Company Registration No. 05453370 (England and Wales)

MARSTON'S PUBS PARENT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 2 OCTOBER 2021

MARSTON'S PUBS PARENT LIMITED

COMPANY INFORMATION

Directors	Andrew Andrea	
	Edward Hancock	(Appointed 5 October 2021)
	Robert Leach	(Appointed 5 October 2021)
	Hayleigh Lupino	(Appointed 5 October 2021)
Secretary	Bethan Raybould	
Company number	05453370	
Registered office	Marston's House Brewery Road Wolverhampton WV1 4JT	

MARSTON'S PUBS PARENT LIMITED

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MARSTON'S PUBS PARENT LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 2 OCTOBER 2021

The Directors present the strategic report for the period ended 2 October 2021.

Business review
The principal activity of the Group continued to be that of operating managed, tenanted, leased and franchised public houses.

The principal activity of the Company is that of a holding and investment company.

The Board of Marston's PLC manage the Marston's Group's operations at a consolidated Marston's Group level, rather than on a statutory entity basis. The development, performance, position and key performance indicators of the Marston's Group which includes the Company and the Group are discussed within the Strategic Report of Marston's PLC which does not form part of this report.

During the current period the Group's turnover was £195.6m (2020: £268.0m) and the operating loss was £12.0m (2020: £9.2m). These were both significantly impacted by the social distancing and pub closure requirements arising from the COVID-19 outbreak. The loss before tax was £199.2m (2020: £200.5m) again reflecting the impact of COVID-19.

There are no significant changes expected in the nature of the Group's business.

The Marston's Group's key performance indicators for the period ended 2 October 2021 are commented on in detail in the Strategic Report of Marston's PLC. Those that specifically relate to the Group are as follows:

- Total revenue
- Net debt (excluding lease liabilities)
- Free Cash Flow
- % of pubs with >4* Google rating
- % of pubs with 5* EHO score
- Glassdoor rating and engagement score
- Spend per head v LY %
- Sales growth vs Peach market tracker %

Principal risks and uncertainties
The principal risks and uncertainties of the Company and the Group reflect those of the Marston's Group. The principal risks and uncertainties of the Marston's Group, which include those of the Company and the Group, are set out below and are discussed further within the Strategic Report of Marston's PLC which does not form part of this report.

Pandemic
There is a risk that COVID-19 infection rates increase leading to further restrictions on the public and further trading regulations for pubs and lodges.

Liquidity
While the UK recovers from the pandemic there is still a risk of regional lockdowns or national measures which could impact upon the ability of pubs to trade and therefore put the liquidity of the business under strain.

Health and safety
Breaches of health and safety regulations attract media attention and high penalties.

There is also the risk of further COVID-19 trading restrictions.

Food safety
Breaches of food standards regulations attract adverse media attention and high penalties.

There is a risk that information is collected incorrectly from suppliers and/or misinterpreted for the Marston's Group's menu items. There is also a risk if a team member mis-advises a guest on ingredients or serves the wrong meal. Increased regulation directly affecting the Marston's Group, or the Marston's Group's suppliers, could increase the complexity of the information to be provided and the cost of compliance.

Financial
There is the risk of a breach of the covenants with the Marston's Group's lenders, incorrect reporting of financial results and unauthorised transactions.

Market and operational
Failure to attract or retain the best people could negatively impact pub performance. Recruitment could be more of a challenge due to the high number of vacancies currently within the sector.

There is the risk of disruption to key suppliers, particularly those closely involved with day-to-day activities (logistics, food, drink), or a shortage of commodities.

There is also the risk of disruption to food supplies from the EU due to administration, or customs checks, impacting upon the Marston's Group's offering to guests and its cost base.

There is the risk that the Marston's Group's pubs, brands or services fail to attract guests, do not reflect changing preferences or offer poor service or quality. Equally there is the risk that the Marston's Group's prices become uncompetitive.

Inflationary pressure on costs might be difficult to pass on, resulting in reduced margin.

Political and economic
Supply chain disruption could reduce the ability of the UK to recover and grow the economy. It could also fuel further inflation resulting in less disposable income for consumers.

The import of goods from the EU could be disrupted by the government's plan to start customs checks in early 2022. Fresh food is reliant upon fast delivery. In the event of disruption, it could be difficult to source alternative supplies of food and drink for the same cost.

Information technology
Threats to IT are both external and internal and could result in a network outage, denial of service or loss, theft or corruption of data.

Section 172(1) statement
This section describes how the Directors have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006, in exercising their duty to promote the success of the Company for the benefit of its members as a whole.

Directors are required to have regard (amongst other matters) to the interests of wider stakeholders, as well as:

- the likely long-term consequences of any decision they make;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly, as between members of the Company.

The Company is a subsidiary of Marston's PLC and, therefore, key decisions which affect the Marston's Group, this Group and Company and stakeholders are principally made by the Board of the ultimate parent undertaking and controlling party, Marston's PLC. Further details of how the Board of Marston's PLC have had regard to sections 172(1)(a) to (f) of the Companies Act 2006 in the current reporting period can be found in the Annual Report and Accounts of Marston's PLC, key elements of which include:

Our people
We are a business where working together, caring about each other, recognising a job well done and striving to be the best is what defines us. We aim to inform, inspire, engage and enable our people, using a variety of communication channels. The Marston's Group is committed to keeping employees informed of business performance and strategy. We do this in a variety of ways from presentations of the interim and annual results by senior management, to video and email messages from the Marston's Group CEO. Employees' views are sought through regular engagement surveys across the Marston's Group and action plans are put in place to respond to issues arising. We have always believed that the long-term development of our people, their confidence, skills and experience is a responsibility of the business. We recognise that their personal development is a critical requirement for sustained commercial success and we succeed together due to the alignment of our corporate values with individual values.

Our guests
We constantly strive to ensure that our guests' experience is a true pub experience. We worked especially hard prior to reopening, after the pandemic related lockdowns, to ensure that our pubs and lodges were ready to welcome back our guests and offer them a safe and enjoyable environment, in which to drink, eat or stay. We have listened to the feedback from our pub teams and guests to help inform our responses to guest preferences, suggestions or concerns.

Our partners
Our pub partners are a key part of the Marston's Group's business and the character of our pub estate. We recognise the contribution that a committed partner brings, with the determination to make their pub a success. We recognise that our partners' commitment to their businesses is what determines its success. Trading conditions have been very difficult for our partners this year due to lockdowns, trading restrictions, recruitment challenges and safety precautions. We have supported our partners with a discounted rent during the lockdown periods together with advice on grants and other financial support, and operational guidance whilst trading. Our partners are free to innovate and create a pub environment that reflects their own ideas about what matters to their guests. We offer a range of agreements so that the terms are an appropriate fit for their business model. This year we have expanded our agreements to offer one that is similar to our existing franchise agreement, enabling the partner to operate their own food menu.

