Company Registration No. 00024795 (England and Wales)

MARSTON'S ACQUISITIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 3 OCTOBER 2020

MARSTON'S ACQUISITIONS LIMITED

COMPANY INFORMATION

Directors	Andrew Andrea Edward Hancock Ralph Findlay William Whittaker
Secretary	Anne-Marie Brennan
Company number	00024795
Registered office	Marston's House Brewery Road Wolverhampton WV1 4JT

MARSTON'S ACQUISITIONS LIMITED

CONTENTS

MARSTON'S ACQUISITIONS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 3 OCTOBER 2020

The Directors present their report and the financial statements for the period ended 3 October 2020.

The financial statements of the Company cover the 53 weeks ended 3 October 2020 (2019: 52 weeks ended 28 September 2019).

Principal activities
The principal activity of the Company is the acquisition of companies on behalf of the Marston's Group and the leasing of plant, fixtures and fittings to other companies in the Group.

Directors
The Directors who held office during the period and up to the date of signature of the financial statements were as follows:

Andrew Andrea	
Edward Hancock	
Ralph Findlay	
Iain Jackson	(Resigned 7 April 2020)
William Whittaker	

Results and dividends
The results for the period are set out on page 7.

No ordinary dividends were paid. The Directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions
In accordance with the Company's Articles of Association and to the extent permitted by law, the Company has indemnified its Directors against certain liabilities that may be incurred as a result of their position.

Financial instruments
Financial risk management
Financial risk management is undertaken at a Group level and as such the financial risk management of the Company reflects that of the Marston's Group. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Group Board. The key financial risks for the Group are interest rate risk, credit risk and liquidity risk.

Further details of the Group's financial risk exposure, and the management objectives and policies thereon, are presented within the Annual Report and Accounts of Marston's PLC.

Future developments
No changes are anticipated in the nature of the business in the foreseeable future.

Auditor
The Company appointed KPMG LLP as auditor during the current period, following the resignation of PricewaterhouseCoopers LLP. Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Statement of disclosure to auditor
So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the board

Anne-Marie Brennan
Secretary
18 December 2020

MARSTON'S ACQUISITIONS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 3 OCTOBER 2020

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

MARSTON'S ACQUISITIONS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MARSTON'S ACQUISITIONS LIMITED

Opinion

We have audited the financial statements of Marston's Acquisitions Limited ('the Company') for the period ended 3 October 2020, which comprise the balance sheet, statement of income and retained earnings, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 3 October 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 to the financial statements which indicates that the Company is reliant on support from the Company's ultimate parent, Marston's PLC, to continue to operate as a going concern and therefore the ability of the Company to operate as a going concern is linked to that of the wider Group. The impact of COVID-19 on the economy and the hospitality industry has resulted in heightened uncertainty in relation to the future financial performance of the Group and therefore may cast significant doubt in relation to the ultimate parent, Marston's PLC's, ability to provide the required support. These events and conditions, along with the other matters explained in note 1, constitute a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Directors' report

The Directors are responsible for the Directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/ auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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.

John Leech (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

18 December 2020

MARSTON'S ACQUISITIONS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE PERIOD ENDED 3 OCTOBER 2020

	Notes	Period ended 3 October 2020 £m	Period ended 28 September 2019 £m
Interest receivable and similar income	4	1.6	1.3
Interest payable and similar charges	5	(0.8)	(0.6)
Profit before taxation		0.8	0.7
Taxation	6	(0.5)	-
Profit for the financial period		0.3	0.7
Other comprehensive income		-	-
Total comprehensive income for the period		0.3	0.7
Profit and loss reserves at beginning of period		16.6	15.9
Profit and loss reserves at end of period		16.9	16.6

All results relate to continuing operations.

