

COMPANY REGISTRATION NUMBER 24795

MARSTON'S ACQUISITIONS LIMITED
ANNUAL REPORT
29 SEPTEMBER 2012

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MARSTON'S ACQUISITIONS LIMITED

FINANCIAL STATEMENTS

Period ended 29 September 2012

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MARSTON'S ACQUISITIONS LIMITED

DIRECTORS' REPORT

Period ended 29 September 2012

The Directors have pleasure in presenting their report and the financial statements of the Company for the period ended 29 September 2012

The financial statements of the Company cover the 52 weeks ended 29 September 2012 (2011 52 weeks ended 1 October 2011)

Principal activity and business review

The principal activity of the Company is the acquisition of companies on behalf of the Marston's PLC Group

Interest is receivable/payable under an intra group funding agreement

Future developments

No changes are anticipated in the nature of the business in the foreseeable future

Results and dividends

The loss for the period amounted to £1.4m. The Directors have not recommended a dividend

Principal risks and uncertainties

The principal risks and uncertainties of the Company reflect those of the Marston's Group. The principal risks and uncertainties of the Group which include those of the Company are discussed within the Business Review of the Marston's PLC Annual Report which does not form part of this report.

The Company does not trade and as such it does not have any key performance indicators. The financial risk management of the Company reflects that of the Marston's Group. Details of the Group's financial risk exposure, and the management objectives and policies thereon, are presented within the Business Review of the Marston's PLC Annual Report.

Directors

The Directors who served the Company during the period were as follows

A Andrea
R Findlay
E Hancock
I Jackson
W Whittaker

MARSTON'S ACQUISITIONS LIMITED

DIRECTORS' REPORT *(continued)*

Period ended 29 September 2012

Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. 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 and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they 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 UK 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 unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

In so far as the Directors are aware

- there is no relevant audit information of which the Company's auditors are unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Signed by order of the Directors



Anne-Marie Brennan
Company Secretary

Approved by the Directors on 29 November 2012

Company Registration Number 24795

MARSTON'S ACQUISITIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARSTON'S ACQUISITIONS LIMITED

We have audited the financial statements of Marston's Acquisitions Limited for the period ended 29 September 2012 which comprise the profit and loss account, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 29 September 2012 and of its loss for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



IAN WALL (Senior Statutory Auditor)
For and on behalf of
PRICEWATERHOUSECOOPERS LLP
Chartered Accountants & Statutory Auditors

Birmingham

29 November 2012

MARSTON'S ACQUISITIONS LIMITED

PROFIT AND LOSS ACCOUNT

Period ended 29 September 2012

	Note	2012 £m	2011 £m
Income from shares in group undertakings	3	—	16.7
Interest receivable	4	1.7	1.1
Amounts written off investments	5	—	(15.9)
Interest payable	6	(3.6)	(3.1)
		<u>—</u>	<u>—</u>
Loss on ordinary activities before taxation		(1.9)	(1.2)
Tax on loss on ordinary activities	7	0.5	0.5
		<u>—</u>	<u>—</u>
Loss for the financial period		(1.4)	(0.7)

All of the activities of the Company are classed as continuing

The Company has no recognised gains or losses other than the results for the period as set out above

The notes on pages 6 to 10 form part of these financial statements

MARSTON'S ACQUISITIONS LIMITED

BALANCE SHEET

29 September 2012

	Note	2012 £m	2011 £m
Fixed assets			
Investments	8	<u>74.0</u>	<u>74 0</u>
Current assets			
Debtors	9	46.7	45 0
Creditors: Amounts falling due within one year	10	<u>(99 6)</u>	<u>(96 5)</u>
Net current liabilities		<u>(52.9)</u>	<u>(51 5)</u>
Total assets less current liabilities		21.1	22 5
Creditors: Amounts falling due after more than one year	11	<u>(0 1)</u>	<u>(0 1)</u>
Net assets		<u>21 0</u>	<u>22 4</u>
Capital and reserves			
Called-up equity share capital	12	2 7	2 7
Share premium account	13	5 8	5 8
Other reserves	14	7 9	7 9
Profit and loss account	15	<u>4 6</u>	<u>6 0</u>
Shareholders' funds	16	<u>21 0</u>	<u>22 4</u>

These financial statements were approved by the Directors and authorised for issue on 29 November 2012, and are signed on their behalf by



Andrew Andrea
Director

29 November 2012

The notes on pages 6 to 10 form part of these financial statements.