Our communities
Our pubs are highly valued by, and an integral part of, the communities in which they are located. These strong relationships are essential for the long-term success of our pubs and form part of the heritage and character of Marston's. We encourage our operators to participate in community initiatives and involve ourselves in community events and fundraising. The prime focus during the reporting period has been to operate our pubs safely, recognising the important role they play in social life. We kept our communities up to date with our reopening plans, aware of how eagerly this was anticipated.

Suppliers
We partner with suppliers who share our values and these relationships are integral to our success. We foster long-term relationships and manage them in a responsible and mutually beneficial way. During the reporting period, supply chains have been impacted by the pandemic, labour shortages, driver shortages, product scarcity, and rising commodity and energy prices. We have worked collaboratively with our suppliers to reduce exposure and find solutions, ensuring supplies to our pubs have remained strong.

Environment
We are committed to reducing our environmental impact, joining the Zero Carbon Forum during the reporting period and stating our intention to achieve carbon neutrality for Scope 1 and 2 emissions by 2030 and to work with our supply chain to reduce our indirect emissions (Scope 3) to achieve total Net Zero by 2040. To achieve Net Zero, future business decisions will need to consider the effect on emissions. As the Marston's Group proceeds on its path to Net Zero, operating costs could increase in the short term but, making these adjustments sooner, will mean the Marston's Group is in a competitive position for the future and should reduce its long-term costs. In recent years, our estates team have gained industry recognition for their pioneering work to reduce emissions at our pubs, reduce water consumption and increase recycling. We remain responsive to emerging technology to prevent further environmental harm, often at attractive rates of return, and to partnerships which promote and support a better environment and better lives.

Investors
We want to attract long-term equity and debt investors who believe in and support our strategy. This enables us to remain focused on delivering sustainable growth and maximising return on capital invested, for the benefit of all our stakeholders. The Marston's Group would normally engage through the annual general meeting and other investor relations activities, including meetings and communications that provide updates on progress against strategy, clarification and understanding of the business and an opportunity to listen to feedback. However, in a year disrupted by the pandemic, our engagement with investors has been mostly online, maximising the use of video technology, for presentation of our year-end and half-year results. Owing to government restrictions, the 2021 annual general meeting was held as a 'closed meeting', with shareholders strongly encouraged to vote online and submit questions ahead of the meeting.

During the reporting period, the continuing impact of COVID-19 on our operations has necessitated seeking further covenant waivers from our bondholders and bank and private placement lenders. Our CFO and Director of Treasury and Tax continued to engage regularly with our bank syndicate and bondholders to ensure they understood the ongoing impact of COVID-19, the mitigation measures we applied to preserve our cash resources and the long-term viability of the business.

Government
Government policy decisions impact the Marston's Group and, directly and indirectly, all of our stakeholders. Throughout the period, we continued to rely on government support through reduced VAT, the business rates holiday and other tax concessions. This support remains essential in retaining the majority of our workforce. As the outlook remains uncertain, we have urged government to consider the major contribution that pubs make to the economy and the communities in which they serve.

We take our responsibility for the health and wellbeing of our guests very seriously and ensure we prepare well for all new legislation, as it affects our business. The Group Risk & Compliance Committee monitor emerging legislation to assess its relevance, impact and what preparations are needed to ensure compliance. The Marston's Group has maintained its engagement with government, primarily through its membership of the BBPA and UK Hospitality but also directly, through government consultations.

MARSTON'S PUBS PARENT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 2 OCTOBER 2021

The Board of Marston's PLC believe that the following matters were of strategic importance during the period:

- COVID-19 – During the reporting period, the Board of Marston's PLC have continued to monitor and consider the ongoing impact of the pandemic on the business. Most notably, on our people but also the financial stability of the business and its sustainability. Acknowledging the financial support provided by government, the Board have received regular updates from management on the continuing focus of engaging with our people. Mindful that the financial support was finite, the Board have considered in detail the impact on the business from restricted trading, the gradual opening up of the sector and the challenges that differing rules and restrictions have brought to our operations. Plans and forecasts have been regularly updated throughout the period to incorporate changes to closures, gradual reopening and the level of government support, the aim being to strike the right balance between cash preservation and timely investment ahead of reopening. Throughout the period, careful cash management and working with its partners has enabled the Marston's Group to meet all its scheduled payments to banks and bondholders, its suppliers and people. The Board are aware that whilst the threat and impact arising from COVID-19 remains, and with future uncertainty, they consider that their actions and decisions to date have been made in the interests of all relevant stakeholders in preserving the business for the benefit of its members as a whole.

- Operation of the SA Brain estate – In December 2020, the Marston's Group announced that it had reached agreement with SA Brain to operate its pub estate in Wales following collaborative discussions with the Marston's Group. Whilst the Board of Marston's PLC were sure of the benefits to its own shareholders, the talks also focused on preserving the freehold capital for the stakeholders of SA Brain, protecting the strong heritage, brand name and safeguarding the jobs of c.1,300 people in the pubs. The directors of Marston's PLC considered the proposals as being of benefit to those employed by SA Brain and beneficial to the communities in which the pubs operate. To preserve the provenance of the Welsh pubs, the commercial (marketing) manager has been retained along with an agreement to use the SA Brain's brand for the duration of the lease. Further, the Board of Marston's PLC were confident that the deal was consistent with the Marston's Group's long-term strategy as a focused pub operator to grow the business without impacting on its financial strategy to reduce borrowings; the agreement received the unanimous support of its lenders.

By order of the board

Bethan Raybould
Secretary
16 December 2021

MARSTON'S PUBS PARENT LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 2 OCTOBER 2021

The Directors present their report and the financial statements of the Company and the Group for the period ended 2 October 2021.

The financial statements of the Company and the Group cover the 52 weeks ended 2 October 2021 (2020: 53 weeks ended 3 October 2020).

Directors
The Directors who held office during the period and up to the date of signature of the financial statements were as follows:

Andrew Andrea	
Ralph Findlay	(Resigned 2 October 2021)
Richard Westwood	(Resigned 30 October 2020)
Edward Hancock	(Appointed 5 October 2021)
Robert Leach	(Appointed 5 October 2021)
Hayleigh Lupino	(Appointed 5 October 2021)

Results and dividends
The results for the period are set out on page 13.

No ordinary dividends were paid in the period. The Directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions
In accordance with the Company's Articles of Association and to the extent permitted by law, the Company has indemnified its Directors against certain liabilities that may be incurred as a result of their position.

Engagement with suppliers, customers and others
A summary of how the Directors have regarded the need to foster the Group and the Company's business relationships with suppliers, customers and others, and the effect of that regard on the principal decisions made during the period, is provided in the strategic report.

Financial instruments

Financial risk management

Financial risk management is undertaken at the Marston's Group level and as such the financial risk management of the Company and the Group reflects that of the Marston's Group. The Marston's Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Marston's Group's financial performance. Risk management is carried out by a central treasury department under policies approved by the Board of Marston's PLC. The key financial risks for the Marston's Group are interest rate risk, credit risk and liquidity risk.

Interest rate risk: The Marston's Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Marston's Group calculates the impact of a defined interest rate shift on its results.