MARSTON'S ACQUISITIONS LIMITED

BALANCE SHEET

AS AT 3 OCTOBER 2020

	Notes	3 October 2020 £m	£m	28 September 2019 £m	£m
Fixed assets					
Investments	**7**		13.6		13.6
Current assets					
Debtors	**9**	47.8		43.0	
Creditors: amounts falling due within one year	**11**	(24.8)		(20.9)	
Net current assets			23.0		22.1
Total assets less current liabilities			36.6		35.7
Creditors: amounts falling due after more than one year	**12**		(0.1)		(0.1)
Provisions for liabilities	**13**		(3.2)		(2.6)
Net assets			33.3		33.0
Capital and reserves					
Called up share capital	**15**		2.7		2.7
Share premium account	**16**		5.8		5.8
Other reserves	**17**		7.9		7.9
Profit and loss reserves			16.9		16.6
Total equity			33.3		33.0

The financial statements were approved by the board of Directors and authorised for issue on 18 December 2020 and are signed on its behalf by:

Andrew Andrea
Director

Company Registration No. 00024795

1 Accounting policies

Company information

Marston's Acquisitions Limited is a private company limited by shares incorporated in England and Wales. The registered office is Marston's House, Brewery Road, Wolverhampton, WV1 4JT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £0.1m.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The Company is a qualifying entity for the purposes of FRS 102, as Marston's PLC prepares publicly available consolidated financial statements, including the Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group (note 18). The Company has therefore taken advantage of the exemptions from the following disclosure requirements in FRS 102:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flows and related notes and disclosures;
- Section 11 'Basic Financial Instruments' – Interest income/expense and net gains/losses for each category of financial instrument not measured at fair value through profit or loss, impairment losses for each class of financial asset and information that enables users to evaluate the significance of financial instruments;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts as Marston's Acquisitions Limited is a wholly-owned subsidiary of Marston's Corporate Holdings Limited and the results of Marston's Acquisitions Limited are included in the consolidated financial statements of Marston's PLC (note 18). The financial statements present information about the Company as an individual entity and not about its group.

1 Accounting policies **(Continued)**

1.2 Going concern

The Company's business activities are set out in the Director's report. The Company is a subsidiary of Marston's PLC and is party to central funding arrangements. The Company's ultimate parent, Marston's PLC, has provided a letter of support to confirm its intention to provide sufficient funding to the Company so as to enable it to meet its liabilities as they fall due for a period of at least 12 months from the date of these financial statements. As with any company placing reliance on other group entities for financial support, the Directors of the Company acknowledge that there can be no certainty that this support will continue although, at the date of the approval of these financial statements for the Company, they have no reason to believe that it will not do so.

Due to the fact the Company is party to central funding arrangements and the reliance upon support from Marston's PLC, the ability of the Company to operate as a going concern is fundamentally linked to that of the wider Group (i.e. Marston's PLC and its subsidiaries).

As disclosed in the financial statements of Marston's PLC, the impact of COVID-19 on the economy and the hospitality industry has resulted in heightened uncertainty about the future financial performance of the Group, which could cast significant doubt over the Group's ability to trade as a going concern. The COVID-19 pandemic has resulted in a variety of temporary operating restrictions and it is not clear when these restrictions, such as social distancing measures and reduced pub opening times, will be removed and whether any further local or national lockdowns will be required.

The directors of Marston's PLC have performed an assessment of the Group's going concern assessment period, being at least 12 months from the date of signing the financial statements, including capital expenditure and cash flow forecasts, to assess the adequacy of the Group's financial resources. In performing their assessment, the directors of Marston's PLC considered the Group's financial position and exposure to principal risks, including the ongoing impact of COVID-19. The Group's forecasts assume that sales will gradually recover to pre-COVID-19 levels over the next year, with social distancing measures reducing from April 2021. The directors of Marston's PLC have also considered a severe but plausible downside scenario, which incorporates a further lockdown and pub opening restrictions at a national level for a two month period in January and February 2021. The conclusion of this assessment was that the directors of Marston's PLC are satisfied that the Group has sufficient liquidity to withstand such a severe but plausible downside scenario. The completion of the disposal of the Group's brewing operations in October 2020 has improved the Group's liquidity significantly, with an initial cash payment of £232.7m received on 30 October 2020. However, under this severe but plausible downside scenario, further covenant waivers/amendments would be required.

