

MARSTON'S ACQUISITIONS LIMITED
ANNUAL REPORT
FOR THE PERIOD ENDED 2 OCTOBER 2010

TUESDAY



DSR
25/01/2011
COMPANIES HOUSE

2

MARSTON'S ACQUISITIONS LIMITED

FINANCIAL STATEMENTS

Period ended 2 October 2010

Contents	Page
Directors' report	1 to 2
Independent auditors' report to the members	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 to 11

MARSTON'S ACQUISITIONS LIMITED

DIRECTORS' REPORT

Period ended 2 October 2010

The Directors submit their report and the audited financial statements of the Company for the 52 weeks ended 2 October 2010 (2009 52 weeks ended 3 October 2009)

The registration number of Company is 24795

Principal activities and business review

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

Interest is receivable/payable under an intra group funding agreement

Future developments

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

Results and dividends

The loss for the period amounted to £1 2m (2009 loss of £29 3m) The Directors have not recommended a dividend (2009 £nil)

Principal risks and uncertainties

The principal risks and uncertainties of the Company are integrated with the principal risks of the Marston's Group and are not managed separately Accordingly, the principal risks and uncertainties of the Group which include those of the Company are discussed within the Business Review of the Marston's PLC Annual Report which does not form part of this report

Further, the key performance indicators (KPIs), and financial risk management of the Company are integrated with that of the Marston's Group and are not assessed separately An analysis of the KPIs of the Group, which include those of the Company, together with the Group's financial risk exposure, and the management objectives and policies thereon, is presented within the Business Review of the Marston's PLC Annual Report

Directors

The Directors who served the Company during the period and up to the date of this report were as follows

A Andrea
B Thomas
R Findlay
E Hancock
I Jackson
J Langford

I Jackson was appointed as a Director on 10 June 2010

J Langford resigned as a Director on 31 May 2010

MARSTON'S ACQUISITIONS LIMITED

DIRECTORS' REPORT *(continued)*

Period ended 2 October 2010

Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

select suitable accounting policies and then apply them consistently,

make judgements and accounting estimates that are reasonable and prudent,

state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


Independent auditors and disclosure of information to auditors

In the case of each of the persons who are Directors at the time when the report is approved, the following applies:

a) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

b) he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Signed by order of the Directors



Anne-Marie Brennan
Company Secretary

Approved by the Directors on 2 December 2010

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

We have audited the financial statements of Marston's Acquisitions Limited for the period ended 2 October 2010 which comprise the profit and loss account, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Directors and Auditors

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

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

give a true and fair view of the state of the Company's affairs as at 2 October 2010 and of its loss for the period then ended,
have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
and
have been prepared in accordance with the requirements of the Companies Act 2006.

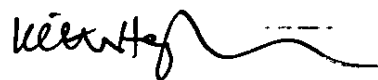
Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Keith Harrington (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

2 December 2010

MARSTON'S ACQUISITIONS LIMITED

PROFIT AND LOSS ACCOUNT

Period ended 2 October 2010

	Note	2010 £m	2009 £m
Loss on disposal of preference shares	3	—	(26 0)
Income from shares in Group undertakings	4	18 8	—
Interest receivable	5	0.8	0 5
Amounts written off investments	6	(18 4)	(0 3)
Interest payable and similar charges	7	(3 0)	(4 7)
Loss on ordinary activities before taxation		(1 8)	(30 5)
Tax on loss on ordinary activities	8	0 6	1 2
Loss for the period	17	<u>(1 2)</u>	<u>(29 3)</u>

All of the activities of the Company are classed as continuing

There is no difference between the result shown above and the result for the period stated on an unmodified historical cost basis

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

The notes on pages 6 to 11 form part of these financial statements.