Credit risk: Credit risk arises from credit exposure to customers, including outstanding receivables and committed transactions. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, an assessment is made of the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits are set based on internal or external ratings in accordance with limits set by the Board of Marston's PLC. The utilisation of and adherence to credit limits is regularly monitored.

Liquidity risk: The Marston's Group applies a prudent liquidity risk management policy, which involves maintaining sufficient cash, ensuring the availability of funding through an adequate amount of committed credit facilities and having the ability to close out market positions.

Further details of the Marston's Group's financial risk exposure, and the management objectives and policies thereon, are presented within the Annual Report and Accounts of Marston's PLC.

Future developments

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

Auditor

The auditor, KPMG LLP, is deemed to be reappointed under section 487 of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the board

Bethan Raybould
Secretary
16 December 2021

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 2 OCTOBER 2021

The Directors are responsible for preparing the strategic report, the Directors' report and the Group and Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law they have elected to prepare both the Group and the Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Group and Company and of their profit or loss for that period. In preparing each of the Group and Company 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;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

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 its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MARSTON'S PUBS PARENT LIMITED

Opinion

We have audited the financial statements of Marston's Pubs Parent Limited ('the Company') for the period ended 2 October 2021, which comprise the Group and Company balance sheets, Group profit and loss account, Group statement of comprehensive income, Group and Company statements of changes in equity, Group statement of cash flows, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 2 October 2021 and of the Group's loss for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 to the financial statements which indicates that the Group's ability to continue as a going concern is dependent on the performance of its ultimate parent company, Marston's PLC. The financial statements of Marston's PLC include a material uncertainty related to going concern due to a forecast breach of covenants in the next 12 months. These events and conditions, along with the other matters explained in note 1, constitute a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Going concern basis of preparation

The Directors have prepared the financial statements on the going concern basis. As stated above, they have concluded that a material uncertainty related to going concern exists.

Based on our financial statements audit work, we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ('fraud risks') we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors as to the Group's and Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's and Company's channel for 'whistleblowing', as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board minutes.
- Considering remuneration incentive schemes and performance targets; and
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, the risk of fraudulent revenue recognition and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Group's and Company's regulatory and legal correspondence and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group and Company are subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group and Company are subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, regulatory capital and liquidity and certain aspects of company legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and Directors' report

The Directors are responsible for the strategic report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 8, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

John Leech (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom
16 December 2021

MARSTON'S PUBS PARENT LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 2 OCTOBER 2021

	Notes	Period ended 2 October 2021 £m	Period ended 3 October 2020 £m
Turnover	3	195.6	268.0
Trading expenses	4	(183.8)	(223.6)
Exceptional items	5	(23.8)	(53.6)
Operating loss	6	(12.0)	(9.2)
Interest payable and similar charges	9	(194.2)	(182.0)
Other gains and losses	10	7.0	(9.3)
Loss before taxation		(199.2)	(200.5)
Taxation	11	38.2	37.2
Loss for the financial period		(161.0)	(163.3)

The results for the current period reflect the 52 weeks ended 2 October 2021 and the results for the prior period reflect the 53 weeks ended 3 October 2020.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

MARSTON'S PUBS PARENT LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 2 OCTOBER 2021

	Period ended 2 October 2021 £m	Period ended 3 October 2020 £m
Loss for the period	(161.0)	(163.3)
Items of other comprehensive income		
Revaluation of tangible fixed assets	(14.0)	(71.1)
Cash flow hedges gain/(loss) arising in the period	3.5	(3.3)
Transfers to the profit and loss account on cash flow hedges	20.3	20.1
Tax relating to items of other comprehensive income	(6.2)	6.4
Other comprehensive income/(expense) for the period	3.6	(47.9)
Total comprehensive expense for the period	(157.4)	(211.2)

The results for the current period reflect the 52 weeks ended 2 October 2021 and the results for the prior period reflect the 53 weeks ended 3 October 2020.

Total comprehensive expense for the period is all attributable to the owners of the Company.

MARSTON'S PUBS PARENT LIMITED

GROUP BALANCE SHEET

AS AT 2 OCTOBER 2021

	Notes	2 October 2021 £m	£m	3 October 2020 £m	£m
Fixed assets					
Goodwill	**12**		23.5		31.3
Other intangible assets	**12**		15.6		13.0
Total intangible assets			39.1		44.3
Tangible assets	**13**		1,096.7		1,129.3
			1,135.8		1,173.6
Current assets					
Stocks	**16**	6.5		5.5	
Debtors	**17**	19.8		30.0	
Cash at bank and in hand		25.8		25.6	
		52.1		61.1	
Creditors: amounts falling due within one year	**18**	(115.1)		(99.3)	
Net current liabilities			(63.0)		(38.2)
Total assets less current liabilities			1,072.8		1,135.4
Creditors: amounts falling due after more than one year	**19**		(2,109.9)		(2,006.5)
Provisions for liabilities	**21**		(2.2)		(10.8)
Net liabilities			(1,039.3)		(881.9)
Capital and reserves					
Called up share capital	**23**		-		-
Revaluation reserve	**24**		170.0		192.3
Hedging reserve	**25**		(75.2)		(100.5)
Profit and loss reserves			(1,134.1)		(973.7)
Total equity			(1,039.3)		(881.9)

The financial statements were approved by the board of Directors and authorised for issue on 16 December 2021 and are signed on its behalf by:

H.Lupino

Hayleigh Lupino
Director

MARSTON'S PUBS PARENT LIMITED

COMPANY BALANCE SHEET

AS AT 2 OCTOBER 2021

	Notes	2 October 2021 £m	3 October 2020 £m
Fixed assets			
Investments	**14**	-	-
Net assets		-	-
Capital and reserves			
Called up share capital	**23**	-	-
Profit and loss reserves		-	-
Total equity		-	-

The Company's profit for the period was £nil (2020: £nil).

The financial statements were approved by the board of Directors and authorised for issue on 16 December 2021 and are signed on its behalf by:

H. Lupino

Hayleigh Lupino
Director

Company Registration No. 05453370

MARSTON'S PUBS PARENT LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 2 OCTOBER 2021

	Share capital	Revaluation reserve	Hedging reserve	Profit and loss reserves	Total
	£m	£m	£m	£m	£m
Balance at 29 September 2019	-	261.6	(117.0)	(812.6)	(668.0)
Adjustment for asset class split	-	(3.3)	-	0.6	(2.7)
Balance at 29 September 2019 (as restated)	-	258.3	(117.0)	(812.0)	(670.7)
Period ended 3 October 2020:					
Loss for the period	-	-	-	(163.3)	(163.3)
Other comprehensive income:					
Revaluation of tangible fixed assets	-	(71.1)	-	-	(71.1)
Cash flow hedges loss arising in the period	-	-	(3.3)	-	(3.3)
Transfers to the profit and loss account on cash flow hedges	-	-	20.1	-	20.1
Tax relating to items of other comprehensive income	-	6.7	(0.3)	-	6.4
Total comprehensive (expense)/income for the period	-	(64.4)	16.5	(163.3)	(211.2)
Transfers	-	(1.6)	-	1.6	-
Balance at 3 October 2020	-	192.3	(100.5)	(973.7)	(881.9)
Period ended 2 October 2021:					
Loss for the period	-	-	-	(161.0)	(161.0)
Other comprehensive income:					
Revaluation of tangible fixed assets	-	(14.0)	-	-	(14.0)
Cash flow hedges gain arising in the period	-	-	3.5	-	3.5
Transfers to the profit and loss account on cash flow hedges	-	-	20.3	-	20.3
Tax relating to items of other comprehensive income	-	(7.7)	1.5	-	(6.2)
Total comprehensive (expense)/income for the period	-	(21.7)	25.3	(161.0)	(157.4)
Transfers	-	(0.6)	-	0.6	-
Balance at 2 October 2021	-	170.0	(75.2)	(1,134.1)	(1,039.3)