The Group has secured waivers from its bondholders in respect of the free cash flow covenant up to April 2021 and has agreed with its other lenders to replace existing financial covenant tests with a liquidity and profit covenant from 3 October 2020 up to July 2021. There is a material uncertainty as to whether the financial covenants will be met or whether the Group's lenders will agree to further waivers, if required. The Group will continue to have regular communication with its lenders throughout this period.

Considering the above, the directors of Marston's PLC are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing these financial statements.

For these reasons, the Directors of the Company continue to adopt the going concern basis of accounting in preparing these financial statements for the Company. However, a material uncertainty exists, in particular with respect to the ability of the Group to achieve further covenant waivers or amendments if required, which may cast significant doubt on the Group's and hence the Company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1 Accounting policies **(Continued)**

1.3 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.4 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets are initially measured at the transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Other financial assets

The Company has no other financial assets.

Impairment of financial assets

Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

1 Accounting policies **(Continued)**

Basic financial liabilities
Basic financial liabilities, comprising amounts owed to Group undertakings and preference shares, are initially recognised at the transaction price and subsequently carried at amortised cost using the effective interest method.

Other financial liabilities
The Company has no other financial liabilities.

Derecognition of financial liabilities
Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

1.5 Equity instruments
Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

1.6 Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the statement of income and retained earnings because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax
Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.7 Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the lease.

1 Accounting policies **(Continued)**

1.8 Group undertakings

There is an intra group funding agreement in place between the Company and certain other members of the Marston's Group. This agreement stipulates that all balances outstanding on any intercompany loan account between these companies which exceed £1 are interest bearing at a prescribed rate.

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, other than those in respect of finance leases, are unsecured and repayable on demand.

2 Auditor's remuneration

Auditor's remuneration was negligible and borne by the ultimate parent company, Marston's PLC. The Company incurred no non-audit fees during the current or prior period.

3 Employees

The average monthly number of people employed by the Company during the period was nil (2019: nil). The Directors received no remuneration in respect of their services to the Company (2019: £nil).

4 Interest receivable and similar income

	2020	2019
	£m	£m
Interest income		
Other interest income	1.6	1.3

5 Interest payable and similar charges

	2020	2019
	£m	£m
Interest payable to Group undertakings	0.8	0.6

6 Taxation

	2020	2019
	£m	£m
Current tax		
UK corporation tax on results for the current period	(0.1)	(1.0)
Deferred tax		
Origination and reversal of timing differences	0.3	1.0
Changes in tax rates	0.3	-
Total deferred tax	0.6	1.0
Total tax charge	0.5	-

6 Taxation (Continued)

A UK corporation tax rate of 19% (effective from 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17% from 1 April 2020. This will increase the Company's future current tax charge accordingly. The deferred tax liabilities at 3 October 2020 have been calculated at 19% (2019: 17%).

The charge for the period can be reconciled to the profit per the statement of income and retained earnings as follows:

	2020 £m	2019 £m
Profit before taxation	0.8	0.7
Expected tax based on the standard rate of corporation tax in the UK of 19% (2019: 19%)	0.2	0.1
Effect of change in corporation tax rate	0.3	-
Difference between current and deferred tax rates	-	(0.1)
Tax charge for the period	0.5	-

7 Fixed asset investments

	Notes	2020 £m	2019 £m
Investments in subsidiaries	8	13.6	13.6

Movements in fixed asset investments

	Shares in Group undertakings £m
Cost	
At 29 September 2019 and 3 October 2020	88.6
Impairment	
At 29 September 2019 and 3 October 2020	75.0
Carrying amount	
At 3 October 2020	13.6
At 28 September 2019	13.6

8 Subsidiaries

These financial statements are separate company financial statements for Marston's Acquisitions Limited.

