

Carlsberg Marston's Brewing Company Limited
(formerly Carlsberg UK Limited)

Annual report and financial statements

Registered number 00078439

For the year ended 31 December 2021

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Carlsberg Marston's Brewing Company Limited (formerly Carlsberg UK Limited)
Annual report and financial statements
For the year ended 31 December 2021

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Strategic Report

The directors present their Strategic Report on the company for the year ended 31 December 2021.

Introduction

2021 was the first full year Carlsberg Marston's Brewing Company Limited (formerly Carlsberg UK Limited) operated as a wholly owned subsidiary of Carlsberg Marston's Limited. Carlsberg Marston's Limited is a 60:40 joint venture established between Carlsberg UK Holdings Limited and Marston's Trading Limited, bringing over 300 years of brewing heritage into one business and combining the best of both brewers to create a better beer company. Carlsberg Marston's Brewing Company Limited is principally engaged in the sale of Carlsberg products in the UK. The financial results reflect the year from 1 January 2021 to 31 December 2021.

Business Review

In 2021 the UK Beer market was again materially impacted by the coronavirus pandemic which saw the On-Trade closed for parts of the year. Compared to pre-pandemic levels the On-Trade was 38% smaller and the Off-Trade 24% larger. The total market was 22% smaller than 2019.

The continued contraction of the beer market meant Turnover was suppressed. This resulted in lower than pre-pandemic levels of Gross Profit due to adverse channel mix and fixed cost under-absorption, as assets relating to the On-Trade were not fully utilised.

Administrative Expenses and Other Operating Expenses were closely managed.

During the year the Company received £1,170,000 (2020: £267,000) from the Government grant Coronavirus Job Retention Scheme, which is presented under Other operating income in the Statement of Comprehensive Income.

Two main highlights for the year was success in the Off-Trade, the channel grew at over 30% and within this Carlsberg Marston's Brewing Company limited grew market share of 1.2% driven by Carlsberg and San Miguel, and the formation of the Carlsberg Marston's Brewing Company Limited which was an important step forward for our UK business. The joint venture's brand portfolio will allow us to offer a significantly stronger beer portfolio to our UK customers. In addition, the combined business – which now includes 8 breweries, 11 distribution depots, a national distribution centre and inhouse logistics, will bring our customers wider choice, greater capacity, product innovation and marketing and distribution efficiency benefits.

Management have recognised a reimbursement asset of £19,913,000 in the current year (2020: £59,820,000) in the current year in relation to certain liabilities recognised at the balance sheet date (see note 11). The reimbursement asset has been initially recorded at fair value with an equivalent capital contribution also recognised. An annual review of this asset will be undertaken which includes reassessing the fair value of the asset. Fair value represents the book value of the liabilities covered and are recognised net of potential deferred tax. This will be reimbursed by the indirect parent company, Carlsberg UK Holdings Limited.

Coronavirus update

Since the balance sheet date, the outlook on the Coronavirus pandemic has been more optimistic with all Coronavirus restrictions removed. New outbreaks could occur and the directors continue to monitor the situation and have contingency plans in place to safeguard our employees and to mitigate the associated risks. In considering going concern, the directors have considered the cash flow requirements of the company, both under normal circumstances and those it could face in the event of further Coronavirus restrictions being required.

Strategic Report (*continued*)

Going concern

The Company have modelled forecasts for the financial year ended 31 December 2022 based on the information available and continue to track actuals against these assumptions. In addition work has been carried out to review cashflows until December 2023. The Company has net current assets of £43,442,000 (2020: £104,120,000) as at the balance sheet date.

The directors have reviewed the cashflows and forecasts for 2022 and 2023 and are comfortable of the going concern status for a period of 12 months from the date of approval of these financial statements.

Principal risks and uncertainties

The beer market continues with the backdrop of a much smaller On-Trade compared to pre-pandemic levels and it is uncertain to what level the On-Trade will return to post pandemic.

The economic environment continues to remain challenging with high levels of cost inflation and supply chain disruption as well as war in Ukraine leading to economic uncertainty for consumers and businesses. The Company are seeing pressures on costs with increased energy and fuel prices pushing up the cost base. In addition prices of grain are also rising impacting raw material prices. This is in addition to more specific general inflation. The Company continues to manage the risks on an ongoing basis, constantly reviewing pricing and cost base to ensure the risks are mitigated.

The impact of climate change risk and a continued focus on sustainability has been identified as a key measure for stakeholders in the current year. Our Together Towards ZERO programme helps us mitigate long-term risks and make our business more resilient by tackling global challenges such as climate change, water scarcity and public health issues. It also enables us to capture opportunities by meeting growing consumer demand for more sustainable products and healthier choices. The programme sets out transformative targets to drive action in four priority areas: ZERO carbon footprint, ZERO water waste, ZERO irresponsible drinking and ZERO accidents culture. Our steadfast commitment to doing business responsibly underpins progress in all four priority areas and we will report on progress for the year in mid-2022.

Financial key performance indicators

Operating losses before exceptional items were £17,920,000 in the year (2020: £20,459,000) and net assets were £180,722,000 at the balance sheet date (2020: 194,954,000).

Section 172(1) statement

Our governance framework aims to ensure active business and performance management across the Company and the reduction of risk. The Carlsberg Group has policies for a number of key areas, including, but not limited to, anti-bribery & corruption, competition law, trade sanctions, data protection, risk management, labour & human rights, diversity & inclusion, finance, marketing and corporate communication, responsible drinking and public & government affairs. The management team are responsible for ensuring they have an adequate system and resources in place to ensure compliance with these policies. The Directors of the Company are responsible for the identification, evaluation, qualification, recording and reporting of the risks identified. The Company follows the same principles and methodology as those assessed by the Carlsberg Group-level risk assessment, as well as any further local risks. The responsibility lies with the VP Finance, to ensure that risk management is incorporated into relevant management meetings, business review and key decision-making. Following the risk identification, local risk owners are assigned and given responsibility for mitigating the risks through a programme of risk management activities. Review of the risks is a continual process and is reported in a self-assessment under the control framework on a half yearly basis.

Strategic Report (*continued*)

Other key performance indicators

Management monitor gross profit margin, gross profit after logistics (GPAL) margin, profit/(loss) for the financial year before interest and tax (EBIT), working capital and cashflow in addition to the financial measures mentioned above. The Companies results have been ahead of targets which factored in an anticipated impact of the Coronavirus pandemic.

As well as these core financial metrics the business also takes into account new account openings, brand share and health, market share and customer service levels when considering the overall performance of the business. The company also adopts the Carlsberg Group survey, MyVoice, to measure employee engagement scores across the business to help create a culture based on trust, ownership and diversity. The employee survey conducted in 2021, revealed a high levels of engagement.

Future developments

At the beginning of 2022, the company completed the transfer of Marston's Beer Company Ltd's sales and marketing operations into Carlsberg UK limited. This included the introduction of a new core ERP system and resulted in all sales and marketing operations aligning under one company. As a result Carlsberg UK limited changed its name to Carlsberg Marston's Brewing Company limited (CMBC Limited).

