

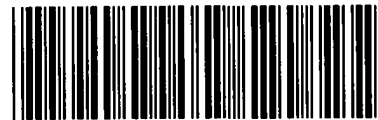
Registration number: 07999459

Marston Topco Limited

Annual report and financial statements

for the year ended 31 May 2017

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Marston Topco Limited

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Marston Topco Limited

Company information

Directors	G Hughes R Shearer
Company secretary	Squire Patton Boggs Secretarial Services Limited
Registered office	Rutland House, 8th Floor 148 Edmund Street Birmingham B3 2JR
Solicitors	Squire Patton Boggs (UK) LLP 2 Park Lane Leeds LS3 1ES Travers Smith LLP 10 Snow Hill London EC1A 2AL
Bankers	Lloyds Bank Plc 10 Gresham Street London EC2V 7AE
Auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2P 2YU

Marston Topco Limited

Directors' report

For the year ended 31 May 2017

The directors present their annual report annually on the affairs of the company, together with the financial statements and auditor's report, for the year ended 31 May 2017.

The directors took advantage of the small companies' exemption in not preparing a Strategic report. The directors have taken the exemptions provided to small companies and no enhanced business review is provided.

Directors' responsibilities statement

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 applicable United Kingdom Accounting Standards (UK GAAP), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. 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; 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Results and dividends

The loss for the year, after taxation, amounted to £54,600 (2016: profit of £185,000).

The directors do not recommend a payment of a dividend (2016: £nil).

Principal activity

Following the group reorganisation on the 29 July 2016 the company became non-trading.

Review of business

The company will continue to act as a non-trading holding company.

Marston Topco Limited

Directors' report (continued) For the year ended 31 May 2017

Going concern

The directors have considered forecast financial performance, recoverability of assets and financial viability for a period extending at least 12 months from the date of approval of these financial statements. The directors therefore have reasonable expectation that there are adequate resources for the company to continue in operational existence for the foreseeable future and have adopted the going concern basis in preparing these financial statements.

Employee involvement

The company continues to involve its staff in the future development of the business. Information is provided to employees through newsletters, the group's intranet, and via regular memoranda from management.

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the company may continue.

It is the policy of the company that training, career development and promotion opportunities should be available to all employees.

Directors

The directors, who served throughout the year except as noted, were as follows:

G Hughes

R Shearer (appointed 30 May 2017)

T C Smallbone (resigned 29 July 2016)

P D Manning (resigned 29 June 2016)

A D Mainwaring (resigned 29 July 2016)

J L Crichton (resigned 30 May 2017)

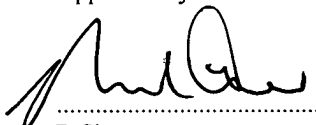
Disclosure of information to the auditors

Each director has taken 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. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board on 21 December 2017 and signed on its behalf by:



R Shearer
Director

Independent auditor's report to the members of Marston Topco Limited

We have audited the financial statements of Marston Topco Limited for the year ended 31 May 2017, which comprise the profit and loss account, the balance sheet, the statement of changes in equity, 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) including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement (set out on page 2), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2017 and of its loss for the year 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, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

Independent auditor's report to the members of Marston Topco Limited (continued)

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.
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.

Grant Thornton UK LLP

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Gary Jones (Senior Statutory Auditor)
For and on behalf of Grant Thornton UK LLP
Chartered Accountants and Statutory Auditor
London

21 December 2017

Marston Topco Limited

Profit and loss account

For the year ended 31 May 2017

	Note	2017 £ 000	2016 £ 000
Turnover		-	1,290
Expenses		<u>(58)</u>	<u>(1,068)</u>
Operating (loss)/profit		(58)	222
Interest receivable and similar income		3	-
Interest payable and similar charges		<u>-</u>	<u>(37)</u>
Loss before taxation		(55)	185
Tax on loss	6	<u>-</u>	<u>-</u>
Loss for the financial year		<u>(55)</u>	<u>185</u>

The above results were derived from continuing operations, which were transferred to other group companies and part of a group reorganisation in the year.

The company has no other comprehensive income for the year other than the results above and therefore, no statement of comprehensive income is presented.


