

W&DB (FINANCE) PLC

ANNUAL REPORT

For the 52 weeks ended 30 September 2006

Registered number 3782804

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W&DB (FINANCE) PLC

ANNUAL REPORT

Period ended 30 September 2006

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W&DB (FINANCE) PLC

DIRECTORS' REPORT

The Directors submit their report and the audited financial statements of the Company for the 52 weeks ended 30 September 2006 (2005: 52 weeks ended 1 October 2005).

Principal activity, review of business and future developments

The principal activity of the Company is that of a holding and investment company.

No changes are anticipated in the foreseeable future.

Change in accounting policy

The Company has adopted FRS 21 'Events after the balance sheet date' in these financial statements. The adoption of this standard represents a change in accounting policy and the comparative figures have been restated accordingly. The effect of the change is to recognise the final proposed dividends receivable from Group undertakings at 1 October 2005 of £127,397,000 in the current period.

The receipt of this dividend triggered a write down to the carrying value of investments. The change in accounting policy therefore means that the write down is also recognised in the current period.

Dividends

The Directors propose the payment of a final dividend of £12 per £1 ordinary share (2005: £nil), resulting in total proposed dividends of £600,000 (2005: £nil).

Directors

The Directors who held office during the period, and up to the date of this report, were as follows:

D Andrew
R Findlay
P Inglett
S J Oliver
A Darby

No Director had any interest in the share capital of the Company. Details of the Directors' interests in the share capital of other group companies are disclosed in the financial statements of the ultimate parent company, The Wolverhampton & Dudley Breweries, PLC.

Statement of Directors' responsibilities

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 the period. In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments 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;
- Prepare the financial statements on the going concern basis.

The Directors consider that they have complied fully with the above requirements in preparing the financial statements on pages 5 to 9.

The Directors are also responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company, 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.

W&DB (FINANCE) PLC

DIRECTORS' REPORT (continued)

Auditors and disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information of which PricewaterhouseCoopers LLP (PwC) are unaware, and the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that PwC are aware of that information.

PwC has indicated its willingness to continue in office and a resolution proposing its reappointment will be put to the Annual General Meeting.

Approved by the Board on 1 December 2006 and signed on its behalf by



Anne-Marie Brennan *Company secretary*
1 December 2006

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF W&DB (FINANCE) PLC

We have audited the financial statements of W&DB (Finance) PLC for the period ended 30 September 2006 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body 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 Companies Act 1985. 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 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

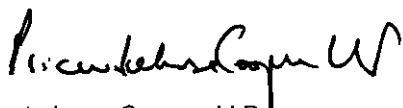
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 30 September 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.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham
1 December 2006

W&DB (FINANCE) PLC**PROFIT AND LOSS ACCOUNT****For the period ended 30 September 2006**

	Notes	2006 £'000	As restated 2005 £'000
Income from shares in Group undertakings		127,997	11,756
Write down of carrying value of investments	5	(127,397)	-
Profit on ordinary activities before taxation		600	11,756
Taxation	3	-	-
Profit on ordinary activities after taxation		600	11,756
Dividends	4	-	(11,756)
Profit for the period		600	-

All results relate to continuing operations.

There is no difference between the result shown above and the result for the period stated on an unmodified historical cost basis.

There are no recognised gains and losses other than those presented in the profit and loss account.

W&DB (FINANCE) PLC

BALANCE SHEET

At 30 September 2006

	Notes	2006 £'000	As restated 2005 £'000
Fixed assets			
Investments	5	125,329	252,726
Current assets			
Debtors	6	139,790	11,793
Creditors (amounts falling due within one year)	7	(138,781)	(138,781)
Net current assets/(liabilities)		1,009	(126,988)
Total assets less current liabilities		126,338	125,738
Creditors (amounts falling due after more than one year)	8	(125,688)	(125,688)
Net assets		650	50
Capital and reserves			
Called up share capital	9	50	50
Profit and loss account	10	600	-
Equity shareholders' funds	11	650	50

The financial statements on pages 5 to 9 were approved by the Board on 1 December 2006 and were signed on its behalf by:



Paul Inglett *Director*
1 December 2006

W&DB (FINANCE) PLC

NOTES

1 Accounting Policies

(a) Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards.

(b) Cash flow statement and related party disclosures

The Company is a wholly-owned subsidiary of The Wolverhampton & Dudley Breweries, PLC and is included in the consolidated financial statements of The Wolverhampton & Dudley Breweries, PLC, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1. The Company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of The Wolverhampton & Dudley Breweries, PLC Group.

