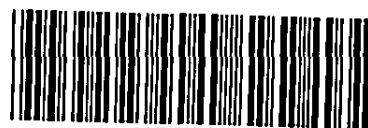


REFRESH UK PLC
ANNUAL REPORT
FOR THE PERIOD ENDED 3 OCTOBER 2009

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REFRESH UK PLC

FINANCIAL STATEMENTS

Period ended 3 October 2009

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REFRESH UK PLC

DIRECTORS' REPORT

Period ended 3 October 2009

The Directors submit their report and the audited financial statements of the Company for the 52 weeks ended 3 October 2009 (2008: 70 weeks ended 4 October 2008).

The registration number of Company is 3965055.

Principal activities and business review

The principal activity of the Company is the selling and marketing of specialist and niche beer brands.

The Directors of Marston's PLC manage the Group's operations on a divisional, rather than statutory entity basis. The development, performance and position of the Group which includes the Company are discussed within the Business Review of the Marston's PLC Annual Report which does not form part of this report.

Future developments

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

Results and dividends

The profit for the period, after taxation, amounted to £1,498,000 (2008: profit of £1,335,000). The Directors have not recommended a dividend (2008: £410,000).

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 Darby
A Andrea
D Andrew
S J Oliver
R Findlay
P Inglett

A Andrea was appointed as a Director on 31 March 2009.

P Inglett resigned as a Director on 31 March 2009.

REFRESH UK PLC

DIRECTORS' REPORT *(continued)*

Period ended 3 October 2009

Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 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 proper accounting records that 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.

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 3 December 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REFRESH UK PLC

We have audited the financial statements of Refresh UK PLC for the period ended 3 October 2009 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 Sections 495 and 496 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 3 October 2009 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- and
- have been prepared in accordance with the requirements of the Companies Act 2006.

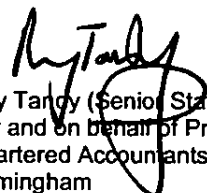
Opinion on other matters prescribed by the Companies Act 2006

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.


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

3 December 2009

REFRESH UK PLC

PROFIT AND LOSS ACCOUNT

Period ended 3 October 2009

	Note	2009 £000	2008 £000
Turnover	2	31,737	44,374
Trading expenses excluding exceptional items		(29,485)	(42,211)
Exceptional items	6	–	(129)
Trading expenses		(29,485)	(42,340)
Operating profit	3	2,252	2,034
Loss on disposal of fixed assets		–	(115)
		2,252	1,919
Interest receivable	7	1	9
Interest payable and similar charges	8	(87)	(177)
Profit on ordinary activities before taxation		2,166	1,751
Tax on profit on ordinary activities	9	(668)	(416)
Profit for the period	19	1,498	1,335

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 14 form part of these financial statements.

REFRESH UK PLC

BALANCE SHEET

As at 3 October 2009

	Note	2009 £000	2008 £000
Fixed assets			
Intangible assets	11	113	113
Tangible assets	12	1,128	1,518
		<u>1,241</u>	<u>1,631</u>
Current assets			
Stocks	13	171	312
Debtors	14	7,353	5,678
Cash at bank and in hand		40	21
		<u>7,564</u>	<u>6,011</u>
Creditors: amounts falling due within one year	15	(4,140)	(4,565)
Net current assets		<u>3,424</u>	<u>1,446</u>
Total assets less current liabilities		<u>4,665</u>	<u>3,077</u>
Provisions for liabilities			
Provisions	16	(410)	(320)
Net assets		<u><u>4,255</u></u>	<u><u>2,757</u></u>
Capital and reserves			
Called-up share capital	18	50	50
Profit and loss account	19	4,205	2,707
Total shareholders' funds	20	<u><u>4,255</u></u>	<u><u>2,757</u></u>

These financial statements on pages 4 to 14 were approved by the Directors and authorised for issue on 3 December 2009, and are signed on their behalf by:



Andrew Andrea
Director

3 December 2009

The notes on pages 6 to 14 form part of these financial statements.

REFRESH UK PLC

NOTES TO THE FINANCIAL STATEMENTS

Period ended 3 October 2009

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 1985 and applicable accounting standards.

Accounting policies applied are consistent with the prior period.

(b) 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, Refresh UK PLC 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, from the acquisition date of 2 April 2008. There were no such transactions prior to that date.

(c) Turnover

Turnover comprises the value of goods and services supplied to customers. Turnover is recorded net of discounts and VAT.

(d) Goodwill and other intangible assets

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its net assets.

Other intangible assets are carried at cost less accumulated amortisation and any impairment losses.

(e) Tangible fixed assets

Land and buildings represent lease premiums paid.

Profit/loss on fixed asset disposals is net sale proceeds less carrying value of the assets.

(f) Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold property	- the lower of the lease period and 50 years
Plant, fixtures and fittings	- 3 to 15 years

(g) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes direct materials and a proportion of attributable overheads.