MARSTON'S PUBS PARENT LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 2 OCTOBER 2021

	Share capital	Profit and loss reserves	Total
	£m	£m	£m
Balance at 29 September 2019	-	-	-
Period ended 3 October 2020:			
Profit and total comprehensive income for the period	-	-	-
Balance at 3 October 2020	-	-	-
Period ended 2 October 2021:			
Profit and total comprehensive income for the period	-	-	-
Balance at 2 October 2021	-	-	-

MARSTON'S PUBS PARENT LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 2 OCTOBER 2021

	Notes	2021 £m	2021 £m	2020 £m	2020 £m
Operating activities					
Cash generated from operations	**31**		46.4		59.3
Interest paid			(36.8)		(35.7)
Income taxes refunded			36.0		7.3
Net cash inflow from operating activities			45.6		30.9
Investing activities					
Purchase of intangible fixed assets		(3.4)		(4.7)	
Proceeds on disposal of intangible fixed assets		-		0.5	
Purchase of tangible fixed assets		(18.0)		(25.0)	
Proceeds on disposal of tangible fixed assets		5.1		54.8	
Net cash (outflow)/inflow from investing activities			(16.3)		25.6
Financing activities					
Repayment of borrowings		(29.1)		(50.6)	
Net cash outflow from financing activities			(29.1)		(50.6)
Net increase in cash and cash equivalents			0.2		5.9
Cash and cash equivalents at beginning of period			25.6		19.7
Cash and cash equivalents at end of period			25.8		25.6

The cash flows for the current period reflect the 52 weeks ended 2 October 2021 and the cash flows for the prior period reflect the 53 weeks ended 3 October 2020.

1 Accounting policies

Company information

Marston's Pubs Parent Limited is a private company limited by shares incorporated in England and Wales. The registered office is Marston's House, Brewery Road, Wolverhampton, WV1 4JT.

The Group consists of Marston's Pubs Parent Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Company and the Group. Monetary amounts in these financial statements are rounded to the nearest £0.1m.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of effective freehold land and buildings and the holding of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

As permitted by s408(3) of the Companies Act 2006, the Company has not presented its own profit and loss account and related notes.

1.2 Basis of consolidation and business combinations

The consolidated financial statements incorporate those of Marston's Pubs Parent Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 2 October 2021. All intra-group transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated on consolidation.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

1 Accounting policies **(Continued)**

1.3 Going concern

The Group and Company's business activities, together with the factors likely to affect their future development and position, are set out in the strategic report.

The Company is a subsidiary of Marston's PLC and therefore its ability to operate as a going concern and to discharge its liabilities as they fall due is fundamentally linked to that of the Marston's Group (i.e. Marston's PLC and its subsidiaries).

The impact of COVID-19 on the economy and the hospitality industry has resulted in lower revenues, profit and operating cash flow since March 2020 and has heightened uncertainty about the future financial performance of the Marston's Group, which could cast significant doubt over the Marston's Group's ability to trade as a going concern. The COVID-19 pandemic has resulted in a variety of temporary operating restrictions and, although the hospitality industry has now reopened in full, there is still uncertainty as to whether any restrictions, such as social distancing measures, will be reintroduced or whether any further local or national lockdowns will be required.

The Marston's Group's sources of funding include its securitised debt, a £280.0m bank facility available until 2024, of which £190.0m was drawn at 2 October 2021, and a £40.0m private placement available until 2024.

There are two covenants associated with the Group's securitised debt. The FCF DSCR is a measure of free cash flow to debt service for the Group, and is required to be a minimum of 1.1 over both a two-quarter and four-quarter period, and the Net Worth is derived from the Group's net assets. The Marston's Group has secured waivers from its bondholders in respect of the FCF DSCR Covenant up to and including 2 October 2021 for the two-quarter test and up to and including 1 January 2022 for the four-quarter test. There was headroom of £345.5m on the Net Worth Covenant at 2 October 2021.

There are two covenants associated with the Marston's Group's bank and private placement borrowings. The Debt Cover covenant is a measure of net borrowings to EBITDA (a maximum of 3.5 times) for the non-securitised group of companies and the Interest Cover covenant is a measure of EBITDA to finance charges (a minimum of 2 times from 2 April 2022, rising to 2.5 times from 1 October 2022, and further rising to 3 times from 1 April 2023) for that group of companies. The Marston's Group has agreed with its bank and private placement lenders to replace these existing financial covenant tests with a series of absolute covenants in respect of net borrowings and EBITDA for each quarter up to and including 1 January 2022. The headroom on the net borrowings and EBITDA covenants with the banks and private placement lenders at 2 October 2021 was £32.1m and £9.2m respectively.

The directors of Marston's PLC and the Directors of the Company have performed an assessment of going concern over the period of 12 months from the date of signing these financial statements, to assess the adequacy of the Marston's Group's, the Company's and the Group's financial resources. In performing their assessment, the Directors considered the Marston's Group's, the Company's and the Group's financial position and exposure to principal risks, including the ongoing impact of COVID-19. The Marston's Group's forecasts assume that sales and costs will continue at levels experienced in recent months, rising broadly in line with inflation. Deferred VAT will be repaid on its due date and the expected increase in the VAT rate from 12.5% to 20% in April 2022 will be absorbed by the Marston's Group. There is a forecast breach in both the Debt Cover and Interest Cover bank and private placement covenants at 2 April 2022.

The Directors have also considered a severe but plausible downside scenario, incorporating further lockdowns at a national level in January and February 2022, which would have the effect of substantially reducing sales, profit and operating cash flow. It has been assumed that there is no access to government support measures such as furlough payments in this scenario, and certain mitigating actions within management's control have been assumed, such as the deferral of uncommitted capital expenditure. The conclusion of this assessment was that the Directors are satisfied that the Marston's Group, the Company and the Group have sufficient liquidity to withstand such a severe but plausible downside scenario. However, the Debt Cover and Interest Cover bank and private placement covenants and the FCF DSCR Covenant for the securitisation are all forecast to be breached at 2 April 2022.