(c) Change in accounting policy

The Company has adopted FRS 21 'Events after the balance sheet date' in these financial statements. The adoption of this standard represents a change in accounting policy and the comparative figures have been restated accordingly. The effect of the change is to recognise the final proposed dividends receivable from Group undertakings at 1 October 2005 of £127,397,000 in the current period.

The receipt of this dividend triggered a write down to the carrying value of investments. The change in accounting policy therefore means that the write down is also recognised in the current period.

(d) Investments in subsidiaries

Investments in subsidiaries are stated at cost, less any provision for permanent diminution in value.

(e) Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date which give rise to an obligation to pay more or less tax in the future. Timing differences are differences between the Company's taxable profits and profits as stated in the accounts. Deferred tax assets and liabilities are not discounted and assets are only recognised where recoverability is probable.

2 Employees and auditors' remuneration

The average number of people employed by the Company during the period excluding Directors was nil (2005: nil). The Directors received no remuneration in respect of their services to the Company (2005: £nil). Auditors' remuneration is borne by the ultimate parent company, The Wolverhampton & Dudley Breweries, PLC.

3 Taxation

There is no corporation tax charge (2005: £nil).

The actual tax rate for the period is the same as (2005: lower than) the standard rate of corporation tax in the UK (30%).

	2006 £'000	As restated 2005 £'000
Profit on ordinary activities before tax	-	11,756
Profit before tax multiplied by the UK corporation tax rate of 30% (2005: 30%)	-	3,527
Effects of:		
Investment impairment	38,219	-
UK dividends receivable	(38,219)	(3,527)
Current period taxation charge	-	-

No factors have been identified that may affect future tax charges.

W&DB (FINANCE) PLC

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4 Dividends

	2006 £'000	As restated 2005 £'000
Paid in the period		
Final dividend for 2006 of nil per share	-	-
Final dividend for 2004 of £235.12 per share	-	11,756
	-	11,756

5 Investments

	Subsidiary undertakings £'000
Cost	
At 30 September 2006 and 2 October 2005 as restated	252,726
Provisions	
At 2 October 2005 as restated	-
Write down during the period	127,397
At 30 September 2006	127,397
Net book value	
At 30 September 2006	125,329
At 1 October 2005 as restated	252,726

The Company has one subsidiary, being Mansfield Brewery Limited, an intermediate parent company incorporated in England. The Company owns 100% of the ordinary 25p shares of Mansfield Brewery Limited. The investment has been written down to its recoverable amount.

6 Debtors

	2006 £'000	As restated 2005 £'000
Called up share capital not paid	37	37
Amounts owed by Group undertakings	139,753	11,756
	139,790	11,793

7 Creditors (amounts falling due within one year)

	2006 £'000	2005 £'000
Amounts owed to Group undertakings	138,781	138,781
	139,781	138,781

8 Creditors (amounts falling due after more than one year)

	2006 £'000	2005 £'000
Amounts owed to Group undertakings	125,688	125,688

The amounts owed to Group undertakings represent a non-interest bearing loan from the parent undertaking, The Wolverhampton & Dudley Breweries, PLC. The parent company has indicated its intention not to seek repayment of the loan within 12 months of the balance sheet date.

W&DB (FINANCE) PLC

NOTES

9 Share capital

Authorised:

50,000 ordinary shares of £1 each

2006	2005
£'000	£'000
50	50

Allotted and issued:

Fully paid: 13,000 ordinary shares of £1 each

Unpaid: 37,000 ordinary shares of £1 each

2006	2005
£'000	£'000
13	13
37	37
50	50

10 Reserves

	Profit and loss account £'000
At 2 October 2005 as previously reported	-
Prior period adjustment:	
Dividends receivable	(127,397)
Write down of carrying value of investments	127,397
At 2 October 2005 as restated	-
Result for the financial period	600
At 30 September 2006	600

11 Reconciliation of movement in shareholders' funds

	2006	As restated 2005
	£'000	£'000
Profit for the period transferred to reserves	600	-
Opening shareholders' funds	50	50
Closing shareholders' funds	650	50

12 Ultimate parent undertaking

The Company's immediate and ultimate parent undertaking and controlling party is The Wolverhampton & Dudley Breweries, PLC, which is the parent undertaking of the smallest and largest group to consolidate the financial statements of W&DB (Finance) PLC. Copies of the Group financial statements can be obtained from the Company Secretary, PO Box 26, Park Brewery, Wolverhampton, WV1 4NY.

13 Post balance sheet events

A final dividend for 2006 of £12 per share amounting to £600,000 has been proposed for approval at the annual general meeting, but has not been reflected in the financial statements.