

COMPANY REGISTRATION NUMBER 00052308

ELDRIDGE, POPE & CO., LIMITED
ANNUAL REPORT
1 OCTOBER 2011

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ELDRIDGE, POPE & CO., LIMITED

FINANCIAL STATEMENTS

Period ended 1 October 2011

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ELDRIDGE, POPE & CO., LIMITED

DIRECTORS' REPORT

Period ended 1 October 2011

The Directors have pleasure in presenting their report and the financial statements of the Company for the period ended 1 October 2011

The financial statements of the Company cover the 52 weeks ended 1 October 2011 (2010 52 weeks ended 2 October 2010)

Principal activity and business review

The principal activity of the Company during the period was the receipt/payment of interest under an intra group funding agreement

During the period the Company made a bonus issue of 223,468,682 ordinary shares of £0.50 each. A capital reduction was subsequently undertaken, which resulted in the Company's issued share capital being reduced by £124,107,000 and the share premium account of £133,000 being cancelled. The balance on the Company's profit and loss account was then distributed by way of a dividend (see note 7 for details).

Future developments

The Company is expected to be dormant for the foreseeable future.

Results and dividends

The profit for the period, after taxation, amounted to £1,388,000. Particulars of dividends paid are detailed in note 7 to the financial statements.

Principal risks and uncertainties

The principal risks and uncertainties of the Company are integrated with the principal risks of the Marston's Group and are not managed separately. Accordingly, 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.

Further, the key performance indicators (KPIs), and financial risk management of the Company are integrated with that of the Marston's Group and are not assessed separately. An analysis of the KPIs of the Group, which include those of the Company, together with the Group's financial risk exposure, and the management objectives and policies thereon, is 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
B Thomas

(Appointed 1 October 2011)

(Resigned 1 October 2011)

ELDRIDGE, POPE & CO., LIMITED

DIRECTORS' REPORT *(continued)*

Period ended 1 October 2011

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 30 November 2011

Company Registration Number 00052308

ELDRIDGE, POPE & CO., LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELDRIDGE, POPE & CO., LIMITED

We have audited the financial statements of Eldridge, Pope & Co, Limited for the period ended 1 October 2011 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 (APB'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 annual 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 1 October 2011 and of its profit 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.

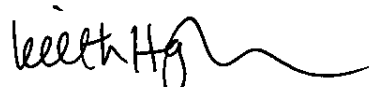
Opinion on other matter

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.



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

Birmingham

30 November 2011

ELDRIDGE, POPE & CO., LIMITED

PROFIT AND LOSS ACCOUNT

Period ended 1 October 2011

	Note	2011 £000	2010 £000
Exceptional income	3	201	836
Interest receivable	4	3,155	6,573
Interest payable	5	(1,441)	(2,981)
Profit on ordinary activities before taxation		1,915	4,428
Tax on profit on ordinary activities	6	(527)	(1,240)
Profit for the financial period		1,388	3,188

All results relate to discontinued operations

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.

ELDRIDGE, POPE & CO., LIMITED

BALANCE SHEET

1 October 2011

	Note	2011 £000	2010 £000
Fixed assets			
Investments	8	<u>7,535</u>	<u>7,535</u>
Current assets			
Debtors	9	-	212,460
Creditors: amounts falling due within one year	10	-	(97,143)
Net current assets		-	<u>115,317</u>
Total assets less current liabilities		<u>7,535</u>	<u>122,852</u>
Net assets		<u>7,535</u>	<u>122,852</u>
Capital and reserves			
Called-up equity share capital	12	-	12,373
Share premium account	13	-	133
Other reserves	14	-	1,380
Profit and loss account	15	<u>7,535</u>	<u>108,966</u>
Shareholders' funds	16	<u>7,535</u>	<u>122,852</u>

These financial statements were approved by the Directors and authorised for issue on 30 November 2011, and are signed on their behalf by



Andrew Andrea
Director

30 November 2011

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

ELDRIDGE, POPE & CO., LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 1 October 2011

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 Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing 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) Investments in subsidiaries

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

(f) 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

(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

ELDRIDGE, POPE & CO., LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 1 October 2011

2 Employees and auditors' remuneration

The average monthly number of people employed by the Company during the period excluding Directors was nil (2010 nil). The Directors received no remuneration in respect of their services to the Company (2010 £nil).

Auditors' remuneration is borne by the ultimate parent company, Marston's PLC. The Company incurred no non-audit fees during the period (2010 £nil).

3. Exceptional income

	2011 £000	2010 £000
Exceptional income	<u>201</u>	<u>836</u>

During the period refunds of £201,000 (2010 £836,000) were received from HM Revenue & Customs, in relation to VAT on share issue costs and on gaming machine income earned by the Company when it carried on the trade of a pub operator.