1 Accounting policies **(Continued)**

As the forecasts indicate that covenants are expected to be breached within the next 12 months, the Directors have concluded that a material uncertainty over going concern exists. The Marston's Group will continue to have regular communication with its lenders throughout this period and on the basis of the previous waivers secured and the return to pre-pandemic levels of trading in recent months the Directors expect the Marston's Group to be able to secure the future waivers required.

Considering the above, the Directors are satisfied that the Marston's Group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing these financial statements. For this reason, the Directors continue to adopt the going concern basis of accounting in preparing these financial statements for the Company and the Group. However, a material uncertainty exists, in particular with respect to the ability of the Marston's Group to achieve the required covenant waivers or amendments, which may cast significant doubt on the Company's and the Group's ability to continue as a going concern and, therefore, to continue realising their assets and discharging their liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover in respect of drink, food and accommodation is recognised at the point at which the goods or services are provided. Gaming machine income is recognised as earned. Rental income is recognised in the period to which it relates.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is presumed to be 10 years.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Intangible assets comprise computer software, which is considered to have a finite useful life.

Amortisation is recognised so as to write off the cost of assets less their residual values on a straight-line basis over their useful lives as follows:

Computer software	5 to 20 years

1 Accounting policies **(Continued)**

1.7 Tangible fixed assets

Land and buildings which are either freehold or are in substance freehold assets are classed as effective freehold land and buildings. This includes leasehold land and buildings with a term exceeding 100 years at acquisition/commencement of the lease or where there is an option to purchase the freehold at the end of the lease term for a nominal amount. All other leasehold land and buildings are classed as leasehold land and buildings.

Effective freehold land and buildings are initially measured at cost and subsequently measured at valuation, net of depreciation and any impairment losses. Leasehold land and buildings and plant, fixtures and fittings are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values on a straight-line basis over their useful lives as follows:

Effective freehold land and buildings	the lower of the lease period and 50 years
Leasehold land and buildings	the lower of the lease period and 50 years
Plant, fixtures and fittings	5 to 10 years

The Group's effective freehold land and buildings in respect of its pub estate are considered to have a residual value equal to their current valuation and as such no depreciation is charged on these assets.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Effective freehold land and buildings are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of effective freehold land and buildings is usually considered to be the market value.

Properties are revalued by independent qualified valuers at least once in each rolling three year period, on an open market value basis. Substantially all of the Group's effective freehold land and buildings have been externally valued in accordance with the Royal Institution of Chartered Surveyors' Red Book. These valuations are performed directly by reference to observable prices in an active market or recent market transactions on arm's length terms. Internal valuations are performed on the same basis.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

1.8 Fixed asset investments

In the Company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

1.9 Impairment of fixed assets

At each reporting end date, the Group reviews the carrying amounts of its tangible and intangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1 Accounting policies ***(Continued)***

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Stocks are valued on a 'first in, first out' basis.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Financial instruments

The Group has elected to apply the recognition and measurement provisions of IFRS 9 'Financial Instruments', the disclosure requirements of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 and the presentation requirements of paragraphs 11.38A and 12.25B of FRS 102 to account for all of its financial instruments.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies its financial assets in one of the following two categories: at fair value through profit or loss and at amortised cost. The Group classifies its financial liabilities in one of the following two categories: at fair value through profit or loss and other financial liabilities.

The Group classifies a financial asset as at amortised cost if the asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest.

Financial instruments at fair value through profit or loss

Derivatives are categorised as financial instruments at fair value through profit or loss. The Group holds no other financial instruments at fair value through profit or loss.

1 Accounting policies (Continued)

Financial assets at amortised cost
Financial assets at amortised cost comprise trade debtors, other debtors and cash and cash equivalents in the balance sheet and are measured using the effective interest method.

Other financial liabilities
Non-derivative financial liabilities are classified as other financial liabilities. The Group's other financial liabilities comprise borrowings, other creditors and amounts owed to associated undertakings. Other financial liabilities are carried at amortised cost using the effective interest method.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

Derivative financial instruments
The Group uses derivative financial instruments to hedge its exposure to fluctuations in interest rates.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship.

1 Accounting policies **(Continued)**

Hedge accounting

At the inception of a hedging relationship, the Group documents the relationship between the hedging instrument and the hedged item along with its risk management objectives and strategy for undertaking the hedge transaction. At the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

For the purpose of evaluating whether there is an economic relationship between the hedged item and the hedging instrument, the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform. For a cash flow hedge of a forecast transaction and the purpose of assessing whether the forecast transaction is highly probable, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform. In determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of interest rate benchmark reform.

The Group ceases to apply these specific policies for assessing the economic relationship between the hedged item and the hedging instrument and undertaking its highly probable assessment of the forecast cash flows when the uncertainty arising from interest rate benchmark reform regarding the timing and the amount of the interest rate benchmark based cash flows is no longer present, or when the hedging relationship is discontinued.

When the basis for determining the contractual cash flows of the hedged item or hedging instrument changes as a result of IBOR reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Group amends the formal designation of that hedging relationship to reflect the changes required by IBOR reform. For this purpose the hedge designation is amended only to designate an alternative benchmark rate as the hedged risk, to update the description of the hedged item or to update the description of the hedging instrument. Such an amendment to the formal designation of a hedging relationship does not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by IBOR reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the amount accumulated in the hedging reserve for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the profit and loss account. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the profit and loss account.

1 Accounting policies **(Continued)**

Trade debtors and other debtors

Trade debtors and other debtors are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

The Group applies the expected credit loss model to calculate any loss allowance for trade debtors and other debtors.

For trade debtors and other debtors that result from transactions that are within the scope of IFRS 15 'Revenue from Contracts with Customers' or from transactions that are within the scope of IFRS 16 'Leases' the loss allowance is measured as the lifetime expected credit losses. For any other trade or other debtors the loss allowance is measured as the 12-month expected credit losses unless the credit risk has increased significantly since initial recognition, in which case the lifetime expected credit losses are used.

The carrying amount of trade debtors and other debtors is reduced through the use of an allowance account, and the amount of the loss allowance is recognised in the profit and loss account within other net operating charges. The Group's policy is to write off trade debtors and other debtors when there is no reasonable expectation of recovery of the balance due. Indicators that there is no reasonable expectation of recovery depend on the type of debtor/customer and include a debt being over four months old, the failure of the debtor to engage in a repayment plan and the failure to recover any amounts through enforcement activity. Subsequent recoveries of amounts previously written off are credited against other net operating charges in the profit and loss account.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

If the basis for determining the contractual cash flows of borrowings measured at amortised cost changes as a result of interest rate benchmark reform, then the effective interest rate of the borrowings is updated to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform when the change is necessary as a direct consequence of the reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis.

Other creditors and amounts owed to associated undertakings

Other creditors and amounts owed to associated undertakings are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the Group and the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Group or the Company.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

1 Accounting policies **(Continued)**

Current tax
The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax
Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases, including any lease incentives received, are charged to the profit and loss account on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.15 Exceptional items
Exceptional items are items that, by virtue of their nature, size or expected frequency, warrant separate disclosure in the financial statements in order to fully understand the Group's underlying performance.