Marston Topco Limited

Balance sheet As at 31 May 2017

	Note	2017 £ 000	2016 £ 000
Fixed assets			
Investments	7	<u>134,212</u>	<u>10,079</u>
Current assets			
Debtors: amounts falling due within one year	8	15,211	2,970
Creditors: amounts falling due within one year	9	<u>(16,084)</u>	<u>(3,855)</u>
Net current liabilities		<u>(873)</u>	<u>(885)</u>
Net assets		<u>133,339</u>	<u>9,194</u>
Capital and reserves			
Called-up share capital	10	-	166
Share premium reserve	10	-	10,000
Capital contribution	10	124,134	-
Profit and loss account	10	<u>9,205</u>	<u>(972)</u>
Shareholder's funds		<u>133,339</u>	<u>9,194</u>

The financial statements of Marston Topco Limited (registration number: 07999459) were approved by the Board of directors and authorised for issue on 21 December 2017.

They were signed on its behalf by:



R Shearer

Director

The notes on pages 9 to 16 form an integral part of these financial statements.

Marston Topco Limited

**Statement of changes in equity
For the year ended 31 May 2017**

	Called-up share capital £ 000	Share premium reserve £ 000	Capital contribution £ 000	Profit and loss account £ 000	Total £ 000
At 1 June 2015	166	10,000	-	(1,157)	9,009
Profit for the year	-	-	-	185	185
At 31 May 2016	<u>166</u>	<u>10,000</u>	<u>-</u>	<u>(972)</u>	<u>9,194</u>
	Called-up share capital £ 000	Share premium reserve £ 000	Capital contribution £ 000	Profit and loss account £ 000	Total £ 000
At 1 June 2016	166	10,000	-	(972)	9,194
Loss for the year	-	-	-	(55)	(55)
Other reserve movements	(166)	(10,000)	124,134	10,232	124,200
At 31 May 2017	<u>-</u>	<u>-</u>	<u>124,134</u>	<u>9,205</u>	<u>133,339</u>

Following a group restructure on the 29 July 2016, management took the decision to reduce the equity held in the company due to it becoming a non-trading company.

The notes on pages 9 to 16 form an integral part of these financial statements.

Marston Topco Limited

Notes to the financial statements For the year ended 31 May 2017

1 General information

The company is a private company limited by share capital incorporated in England and Wales and domiciled in the United Kingdom.

The address of its registered office is:

Rutland House, 8th Floor
148 Edmund Street
Birmingham
B3 2JR

The nature of the company's operations and its principal activities are set out in the Directors' report on pages 2 to 3.

2 Accounting policies

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of accounting

These financial statements have been prepared under the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Marston Topco Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

The functional currency of Marston Topco Limited is considered to be pounds sterling (£) because that is the currency of the primary economic environment in which the company operates.

Related party disclosure exemption

The company has taken advantage of the exemption available under FRS 102, section 33.1A, not to disclose transactions with wholly-owned members of the Marston Group headed by Marston Corporate Limited.

Going concern

The directors have considered forecast financial performance, recoverability of assets and financial viability for a period extending at least 12 months from the date of approval of these financial statements. The directors therefore have reasonable expectation that there are adequate resources for the company to continue in operational existence for the foreseeable future and have adopted the going concern basis in preparing these financial statements.

Marston Topco Limited

Notes to the financial statements (continued) For the year ended 31 May 2017

2 Accounting policies (continued)

Group financial statement

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 401 of the Companies Act 2006 because it is a wholly owned subsidiary of Marston Corporate Limited which prepares consolidated financial statements that are publically available. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Marston Topco Limited

Notes to the financial statements (continued) For the year ended 31 May 2017

2 Accounting policies (continued)

Tax

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Turnover

Turnover comprise of a management recharge to other group undertaking. Turnover is exclusive of value added tax and trade discounts.

Marston Topco Limited

Notes to the financial statements (continued) For the year ended 31 May 2017

2 Accounting policies (continued)

Borrowing costs

Borrowing costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

Trade debtors

Trade debtors are amounts due from clients for services provided in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Marston Topco Limited

Notes to the financial statements (continued) For the year ended 31 May 2017

4 Directors' remuneration

The directors' remuneration for the year was as follows:

	2017 £ 000	2016 £ 000
Emoluments	-	515
Contributions paid to money purchase schemes	-	12
	<u>-</u>	<u>527</u>

During the year, retirement benefits were accruing to nil directors (2016: 2) in respect of money purchase pension schemes. The highest paid director received remuneration of £nil (2016: £229,355).

Director's remuneration is the only staff cost for this company.

5 Auditor's remuneration

Fees payable to the auditor and their associates for the audit of the company's annual accounts were £nil (2016: £ 7,000). See table below for analysis.