MARSTON'S ACQUISITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 29 September 2012

1. Accounting policies

(a) Basis of accounting

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

The Company's ultimate parent undertaking, Marston's PLC has stated its intention to provide financial support to the Company to enable it to meet its liabilities as and when they fall due. Consequently the Directors have adopted the going concern basis of preparation for the financial statements

Accounting policies applied are consistent with the prior period

(b) Consolidation

The Company was, at the end of the period, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts

(c) Cash flow statement

The Company is a wholly-owned subsidiary of Marston's PLC and is included in the consolidated financial statements of that company, 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 (revised)

(d) Related party transactions

The Company is a wholly-owned subsidiary of Marston's PLC, the consolidated accounts of which are publicly available. Accordingly, the Company has taken advantage of the exemption in FRS 8 from disclosing transactions with members of the Marston's Group

(e) Current and deferred tax

Current tax is calculated on the basis of the laws enacted or substantively enacted at the balance sheet date and is measured at the amount expected to be paid to or recovered from the tax authorities

Deferred tax 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

(f) Investments

Investments are stated at cost, less any provision for permanent diminution in value. Income from shares in Group undertakings is recognised upon settlement of dividends

(g) Group undertakings

On 23 December 2008 the Company entered into an intra group funding agreement with certain other members of the Marston's Group. The agreement stipulated that all amounts outstanding on any intercompany loan account between these companies were interest bearing at a prescribed rate

On 18 March 2011 two new clauses were added to the agreement. The first provided that no interest would be charged on any balances due to/from certain Group companies during the period of their restructuring. The second stipulated that with effect from 18 March 2011 no interest will accrue or be charged on any intercompany loan account where the balance is less than or equal to £1

No interest is payable on any amounts owed by/to Group companies who are not party to the intra group funding agreement

All amounts owed by/to Group undertakings are unsecured and repayable on demand

MARSTON'S ACQUISITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 29 September 2012

2 Employees and auditors' remuneration

The average monthly number of people employed by the Company during the period excluding Directors was nil (2011 nil). The Directors received no remuneration in respect of their services to the Company (2011 £nil).

Auditors' remuneration is borne by the ultimate parent company, Marston's PLC. The Company incurred no non-audit fees during the period (2011 £nil).

3 Income from shares in group undertakings

	2012 £m	2011 £m
Interim dividend on ordinary shares held in Bluu Limited	–	1.0
Interim dividend on ordinary shares held in Sovereign Inns Limited	–	15.1
Interim dividend on ordinary shares held in The Gray Ox Limited	–	0.6
	<u>–</u>	<u>16.7</u>

4 Interest receivable

	2012 £m	2011 £m
Interest receivable from Group undertakings	<u>1.7</u>	<u>1.1</u>

5 Amounts written off investments

	2012 £m	2011 £m
Amount written off investments	<u>–</u>	<u>15.9</u>

6 Interest payable

	2012 £m	2011 £m
Interest payable to Group undertakings	<u>3.6</u>	<u>3.1</u>

7. Taxation on ordinary activities

(a) Analysis of charge in the period

	2012 £m	2011 £m
Current tax		
UK Corporation tax based on the results for the period	<u>(0.5)</u>	<u>(0.5)</u>
Total current tax	<u>(0.5)</u>	<u>(0.5)</u>

MARSTON'S ACQUISITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 29 September 2012

7 Taxation on ordinary activities (*continued*)

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period is the same as (2011 lower than) the standard rate of corporation tax of 25% (2011 27%)

The standard rate of corporation tax in the UK changed from 26% to 24% with effect from 1 April 2012. Accordingly, the Company's profits for the accounting period are taxed at an effective rate of 25%.

	2012 £m	2011 £m
Loss on ordinary activities before taxation	(1.9)	(1.2)
Loss on ordinary activities by rate of tax	(0.5)	(0.3)
Effect of		
UK dividend income	-	(4.5)
Amounts written off investments	-	4.3
Total current tax (note 7(a))	(0.5)	(0.5)

(c) Factors that may affect future tax charges

The March 2012 Budget announced a further reduction in the main rate of corporation tax from 24% to 22% phased in over 2 years at 1% per annum from April 2013. The change from 24% to 23% with effect from 1 April 2013 was enacted in the Finance Act 2012 in July 2012. The further changes had not been substantively enacted at the balance sheet date.