1.16 Government grants
Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grant will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

2 Judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements
The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Exceptional items
The Group classifies certain items as exceptional in the profit and loss account, as set out in its accounting policy. Determining which items should be so classified requires judgements to be made as to which items meet the definition and warrant separate disclosure in the accounts.

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Tangible fixed assets
The Group carries its effective freehold land and buildings at fair value. These properties are valued by external or internal valuers on an open market value basis, primarily using earnings multiples derived from prices in observed transactions involving comparable businesses. The estimation of the fair values requires a combination of assumptions, including future earnings and appropriate multiples.

The carrying amount of tangible fixed assets is shown in note 13.

Valuation of interest rate swaps
The Group's interest rate swaps are held at fair value. The Group utilises valuations from counterparties who use a variety of assumptions based on market conditions existing at each balance sheet date. The fair values are highly sensitive to the inputs to the valuations, such as discount rates, analysis of credit risk and yield curves. The carrying amount of the interest rate swaps is shown in note 15.

3 Turnover

	2021	2020
	£m	£m
Turnover by category		
Sale of goods	182.2	246.4
Rendering of services	13.4	21.6
	195.6	268.0

Turnover is attributable to the one principal activity of the Group. Turnover originates in the UK and is not materially different from turnover by destination.

4 Trading expenses

	2021 £m	2020 £m
Change in stocks of finished goods	(0.8)	0.5
Other operating income	(4.6)	(1.0)
Raw materials and consumables	54.5	77.4
Staff costs recharged from associated undertakings	47.5	46.5
Depreciation and other amounts written off tangible and intangible fixed assets	19.4	20.0
Other net operating charges	67.8	80.2
	183.8	223.6

Government grants of £4.2m (2020: £0.4m) in respect of COVID-19 assistance from local authorities are included within other operating income.

5 Exceptional costs/(income)

	2021 £m	2020 £m
Impairment of tangible fixed assets	45.1	31.5
Reversal of past impairment of tangible fixed assets	(24.4)	-
Impact of COVID-19	3.1	4.3
Portfolio disposals	-	18.2
VAT claims	-	(0.4)
	23.8	53.6

At 4 July 2021 the Group's effective freehold properties were revalued by independent chartered surveyors on an open market value basis. The Group also undertook an impairment review of its leasehold properties in the current period.

In light of the COVID-19 outbreak the Group undertook a detailed valuation review of its pub estate in the prior period, which resulted in the impairment of a number of these properties.

In order to mitigate the spread of COVID-19 the UK government implemented various operating restrictions in the hospitality industry, such as pub closures, reduced opening times and social distancing measures. These had a significant impact on the Group's business and its customers. Certain associated costs/charges have been classified as an exceptional item in the current and prior period.

The Group disposed of two portfolios of smaller wet-led leased, tenanted and franchised pubs and associated properties in the prior period. The net loss on disposal was classified as an exceptional item.

In the prior period the Group recognised a credit in respect of amounts received from HM Revenue & Customs (HMRC) in relation to VAT on gaming machine income, following HMRC's decision not to further appeal the case brought by The Rank Group Plc.

6 Operating loss

	2021	2020
	£m	£m
Operating loss for the period is stated after charging/(crediting):		
Depreciation of tangible fixed assets	10.9	11.4
Impairment of tangible fixed assets	45.1	31.5
Reversal of past impairment of tangible fixed assets	(24.4)	-
(Profit)/loss on disposal of tangible fixed assets	(0.7)	17.1
Amortisation of intangible fixed assets	8.5	8.6
Operating lease charges	1.3	1.2

7 Auditor's remuneration

Auditor's remuneration was negligible and borne by the ultimate parent company, Marston's PLC. Neither the Company nor the Group incurred any non-audit fees during the current or prior period.

8 Employees

The average monthly number of people employed by the Company and the Group during the period was nil (2020: nil). The Directors received no remuneration in respect of their services to the Company or the Group (2020: £nil). Details of staff costs recharged from associated undertakings are provided in note 4.

9 Interest payable and similar charges

	2021	2020
	£m	£m
Interest on financial liabilities measured at amortised cost:		
Subordinated loan interest	153.6	139.0
Securitised debt interest	37.9	40.5
	191.5	179.5
Other finance costs:		
Other interest and similar charges	2.7	2.5
	194.2	182.0

10 Other gains and losses

	2021	2020
	£m	£m
Interest rate swap movements		
Reclassification of losses on cash flow hedges to profit or loss	(11.5)	(13.4)
Change in the value of interest rate swaps held at fair value through profit or loss	18.5	4.1
	7.0	(9.3)

11 Taxation

	2021 £m	2020 £m
Current tax		
UK corporation tax on results for the current period	(23.0)	(25.4)
Adjustments in respect of prior periods	(0.4)	-
Total current tax	(23.4)	(25.4)
Deferred tax		
Origination and reversal of timing differences	(11.5)	(12.8)
Changes in tax rates	(3.3)	1.0
Total deferred tax	(14.8)	(11.8)
Total tax credit	(38.2)	(37.2)

A UK corporation tax rate of 19% (effective from 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17% from 1 April 2020. The March 2021 Budget announced that the main rate of corporation tax would change from 19% to 25% with effect from 1 April 2023. This change was substantively enacted on 24 May 2021. This will increase the Group's future current tax charge accordingly. The deferred tax assets and liabilities at 2 October 2021 have been calculated at 25% (2020: 19%).

The tax credit for the period can be reconciled to the loss per the profit and loss account as follows:

	2021 £m	2020 £m
Loss before taxation	(199.2)	(200.5)
Expected tax based on the standard rate of corporation tax in the UK of 19% (2020: 19%)	(37.8)	(38.1)
Tax effect of expenses that are not deductible in determining taxable profit	3.1	3.8
Adjustments in respect of prior periods	(0.2)	(3.9)
Effect of change in corporation tax rate	(3.3)	1.0
Tax credit for the period	(38.2)	(37.2)

11 Taxation (Continued)

In addition to the amount recognised in the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2021 £m	2020 £m
Deferred tax arising on:		
Revaluation of property	7.7	(6.7)
Cash flow hedges	(1.5)	0.3
Total tax recognised in other comprehensive income	6.2	(6.4)

12 Intangible fixed assets

Group	Goodwill £m	Computer software £m	Total £m
Cost			
At 4 October 2020	141.1	13.7	154.8
Disposals	(0.7)	-	(0.7)
Transfers from associated undertakings	-	3.4	3.4
At 2 October 2021	140.4	17.1	157.5
Amortisation and impairment			
At 4 October 2020	109.8	0.7	110.5
Amortisation charged for the period	7.7	0.8	8.5
Disposals	(0.6)	-	(0.6)
At 2 October 2021	116.9	1.5	118.4
Carrying amount			
At 2 October 2021	23.5	15.6	39.1
At 3 October 2020	31.3	13.0	44.3

The Company had no intangible fixed assets at 2 October 2021 or 3 October 2020.

Amortisation of intangible fixed assets is included within depreciation and other amounts written off tangible and intangible fixed assets as part of trading expenses in the profit and loss account.