Looking forward to 2022 and beyond, the Company will aim to continue to brew a great range of beers and deliver a wide portfolio of drinks products to customers in the UK. The key strategic focus of the Company being to deliver a market-leading drinks portfolio and excellent customer service to grow market share and profitability.

In the context of the overall market challenges the directors are satisfied with the performance for the year.

On behalf of the board

DocuSigned by:

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P Davies

Director

22 September 2022

Directors' Report

The directors present their report and the audited financial statements for the year ended 31 December 2021.

Principal activities

The Company's principal business activity is that of a customer facing commercial sales entity for the local UK market.

Results

The loss for the year, after taxation, amounted to £11,656,000 (2020: £21,238,000).

Dividends

During the year dividend paid amounted to £40,114,000 (2020: £nil).

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

C Lundgren

J Pastuszka (resigned 1 March 2021)

P T Davies

R G Findlay (resigned 2 October 2021)

H Lupino

G Fewkes (appointed 1 March 2021)

A Andrea (appointed 3 October 2021)

Employee engagement statement

The company's policy is to consult and discuss with employees, at meetings and conferences, matters likely to affect the employees' interests. Information on matters of concern and interest to employees is given through information bulletins, intranet sites and monthly all employee calls run by the CEO which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance. Employees are able to feedback directly via our employee appraisal process or directly via employee calls. The Company also periodically run staff feedback surveys to gauge staffs opinion on the business environment.

Disabled employees

The company values the talents and abilities of its diverse workforce and is committed to ensuring that they work together to secure the success of the business. The contribution made by the employees is valued irrespective of their sex, age, disability, sexuality, ethnic or national origin. Disabled people, whether registered or not, receive full and fair consideration for all job vacancies, promotions and career progression for which they are suitable applicants. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Directors' Report *(continued)*

Statement of engagement with suppliers, customers and others in a business relationship with the company

We aim to lead in sustainability because it is central to our purpose and because we genuinely believe it is the right thing to do – delivering tangible benefits for our business and for society as a whole. The strength of our beer portfolio lies in our strong local roots, combined with our excellent craft & speciality brands, alcohol-free brews and international beer brands. Our brands offer us powerful opportunities for communicating with consumers. We use these opportunities to encourage moderate, responsible consumption of our products. We also increase the availability of alcohol-free brews. Our customers range from on-trade to off-trade, from big to small. We aim to become their preferred beer supplier, providing products and services that deliver value growth for them and us. We add value to our on-trade customers through DraughtMaster and by developing digital solutions and services that allow them to improve their business. We also develop sustainable packaging solutions such as Snap Pack. By living our Funding the Journey culture, we have a continual focus on optimising our integrated, end-to-end supply chain and driving operating cost efficiencies. Recognising the need for strong actions in the face of complex sustainability challenges, our sustainability programme Together Towards ZERO sets clear and ambitious targets for carbon emissions and water usage.

Climate Change

During the year, our top priority was the health and wellbeing of our employees, while at the same time taking the actions required to protect the financial health of our business this year and capture long-term growth opportunities for the future. Despite the challenges posed by COVID-19, our strategic priorities and ambitions remain intact, underpinned by our ongoing commitment to responsibility and sustainability. Carlsberg Group produce a group wide Sustainability Report which describes the approach and performance on our most material social, environmental and ethical issues for the financial year 1 January to 31 December 2021. A copy of the report can be downloaded from carlsberggroup.com.

Streamlined Energy and Carbon Reporting (SECR)

The company is exempt from SECR reporting as its energy use is less than 40,000 kWh annually.

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2020: £nil).

Charitable contributions

The Company made charitable contributions during the year of £72 (2020: £2,616). The donations stemmed from a scheme under which the company matches amounts raised for charity by employees.

Post balance sheet event

The details of the post balance sheet event are included under the Coronavirus section on page 1 in the Strategic report.

Future Developments

The Future developments of the company are included on page 3 in the Strategic report.

Going concern

This is included in the Strategic Report on page 2.

Financial risk management

The Company comply with the Groups Financial Risk Management Policy which is integrated into the overall UK risk management process. This ensures appropriate control of credit, liquidity, cashflow and price risk.

Carlsberg Marston's Brewing Company Limited (formerly Carlsberg UK Limited)
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Directors' Report *(continued)*

Cash pooling

The company is part of the Carlsberg A/S Group's cash pooling / funding arrangements, the entity is administered to ensure it receives the funds it requires in order to meet its obligations. Receipts and payments between fellow group companies are transacted via the intercompany loan accounts. Any other receipts and payments are transacted through the company bank accounts. These accounts form part of the Group facility and the global banking arrangements.

Directors' Indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The group also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

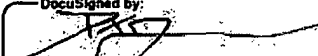
Disclosure of information to auditors

In the case of each director in office at the date the Directors' Report is approved so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

The financial statements on pages 12 to 35 were approved by the Board of Directors on 22 September 2022 and signed on its behalf by

DocuSigned by:

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P Davies

Director

Marston's House,
Brewery Road,
Wolverhampton,
England, WV1 4JT

Date: 22 September 2022

Carlsberg Marston's Brewing Company Limited (formerly Carlsberg UK Limited)
Annual report and financial statements
For the year ended 31 December 2021

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements 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).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

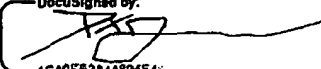
The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the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

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

DocuSigned by:

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P Davies
Director
Marston's House, Brewery Road,
Wolverhampton,
England, WV1 4JT
Date: 22 September 2022

Independent auditors' report to the members of Carlsberg Marston's Brewing Company Limited (formerly Carlsberg UK Limited)

Report on the audit of the financial statements

Opinion

In our opinion, Carlsberg Marston's Brewing Company Limited (formerly Carlsberg UK Limited)'s financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year 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 and financial statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2021; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the members of Carlsberg Marston's Brewing Company Limited (formerly Carlsberg UK Limited) (continued)

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 Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 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 Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Independent auditors' report to the members of Carlsberg Marston's Brewing Company Limited (formerly Carlsberg UK Limited) (continued)

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with health and safety, taxation and employment legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the manipulation of accounting estimates which could be subject to management bias and posting of unusual journals to revenue. Audit procedures performed by the engagement team included:

- Understanding and evaluating the key elements of the company's internal control related to estimates
- Reviewing accounting estimates for bias and validating the support behind the assumptions and judgements made by management including challenging against possible alternatives
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations
- Reviewing legal expense accounts, board minutes and in-house legal counsel documentation
- Reading the minutes of the Board meetings to identify any inconsistencies with other information provided by management
- Substantive testing of journal entries, particularly focused around journals which have unexpected account relationships
- Incorporating elements of unpredictability

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

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 obtained 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.