MARSTON'S ACQUISITIONS LIMITED

BALANCE SHEET

As at 2 October 2010

	Note	2010 £m	2009 £m
Fixed assets			
Investments	9	<u>89 9</u>	<u>108 3</u>
Current assets			
Debtors	10	28 1	14 9
Creditors: Amounts falling due within one year	11	<u>(94 8)</u>	<u>(98 8)</u>
Net current liabilities		<u>(66 7)</u>	<u>(83 9)</u>
Total assets less current liabilities		23 2	24 4
Creditors: Amounts falling due after more than one year	12	<u>(0 1)</u>	<u>(0 1)</u>
Net assets		<u>23 1</u>	<u>24 3</u>
Capital and reserves			
Called-up share capital	14	2 7	2 7
Share premium account	15	5 8	5 8
Other reserves	16	7 9	7 9
Profit and loss account	17	<u>6 7</u>	<u>7 9</u>
Total shareholders' funds	18	<u>23 1</u>	<u>24 3</u>

These financial statements on pages 4 to 11 were approved by the Directors and authorised for issue on 2 December 2010, and are signed on their behalf by



Andrew Andrea
Director

2 December 2010

The notes on pages 6 to 11 form part of these financial statements

MARSTON'S ACQUISITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 2 October 2010

1 Accounting policies

(a) Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards

Accounting policies applied are consistent with the prior period

(b) Consolidation

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

(c) Going concern

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

(d) Cash flow statement and related party disclosures

The Company is a wholly-owned subsidiary of Marston's PLC and is included in the consolidated financial statements of that company, which are publicly available. Consequently, Marston's Acquisitions Limited has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised). The Company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Marston's PLC Group

(e) Current and deferred tax

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date which give rise to an obligation to pay more or less tax in the future. Timing differences are differences between the Company's taxable profits and profits as stated in the accounts. Deferred tax assets and liabilities are not discounted and assets are only recognised where recoverability is probable

(f) Investments

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

(g) Group undertakings

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

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

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

2 Employees and auditors' remuneration

The average monthly number of people employed by the Company during the period excluding Directors was nil (2009 nil). The Directors received no remuneration in respect of their services to the Company (2009 £nil)

Auditors' remuneration is borne by the ultimate parent company, Marston's PLC. The Company incurred no non-audit fees during the period (2009 £nil)

MARSTON'S ACQUISITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 2 October 2010

3 Loss on disposal of preference shares

At 4 October 2008 the Company held preference shares in Marston's Estates Limited. On 22 September 2009, Marston's Estates Limited bought back the preference shares for £34.2m, generating a loss on disposal of £26.0m.

4 Income from shares in Group undertakings

	2010 £m	2009 £m
Interim dividend on ordinary shares held in Fayolle Limited	<u>18.8</u>	<u>—</u>

5 Interest receivable

	2010 £m	2009 £m
Other loan interest receivable	—	0.3
Interest receivable from Group undertakings	<u>0.8</u>	<u>0.2</u>
	<u>0.8</u>	<u>0.5</u>

6 Amounts written off investments

	2010 £m	2009 £m
Amount written off investments	<u>18.4</u>	<u>0.3</u>

7 Interest payable and similar charges

	2010 £m	2009 £m
Interest payable to Group undertakings	<u>3.0</u>	<u>4.7</u>

8 Taxation on ordinary activities

(a) Analysis of charge in the period

	2010 £m	2009 £m
Current tax		
UK corporation tax based on the results for the period	<u>(0.6)</u>	<u>(1.2)</u>
Total current tax	<u>(0.6)</u>	<u>(1.2)</u>

MARSTON'S ACQUISITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 2 October 2010

8 Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period is lower than (2009 higher than) the standard rate of corporation tax of 28% (2009 28%)

	2010 £m	2009 £m
Loss on ordinary activities before taxation	<u>(1 8)</u>	<u>(30 5)</u>
Loss on ordinary activities multiplied by the corporation tax rate	(0 5)	(8 5)
Effect of		
Loss on disposal of preference shares	-	7 3
Income from shares in Group undertakings	(5 3)	-
Amounts written off investments	<u>5 2</u>	<u>-</u>
Total current tax (note 8(a))	<u>(0 6)</u>	<u>(1 2)</u>

There was no deferred tax balance either recognised or unrecognised at the current or prior period end

(c) Factors that may affect future tax charges

The June 2010 Emergency Budget Statement announced a reduction in the main rate of corporation tax from 28% to 24% phased in over 4 years at 1% per annum from April 2011. The change from 28% to 27% with effect from 1 April 2011 was enacted in the Finance Act 2010 in July 2010.