	2017 £ 000	2016 £ 000
Auditor's remuneration for the audit of the company	-	7
Total audit fees	<u>-</u>	<u>7</u>

This year fee is borne by another group entity.

6 Tax on profit

The tax charge comprises:

	2017 £ 000	2016 £ 000
Total current tax	<u>-</u>	<u>-</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2016: higher than the standard rate of corporation tax in the UK) of 19.83% (2016: 20%).

Marston Topco Limited

Notes to the financial statements (continued) For the year ended 31 May 2017

6 Tax on profit (continued)

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2017 £ 000	2016 £ 000
(Loss)/profit before taxation	<u>(55)</u>	<u>185</u>
Tax on profit at standard UK corporation tax rate of 19.83% (2016: 20%)	(11)	37
Effects of:		
Group relief	<u>11</u>	<u>-</u>
Tax charge for the year	<u><u>-</u></u>	<u><u>37</u></u>

7 Fixed asset investments

Subsidiaries	£ 000
Cost or valuation	
At 1 June 2016	10,079
Additions	<u>124,133</u>
At 31 May 2017	<u>134,212</u>
Net book value	
At 31 May 2017	<u><u>134,212</u></u>
At 31 May 2016	<u><u>10,079</u></u>

Details of undertakings

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
Direct				
Marston Midco Limited	United Kingdom	Ordinary	100%	Dormant

The registered office for the undertaking is Rutland House, 148 Edmund Street, Birmingham, B3 2JR.

The group restructured its operations on 29 July 2016, with Magenta Bidco Limited acquiring 100% of the equity of the company, and the company receiving a capital contribution as part of this transaction, used to settle intercompany debt. The company has also reduced the amount of paid up share capital as part of this re-structuring. Since the re-organisation the company has become a non-trading, holding only amounts due to and from other group entities.

Marston Topco Limited

Notes to the financial statements (continued) For the year ended 31 May 2017

8 Debtors: amounts falling due within one year

	2017 £ 000	2016 £ 000
Receivables group undertakings	15,211	2,881
Other debtors	-	75
Prepayments and accrued income	-	14
	<u>15,211</u>	<u>2,970</u>

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

9 Creditors: amounts falling due within one year

	2017 £ 000	2016 £ 000
Amounts owed to group undertakings	16,084	3,824
Social security and other taxes	-	30
Other creditors	-	1
	<u>16,084</u>	<u>3,855</u>

Amounts owed to group undertakings are interest free, unsecured and payable on demand.

10 Called-up share capital and reserves

Allotted, called-up and fully paid shares

	No.	2017 £	No.	2016 £
Ordinary shares of £1 each	1	1	-	-
A Ordinary shares of £0 (2016 - £0.10) each	-	-	700	70
B Ordinary shares of £0 (2016 - £0.10) each	-	-	280	28
Deferred B Ordinary shares of £0 (2016 - £0.10) each	-	-	54	5
C Ordinary shares of £0 (2016 - £100) each	-	-	-	1
D Ordinary shares of £0 (2016 - £0.10) each	-	-	44	4
E1 Ordinary shares of £0 (2016 - £0.10) each	-	-	50	5
E2 Ordinary shares of £0 (2016 - £0.10) each	-	-	410	41
F Ordinary shares of £0 (2016 - £0.20) each	-	-	55	11
G Ordinary shares of £0 (2016 - £0.10) each	-	-	1	-
H Ordinary shares of £0 (2016 - £0.00) each	-	-	20	-
	<u>1</u>	<u>1</u>	<u>1,614</u>	<u>166</u>

Marston Topco Limited

Notes to the financial statements (continued) For the year ended 31 May 2017

10 Called-up share capital and reserves (continued)

On 29 July 2016 with a special resolution the Company made a capital reduction and reduced the share capital to 1 ordinary share of £1, and canceled all the other shares.

The company's other reserves are as follows:

Share premium reserve

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses. During the year this was cancelled as part of the group reorganisation.

Profit and loss

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments, arising from the group re-organisation.

Capital contribution

The capital contribution represents amounts received from the company's parent company, for no consideration of shares.

11 Ultimate controlling party

Magenta Bidco Limited is the immediate parent undertaking of Marston Topco Limited.

The smallest and largest group of undertakings for which consolidated financial statements have been drawn up is that headed by Marston Corporate Limited. Consolidated accounts are available from Rutland House, 8th Floor, 148 Edmund Street, Birmingham, B3 2JR.