Independent auditors' report to the members of Carlsberg Marston's Brewing Company Limited (formerly Carlsberg UK Limited) (continued)

We have no exceptions to report arising from this responsibility.



Matthew Walker (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
27 September 2022

Carlsberg Marston's Brewing Company Limited (formerly Carlsberg UK Limited)

Annual report and financial statements
For the year ended 31 December 2021**Statement of Comprehensive Income**

for the year ended 31 December 2021

	Note	2021 £000	2020 RESTATED* £000
Gross turnover		644,367	588,855
Customs and excise duties		(318,476)	(291,463)
Turnover	2	325,891	297,392
Cost of sales		(240,157)	(220,946)
Gross profit		85,734	76,446
Administrative expenses		(38,820)	(39,897)
Selling & distribution costs		(66,004)	(57,275)
Exceptional other operating expenses	3	-	(4,199)
Total other operating expenses		-	(4,199)
Other operating income	3	1,170	267
Exceptional other operating income	3	4,910	1,936
Total other operating income		6,080	2,203
Operating loss		(13,010)	(22,722)
Interest receivable and similar income	6	10,327	16,292
Interest payable and similar expenses	7	(11,133)	(16,744)
Loss before taxation		(13,816)	(23,174)
Tax on loss	8	2,160	1,936
Loss for the financial year		(11,656)	(21,238)
Other comprehensive income/(loss)			
Actuarial gain/(loss) on defined benefit pension scheme		41,501	(14,238)
Other movements in comprehensive income/(loss)		(86)	(662)
Movement on reimbursement asset		(32,125)	-
Other comprehensive income/(loss) for the year		9,290	(14,900)
Total comprehensive loss for the year		(2,366)	(36,138)

*The 2020 Statement of Comprehensive Income has been restated after a review of the classification of cost was performed and the Company identified that to improve the users understanding of the Statement £72,305,000 previously incorrectly combined as other operating expenses has been restated as £15,030,000 administrative expenses and £57,275,000 selling and distribution costs. This has no impact on operating loss or any items below.

All of the above relate to continuing activities.
The notes on pages 15 to 35 form part of these financial statements.

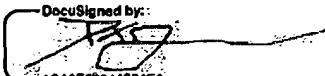
Carlsberg Marston's Brewing Company Limited (formerly Carlsberg UK Limited)
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Balance Sheet
at 31 December 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	9	1,662	1,880
Investments	10	164,735	168,610
		<u>166,397</u>	<u>170,490</u>
Current assets			
Debtors: amounts falling due within one year	11	166,651	139,327
Debtors: amounts falling due greater than one year	11	13,673	53,580
		<u>180,324</u>	<u>192,907</u>
Creditors: amounts falling due within one year	12	(136,882)	(88,787)
Net current assets		<u>43,442</u>	<u>104,120</u>
Total assets less current liabilities		<u>209,839</u>	<u>274,610</u>
Post-employment benefits	14	(26,904)	(73,451)
Provisions for liabilities			
Other provisions	13	(2,213)	(6,205)
Net assets		<u>180,722</u>	<u>194,954</u>
Capital and reserves			
Called up share capital	15	10,068	10,068
Share premium account	15	28,248	-
Revaluation reserve		832	832
Profit and loss account		141,574	184,054
Total shareholders' funds		<u>180,722</u>	<u>194,954</u>

The notes on pages 15 to 35 form part of these financial statements.

These financial statements on pages 12 to 35 were approved by the board of directors 22 September 2022 and were signed on its behalf by:

DocuSigned by:

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P Davies
Director

Company registered number: 00078439

Carlsberg Marston's Brewing Company Limited (formerly Carlsberg UK Limited)
Annual report and financial statements
For the year ended 31 December 2021

Statement of Changes in Equity
for the year ended 31 December 2021

	Called up share capital £000	Share premium account £000	Revaluation reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2020	177,200	296,221	832	(302,981)	171,272
Total comprehensive loss for the year					
Loss for the year	-	-	-	(21,238)	(21,238)
Other comprehensive loss	-	-	-	(14,900)	(14,900)
Total comprehensive loss for the year	-	-	-	(36,138)	(36,138)
Capital redemption	(167,132)	(296,221)	-	463,353	-
Capital contribution	-	-	-	59,820	59,820
Balance at 31 December 2020	10,068		832	184,054	194,954

	Called up share capital £000	Share premium account £000	Revaluation reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2021	10,068	-	832	184,054	194,954
Total comprehensive (loss)/income for the year					
Loss for the year	-	-	-	(11,656)	(11,656)
Other comprehensive income	-	-	-	9,290	9,290
Total comprehensive loss for the year	-	-	-	(2,366)	(2,366)
Issue of shares	-	28,248	-	-	28,248
Dividend paid (see note 18)	-	-	-	(40,114)	(40,114)
Balance at 31 December 2021	10,068	28,248	832	141,574	180,722

The notes on pages 15 to 35 form part of these financial statements.

Notes to the financial statements For the year ended 31 December 2021

1 Accounting policies

Carlsberg Marston's Brewing Company Limited (formerly Carlsberg UK Limited) (the "Company") is a private company limited by shares and incorporated and domiciled in England. The address of its registered office of the Company is Marston's House, Brewery Road, Wolverhampton, England, WV1 4JT.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

The Company's ultimate parent undertaking, Carlsberg A/S includes the Company in its consolidated financial statements. The consolidated financial statements of Carlsberg A/S are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from The Information Centre, Carlsberg A/S, J. C. Jacobsens Grade 1, DK-1799 Copenhagen V, Denmark.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the year required by FRS 102 paragraph 4.12(a)(iv);
- Cash Flow Statement and related notes required by FRS 102 paragraph 1.12(b); and
- Key Management Personnel compensation required by FRS 102 paragraph 33.7.

As the consolidated financial statements of Carlsberg A/S include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments*; and,
- The financial instrument disclosures, required under FRS 102 paragraphs, 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.19.

1.1 Basis of preparation

The financial statements are prepared on the historical cost and going concern basis.

1.2 Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are described in the Strategic Report. The Company has net current assets of £43,442,000 (2020: £104,120,000) as at the balance sheet date. As discussed in the Business Review section of the Strategic Report, the Directors have considered the impact of the Coronavirus pandemic. The brewery continues to operate without any constraints. Any direct future impact on the business will ultimately be determined by any further restrictions imposed by the Government. We have modelled forecasts for the financial year ended 31 December 2023 based on the information available and continue to track actuals against these assumptions. In addition work has been carried out to review cashflow until December 2023. The easing of lockdown measures has resulted in a positive impact with this happening sooner than anticipated in our forecasts. In the forecasts and with the sufficient financing from the Carlsberg Group we are confident the company has adequate resources to continue in operational existence for the foreseeable future. The group, of which the Company is part of, is well financed and highly profitable. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.2 Going concern (continued)

The non-immediate parents, Carlsberg Breweries A/S and Marston's PLC, have agreed to provide such financial support as required by the company to meet its financial liabilities as they fall due. The directors have made enquiries of their parents and are satisfied with their ability to provide financial support. The financial support is in place for a period of 12 months from the date of approval of these financial statements.

