

Registration number: 07999493

Marston Resources Limited (Previously known as Marston Bidco Limited)

Annual report and financial statements

for the year ended 31 May 2016

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Marston Resources Limited (Previously known as Marston Bidco Limited)

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Marston Resources Limited (Previously known as Marston Bidco Limited)

Company information

Directors	J L Crichton G Hughes
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 25 Gresham Street London EC2V 7HN
Auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Grant Thornton House Melton Street Euston Square London NW1 2EP

Marston Resources Limited (Previously known as Marston Bidco Limited)

**Strategic report
For the year ended 31 May 2016**

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Principal activity

The company serves as an intermediate holding company within the larger Marston group, and holds an investment in Marston (Holdings) Limited.

Review of the business

The company did not trade during the year under review and, as such, the only material transactions relate to interest payable on bank loans.

There are no key financial and other performance indicators as the company did not trade during the year.

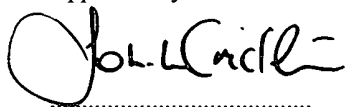
Principal risks and uncertainties

The company's borrowings are at a fixed rate of interest with no amortisation profile and as a result the company does not bear any significant risk or uncertainty.

Future developments

The company will continue to act as a holding company.

Approved by the Board on 24.2.17 and signed on its behalf by:



.....
J L Crichton
Director

Marston Resources Limited (Previously known as Marston Bidco Limited)

Directors' report

For the year ended 31 May 2016

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report, for the year ended 31 May 2016.

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 £6,929,817 (2015: £5,015,478).

The directors do not recommend a payment of a dividend (2015: £nil).

Employee involvement

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

Employment of 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.

Marston Resources Limited (Previously known as Marston Bidco Limited)

Directors' report (continued) For the year ended 31 May 2016

Directors

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

J L Crichton

G Hughes

A D Mainwaring (resigned 29 July 2016)

P D Manning (resigned 29 July 2016)

T C Smallbone (resigned 29 July 2016)

Items dealt with in the Strategic report

- Principal activities
- Business review
- Principal risks and uncertainties
- Future developments

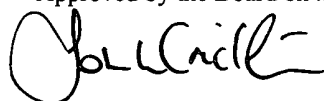
Disclosure of information to the auditors

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 24.2.17 and signed on its behalf by:



.....
J L Crichton
Director

Marston Resources Limited (Previously known as Marston Bidco Limited)
Independent auditor's report to the members of Marston Resources Limited (Previously known as Marston Bidco Limited)

We have audited the financial statements of Marston Resources Limited (Previously known as Marston Bidco Limited) for the year ended 31 May 2016, which comprise the profit and loss account, the balance sheet, the statement of changes in equity, and the related notes 1 to 15. 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 3), 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 2016 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Marston Resources Limited (Previously known as Marston Bidco Limited)
Independent auditor's report to the members of Marston Resources Limited (Previously known as Marston Bidco 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.

Grant Thornton UK LLP

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

Date: *24/2/17*

Marston Resources Limited (Previously known as Marston Bidco Limited)

Profit and loss account

For the year ended 31 May 2016

	Note	2016 £	2015 £
Turnover		-	-
Expenses		<u>(163,353)</u>	<u>(359,571)</u>
Operating loss		(163,353)	(359,571)
Interest payable and similar charges	5	<u>(6,766,464)</u>	<u>(4,655,907)</u>
Loss on ordinary activities before taxation	4	<u>(6,929,817)</u>	<u>(5,015,478)</u>
Loss for the financial year		<u><u>(6,929,817)</u></u>	<u><u>(5,015,478)</u></u>

The above results were derived from continuing operations.

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

The notes on pages 10 to 17 form an integral part of these financial statements.

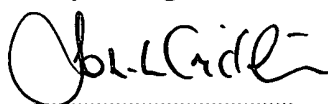
Marston Resources Limited (Previously known as Marston Bidco Limited)

**Balance sheet
As at 31 May 2016**

	Note	2016 £	2015 £
Fixed assets			
Investments	8	57,173,467	57,173,467
Current assets			
Debtors:			
- Amounts falling due within one year	9	<u>34,610,459</u>	<u>15,349,693</u>
Creditors: amounts falling due within one year	10	<u>(25,611,457)</u>	<u>(20,657,840)</u>
Net current assets/(liabilities)		<u>8,999,002</u>	<u>(5,308,147)</u>
Total assets less current liabilities		66,172,469	51,865,320
Creditors: amounts falling due after more than one year	11	<u>(82,508,388)</u>	<u>(61,271,422)</u>
Net liabilities		<u>(16,335,919)</u>	<u>(9,406,102)</u>
Capital and reserves			
Called-up share capital	12	78,895	78,895
Profit and loss account	12	<u>(16,414,814)</u>	<u>(9,484,997)</u>
Shareholder's deficit		<u>(16,335,919)</u>	<u>(9,406,102)</u>

The financial statements of Marston Resources Limited (Previously known as Marston Bidco Limited) (registration number: 07999493) were approved by the Board of directors and authorised for issue on 24.2.17

They were signed on its behalf by:



J L Crichton
Director

The notes on pages 10 to 17 form an integral part of these financial statements.

