account.

Gibbs Mew Limited

BALANCE SHEET at 30 September 2000

	Notes	2000 £000	1999 £000
FIXED ASSETS			
Investments	9	1,775	1,840
		<u>1,775</u>	<u>1,840</u>
CURRENT ASSETS			
Debtors	10	49,265	54,265
		<u>49,265</u>	<u>54,265</u>
CREDITORS: amounts falling due within one year	11	(9,500)	(9,478)
		<u>39,765</u>	<u>44,787</u>
NET CURRENT ASSETS			
		<u>41,540</u>	<u>46,627</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>41,540</u>	<u>46,627</u>
		<u>41,540</u>	<u>46,627</u>
CAPITAL AND RESERVES			
Called up equity share capital	12	3,515	3,515
Share premium	13	13,399	13,399
Capital reserve	13	125	125
Profit and loss account	13	24,501	29,588
	14	<u>41,540</u>	<u>46,627</u>
Shareholders' funds comprise:			
Equity		41,508	46,595
Non-equity		32	32
		<u>41,540</u>	<u>46,627</u>

Approved by the Board on 23 MAY 2001 and signed on its behalf by :

D C George

D C George
Director

Gibbs Mew Limited

NOTE OF HISTORICAL COST PROFITS AND LOSSES for the year ended 30 September 2000

	2000 £000	1999 £000
(Loss)/Profit on ordinary activities before taxation	(87)	8,232
Realisation of property revaluation surplus	-	12,257
Historical cost (loss)/profit on ordinary activities before taxation	<u>(87)</u>	<u>20,489</u>
Historical cost (loss)/profit for the period retained after taxation and dividends	<u>(5,087)</u>	<u>18,401</u>

NOTES TO THE ACCOUNTS
at 30 September 2000

1. ACCOUNTING POLICIES

Basis of preparation

The accounts are prepared under the historical cost convention, as modified to include the revaluation of properties, and have been prepared in accordance with applicable accounting standards.

The company is a wholly owned subsidiary of Enterprise Inns plc, a company registered in England and Wales. Accordingly, consolidated accounts have not been prepared as permitted by s228 of the Companies Act 1985. The accounts therefore present information about the company as an individual undertaking and not about its group.

Tangible fixed assets and depreciation

Expenditure on additions and improvements to tangible fixed assets is capitalised as the expenditure is incurred.

Surpluses arising from the professional valuation of the licensed estate are taken direct to the revaluation reserve. Valuation surpluses realised on sale are transferred from the revaluation reserve to the profit and loss account reserve. Any deficit arising from the professional valuation of properties is taken direct to the revaluation reserve until the carrying amount reaches historical cost and, thereafter, to the extent that the value in use can be demonstrated to be higher than valuation. Any other deficit arising is charged to the profit and loss account.

It is the Company's policy to maintain the properties comprising the licensed estate in such a condition that the residual values of the properties, based on prices prevailing at the time of acquisition or subsequent revaluation, are at least equal to their book values. Having regard to this, it is the opinion of the directors that depreciation of any such property as required by the Companies Act 1985 and generally accepted accounting practice would not be material. An annual impairment review is carried out on such properties.

Short leasehold properties, defined as properties with 50 years or less of the lease remaining unexpired, are depreciated on a straight line basis over the unexpired lease term. Depreciation is provided on all other categories of tangible fixed assets over 3 to 5 years on a straight line basis.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the contract and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Assets held for resale

Assets held for resale, which comprise primarily fixtures and fittings purchased from tenants, are stated at the lower of cost incurred and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred on disposal.

Pensions

The Group makes contributions to employees' own pension plans in accordance with the terms of their contracts of employment.

Gibbs Mew Limited

NOTES TO THE ACCOUNTS at 30 September 2000

2. TURNOVER

All the company's turnover is attributable to activity in the United Kingdom.

