Company Registration No. 00024795 (England and Wales)

MARSTON'S ACQUISITIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 29 SEPTEMBER 2018

MARSTON'S ACQUISITIONS LIMITED

COMPANY INFORMATION

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

MARSTON'S ACQUISITIONS LIMITED

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MARSTON'S ACQUISITIONS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 29 SEPTEMBER 2018

The Directors present their report and the financial statements for the period ended 29 September 2018.

The financial statements of the Company cover the 52 weeks ended 29 September 2018 (2017: 52 weeks ended 30 September 2017).

Principal activities
The principal activity of the Company is the acquisition of companies on behalf of the Marston's PLC 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
William Whittaker

Results and dividends
The results for the period are set out on page 6.

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
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 Annual Report and Accounts of Marston's PLC.

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

Statement of disclosure to auditors
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 auditors are 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 auditors are aware of that information.

By order of the board

Anne-Marie Brennan
Secretary
21 November 2018

MARSTON'S ACQUISITIONS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 29 SEPTEMBER 2018

The Directors are responsible for preparing the Annual 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 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;
- 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.

MARSTON'S ACQUISITIONS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MARSTON'S ACQUISITIONS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Marston's Acquisitions Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 29 September 2018 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the balance sheet as at 29 September 2018; the statement of income and retained earnings for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the period ended 29 September 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements
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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also 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.

In preparing the financial statements, the Directors are responsible for 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report
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.

MARSTON'S ACQUISITIONS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF MARSTON'S ACQUISITIONS LIMITED

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Andrew Lyon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
21 November 2018

MARSTON'S ACQUISITIONS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE PERIOD ENDED 29 SEPTEMBER 2018

	Notes	Period ended 29 September 2018 £m	Period ended 30 September 2017 £m
Interest receivable and similar income	**4**	0.9	0.6
Interest payable and similar charges	**5**	(0.2)	-
Profit before taxation		0.7	0.6
Taxation	**6**	-	-
Profit for the financial period		0.7	0.6
Other comprehensive income		-	-
Total comprehensive income for the period		0.7	0.6
Profit and loss reserves at beginning of period		15.2	14.6
Profit and loss reserves at end of period		15.9	15.2

All results relate to continuing operations.

MARSTON'S ACQUISITIONS LIMITED

BALANCE SHEET

AS AT 29 SEPTEMBER 2018

	Notes	2018 £m	2018 £m	2017 £m	2017 £m
Fixed assets					
Investments	7		13.6		13.6
Current assets					
Debtors	9	31.0		18.8	
Creditors: amounts falling due within one year	11	(10.6)		-	
Net current assets			20.4		18.8
Total assets less current liabilities			34.0		32.4
Creditors: amounts falling due after more than one year	12		(0.1)		(0.1)
Provisions for liabilities	13		(1.6)		(0.7)
Net assets			32.3		31.6
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			15.9		15.2
Total equity			32.3		31.6

The financial statements were approved by the board of Directors and authorised for issue on 21 November 2018 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 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flows and related notes and disclosures;
- Section 11 'Basic Financial Instruments' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument not measured at fair value through profit or loss, 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 PLC 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.

1.2 Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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 Accounting policies **(Continued)**

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, which comprise amounts owed by Group undertakings, 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 and 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.

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.

1 Accounting policies **(Continued)**

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 leases. 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 leases.

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 Auditors' remuneration

Auditors' remuneration is 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 excluding Directors was nil (2017: nil). The Directors received no remuneration in respect of their services to the Company (2017: £nil).

4 Interest receivable and similar income

	2018 £m	2017 £m
Interest income		
Interest receivable from Group undertakings	-	0.3
Other interest income	0.8	0.3
Total interest income	0.8	0.6
Other income from investments		
Dividends received	0.1	-
Total income	0.9	0.6

5 Interest payable and similar charges

	2018 £m	2017 £m
Interest payable to Group undertakings	0.2	-

6 Taxation

	2018 £m	2017 £m
Current tax		
UK corporation tax on results for the current period	(0.9)	(0.5)
Deferred tax		
Origination and reversal of timing differences	0.9	0.5
Total tax charge	-	-

The standard rate of corporation tax in the UK changed from 20% to 19% with effect from 1 April 2017. Accordingly, the Company's profits for the current period are taxed at an effective rate of 19% and the profits for the prior period were taxed at an effective rate of 19.5%.

The March 2016 Budget announced that the standard rate of corporation tax would change from 19% to 17% with effect from 1 April 2020. This change was substantively enacted in the Finance Act 2016 in September 2016 and as such the deferred tax liabilities reflect these rates.

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

	2018 £m	2017 £m
Profit before taxation	0.7	0.6
Expected tax based on the standard rate of corporation tax in the UK of 19% (2017: 19.5%)	0.1	0.1
Difference between current and deferred tax rates	(0.1)	(0.1)
Tax charge for the period	-	-

7 Fixed asset investments

	Notes	2018 £m	2017 £m
Investments in subsidiaries	8	13.6	13.6

7 Fixed asset investments **(Continued)**

Movements in fixed asset investments

	Shares in Group undertakings
	£m
Cost	
At 1 October 2017 and 29 September 2018	88.6
Impairment	
At 1 October 2017 and 29 September 2018	75.0
Carrying amount	
At 29 September 2018	13.6
At 30 September 2017	13.6

8 Subsidiaries

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

Details of the Company's subsidiaries at 29 September 2018 are as follows:

Name of undertaking	Nature of business	Class of shareholding	% Held Direct	% Held Indirect
Bluu 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%
Bedford Canning Company Limited	Non trading	Ordinary £1	100%	100%

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

9 Debtors

	2018	2017
Amounts falling due within one year:	**£m**	**£m**
Corporation tax recoverable	0.9	0.5
Amounts owed by Group undertakings	-	3.4
	0.9	3.9
Amounts falling due after one year:		
Finance leases receivable (note 10)	30.1	14.9
Total debtors	31.0	18.8

10 Finance lease receivables

	2018	2017
	£m	**£m**
Gross amounts receivable under finance leases:		
Within one year	1.0	0.5
In two to five years	32.5	16.3
	33.5	16.8
Unearned finance income	(3.4)	(1.9)
Present value of minimum lease payments receivable	30.1	14.9
The present value is receivable as follows:		
In two to five years	30.1	14.9

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

	2018	2017
	£m	**£m**
Amounts owed to Group undertakings	10.6	-

12 Creditors: amounts falling due after more than one year

	2018 £m	2017 £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	2018 £m	2017 £m
Deferred tax liabilities	14	1.6	0.7
		1.6	0.7

14 Deferred taxation

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Balances:	Liabilities 2018 £m	Liabilities 2017 £m
Accelerated capital allowances	1.6	0.7

Movements in the period:	2018 £m
Liability at 1 October 2017	0.7
Charge to profit or loss	0.9
Liability at 29 September 2018	1.6

15 Share capital

	2018 £m	2017 £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.