1.3 Turnover

Turnover is recognised by the company in respect of goods supplied during the year, exclusive of Value Added Tax, trade discounts and excise duty.

Turnover is recognised at the point of dispatch. Turnover includes amounts received from customers in respect of trade loan interest payments on the grounds that the commercial substance of the receipt is that they are part of the normal terms of trade and is net of rebates.

Off-invoice discounts including rebates arise from sales transactions where the customer immediately receives a reduction in the sales price. This also includes cash discounts and incentives for early payments.

Volume-and activity-related discounts is a broad term covering incentives for customers to sustain business with the Group over a longer time and maybe related to a current campaign or a sales target measured in volumes or total value. Examples include discounts paid as a lump sum, discounts for meeting all or certain sales targets or for exceeding targets, or progressive discounts offered in step with increasing sales to a customer.

Other discounts include listing fees, i.e. fees for certain listings on shelves, in coolers or in favourable store locations, as such specific promotions are closely related to the volumes sold.

1.4 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.5 Classification of financial instruments issued by the Company

In accordance with FRS 102 there is a choice of accounting standards entities can apply for the recognition and measurement of financial instruments. The Company is applying section 11 and 12 of FRS 102 in full, subject to the exemptions available noted on page 15.

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.5 Classification of financial instruments issued by the Company (continued)

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

1.6 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at cost. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in profit or loss. Other investments are measured at cost less impairment in profit or loss.

Investments in subsidiaries, jointly controlled entities and associates

These are separate financial statements of the company. Investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment.

1.7 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	2 or 3% Straight Line
Long-term leasehold property	2 or 3% Straight Line
Plant and equipment	5 to 10% Straight Line
Motor vehicles	20% Straight Line
Commercial vehicles	15% Straight Line
Sundry equipment	10% Straight Line

Assets under construction are not depreciated until they are ready to use and transferred to the relevant classification.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation methods, useful lives and residual values are reviewed. If there is an indication of a significant change since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits, residual values would be updated.

1.8 Investments

Investments held as fixed assets are shown at cost less provision for impairment. A provision is made for impaired fixed assets when its carrying amount exceeds its recoverable amount caused by a clear consumption of economic benefits or a revision of the assumption of the assets future economic benefit to the business. An assets recoverable amount is defined as the higher of net realisable value less costs to sell and value in use.

1.9 Impairment excluding deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment loss is calculated as the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

1.10 Post-employment benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees. The assets of the plan are held separately from the Company in independently administered funds.

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.10 Post-employment benefits (continued)

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company together with CMBC Supply Limited (formerly Carlsberg Supply Company UK Limited) operated a defined benefit plan for certain employees which is now closed to future accrual. Costs passing through P&L are net interest cost and scheme expenses. Net interest cost is dependent on the relative size of the assets (which you don't pro-rata) as well as the liabilities. Expenses have been split by size of payroll in the past and will share 50:50 in future. Costs passing through OCI (experience gains and losses) are not split pro-rata but are calculated accurately for each entity by tracking relative experience since the initial split in 2014. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments.

The discount rate is based on matching projected cash flows due from the Scheme to Mercer Yield Curve, at an appropriate duration to derive the discount rate as at 31 December 2021. The Company recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Re-measurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

Share-based payment transactions

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

Where the Company is part of a group share-based payment plan, it recognises and measures its share-based payment expense on the basis of a reasonable allocation of the expense recognised for the group. Amounts recharged by the parent are recognised as a recharge liability with a corresponding debit in equity. The basis of such allocation is disclosed in note 14.

1.11 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.12 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.12 Expenses (continued)

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.13 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for if differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.14 Exceptional items

Exceptional items are items of a significant nature where the directors believe separate disclosure is required in order to assist with the understanding of the financial statements.

1.15 Government grants for Coronavirus Job Retention Scheme

Government grants shall be recognised in the profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

1.16 Related parties

The company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with its parent or with members of the same group that are wholly owned.

1.17 Cash pooling

The company is part of the Carlsberg A/S Group's cash pooling / funding arrangements, the entity is administered to ensure it receives the funds it requires in order to meet its obligations. Receipts and payments between fellow group companies are transacted via the intercompany loan accounts. Any other receipts and payments are transacted through the company bank accounts. These accounts form part of the Group facility and the global banking arrangements.

1.18 Reimbursement asset

Reimbursement assets are initially recognised at fair value when the Company is virtually certain that another party will reimburse the expenditure required to settle the obligation it is linked to and are subsequently re-measured at their present value in line with the changes in the fair values of the obligations it is linked to, with changes in value recorded in the profit and loss account. Fair value represents the book value of the liabilities covered and are recognised net of potential deferred tax.

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.19 Critical accounting judgements and estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. The significant accounting estimates with a significant risk of a material change to the carrying value of assets and liabilities within the next year are defined benefit plans (see note 14 for sensitivity analysis). In addition to the potential impact of the on-going Coronavirus pandemic, which has been considered as part of all judgements and estimates, the following judgements and estimates have had the most significant effect on amounts recognised in the financial statements:

Judgements

- Impairment of investments - An annual review of investments has been undertaken which includes assessing each subsidiary based on its net assets along with management's knowledge of the business and of its future plans, to establish whether the carrying value of the investment should be impaired, or whether any impairment previously applied to the carrying value should be reversed (see note 10).

- Reimbursement asset - Management have taken the judgement that a reimbursement asset should be recognised as it is virtually certain the Company will be reimbursed for the liability. The reimbursement asset is initially recorded at fair value with an equivalent capital contribution. Fair value represents the book value of the liabilities covered and are recognised net of potential deferred tax. An annual review of the reimbursement asset has been undertaken which includes reassessing the present value of the asset (note 11).

Pension allocation

The Company and Carlsberg Supply Company UK Limited participate in one defined benefit pension scheme and therefore share the risks. In 2014, when the scheme was split the approach was to split the assets and liabilities based on the different liability profiles of the two companies, based on membership data. The split has been updated at each year end to reflect the roll forward position of the membership data since the latest valuation date (see note 14).

Estimates

- Defined benefit plans

The Company has obligations to pay pension benefits to certain employees. The present value of the assets and obligations depend on a number of factors, including; life expectancy, salary increases and the discount rate on corporate bonds and inflation. Management estimates these factors in determining the net pension obligation. The assumptions reflect historical experience and current trends (see note 14).

- Customer rebate arrangements

As part of the normal course of business, the Company has entered into rebate arrangements with customers whereby on invoice and off invoice rebates are applied to invoiced sales, based upon achievement of certain criteria set upon agreement. For the promotions activities not settled with customers at year end, the Company is required to make estimates of the promotions spend achieved. Discount and promotion arrangement are customer specific; they are tailored to a specific contract and the terms can vary greatly from customer to customer. The rebate accrual at the balance sheet date represents management's best estimate at a point in time but the ultimate amounts that will be paid can vary depending on customers post year sales patterns or the level of claims received in comparison to management's best estimate. All amounts paid or payable to customers are shown as a reduction to turnover in the income statement.