Marston Resources Limited (Previously known as Marston Bidco Limited)

**Statement of changes in equity
For the year ended 31 May 2016**

	Called-up share capital £	Profit and loss account £	Total £
At 1 June 2014	78,895	(4,469,519)	(4,390,624)
Loss for the year	-	(5,015,478)	(5,015,478)
At 31 May 2015	<u>78,895</u>	<u>(9,484,997)</u>	<u>(9,406,102)</u>

	Called-up share capital £	Profit and loss account £	Total £
At 1 June 2015	78,895	(9,484,997)	(9,406,102)
Loss for the year	-	(6,929,817)	(6,929,817)
At 31 May 2016	<u>78,895</u>	<u>(16,414,814)</u>	<u>(16,335,919)</u>

The notes on pages 10 to 17 form an integral part of these financial statements.

Marston Resources Limited (Previously known as Marston Bidco Limited)

Notes to the financial statements For the year ended 31 May 2016

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 strategic report on page 2.

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.

In the transition to FRS 102 from UK GAAP, the company has made no measurement and recognition adjustments (refer to note 15).

Marston Resources Limited (Previously known as Marston Bidco 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 and remuneration of key management personnel.

The functional currency of Marston Resources Limited (Previously known as Marston Bidco 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 Topco 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. The entity will continue to get support from the main cash generating units within the group.

Marston Resources Limited (Previously known as Marston Bidco Limited)

Notes to the financial statements (continued) For the year ended 31 May 2016

2 Accounting policies (continued)

Group financial statements

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 Topco 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 balance sheet 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.

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.

Marston Resources Limited (Previously known as Marston Bidco Limited)

Notes to the financial statements (continued) For the year ended 31 May 2016

2 Accounting policies (continued)

Tax (continued)

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.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Marston Resources Limited (Previously known as Marston Bidco Limited)

Notes to the financial statements (continued) For the year ended 31 May 2016

2 Accounting policies (continued)

Borrowings (continued)

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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.

There are no significant estimates or judgements used in preparing these accounts.

4 Loss on ordinary activities before taxation

Audit fees are borne by another group company. No other fees were paid to the auditor for non-audit services, which is the same for the prior year.

5 Interest payable and similar charges

	2016 £	2015 £
Bank loans and overdrafts	5,993,363	3,716,876
Amortisation on loan arrangement fees	773,101	939,031
	<u>6,766,464</u>	<u>4,655,907</u>

6 Staff costs

The company has no employees other than the directors, who did not receive any remuneration from this company (2015: £nil).

Marston Resources Limited (Previously known as Marston Bidco Limited)

Notes to the financial statements (continued) For the year ended 31 May 2016

7 Tax on loss on ordinary activities

The tax on loss before tax for the year is higher than the standard rate of corporation tax in the UK (2015: higher than the standard rate of corporation tax in the UK) of 20% (2015: 20.83%).

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

	2016 £	2015 £
Loss on ordinary activities before taxation	<u>(6,929,817)</u>	<u>(5,015,478)</u>
Tax on loss on ordinary activities at standard UK corporation tax rate of 20% (2015: 20.83%)	(1,385,963)	(1,044,891)
Effects of:		
Expense not deductible for tax purposes	25,170	19
Group relief	<u>1,360,793</u>	<u>1,044,872</u>
Tax charge/(credit) for the year	<u>-</u>	<u>-</u>

8 Fixed asset investments

Subsidiaries	£
Cost and net book value	
At 1 June 2015 and 31 May 2016	<u>57,173,467</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held
A A Hutton LLP*	United Kingdom	Ordinary	100%
Burlington Collections Limited*	United Kingdom	Ordinary	100%
Burlington Credit Limited*	United Kingdom	Ordinary	100%
Burlington High Court Enforcement Limited (Dormant)*	United Kingdom	Ordinary	100%
Collectica Limited *	United Kingdom	Ordinary	100%
C W Harrison and Co High Court Enforcement Limited *	United Kingdom	Ordinary	100%

Marston Resources Limited (Previously known as Marston Bidco Limited)

Notes to the financial statements (continued) **For the year ended 31 May 2016**

8 Fixed asset investments (continued)

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held
Marston Group Limited *	United Kingdom	Ordinary	100%
Marston (Holdings) Limited	United Kingdom	Ordinary	100%
Marston Trustee (2013) Limited (Dormant)*	United Kingdom	Ordinary	100%
Moreton Smith Limited (Dormant)*	United Kingdom	Ordinary	100%
Moreton Smith Receivables Limited*	United Kingdom	Ordinary	100%
Philips Collection Services Limited (Dormant)*	United Kingdom	Ordinary	100%
Rossendales Collect Limited (Dormant)*	United Kingdom	Ordinary	100%
Rossendales Corporate Limited (Dormant)*	United Kingdom	Ordinary	100%
Rossendales Limited *	United Kingdom	Ordinary	100%
Scott & Co (Scotland) LLP*	United Kingdom	Ordinary	100%
Swift Credit Services Limited *	United Kingdom	Ordinary	100%