9 Investments

	Subsidiary undertakings £m
Cost	
At 4 October 2009 and 2 October 2010	<u>108 6</u>
Amounts written off	
At 4 October 2009	0 3
Written off in period	<u>18 4</u>
At 2 October 2010	<u>18 7</u>
Net book value	
At 2 October 2010	<u>89 9</u>
At 3 October 2009	<u>108 3</u>

MARSTON'S ACQUISITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 2 October 2010

9 Investments (continued)

The principal subsidiary undertakings at 2 October 2010 were

	Nature of business	Class of share
The Gray Ox Limited	Non-trading	Ordinary £1 shares
Sovereign Inns Limited	Non-trading	Ordinary £1 shares
Ringwood Brewery Limited	Holding company	Ordinary £1 shares
SDA Limited	Holding company	Ordinary £1 shares
Channel Wines and Spirits Limited	Non-trading	Ordinary £1 shares
EP Investments 2004 Limited	Holding company	'A' Ordinary 5p shares 'B' Ordinary 1p shares 'C' Ordinary 1p shares
Eldridge, Pope & Co , Limited	Non-trading	Ordinary 50p shares
Bluu Limited	Non-trading	Ordinary £1 shares
Fayolle Limited	Vineyard operator	Ordinary £1 shares
Wychwood Holdings Limited	Holding company	'A' Ordinary 1p shares 'B' Ordinary 1p shares
Refresh Group Limited	Holding company	Ordinary 1p shares
Refresh UK Limited (formerly Refresh UK PLC)	Non-trading	Ordinary 10p shares

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

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

SDA Limited is a wholly owned subsidiary of Ringwood Brewery Limited. EP Investments 2004 Limited is a wholly owned subsidiary of SDA Limited. Eldridge, Pope & Co , Limited is a wholly owned subsidiary of EP Investments 2004 Limited

Refresh Group Limited is a wholly owned subsidiary of Wychwood Holdings Limited. Refresh UK Limited (formerly Refresh UK PLC) is a wholly owned subsidiary of Refresh Group Limited

During the period the Company's investment in subsidiary undertakings was written down to its recoverable amount

10 Debtors

	2010 £m	2009 £m
Amounts owed by Group undertakings	26.5	13.5
Corporation tax	0.6	1.2
Interest owed by Group undertakings	1.0	0.2
	<u>28.1</u>	<u>14.9</u>

11 Creditors Amounts falling due within one year

	2010 £m	2009 £m
Interest owed to Group undertakings	7.6	4.7
Amounts owed to Group undertakings	87.2	94.1
	<u>94.8</u>	<u>98.8</u>

MARSTON'S ACQUISITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 2 October 2010

12 Creditors Amounts falling due after more than one year

	2010 £m	2009 £m
Preference shares	<u>0.1</u>	<u>0.1</u>

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

13 Contingencies

On 4th August 2010 the Company, together with a number of other members of the Marston's Group, entered into a Deed of Guarantee with Barclays Bank PLC whereby it guarantees the obligations of Marston's Trading Limited under the interest rate swaps it holds with Barclays Bank PLC. The maximum aggregate liability of the Guarantors under the deed as at 2 October 2010 was £30.0m (2009: £nil)

14 Share capital

Allotted, called up and fully paid:

	2010 Number	£m	2009 Number	£m
Ordinary shares of £0.25 each	<u>10,851,615</u>	<u>2.7</u>	<u>10,851,615</u>	<u>2.7</u>

15. Share premium account

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

16 Other reserves

	2010 £m	2009 £m
Other reserves	<u>7.9</u>	<u>7.9</u>

17 Profit and loss account

	2010 £m	2009 £m
Balance brought forward	7.9	37.2
Loss for the period	<u>(1.2)</u>	<u>(29.3)</u>
Balance carried forward	<u>6.7</u>	<u>7.9</u>

18. Reconciliation of movements in shareholders' funds

	2010 £m	2009 £m
Loss for the period	(1.2)	(29.3)
Opening shareholders' funds	<u>24.3</u>	<u>53.6</u>
Closing shareholders' funds	<u>23.1</u>	<u>24.3</u>

MARSTON'S ACQUISITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 2 October 2010

19 Ultimate parent company

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