- Impairment of trade loans

The Company makes an estimate of the recoverable value of trade and loans. When assessing impairment of trade loans, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience (see note 10).

- Valuation of reimbursement asset

Reimbursement assets are re-measured at their present value in line with the changes in the fair values of the obligations it is linked to. Fair value represents the book value of the liabilities covered and are recognised net of potential deferred tax. The reimbursement asset is valued using the same principles as the pension deficit (note 14).

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Notes to the financial statements (continued)

2 Turnover

The company has only one class of business and sales were predominantly to UK customers. All sales made by the company originated in the UK.

3 Operating loss

Included in the loss are the following:

	2021 £000	2020 £000
Depreciation of tangible fixed assets	218	286
Exceptional income in relation to loss making contract	(560)	(1,936)
Exceptional income in relation to compensation	(4,350)	-
Exceptional costs in relation to Late Retirement Factors	-	4,199
Restructuring costs expensed as incurred – included in administrative expenses	1,837	1,006
Income in relation to Government grant for Coronavirus Job Retention Scheme	(1,170)	(267)
Impairment of trade receivables	445	694
Impairment of trade loans	574	2,517

Exceptional income relates to a contract provision incurred as a result of an onerous contract, this contract finished during the year resulting in a release of remaining £560,000. In 2020 the closure of the On-Trade due to the coronavirus pandemic restrictions resulted in saving of costs against this contract and a release of £1,936,000 as a result. Exceptional income related to compensation received by the company for substandard service on a significant contract of £4,350,000 (2020: £nil). Exceptional costs of £nil (2020: £4,199,000) relates to a change of approach in the measurement of liabilities regarding Late Retirement Factors (note 14).

Auditors' remuneration:

	2021 £000	2020 £000
Audit of these financial statements	63	93

In accordance with SI 2008/489 the company has not disclosed the fees payable to the company's auditors for 'Other services' as this information is included in the consolidated financial statements of Carlsberg A/S.

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Notes to the financial statements (continued)

4 Staff numbers and costs

The average monthly number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2021	2020
Sales	236	292
Administration	76	81
	<u>312</u>	<u>373</u>

The aggregate payroll costs of these persons were as follows:

	2021 £000	2020 £000
Wages and salaries	21,532	21,318
Share based payments (see note 17)	34	71
Social security costs	1,659	2,040
Other pension costs	2,242	2,159
	<u>25,467</u>	<u>25,588</u>

5 Directors' remuneration

	2021 £000	2020 £000
Directors' remuneration	426	1,647
Company contributions to defined contribution plans	32	37
	<u>458</u>	<u>1,684</u>

	Number of directors	
	2021	2020
Retirement benefits are accruing to the following number of directors under:		
Defined contribution plans	1	2
Defined benefit schemes	-	-
	<u>-</u>	<u>-</u>

The number of directors who exercised share options was

The number of directors in respect of whose qualifying services shares were received or receivable under long term incentive schemes was

	2021 £000	2020 £000
Directors' remuneration	426	1,212
Company contributions to defined contribution plan	32	-
Company contributions to defined benefit schemes	-	-
	<u>458</u>	<u>1,212</u>

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Notes to the financial statements (continued)

6 Interest receivable and similar income

	2021 £000	2020 £000
Foreign exchange gain	188	-
Interest receivable from group companies	1,231	4,986
Expected return on pension scheme assets	8,908	11,306
Total interest receivable and similar income	10,327	16,292

7 Interest payable and similar expenses

	2021 £000	2020 £000
Interest payable on overdrafts and facility fees	854	1,124
Foreign exchange loss	10	177
Interest payable on loans from group undertakings	222	2,850
Other interest payable	48	64
Interest on pension scheme liabilities	9,999	12,529
Total interest payable and similar expenses	11,133	16,744

8 Tax on loss

Total tax income recognised in the profit and loss account, other comprehensive income/(expense) and equity:

	2021 £000	2020 £000
Current tax		
Current tax on loss for the period	(2,160)	(2,104)
Adjustments in respect of prior periods	-	168
Total current tax	(2,160)	(1,936)
Total deferred tax	-	-
Total tax	(2,160)	(1,936)

	£000	2021 £000	£000	£000	2020 £000	£000
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in Profit and loss account	(2,160)	-	(2,160)	(1,936)	-	(1,936)

Deferred tax assets of £42,000,000 (2020: £39,500,000) in relation to accelerated capital allowances, provision for losses and pensions have not been recognised as it is not expected that the reversal of these will happen in the foreseeable future.

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Notes to the financial statements (continued)

8 Tax on loss (continued)

Analysis of current tax recognised in profit and loss

	2021 £000	2020 £000
UK corporation tax	(2,160)	(1,936)
Total current tax recognised in profit and loss	(2,160)	(1,936)

Reconciliation of effective tax rate

	2021 £000	2020 £000
Loss for the financial year	(11,656)	(21,238)
Total tax credit	(2,160)	(1,936)
Loss before taxation	(13,816)	(23,174)
Tax using the UK corporation tax rate of 19% (2020: 19%)	(2,625)	(4,403)
Non-deductible expenses	50	196
Other permanent differences	-	140
Other timing differences in relation to unrecognised deferred tax asset	(1,117)	(330)
Adjustment in respect of prior years	-	168
Unrelieved tax losses carried forward	3,692	2,293
Group relief surrendered	(2,160)	-
Total tax credit included in profit or loss	(2,160)	(1,936)

Factors that may affect future tax charges

The tax rate for the current year is equal to the prior year. In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25%.

9 Tangible assets

	Land and buildings £000	Plant and machinery £000	Vehicles and sundry equipment £000	2021 Total £000
Cost				
Balance at 1 January 2021 & 31 December 2021	2,955	921	618	4,494
Accumulated depreciation				
Balance at 1 January 2021	(1,243)	(852)	(519)	(2,614)
Depreciation charge for the year	(172)	(12)	(34)	(218)
Balance at 31 December 2021	(1,415)	(864)	(553)	(2,832)
Net book value				
At 31 December 2020	1,712	69	99	1,880
At 31 December 2021	1,540	57	65	1,662

Included in land and buildings is £520,000 (2020: £520,000) relating to land of freehold tenure.

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Notes to the financial statements (continued)

10 Investments

	Shares in subsidiary undertakings £000	Participating interests £000	Trade loans £000	Total £000
Cost or valuation				
At beginning of year	198,176	3,681	25,130	226,987
Additions	-	101	2,270	2,371
Disposals	(53,170)	-	(5,851)	(59,021)
Amounts written off	-	-	(574)	(574)
Trade loan interest	-	-	201	201
At end of year	145,006	3,782	21,176	169,964
Provisions				
At beginning of year	53,170	-	5,207	58,377
Disposals	(53,170)	-	-	(53,170)
Increase in provision	-	-	596	596
Loans written off	-	-	(574)	(574)
At end of year	-	-	5,229	5,229
Net book value				
At 31 December 2020	145,006	3,681	19,923	168,610
At 31 December 2021	145,006	3,782	15,947	164,735

During the year £574,000 was recognised as an expense in the profit and loss account in respect of trade loans written off (2020: £2,517,000).