8 Investments

	Subsidiary undertakings £m
Cost	
At 2 October 2011 and 29 September 2012	108.6
Amounts written off	
At 2 October 2011 and 29 September 2012	34.6
Net book value	
At 29 September 2012 and 1 October 2011	74.0

MARSTON'S ACQUISITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 29 September 2012

8. Investments (continued)

The principal subsidiary undertakings at 29 September 2012 were

	Nature of business	Class of share
The Gray Ox Limited	Dormant	Ordinary £1 shares
Sovereign Inns Limited	Dormant	Ordinary £1 shares
Ringwood Brewery Limited	Holding company	Ordinary £1 shares
SDA Limited	Holding company	Ordinary £1 shares
Channel Wines and Spirits Limited	Non-trading	Ordinary £1 shares
EP Investments 2004 Limited	Holding company	Ordinary 1p shares
Eldridge, Pope & Co , Limited	Dormant	Ordinary 50p shares
Bluu Limited	Dormant	Ordinary £1 shares
Fayolle Limited	Non-trading	Ordinary £1 shares
Wychwood Holdings Limited	Holding company	'A' Ordinary 1p shares 'B' Ordinary 1p shares
Refresh Group Limited	Holding company	Ordinary 1p shares
Refresh UK Limited	Dormant	Ordinary 10p shares

The Company holds 100% of the above subsidiary undertakings, which are all incorporated in England and Wales with the exception of Channel Wines and Spirits Limited which is incorporated in Guernsey

The Company has a number of other wholly-owned subsidiary undertakings, all of which are registered in England and Wales. A complete list of subsidiary undertakings is available at the Company's registered office

SDA Limited is a wholly-owned subsidiary of Ringwood Brewery Limited. EP Investments 2004 Limited is a wholly-owned subsidiary of SDA Limited. Eldridge, Pope & Co , Limited is a wholly-owned subsidiary of EP Investments 2004 Limited. Channel Wines and Spirits Limited is a wholly-owned subsidiary of Eldridge, Pope & Co , Limited

Refresh Group Limited is a wholly-owned subsidiary of Wychwood Holdings Limited. Refresh UK Limited is a wholly-owned subsidiary of Refresh Group Limited

9. Debtors

	2012 £m	2011 £m
Amounts owed by Group undertakings	42.4	42.4
Corporation tax	0.5	0.5
Interest owed by Group undertakings	3.8	2.1
	<u>46.7</u>	<u>45.0</u>

10. Creditors Amounts falling due within one year

	2012 £m	2011 £m
Interest owed to Group undertakings	14.3	10.7
Amounts owed to Group undertakings	<u>85.3</u>	<u>85.8</u>
	<u>99.6</u>	<u>96.5</u>

MARSTON'S ACQUISITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 29 September 2012

11 Creditors Amounts falling due after more than one year

	2012 £m	2011 £m
Preference shares	<u>0.1</u>	<u>0.1</u>

The preference shares are irredeemable, carry a right to a fixed preferential dividend and have priority in the event of a winding-up

12 Share capital

Allotted, called up and fully paid

	2012 No	£m	2011 No	£m
Ordinary shares of £0.25 each	<u>10,851,615</u>	<u>2.7</u>	<u>10,851,615</u>	<u>2.7</u>

13. Share premium account

There was no movement on the share premium account during the financial period

14 Other reserves

	2012 £m	2011 £m
Other reserves	<u>7.9</u>	<u>7.9</u>

15 Profit and loss account

	2012 £m	2011 £m
Balance brought forward	6.0	6.7
Loss for the financial period	<u>(1.4)</u>	<u>(0.7)</u>
Balance carried forward	<u>4.6</u>	<u>6.0</u>

16. Reconciliation of movements in shareholders' funds

	2012 £m	2011 £m
Loss for the financial period	(1.4)	(0.7)
Opening shareholders' funds	<u>22.4</u>	<u>23.1</u>
Closing shareholders' funds	<u>21.0</u>	<u>22.4</u>

17 Ultimate parent company

The Company's immediate and ultimate parent undertaking and controlling party is Marston's PLC, which is the parent undertaking of the smallest and largest group to consolidate the financial statements of Marston's Acquisitions Limited. Copies of the Group financial statements can be obtained from the Company Secretary, Marston's House, Brewery Road, Wolverhampton, WV1 4JT