4. Interest receivable

	2011 £000	2010 £000
Interest receivable from Group undertakings	<u>3,155</u>	<u>6,573</u>

5. Interest payable

	2011 £000	2010 £000
Interest payable to Group undertakings	<u>1,441</u>	<u>2,981</u>

6 Taxation on ordinary activities

(a) Analysis of charge in the period

	2011 £000	2010 £000
Current tax		
UK Corporation tax based on the results for the period	<u>527</u>	<u>1,240</u>
Total current tax	<u>527</u>	<u>1,240</u>

ELDRIDGE, POPE & CO., LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 1 October 2011

6. Taxation on ordinary activities (*continued*)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is higher than (2010 the same as) the standard rate of corporation tax of 27% (2010 28%)

The standard rate of corporation tax in the UK changed from 28% to 26% with effect from 1 April 2011. Accordingly, the Company's profits for the accounting period are taxed at an effective rate of 27%

	2011 £000	2010 £000
Profit on ordinary activities before taxation	1,915	4,428
Profit on ordinary activities by rate of tax	517	1,240
Effect of Additional payment for Group relief	10	-
Total current tax (note 6(a))	527	1,240

(c) Factors that may affect future tax charges

The March 2011 Budget announced a further reduction in the main rate of corporation tax from 26% to 23% phased in over 3 years at 1% per annum from April 2012. The change from 26% to 25% with effect from 1 April 2012 was enacted in the Finance Act 2011 in July 2011. The further changes had not been substantively enacted at the balance sheet date.

7. Dividends

Equity dividends

	2011 £000	2010 £000
Paid during the period Interim dividend for 2011 of £58,353,000 per share	116,705	-

8. Investments

	Subsidiary undertakings £000
Cost At 3 October 2010 and 1 October 2011	7,535
Net book value At 1 October 2011 and 2 October 2010	7,535

At 1 October 2011 the Company had one non-trading subsidiary, incorporated in Guernsey, being Channel Wines and Spirits Limited. The Company owns 100% of the ordinary £1 shares of Channel Wines and Spirits Limited.

ELDRIDGE, POPE & CO., LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 1 October 2011

9. Debtors

	2011	2010
	£000	£000
Amounts owed by Group undertakings	-	204,572
Interest owed by Group undertakings	-	7,888
	<u>-</u>	<u>212,460</u>

At 1 October 2011 the Company was owed £1 by Group undertakings

10 Creditors: amounts falling due within one year

	2011	2010
	£000	£000
Interest owed to Group undertakings	-	6,283
Amounts owed to Group undertakings	-	89,620
Corporation tax	-	1,240
	<u>-</u>	<u>97,143</u>

11. Contingencies

The Company has received refunds of £983,000 from HM Revenue & Customs (HMRC). This followed Tribunal/Court of Appeal hearings involving The Rank Group Plc, which concluded that there had been a breach of fiscal neutrality in the treatment of gaming machine income as liable to UK VAT. The matter was referred to the European Court of Justice (ECJ), which released its decision on 10 November 2011 confirming the key principles upon which Rank's case relied.

HMRC are currently considering their position and may ask for the matter to be referred back to the Upper Tribunal to further test whether the comparable machines that had different VAT treatments were in fact 'similar'. HMRC issued protective assessments to recover the repayments pending the result of further Court hearings. If HMRC are ultimately successful, the Company would be required to repay the £983,000 plus interest. The likelihood of such a repayment being required is not considered probable.

12. Share capital

Allotted, called up and fully paid

	2011	£000	2010	£000
	No		No	
Ordinary shares of £0.50 each	<u>2</u>	<u>-</u>	<u>24,746,058</u>	<u>12,373</u>

A bonus issue of 223,468,682 ordinary shares of £0.50 each was made in the current period. A capital reduction was subsequently undertaken, which resulted in the Company's issued share capital being reduced by £124,107,000 and the share premium account of £133,000 being cancelled (note 13).

13 Share premium account

	2011	2010
	£000	£000
Balance brought forward	133	133
Capital reduction	(133)	-
Balance carried forward	<u>-</u>	<u>133</u>

ELDRIDGE, POPE & CO., LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 1 October 2011

14. Other reserves

	2011 £000	2010 £000
Balance brought forward	1,380	1,380
Bonus issue	(1,380)	—
Balance carried forward	—	1,380

15. Profit and loss account

	2011 £000	2010 £000
Balance brought forward	108,966	105,778
Profit for the financial period	1,388	3,188
Equity dividends	(116,705)	—
Bonus issue	(110,354)	—
Capital reduction	124,240	—
Balance carried forward	7,535	108,966

16 Reconciliation of movements in shareholders' funds

	2011 £000	2010 £000
Profit for the financial period	1,388	3,188
Equity dividends	(116,705)	—
Net (reduction)/addition to shareholders' funds	(115,317)	3,188
Opening shareholders' funds	122,852	119,664
Closing shareholders' funds	7,535	122,852

17. Ultimate parent company

The immediate parent undertaking is EP Investments 2004 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 Eldridge, Pope & Co., Limited. Copies of the Group financial statements can be obtained from the Company Secretary, Marston's House, Brewery Road, Wolverhampton, WV1 4JT