Shares in subsidiary companies comprise:

1. On 2 March 2014, the company acquired 100% share capital holding in Carlsberg Supply Company UK Limited for a consideration of £128,141,000. On 16 December 2016, the company subscribed to a further 16,865,000 ordinary £1 shares for a cash consideration of £16,865,000. The registered office of this company is Marston's House, Brewery Road, Wolverhampton, England. The Directors have performed impairment reviews on the company's investments in Carlsberg Supply Company UK Limited. The review calculates the expected future cash flows arising from the investment and has compared the net present value of the cash flow to the carrying value of the investment. The expected future cashflows are based cashflow projections from approved 5 year plan forecasts and include a terminal value that incorporates a long term growth rate assumption. The Directors are satisfied that the company's forecasts support the carrying value of the company's investment and determined that no impairment write-down (2020: £nil) should be recognised as at 31 December 2021. The carrying value has been assessed for impairment using the approved business risk-adjusted forecast discounted at a risk free rate of 1.96%. Whilst this assessment has not indicated an impairment, the impairment review is sensitive to the assumptions applied. A change in the discount rate, terminal growth rate or terminal year Earnings Before Interest and Taxation ("EBIT") may result in an impairment write-down. The sensitivity for discount rate is 1.93% while the terminal growth rate sensitivity is -7.40%. These changes would individually result in an impairment write-down.

2. LF Brewery Holdings Limited, a 100% owned subsidiary.

3. £53,170,000 (NBV: £nil) relates to the disposal of Carlsberg Uzbek Ltd, there was no other financial impact in the current year.

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Notes to the financial statements (continued)

10 Investments (continued)

Shares in participating interests comprise:

The company holds 50% of the B Ordinary share capital and 32.6% of the C Ordinary share capital in Serviced Dispense Equipment (Holdings) Limited (SDE (H) Limited), a company incorporated in the UK. The capital and reserves of this company as at 31 December 2020 is £11,571,000 and its profit for the year to 31 December 2020 is £174,000. These figures represent the balances in the latest filed set of SDE (H) Limited's financial statements. SDE (H) Limited in turn wholly owns Serviced Dispense Equipment Limited (SDE Limited), a company incorporated in the UK. The nature of SDE Limited's business is to provide cellar technical services to the licensing trade. The registered office of both companies is Maltings Building, Tadcaster, North Yorkshire, England.

During the year ended 31 December 2021 the company made payments of £18,500,000 (2020: £15,900,000) to SDE Limited for the provision of cellar technical services to the company's customers. For the year ended 31 December 2021 SDE Limited reimbursed profit of £3,160,000 (2020: £2,592,000) to Carlsberg UK Limited. At 31 December 2021 there were amounts of £nil (2020: £nil) outstanding on the company payables ledger in connection with SDE Limited.

11 Debtors

	2021 £000	2020 £000
Trade receivables	9,885	8,131
Amounts owed by group undertakings	130,256	112,704
Other debtors	3,216	1,940
Tax recoverable	7,468	5,307
Prepaid trade loan discount	1,503	1,730
Reimbursement asset	19,913	59,820
Prepayments and accrued income	8,083	3,275
	<u>180,324</u>	<u>192,907</u>
Due within one year	166,651	139,327
Due after more than one year	13,673	53,580
	<u>180,324</u>	<u>192,907</u>

Trade receivables are stated after provisions for impairment of £1,655,000 (2020: £1,458,000). During the year £445,000 (2020: £694,000) was recognised as an expense in the profit and loss account in respect of impairment on trade debtors.

Included in amounts owed by group undertakings is a loan for £98,263,000 (2020: £98,263,000), which is the current drawn down on a £120,000,000 facility. The loan is repayable on demand and as a result of IBOR reform have used the practical expedient for the effective interest rate being GBP SONIA Term Reference Rate plus 1% and no adjustments were required. All other balances with group undertakings are repayable on demand with no interest accruing.

The reimbursement asset of £19,913,000 (2020: £59,820,000) has been recognised at fair value. Fair value represents the book value of the liabilities covered and are recognised net of potential deferred tax. Due to the nature of the liabilities that are being reimbursed (disclosed in note 14), it is expected this asset will unwind over a period of years with £6,240,000 (2020: £6,240,000) due within one year and £13,673,000 (2020: £53,580,000) due greater than one year. The movement in the year is recognised in Other Comprehensive Income £32,125,000 (2020: £nil) with the balance relating to a reimbursement received.

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Notes to the financial statements (continued)

12 Creditors: amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	36,072	18,052
Amounts owed to group undertakings	92,470	63,527
Corporation tax	-	114
Accruals and deferred income	8,340	7,094
	<u>136,882</u>	<u>88,787</u>

Included in amounts owed to group undertakings is borrowings which total £8,700,000 (2020: £6,732,000) which are unsecured, interest free and repayable on demand. All other amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

13 Other provisions

	Contract Provision £000	Other £000	Total £000
Balance at 1 January 2021	3,787	2,418	6,205
Provisions used during the year	(3,272)	(212)	(3,484)
Provision released during the year	(560)	-	(560)
Unwinding of discounted amount	45	7	52
Balance at 31 December 2021	<u>2,213</u>	<u>2,213</u>	<u>2,213</u>

The contract provision related to losses expected to be incurred as a result of a contract, which expired in 2021. Other provisions include provisions for redundant property and onerous property leases which are expected to be fully utilised by 2029. Other provisions of £182,000 (2020: £182,000) are deemed short term, due within one year and £2,031,000 (2020: £2,236,000) long term, due over one year.

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14 Post-employment benefits

The Company participates in a defined benefit pension scheme in the UK which is a final salary scheme and provides benefits linked to salary at retirement or earlier date of leaving service. The scheme was closed to new members from 31 December 2003 and was closed to future accrual on 5 April 2016. Benefits for members whose accrual ceased at the closure date and who remain employed by the Company retain a salary link. The scheme is funded by regular contributions assessed every three years in line with UK legislation and regulatory guidance.

The latest comprehensive actuarial valuation was carried out as at 6 April 2019. The disclosures provided have been based on the results of that valuation appropriately adjusted to 31 December 2021 allowing for benefit accrual, membership movements, pay and pension increases, outgoing benefits and changes in financial and demographic assumptions.