(h) Operating leases

Rental costs under operating leases are charged to the profit and loss account over the term of the lease.

(i) Pension costs

The Company operated a money purchase (defined contribution) pension scheme. Contributions payable to this scheme were charged to the profit and loss account in the period to which they related. These contributions were invested separately from the Company's assets.

REFRESH UK PLC

NOTES TO THE FINANCIAL STATEMENTS

Period ended 3 October 2009

1. Accounting policies *(continued)*

(j) Deferred taxation

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.

(k) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

(l) Property leases

When valuations of leasehold properties (based on future estimated income streams) give rise to a deficit as a result of onerous lease conditions they are recognised as liabilities in provisions. Payments are expected to be ongoing on the properties for a period of 10 years.

(m) 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.

2. Segmental analysis

The turnover and profit before tax are attributable to the principal activity of the Company.

An analysis of turnover is given below:

	2009 £000	2008 £000
United Kingdom	29,989	42,103
Europe	864	627
Rest of the world	884	1,644
	<u>31,737</u>	<u>44,374</u>

Profit before taxation and net assets attributable to each geographical segment have not been disclosed as, in the opinion of the Directors, such disclosures would prejudice the Company's interests.

REFRESH UK PLC

NOTES TO THE FINANCIAL STATEMENTS

Period ended 3 October 2009

3. Operating profit

Operating profit is stated after charging/(crediting):

	2009 £000	2008 £000
Depreciation of owned fixed assets	118	246
Impairment of owned fixed assets	-	220
Operating lease costs:		
Plant and equipment	34	53
Other	70	92
Change in stocks of finished goods and work in progress	<u>141</u>	<u>(1,064)</u>

With effect from 2 April 2008 auditors' remuneration is borne by the ultimate parent company, Marston's PLC. Payments to the Company's auditors for non-audit services totalled £nil (2008: £nil).

4. Employees

The average monthly number of staff employed by the Company during the period amounted to:

	2009 Number	2008 Number
Production	-	9
Sales	-	12
Administration	-	20
	<u>-</u>	<u>41</u>

The aggregate payroll costs of the above were:

	2009 £000	2008 £000
Wages and salaries	-	2,125
Social security costs	-	244
Pension costs	-	97
	<u>-</u>	<u>2,466</u>

REFRESH UK PLC

NOTES TO THE FINANCIAL STATEMENTS

Period ended 3 October 2009

5. Directors' emoluments

The Directors' aggregate emoluments in respect of qualifying services were:

	2009 £000	2008 £000
Emoluments receivable	—	246
Pension costs	—	25
Compensation for loss of directorship	—	12
	<u>—</u>	<u>283</u>

Emoluments of highest paid Director:

	2009 £000	2008 £000
Total emoluments (excluding pension contributions)	<u>—</u>	<u>124</u>

6. Exceptional items

	2009 £000	2008 £000
Recognised in arriving at operating profit:		
Reorganisation and redundancy costs	<u>—</u>	<u>129</u>

The tax credit relating to the above exceptional items amounts to £nil (2008: £37,000).

7. Interest receivable

	2009 £000	2008 £000
Bank interest receivable	—	9
Other interest receivable	<u>1</u>	<u>—</u>
	<u>1</u>	<u>9</u>

8. Interest payable and similar charges

	2009 £000	2008 £000
Bank interest	1	81
Interest payable to Group undertakings	79	—
Other similar charges	<u>7</u>	<u>96</u>
	<u>87</u>	<u>177</u>

REFRESH UK PLC

NOTES TO THE FINANCIAL STATEMENTS

Period ended 3 October 2009

9. Taxation

(a) Analysis of charge in the period

	2009 £000	2008 £000
Current tax:		
In respect of the period:		
UK corporation tax based on the results for the period	618	534
Adjustments in respect of prior periods	(53)	-
Total current tax	565	534
Deferred tax:		
Origination and reversal of timing differences	(12)	(118)
Deferred tax in relation to prior periods	115	-
Total deferred tax (note 16)	103	(118)
Tax on profit on ordinary activities	668	416

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower than (2008: higher than) the standard rate of corporation tax of 28% (2008: 29%).

	2009 £000	2008 £000
Profit on ordinary activities before taxation	2,166	1,751
Profit on ordinary activities multiplied by the corporation tax rate	606	508
Effect of:		
Costs not deductible for tax purposes	-	26
Excess of depreciation over capital allowances	12	61
Rate difference	-	12
Gain not taxable	-	(127)
Other timing differences	-	54
Adjustments in respect of prior periods	(53)	-
Total current tax (note 9(a))	565	534

The standard rate of corporation tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly the Company's profits for the prior accounting period were taxed at an effective rate of 29%.

(c) Factors that may affect future tax charges

No factors have been identified that may affect future tax charges.