* Indirectly held

9 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Amounts owed by group undertakings	34,610,459	15,252,564
Other debtors	-	4,399
Prepayments and accrued income	-	92,730
	<u>34,610,459</u>	<u>15,349,693</u>

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

10 Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	25,042,483	20,636,689
Accruals and deferred income	568,974	21,151
	<u>25,611,457</u>	<u>20,657,840</u>

Marston Resources Limited (Previously known as Marston Bidco Limited)

Notes to the financial statements (continued) For the year ended 31 May 2016

10 Creditors: amounts falling due within one year (continued)

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

11 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Bank loans	85,141,376	63,414,678
Loan arrangement fees	(2,632,988)	(2,143,256)
	<u>82,508,388</u>	<u>61,271,422</u>

On 31 May 2012, the company entered into a loan agreement with Lloyds Bank Plc. The loan agreement was revised on 21 March 2013.

During the year ended 31 May 2014, £11,750,000 was drawn down against the B term loan facility. The B term loan is repayable on maturity being 31 May 2018. Interest is charged annually at a rate of 5% plus LIBOR.

During the year ended 31 May 2014, the company entered into a new loan of £1,125,000 with Lloyds Bank Plc to fund the acquisition of Swift Credit Services Limited through its subsidiary Marston (Holdings) Limited. £1,125,000 was drawn down against the A term loan facility, repayable by instalments over a four year period ending 31 May 2018 bearing interest at 4.5% plus LIBOR per annum.

During the year ended 31 May 2015, the company entered into a new loan of £7,000,000 with Lloyds Bank Plc to fund the acquisition of Collectica Limited through its subsidiary Marston (Holdings) Limited. £7,000,000 was drawn down against the C term loan facility, repayable on 18 June 2019 bearing interest at 4.5% plus LIBOR per annum.

On 10 June 2015, the company entered into a new loan of £10,000,000 with Lloyds Bank Plc by using the draw down facility against the D term loan facility, repayable on 18 June 2019 bearing interest at 5% plus LIBOR per annum.

On 19 December 2014 the company entered into a facility agreement of up to £63,000,000 with Five Arrows Credit Solutions SV (FACS) to re-finance certain elements of the group's debt. From an initial draw down of £34,000,000 on 19 December 2014, £9,625,000 was used to fully settle the Lloyds A term facility. The interest is charged quarterly at a rate of 7.25% plus LIBOR.

On 19 March 2015 a further £9,000,000 was drawn down to fully repay the Quintus European Mezzanine Fund SARL facility of £8,000,000 plus interest. The interest is charged quarterly at a rate of 7.25% plus LIBOR.

On 10 June 2015, £5,000,000 was drawn down from Five Arrows Credit Solutions SV (FACS) facility. The £5,000,000 was drawn down against the Tranche C facility at the rate of 7.25% per annum plus LIBOR.

On 3 August 2015, £5,000,000 was drawn down from Five Arrows Credit Solutions SV (FACS) facility. The £5,000,000 was drawn down against the Tranche C facility at the rate of 7.5% per annum plus LIBOR.

The FACS facility is payable on maturity on 31 May 2020.

Marston Resources Limited (Previously known as Marston Bidco Limited)

Notes to the financial statements (continued) For the year ended 31 May 2016

12 Called-up share capital and reserves

Allotted, called-up and fully paid shares

	No.	2016 £	No.	2015 £
Ordinary shares of £1 each	<u>78,895</u>	<u>78,895</u>	<u>78,895</u>	<u>78,895</u>

The company has one class of ordinary shares which carry no right to fixed income.

The company's other reserves are as follows:

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

13 Post balance sheet events

Following a group reorganisation on 29 July 2016, the ultimate parent undertaking and controlling party is now Marston Corporate Limited.

On 30 December 2016 the group acquired 100% of the share capital of Nirvana Equity Limited, a company incorporated in England and Wales, along with its trading subsidiaries including NSL Limited. The initial accounting for the transaction has not yet been finalised and hence an estimate of financial effect of the transaction can not yet be made.

14 Ultimate controlling party

As at 31 May 2016 Marston Midco Limited was the immediate parent undertaking of Marston Resources Limited (previously known as Marston Bidco Limited). From 29 July 2016 Magenta Bidco Limited is now the immediate parent undertaking of Marston Resources Limited (previously known as Marston Bidco Limited).

Marston Topco Limited has included the company in its group financial statements, copies of which are available from its registered office - Rutland House, 8th Floor, 148 Edmund Street, Birmingham, B3 2JR.

The largest and smallest group of undertakings for which consolidated financial statements have been drawn up is that headed by Marston Topco Limited.

The ultimate parent company and controlling party of the group as at 31 May 2016 was Marston Topco Limited.

15 Transition to FRS 102

This is the first year that the company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 31 May 2015 and the date of transition to FRS 102 was therefore 1 June 2014. As a consequence of adopting FRS 102, no adjustments arose.