Carlsberg Supply Company UK Limited also participates in the defined benefit pension scheme and therefore the Company and Carlsberg Supply Company UK Limited share risks. In 2014 the scheme was split between the two companies. At the time of the split, the approach used was to split the plan assets and liabilities based on the different liability profiles of the two companies, based on membership data. At the time of the split these differed with Carlsberg Supply Company UK Limited having far more active members than the Company. The plan asset value recorded in the financial statements of the Company reflect the asset value at the time of the split with the impact of any respective growth on this value of the assets, plus cashflow movements relating to contributions into the scheme, benefits paid out of the scheme and administrative expenses paid out by the Company since that date. The defined benefit obligation split has been updated at each year end date to reflect the rolled forward position of the membership data since the latest valuation date. Costs passing through the profit and loss are net interest cost and scheme expenses. Net interest cost is dependent on the relative size of the assets as well as the liabilities. Expenses have been split by size of payroll in the past and will share 50:50 in future. Costs passing through OCI (experience gains and losses) are not split pro-rata but are calculated accurately for each entity, with the experience movement on liabilities reflecting the actual membership data and the experience movement on the assets reflecting the change on those assets as split in 2014. To illustrate this point the FY21 figures show the following

Liabilities: LCC share is 80%
 Assets: LCC share is 85%
 Contributions to reduce deficit: LCC share is 77%
 Net balance sheet position: LCC share is 50%
 P&L cost: LCC share is 54%
 OCI cost: LCC share is 87%

Any shortfall contributions are allocated on a pro-rata approach based on the respective accrued pension liabilities.

The Company also operates an unfunded unapproved retirement benefit scheme for two former employees.

The information disclosed is in respect of the whole of the plans for which the company is either the sponsoring employer or has been allocated a share of cost under an agreed group policy throughout the periods shown.

Associated reimbursement asset of £19,913,000 (2020: £59,820,000) is recognised in note 11, the fair value represents the book value of the liabilities covered net of potential deferred tax.

Net pension liability

	2021 £000	2020 £000
Defined benefit funded obligation	(633,118)	(657,664)
Plan assets	606,863	584,852
Deficit in funded scheme	(26,255)	(72,812)
Present value of unfunded obligation	(649)	(639)
	<u>(26,904)</u>	<u>(73,451)</u>

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14 Post-employment benefits (continued)

Movements in present value of defined benefit obligation

	2021 £000	2020 £000
At 1 January	(658,303)	(593,266)
Interest expense	(9,999)	(12,529)
Actuarial gains/(losses)	8,120	(73,677)
Benefits paid	26,415	21,169
	<u>(633,767)</u>	<u>(658,303)</u>
At 31 December	(633,767)	(658,303)

The present value attributable to the funded scheme in the year was £633,118,000 (2020: £657,664,000), the unfunded scheme was £649,000 (2020: £639,000).

Movements in fair value of plan assets

	2021 £000	2020 £000
At 1 January	584,852	533,274
Interest income	8,908	11,306
Return on scheme assets less interest income	33,381	55,241
Contributions by employer	6,954	6,975
Benefits paid	(26,415)	(21,169)
Administration expenses	(817)	(775)
	<u>606,863</u>	<u>584,852</u>
At 31 December	606,863	584,852

The fair value is fully attributable to the funded scheme in the year and in 2020.

Amounts recognised in other comprehensive income/(expense)

	2021 £000	2020 £000
Return on Scheme assets in excess of interest income	33,381	55,241
Experience results on liability	-	-
Change in assumptions gain/(loss)	8,120	(69,479)
	<u>41,501</u>	<u>(14,238)</u>
Total income/(loss) recognised in other comprehensive income/(expense)	41,501	(14,238)

Amounts recognised in the other comprehensive income attributable to the funded scheme in the year was £41,501,000 (2020: loss £14,187,000), the unfunded scheme was £nil (2020: £51,000).

Expense recognised in the profit and loss account

	2021 £000	2020 £000
Net interest on net defined benefit liability	1,091	1,223
Administration expenses	817	775
Costs in relation to LTF retirement factors methodology change	-	4,199
	<u>1,908</u>	<u>6,197</u>
Total expense recognised in profit or loss	1,908	6,197

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14 Post-employment benefits (continued)

Expenses recognised in the profit and loss account attributable to the funded scheme in the year was £1,898,000 (2020: £6,185,000), the unfunded scheme was £10,000 (2020: £12,000).

Late Retirement Factors

During 2020 following discussion with the Company and the Trustees, the Trustees decided to change the approach to Barber benefits by applying Late Retirement Factors (LRFs) instead of continuing a salary link and/or deferred revaluation between the ages of 60 and 65. The estimated cost was confirmed by Company actuary to be £nil (2020: £4,199,000) of Plan liabilities as at 31 December 2021. This allowance has been incorporated in the obligations/liabilities under exceptional costs.

The fair value of the plan assets and the return on those assets were as follows:

	2021 Fair value £000	2020 Fair value £000
Equities	59,289	68,918
Absolute return bonds	117,609	44,603
Liability driven investments	304,231	350,838
Property	41,733	36,803
Diversified growth funds	36,014	39,201
Other	47,987	44,489
	<u>606,863</u>	<u>584,852</u>
Actual return on plan assets	<u>42,289</u>	<u>66,547</u>

Principal actuarial assumptions (expressed as weighted averages) at the year-end were as follows:

	2021 %	2020 %
Discount rate	1.75	1.55
Future salary increases	2.45	2.05
Other material assumptions (e.g. future pension increases, inflation - RPI)	3.20	2.80
Other material assumptions (e.g. future pension increases, inflation - CPI)	2.60	2.10

In valuing the liabilities of the pension fund, mortality assumptions have been made as indicated below:

- Year of birth improvements using CMI_2020 [LTR = 1.50%, A = 0.25%] for males and CMI_2020 [LTR = 1.25%, A = 0.25%] for females (rebased to start 2016).

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: 21.2 years (male), 22.6 years (female).
- Future retiree upon reaching 65: 23.0 years (male), 24.3 years (female).

Defined contribution plans

The Company operates a defined contribution pension scheme for new starters from 1 April 2004. The pension cost charge represents contributions payable by the Company to the fund and amounted to £1,085,000 (2020: £830,000). The value of the fund is held separately from the Company.

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Notes to the financial statements (continued)

14 Post-employment benefits (continued)

Share based payments

The Company is a member of a group share-based payments plan, and it recognises and measures its share-based payment expense on the basis of a reasonable allocation of the expense recognised for the group. The basis for reasonable allocation is the time of service rendered by employee per entity within the vesting period. The charge to the profit and loss account in respect of share based payments in the period was £86,000 (2020: £662,000) with the difference between the expenses and the recharge from the ultimate parent undertaking being recorded in equity.

The share-based payment plans in the Company consist of the share options programme, the long-term incentive programme and the long-term incentive plan (performance shares). The equity settled schemes are settled in performance share units (PSUs). The participants in the programmes receive a number of PSUs, each giving the right to receive Carlsberg A/S B shares. The exact number of PSUs granted is determined after the publication of the Annual Report. The vesting conditions for the long-term incentive programme are 3 years of service and the Group's financial performance for the grant year. The vesting conditions for the long-term incentives plan (performance shares) are 3 years of service and achievement of 4 KPIs in the vesting period. Shares are transferred to the employee immediately after they have been vested.