13 Tangible fixed assets

Group	Effective freehold land and buildings	Leasehold land and buildings	Plant, fixtures and fittings	Total
	£m	£m	£m	£m
Cost or valuation				
At 4 October 2020	1,058.6	15.2	117.0	1,190.8
Additions	8.8	0.2	8.0	17.0
Disposals	(4.2)	-	(9.1)	(13.3)
Revaluation	(34.9)	-	-	(34.9)
Transfers from associated undertakings	-	-	0.3	0.3
At 2 October 2021	1,028.3	15.4	116.2	1,159.9
Depreciation and impairment				
At 4 October 2020	0.1	2.5	58.9	61.5
Depreciation charged in the period	-	0.2	10.7	10.9
Eliminated in respect of disposals	(0.1)	-	(8.9)	(9.0)
Impairment	-	(0.2)	-	(0.2)
At 2 October 2021	-	2.5	60.7	63.2
Carrying amount				
At 2 October 2021	1,028.3	12.9	55.5	1,096.7
At 3 October 2020	1,058.5	12.7	58.1	1,129.3

The Company had no tangible fixed assets at 2 October 2021 or 3 October 2020.

The carrying amount of land and buildings comprises:

	Group 2021	2020	Company 2021	2020
	£m	£m	£m	£m
Freehold	985.4	1,010.4	-	-
Leasehold land and buildings with a term greater than 100 years at acquisition/ commencement	42.9	48.1	-	-
Leasehold land and buildings with a term less than 100 years at acquisition/commencement	12.9	12.7	-	-
	1,041.2	1,071.2	-	-

13 Tangible fixed assets ***(Continued)***

At 4 July 2021 the Group's effective freehold properties were revalued by independent chartered surveyors on an open market value basis. During the current and prior period various properties were also reviewed for impairment and/or material changes in value. These valuation adjustments were recognised in the revaluation reserve or within exceptional items in the profit and loss account as appropriate.

The impact of the revaluations/impairments described above is as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	£m	**£m**	**£m**	**£m**
Profit and loss account:				
Reversal of past impairment	24.4	-	-	-
Impairment	(45.1)	(31.5)	-	-
	(20.7)	(31.5)	-	-
Revaluation reserve:				
Unrealised revaluation surplus	41.8	-	-	-
Reversal of past revaluation surplus	(55.8)	(71.1)	-	-
	(14.0)	(71.1)	-	-
Net decrease in shareholders' equity/tangible fixed assets	(34.7)	(102.6)	-	-

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	£m	**£m**	**£m**	**£m**
Carrying amount	817.2	832.7	-	-

The Group's properties are pledged as security for the securitised debt (note 20).

14 Subsidiaries

Details of the Company's subsidiaries at 2 October 2021 are as follows:

Name of undertaking	Nature of business	Class of shareholding	% Held Direct	% Held Indirect
Marston's Pubs Limited	Pub retailer	Ordinary £1	100%	100%

The registered office of Marston's Pubs Limited is Marston's House, Brewery Road, Wolverhampton, WV1 4JT. The cost and net book value of the Company's investment in Marston's Pubs Limited at 2 October 2021 was £1 (2020: £1).

15 Financial instruments

	Group 2021 £m	Group 2020 £m	Company 2021 £m	Company 2020 £m
Carrying amount of financial assets				
Measured at amortised cost	31.5	29.9	-	-
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
- Derivative financial instruments	153.0	183.8	-	-
Measured at amortised cost	2,036.1	1,891.5	-	-

Details of the Group's long-term borrowings are given in note 20.

The only financial instruments that the Group holds at fair value are interest rate swaps which are classified as derivative financial instruments in the table above. The fair values of the Group's interest rate swaps are obtained using a market approach and reflect the estimated amount the Group would expect to pay or receive on termination of the instruments, adjusted for the Group's own credit risk. The Group utilises valuations from counterparties who use a variety of assumptions based on market conditions existing at each balance sheet date.

Hedging arrangements

The Group uses its interest rate swaps to fix the interest rate payable on the floating rate elements of its securitised debt (note 20). The fair value of the interest rate swap designated as a hedging instrument is £35.6m (2020: £47.9m).

16 Stocks

	Group 2021 £m	Group 2020 £m	Company 2021 £m	Company 2020 £m
Raw materials and consumables	1.3	1.1	-	-
Finished goods and goods for resale	5.2	4.4	-	-
	6.5	5.5	-	-

17 Debtors

	Group 2021 £m	2020 £m	Company 2021 £m	2020 £m
Amounts falling due within one year:				
Trade debtors	5.1	3.6	-	-
Corporation tax recoverable	12.8	25.4	-	-
Other debtors	0.6	0.7	-	-
Prepayments and accrued income	1.3	0.3	-	-
	19.8	30.0	-	-

18 Creditors: amounts falling due within one year

	Notes	Group 2021 £m	2020 £m	Company 2021 £m	2020 £m
Other borrowings	20	51.8	43.5	-	-
Amounts owed to associated undertakings		21.0	1.9	-	-
Other taxation and social security		7.7	6.8	-	-
Derivative financial instruments		-	17.5	-	-
Other creditors		6.4	5.9	-	-
Accruals and deferred income		28.2	23.7	-	-
		115.1	99.3	-	-

Amounts owed to associated undertakings are unsecured, non-interest bearing and repayable on demand. Amounts included within derivative financial instruments falling due within one year at 3 October 2020 related to interest rate swaps with a maturity of greater than 12 months.

19 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £m	2020 £m	Company 2021 £m	2020 £m
Other borrowings	20	1,956.9	1,840.2	-	-
Derivative financial instruments		153.0	166.3	-	-
		2,109.9	2,006.5	-	-

Borrowings included above which fall due after five years are as follows:

	Group 2021 £m	2020 £m	Company 2021 £m	2020 £m
Payable by instalments	470.7	516.6	-	-
Payable other than by instalments	1,316.6	1,163.0	-	-
	1,787.3	1,679.6	-	-

20 Borrowings

	Group 2021 £m	2020 £m	Company 2021 £m	2020 £m
12.5% subordinated loan due to ultimate parent	1,316.6	1,163.0	-	-
Securitised debt	692.1	720.7	-	-
	2,008.7	1,883.7	-	-
Payable within one year	51.8	43.5	-	-
Payable after one year	1,956.9	1,840.2	-	-

On 9 August 2005 Marston's Issuer PLC issued £805.0m of secured loan notes in connection with the securitisation of 1,592 pubs held in Marston's Pubs Limited. On 22 November 2007, a further £330.0m of secured loan notes (tranches A4 and AB1) were issued by Marston's Issuer PLC in connection with the securitisation of an additional 437 of the Group's pubs. The loan notes are secured over the properties and their future income streams and the funds were subsequently lent to Marston's Pubs Limited. On 15 January 2014 Marston's Pubs Limited purchased all the AB1 notes at par. The notes were immediately cancelled and the corresponding balance lent to the Group by Marston's Issuer PLC was treated as having been prepaid by way of set-off in consideration for the surrender of the notes.