3. OPERATING COSTS

	2000 £000	1999 £000
Raw materials, consumables and duty	-	7,676
Other operating costs	-	1,268
	<u> </u>	<u> </u>
		8,944
	<u> </u>	<u> </u>

4. OPERATING PROFIT

Operating profit is stated after charging:

	2000 £000	1999 £000
Depreciation	-	102
	<u> </u>	<u> </u>

Auditors' remuneration was paid by the ultimate parent undertaking for the year ended 30 September 2000.

There were no staff directly employed by the business during the course of the year. The directors received no emoluments in the year.

Gibbs Mew Limited

NOTES TO THE ACCOUNTS at 30 September 2000

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2000 £000	1999 £000
Interest receivable from group undertaking	-	16

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £000	1999 £000
Other interest	-	177

7. TAXATION

	2000 £000	1999 £000
UK Corporation tax at 30% (1999: 30.5%)	-	2,088
	-	2,088

8. DIVIDENDS

	2000 £000	1999 £000
Dividend paid to parent undertaking	5,000	-
	5,000	-

Gibbs Mew Limited

NOTES TO THE ACCOUNTS at 30 September 2000

9. FIXED ASSET INVESTMENTS

	<i>Unlisted Investments £000</i>	<i>Subsidiary Undertakings £000</i>	<i>Total £000</i>
At 1 October 1999	-	1,840	1,840
Disposals	-	(65)	(65)
At 30 September 2000	-	1,775	1,775

During the year the company's subsidiary undertakings, Harfield Ltd, Robert Porter & Co Ltd and Woodbury Properties Ltd were wound up.

The principal operating subsidiary undertaking as at 30 September 2000 is noted below. This subsidiary undertaking is registered in and operates in England and Wales.

Bridger Properties Limited - Acquisition and development of commercial properties for sale (75% owned)

10. DEBTORS

	<i>2000 £000</i>	<i>1999 £000</i>
Amounts due from group undertakings	49,265	54,265

11. CREDITORS: amounts falling due within one year

	<i>2000 £000</i>	<i>1999 £000</i>
Amount due to subsidiary undertakings	9,500	9,478

12. SHARE CAPITAL

	<i>2000 No.</i>	<i>1999 No.</i>	<i>Authorised, allotted, called up and fully paid 2000 £000</i>	<i>1999 £000</i>
Equity shares				
Ordinary shares of 25p each	13,934,066	13,934,066	3,483	3,483
Non equity shares				
3.5% cumulative preference shares of £1 each	31,500	31,500	32	32
			3,515	3,515

Gibbs Mew Limited

NOTES TO THE ACCOUNTS at 30 September 2000

12. SHARE CAPITAL (CONTINUED)

The rights attaching to the equity and non equity shares are as follows:

	<i>Equity Ordinary Shares</i>	<i>Non-equity preference shares</i>
Dividend	Profit participating	3.5p per share net per annum
Voting	One vote per share	Four votes per share
Winding up priority receivable	Balance remaining shared pari passu	£1 per share plus any accrued dividend

13. RESERVES

	<i>Share premium £000</i>	<i>Capital reserve £000</i>	<i>Profit and loss account £000</i>
At 1 October 1999	13,399	125	29,588
Retained loss for the year	-	-	(5,087)
At 30 September 2000	<u>13,399</u>	<u>125</u>	<u>24,501</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<i>2000 £000</i>	<i>1999 £000</i>
(Loss)/profit for the financial year	(87)	6,144
Dividends	(5,000)	-
Opening shareholders' funds	<u>(5,087)</u> 46,627	<u>6,144</u> 40,483
Closing shareholders' funds	<u>41,540</u>	<u>46,627</u>

15. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption from disclosing certain related party transactions with group companies.

16. PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertaking and controlling party is Enterprise Inns plc. Copies of its group accounts, which include the Company, may be obtained from Cranmore Avenue, Shirley, Solihull, West Midlands, B90 4LE.