Further details in relation to the plans can be found in the Carlsberg A/S financial statements.

15 Capital and reserves

Called up share capital

	Deferred Shares of £1 each 2021 £000	Deferred Shares of £0.05 each 2021 £000	Ordinary Shares of £1 each 2021 £000
On issue at 1 January	67	1	10,000
Purchase of shares	-	-	-
On issue at 31 December – fully paid	67	1	10,000
		2021 £000	2020 £000
Allotted, called up and fully paid			
10,000,000 (2020: 10,000,000) Ordinary shares of £1 each		10,000	10,000
67,450 (2020: 67,450) deferred shares of £1 each		67	67
6,746 (2020: 6,745) deferred shares of £0.05 each		1	1
		10,068	10,068

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The ordinary shares are voting and carry rights to receive dividends and return of capital on a winding up. The deferred shares of £1 each and 5p each are non-voting, carry rights to dividends and are repayable at par value on winding up.

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Notes to the financial statements (continued)

15 Capital and reserves (continued)

Share premium account

	2021 £000	2020 £000
Share premium account	28,248	-

During the year the Company issued one 0.05p deferred share for £28,248,000, this was issued as a result of the Joint Venture arrangement and it was agreed that this would be a deferred share and once issued a distribution of the same amount would be made from distributable profits.

16 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2021 £000	2020 £000
Less than one year	433	567
Between one and five years	1,972	2,062
More than five years	1,415	1,882
	<u>3,820</u>	<u>4,511</u>

During the year £383,000 was recognised as an expense in the profit and loss account in respect of operating leases (2020: £400,000).

17 Related party transactions

During the year the company purchased £242,448,000 (2020: £234,486,000) of goods and services, £318,476,000 (2020: £291,462,000) of excise duties expenses from Carlsberg Supply Company AG, another group company. At the year-end £59,912,000 (2020: £50,255,000) payable was outstanding and included within creditors, £nil (2020: £36,000) receivable was outstanding and included within debtors. The amounts outstanding are unsecured, payable within 90 days and no guarantees have been received.

During the year the company purchased £5,235,000 (2020: £5,385,000) of services from Carlsberg Global Business Services A/S, another group company. At the year-end £2,679,000 (2020: £1,370,000) payable was outstanding and included within creditors, £nil (2020: £60,000) receivable was outstanding and included within debtors. The amounts outstanding are unsecured, payable within 90 days and no guarantees have been received.

During the year the company incurred expenses of £5,787,000 (2020: £11,373,000) in relation to brand marketing and licence/royalty fees from Carlsberg Breweries A/S, another group company. At the year-end £4,373,000 (2020: £4,990,000) payable was outstanding and included within creditors. The company is part of the Group banking arrangement with Carlsberg Breweries A/S as a result an amount was owing to the Company of £8,700,000 (2020: £6,732,000) owed to Carlsberg Breweries A/S outstanding and included within creditors. The amounts outstanding are unsecured, payable within 90 days and no guarantees have been received. The amount outstanding is unsecured, repayable on demand and not subject to interest.

During the year the company incurred expenses of £15,000 (2020: £14,000) in relation to licence/royalty fees from Baltika Brewery LLC, another group company. At the year-end £9,000 (2020: £11,000) was outstanding and included within creditors. The amount outstanding is unsecured, payable within 90 days and no guarantees have been received.

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Notes to the financial statements (continued)

17 Related party transactions (continued)

During the year the company incurred expenses of £191,000 (2020: £65,000) in relation to licence/royalty fees from Carlsberg Italia S.p.A, another group company. At the year-end £72 (2020: £nil) was outstanding and included within creditors. The amount outstanding is unsecured, payable within 90 days and no guarantees have been received.

During the year the company incurred expenses of £377,000 (2020: £188,000) in relation to licence/royalty fees from Monster the Cat GmbH, another group company. At the year-end £246,000 (2020: £62,000) was outstanding and included within creditors. The amount outstanding is unsecured, payable within 90 days and no guarantees have been received.

During the year the company incurred expenses of £747,000 (2020: £64,000) in relation to licence/royalty fees from Carlsberg Polska Sp.z.o.o., another group company. At the year-end £193,000 (2020: £45,000) outstanding and included within creditors. The amounts outstanding are unsecured, payable within 90 days and no guarantees have been received.

During the year the company sold goods of £nil (2020: £10,000) to Carlsberg (China) Breweries and Trading Company Limited, another group company. At the year-end £nil (2020: £10,000) was outstanding and included within debtors. The amounts outstanding are unsecured, payable within 90 days and no guarantees have been received.

During the year the company charged intercompany interest on a loan with Carlsberg UK Holdings Limited of £nil (2020: £4,986,000). At the year-end £438,000 (2020: £438,000) was outstanding and included within debtors.

During the year the company sold goods of £3,405,000 to Marston's PLC (period from 1 November 2020 to 31 December 2020 £167,000). At the year end £6,179,000 (2020: £230,000) was outstanding and included within debtors. Marston's PLC became a related party on 30 October 2020. The amounts outstanding are unsecured, payable within 90 days and no guarantees have been received.

See note 5 for disclosure of the directors' remuneration. The Directors consider that the statutory directors are the key management.

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Carlsberg Marston's Brewing Company Limited group.

18 Dividends

	2021 £000	2020 £000
Dividend paid £1,759 (2020: £nil) per £0.05 deferred share	11,866	-
Dividend paid £4,188 (2020: £nil) per £0.05 deferred share	28,248	-
	<u>40,114</u>	<u>-</u>

During the year dividends were paid on deferred shares. Both of the above dividends relate to the final adjustments for the creation of the Joint Venture.

Notes to the financial statements (continued)

19 Post Balance Sheet Event

At the beginning of 2022, the company completed the transfer of Marston's Beer Company Ltd's sales and marketing operations into Carlsberg UK limited. This included the introduction of a new core ERP system and resulted in all sales and marketing operations aligning under one company. As a result Carlsberg UK limited changed its name to Carlsberg Marston's Brewing Company limited (CMBC Limited). This transfer will increase the trading assets of the Company by approximately £70m which will be financed by intra Group funding.

20 Ultimate parent company and parent company of larger group

The immediate parent undertaking is Carlsberg Marston's Brewing Company Limited, incorporated in England. The ultimate controlling party is Carlsberg A/S.

The smallest group in which the results of the Company are consolidated is that headed by Carlsberg Breweries A/S, incorporated in Denmark. The largest group in which the results of the Company are consolidated is that headed by Carlsberg A/S, incorporated in Denmark. The consolidated financial statements of these groups are available to the public and may be obtained from The Information Centre, Carlsberg A/S, J. C. Jacobsens Grade 1, DK-1799 Copenhagen V, Denmark.