REFRESH UK PLC

NOTES TO THE FINANCIAL STATEMENTS

Period ended 3 October 2009

10. Dividends

Equity dividends

	2009 £000	2008 £000
Paid during the period:		
Interim dividend for 2008 of £0.820 per ordinary share	<u>—</u>	<u>410</u>

11. Intangible fixed assets

	Goodwill £000	Manufacturing Know How and Trade Marks £000	Total £000
Cost			
At 5 October 2008 and 3 October 2009	<u>13</u>	<u>260</u>	<u>273</u>
Amortisation			
At 5 October 2008 and 3 October 2009	<u>8</u>	<u>152</u>	<u>160</u>
Net book value			
At 3 October 2009	<u>5</u>	<u>108</u>	<u>113</u>
At 4 October 2008	<u>5</u>	<u>108</u>	<u>113</u>

12. Tangible fixed assets

	Land and buildings £000	Plant, fixtures and fittings £000	Total £000
Cost			
At 5 October 2008	304	2,065	2,369
Additions	—	6	6
Disposals	—	(97)	(97)
Net transfers to Group undertakings	—	(306)	(306)
At 3 October 2009	<u>304</u>	<u>1,668</u>	<u>1,972</u>
Depreciation			
At 5 October 2008	304	547	851
Charge for the period	—	118	118
On disposals	—	(97)	(97)
Net transfers to Group undertakings	—	(28)	(28)
At 3 October 2009	<u>304</u>	<u>540</u>	<u>844</u>
Net book value			
At 3 October 2009	<u>—</u>	<u>1,128</u>	<u>1,128</u>
At 4 October 2008	<u>—</u>	<u>1,518</u>	<u>1,518</u>

The net book value of land and buildings relates to leasehold properties under 50 years unexpired.

REFRESH UK PLC

NOTES TO THE FINANCIAL STATEMENTS

Period ended 3 October 2009

13. Stocks

	2009 £000	2008 £000
Finished goods	<u>171</u>	<u>312</u>

14. Debtors

	2009 £000	2008 £000
Trade debtors	3,400	2,361
Amounts owed by Group undertakings	3,872	3,307
Other debtors	13	10
Prepayments and accrued income	68	—
	<u>7,353</u>	<u>5,678</u>

15. Creditors: amounts falling due within one year

	2009 £000	2008 £000
Interest owed to Group undertakings	79	—
Trade creditors	—	374
Amounts owed to Group undertakings	2,739	3,004
Corporation tax	618	530
Other creditors	—	27
Accruals and deferred income	704	630
	<u>4,140</u>	<u>4,565</u>

16. Provisions

	Property leases £000	Deferred taxation £000	Total £000
Balance brought forward	191	129	320
Profit and loss account movement arising during the period	(13)	103	90
Balance carried forward	<u>178</u>	<u>232</u>	<u>410</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2009 £000	2008 £000
Excess of taxation allowances over depreciation on fixed assets	232	183
Other timing differences	—	(54)
	<u>232</u>	<u>129</u>

Deferred tax has been calculated at the tax rates expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted at the balance sheet date.

REFRESH UK PLC

NOTES TO THE FINANCIAL STATEMENTS

Period ended 3 October 2009

17. Commitments under operating leases

At 3 October 2009 the Company had annual commitments under non-cancellable operating leases as set out below.

	2009		2008	
	Land & Buildings £000	Other Items £000	Land & Buildings £000	Other Items £000
Operating leases which expire:				
Within 2 to 5 years	-	-	-	25
After more than 5 years	76	-	76	-
	<u>76</u>	<u>-</u>	<u>76</u>	<u>25</u>

18. Share capital

Authorised share capital:

	2009 £000	2008 £000
1,765,000 Ordinary shares of £0.10 each	<u>177</u>	<u>177</u>

Allotted, called up and fully paid:

	2009 Number	£000	2008 Number	£000
Ordinary shares of £0.10 each	<u>500,020</u>	<u>50</u>	<u>500,020</u>	<u>50</u>

19. Profit and loss account

	2009 £000	2008 £000
Balance brought forward	2,707	1,782
Profit for the period	1,498	1,335
Equity dividends	-	(410)
Balance carried forward	<u>4,205</u>	<u>2,707</u>

20. Reconciliation of movements in shareholders' funds

	2009 £000	2008 £000
Profit for the period	1,498	1,335
Equity dividends	-	(410)
Net addition to shareholders' funds	<u>1,498</u>	<u>925</u>
Opening shareholders' funds	<u>2,757</u>	<u>1,832</u>
Closing shareholders' funds	<u>4,255</u>	<u>2,757</u>

REFRESH UK PLC

NOTES TO THE FINANCIAL STATEMENTS

Period ended 3 October 2009

21. Ultimate parent company

The immediate parent undertaking is Refresh Group Limited.

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