Details of the Company's subsidiaries at 3 October 2020 are as follows:

Name of undertaking	Nature of business	Class of shareholding	% Held Direct	% Held Indirect
Bluu Limited	Dormant	Ordinary £1	100%	100%
Bedford Canning Company Limited	Dormant	Ordinary £1	100%	100%
Eldridge, Pope & Co., Limited	Dormant	Ordinary 50p	-	100%
EP Investments 2004 Limited	Dormant	Ordinary 1p	-	100%
Fairdeed Limited	Dormant	'A' Ordinary £1	-	100%
Fayolle Limited	Dormant	Ordinary £1	-	100%
QP Bars Limited	Dormant	Ordinary £1	-	100%
Refresh Group Limited	Dormant	Ordinary 1p	-	100%
Refresh UK Limited	Dormant	Ordinary 10p	-	100%
Ringwood Brewery Limited	Dormant	Ordinary £1	100%	100%
SDA Limited	Dormant	Ordinary £1	-	100%
Sovereign Inns Limited	Dormant	Ordinary £1	100%	100%
The Gray Ox Limited	Dormant	Ordinary £1	100%	100%
The Wychwood Brewery Company Limited	Dormant	Ordinary £1	-	100%
Wychwood Holdings Limited	Dormant	'A' Ordinary 1p	100%	100%
Wychwood Holdings Limited	Dormant	'B' Ordinary 1p	100%	100%

The registered office of each subsidiary is Marston's House, Brewery Road, Wolverhampton, WV1 4JT.

9 Debtors

	2020 £m	2019 £m
Amounts falling due within one year:		
Corporation tax recoverable	0.1	1.0
Finance leases receivable (note 10)	8.8	-
	8.9	1.0
Amounts falling due after one year:		
Finance leases receivable (note 10)	38.9	42.0
Total debtors	47.8	43.0

10 Finance lease receivables

	2020 £m	2019 £m
Gross amounts receivable under finance leases:		
Within one year	10.2	1.4
In one to five years	40.6	44.5
	50.8	45.9
Unearned finance income	(3.1)	(3.9)
Present value of minimum lease payments receivable	47.7	42.0
The present value is receivable as follows:		
Within one year	8.8	-
In one to five years	38.9	42.0
	47.7	42.0

The Company enters into finance leasing arrangements with other members of the Group for various items of plant, fixtures and fittings. The average term of finance leases entered into is five years.

11 Creditors: amounts falling due within one year

	2020 £m	2019 £m
Amounts owed to Group undertakings	24.8	20.9

12 Creditors: amounts falling due after more than one year

	2020 £m	2019 £m
Preference shares	0.1	0.1

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

13 Provisions for liabilities

	Notes	2020 £m	2019 £m
Deferred tax liabilities	14	3.2	2.6
		3.2	2.6

14 Deferred taxation

The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Balances:	**Liabilities 2020 £m**	**Liabilities 2019 £m**
Accelerated capital allowances	4.1	2.6
Tax losses	(0.9)	-
	3.2	2.6

Movements in the period:	**2020 £m**
Liability at 29 September 2019	2.6
Charge to profit or loss	0.6
Liability at 3 October 2020	3.2

15 Share capital

	2020 £m	**2019 £m**
Ordinary share capital		
Issued and fully paid		
10,851,615 ordinary shares of 25p each	2.7	2.7

The ordinary shares have attached to them full voting rights and they do not confer any rights of redemption. They have dividend and capital distribution (including on winding up) rights after payment of preference shareholders.

16 Share premium account

The share premium account comprises the amounts in excess of nominal value received for the issue of shares less any transaction costs.

17 Other reserves

Other reserves principally comprise the premium on the issue of the Company's shares in consideration for the acquisition of certain subsidiaries.

18 Controlling party

The immediate parent undertaking is Marston's Corporate Holdings Limited.

The 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. The registered office of Marston's PLC is Marston's House, Brewery Road, Wolverhampton, WV1 4JT. Copies of the Group financial statements can be obtained from the Group Secretary at this address.