The securitisation is governed by various covenants, warranties and events of default, many of which apply to Marston's Pubs Limited. These include covenants regarding the maintenance and disposal of securitised properties and restrictions on the ability to move cash to other companies within the Marston's Group. As a result of the COVID-19 outbreak Marston's Pubs Limited obtained certain covenant waivers in the current and prior period.

The principal terms and gross amounts outstanding (excluding deferred issue costs) for each tranche of securitised debt are as follows:

	2021 £m	2020 £m	Interest	Principal repayment period - by instalments	Expected average life	Expected maturity date
A1	-	1.3	Floating	2020	N/A	2020
A2	194.4	214.0	Fixed/floating	2021 to 2027	6 years	2027
A3	200.0	200.0	Fixed/floating	2027 to 2032	11 years	2032
A4	146.1	154.3	Floating	2021 to 2031	10 years	2031
B	155.0	155.0	Fixed/floating	2032 to 2035	14 years	2035
	695.5	724.6				

20 *Borrowings* ***(Continued)***

The interest payable on each tranche is as follows:

	Before step up	After step up	Step up date
A1	3-month LIBOR + 0.55%	3-month LIBOR + 1.375%	July 2012
A2	5.1576%	3-month LIBOR + 1.32%	July 2019
A3	5.1774%	3-month LIBOR + 1.45%	April 2027
A4	3-month LIBOR + 0.65%	3-month LIBOR + 1.625%	October 2012
B	5.6410%	3-month LIBOR + 2.55%	July 2019

The Group has agreed with its bondholders to replace 3-month LIBOR with the compounded Sterling Overnight Index Average (SONIA) plus 0.1193% after the discontinuance of LIBOR.

All floating rate notes are economically hedged in full by the Group using interest rate swaps whereby all interest payments are swapped to fixed interest payable.

The Group also has a 12.5% subordinated loan due to Marston's PLC, the ultimate parent company. This loan is unsecured and subordinate to the amounts due under the securitisation.

21 Provisions for liabilities

		Group		Company	
		2021	2020	2021	2020
	Notes	£m	£m	£m	£m
Deferred tax liabilities	22	2.2	10.8	-	-

22 Deferred taxation

The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2021	Liabilities 2020
Group	**£m**	**£m**
Accelerated capital allowances	15.7	11.7
Tax losses	(1.7)	(1.3)
Property related items	42.4	35.0
Other timing differences	(17.0)	(0.6)
Interest rate swaps	(37.2)	(34.0)
	2.2	10.8

The Company had no deferred tax assets or liabilities at 2 October 2021 or 3 October 2020.

22 Deferred taxation **(Continued)**

Movements in the period:	Group 2021 £m	Company 2021 £m
Liability at 4 October 2020	10.8	-
Credit to profit or loss	(14.8)	-
Charge to other comprehensive income	6.2	-
Liability at 2 October 2021	2.2	-

23 Share capital

	Group and Company 2021 £m	2020 £m
Ordinary share capital		
Issued and fully paid		
1 ordinary share of £1 each	-	-

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

24 Revaluation reserve

When effective freehold land and buildings are revalued any gains and losses are recognised in the revaluation reserve, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in the revaluation reserve; such gains and losses are recognised in profit or loss. The associated deferred tax on revaluations is also recognised in the revaluation reserve. Amounts representing the equivalent depreciation are transferred to profit and loss reserves annually and the full amount is transferred on disposal of the associated property.

25 Hedging reserve

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the hedging reserve along with any associated deferred tax. Amounts recognised in the hedging reserve are reclassified to profit or loss in the periods when the hedged item is recognised in the profit and loss account.

26 Contingent assets and liabilities

The Group has submitted claims to HM Revenue & Customs (HMRC) in respect of the VAT treatment of gaming machines from 1 January 2006 to 31 January 2013. The claims are at an early stage with detailed information gathering underway to support the claims made. After taking account of adjustments for partial exemption and the capital goods scheme the amount recoverable is unlikely to be material.

27 Operating lease commitments

Lessee

The Group leases various properties and items of equipment under non-cancellable operating leases. The leases have various terms, escalation clauses and renewal rights.

At the reporting end date there were outstanding commitments for future minimum lease payments under non-cancellable operating leases, falling due as follows:

	Group 2021 £m	2020 £m	Company 2021 £m	2020 £m
Within one year	0.6	0.7	-	-
Between one and five years	1.8	1.8	-	-
In over five years	11.5	11.9	-	-
	13.9	14.4	-	-

Lessor

The Group leases a proportion of its licensed estate and other unlicensed properties to tenants. The majority of lease agreements have terms of 21 years or less and are classified as operating leases.

At the reporting end date the following minimum lease payments were contracted with tenants:

	Group 2021 £m	2020 £m	Company 2021 £m	2020 £m
Within one year	9.3	10.3	-	-
Between one and five years	22.4	25.4	-	-
In over five years	12.4	14.1	-	-
	44.1	49.8	-	-

28 Capital commitments

At 2 October 2021 capital commitments were as follows:

	Group 2021 £m	2020 £m	Company 2021 £m	2020 £m
Contracted for but not provided in the financial statements:				
Acquisition of tangible fixed assets	0.9	1.1	-	-

29 Related party transactions

On 9 August 2005 Marston's Pubs Limited was loaned £805.0m by Marston's Issuer PLC and on 22 November 2007 a further £330.0m was loaned by Marston's Issuer PLC. In addition, interest rate swap contracts entered into by Marston's Issuer PLC are used by Marston's Pubs Limited in relation to both the above loans. Interest of £18.4m (2020: £15.4m) had accrued on the loans and associated swaps at 2 October 2021 and capital repayments of £29.1m (2020: £24.8m) were made during the period. The total amount payable in relation to the swap arrangements at the period end was £153.0m (2020: £183.8m). Total interest charged was £37.4m (2020: £40.1m) and the outstanding balance of the loans at the period end is disclosed in note 20.

30 Controlling party

The immediate parent undertaking is Marston's Corporate Holdings 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 Marston's Pubs Parent Limited. The registered office of Marston's PLC is Marston's House, Brewery Road, Wolverhampton, WV1 4JT and copies of the Marston's Group accounts can be obtained from the Group Secretary at this address.

31 Cash generated from Group operations

	2021 £m	2020 £m
Loss for the period after tax	(161.0)	(163.3)
Adjustments for:		
Taxation credited	(38.2)	(37.2)
Finance costs	194.2	182.0
(Profit)/loss on disposal of tangible fixed assets	(0.7)	17.1
Write-off of goodwill on disposal	0.1	3.7
Amortisation and impairment of intangible fixed assets	8.5	8.6
Depreciation and impairment of tangible fixed assets	31.6	42.9
Other gains and losses	(7.0)	9.3
Movements in working capital:		
(Increase)/decrease in stocks	(1.0)	0.9
(Increase)/decrease in debtors	(2.5)	1.2
Increase in creditors	3.3	4.2
Intercompany movement	19.1	(10.1)
Cash generated from operations	46.4	59.3