The statutory result in discontinued operations is a loss of £(36.0) million (2023: profit of £9.9 million). Underlying income from associates is £0.5 million (2023: £9.9 million). Non-underlying items include the two non-underlying items disclosed in our H1 results, which have been updated for tax differences, of £(14.0) million share of CMBC's ale brand impairment and £(2.6) million share of a CMBC onerous contract provision, which together with the underlying income from associates are the Group's share of the statutory profit after tax generated by CMBC. Other non-underlying items are the impairment to the carrying value of the investment in associate prior to disposal of £8.0 million and loss on disposals of £11.9 million.

Prior to the disposal, dividends from associates of £13.8 million were received in the year (2023: £21.6 million).

Pensions

The balance on our final salary scheme was a £13.1 million surplus at 28 September 2024 (2023: £12.9 million surplus). The net annual cash contribution of c.£6m will not continue in FY2025 and onwards. The company will continue to pay the administrative fees associated with the scheme.

Dividends

As set out at the CMD, our capital allocation framework is focused on delivering sustainable long-term value for shareholders. Going forward, the Board will balance debt reduction and strategic growth investments with the goal of creating a more financially robust business that can ultimately support shareholder returns. At present, there are restrictions on the ability of the business to distribute dividends which arise as a result of both the legal entity structure and securitisation structure. Refinancing of our capital structure would provide greater optionality in this respect and, whilst there is no immediate action set to be taken, this remains under review. Dividends form a core part of our capital allocation framework, and whilst no dividend will be paid in respect of FY2024, the Board is cognisant of the importance of dividends to shareholders.

Cash flow

Cash flow was significantly improved on the prior year with an operating cash inflow of £207.4 million (2023: £141.2 million). Excluding the CMBC dividend, operating cash inflow was £193.6 million (2023: £119.6 million).

Net interest costs including bank and swap termination fees were £103.8 million (2023: £92.8 million) and capital expenditure was £46.2 million (2023: £65.3 million), resulting in recurring free cash flow of £43.6 million (2023: outflow of £(38.5) million). Recurring free cash flow in FY2024 benefitted from lower levels of capital expenditure and taxation and going forward we continue to target recurring free cash flow of over £50 million a year.

Taking into account disposals proceeds received of £46.9 million (2023: £51.3 million), CMBC dividend of £13.8 million (2023: £21.6 million) and disposal of 40% interest in CMBC of £205.5 million (2023: £nil million), net cash flow for the period was £309.8 million (2023: £34.4 million).

Debt and financing

Net debt, excluding IFRS 16 lease liabilities, was £883.7 million, a reduction of £301.7 million (2023: £1,185.4 million). Total net debt of £1,257.4 million (2023: £1,565.8 million) includes IFRS 16 lease liabilities of £373.7 million (2023: £380.4 million).

The Group has made significant progress in debt reduction during the year; pre-IFRS debt/EBITDA leverage reduced to 5.2x (2023: 8.0x). Leverage including IFRS 16 reduced to 6.5x (2023: 9.2x).

During the year, we successfully secured an amendment and extension to our banking facility, which was due to expire in January 2025, and during our interim results announced £340.0 million of funding. Following the disposal of our 40% share in CMBC, the net proceeds have been used to repay debt and the bank facilities have been adjusted accordingly. The revised bank facility is for £200.0 million, of which £35.0 million was drawn at year-end, maturing in July 2026, with the potential to extend beyond this.

There are one-off transaction costs of £3.6 million and the costs of the facilities are variable: to be determined by the level of leverage, or drawings, from time-to-time alongside changes in the SONIA rate. £60 million of the facilities is hedged.

The Group's financing, providing an appropriate level of flexibility and liquidity for the medium term, comprises:

- £200.0 million bank facility to July 2026 - at the year-end £35.0 million was drawn providing headroom of £165.0 million and non-securitised cash balances of £11.5 million
- Seasonal overdraft with a current limit of £5-£20 million depending on dates – unused at the period end. The seasonal overdraft is expected to reduce to £5-£10 million in the near future
- Long-term securitisation debt of £560.2 million - at the period end none of the £120.0 million securitisation liquidity facility was utilised
- Long-term other lease-related borrowings of £338.4 million
- £373.7 million of IFRS 16 leases

The vast majority of our borrowings are long-dated and asset-backed, including the securitisation debt of £560.2 million, which has low interest rates in the current environment and a payment structure that reduces debt. The weighted average fixed interest rate payable by the Group on its securitised debt at 28 September 2024 was 6.45%. The loan to value of its debt, which is improving year-on-year, is currently 50% for debt excluding IFRS 16 lease liabilities and 49% for the securitisation debt.

The securitisation is fully hedged to 2035. Other lease-related borrowings are index-linked capped and collared at 1% and 4%. There is now one £60 million floating-to-fixed interest rate swap against the bank facility: £60 million is fixed at 3.45% until 2029. Reflecting the reduced level of our bank borrowings, we exited another £60 million forward floating-to-fixed interest rate swap in September 2024.

In summary, we have adequate cash headroom in our bank facility to provide operational liquidity. Importantly, c.100% of our medium to long-term financing is hedged, with known or fixed costs thereby minimising any exposure to interest rate movements.

Going concern

Having considered the Group's forecast financial position and exposure to principal risks and uncertainties, including cost and inflationary pressures, and incorporating additional increases to employee related costs following the Autumn Budget 2024, the Directors have a reasonable expectation that the Group has adequate resources to continue to operate within its borrowing facilities and covenants for a period of at least 12 months from the date of signing the financial statements. Accordingly, the financial statements have been prepared on the going concern basis. Full details are included in Note 1 of the financial statements.

Key estimates and significant judgements

Under IFRS the Group is required to make estimates and assumptions that affect the application of policies and reported amounts. Details are provided in Note 1 of the financial statements.

Notes:

- *Prior period was a 52-week period to 30 September 2023.*
- *The Group uses a number of alternative performance measures (APMs) to enable management and users of the financial statements to better understand elements of financial performance in the period. APMs are explained and reconciled in the appendix to the financial statements.*

GROUP INCOME STATEMENT
For the 52 weeks ended 28 September 2024

	2024			2023 (Restated)		
	Underlying[1] £m	**Non-underlying[1] £m**	**Total £m**	Underlying[1] £m	Non-underlying[1] £m	Total £m
Revenue	**898.6**	**-**	**898.6**	872.3	-	872.3
Net operating expenses	**(751.4)**	**4.5**	**(746.9)**	(747.5)	(34.6)	(782.1)
Operating profit/(loss)	**147.2**	**4.5**	**151.7**	124.8	(34.6)	90.2
Finance costs	**(106.5)**	**-**	**(106.5)**	(100.4)	-	(100.4)
Finance income	**1.4**	**-**	**1.4**	1.2	-	1.2
Interest rate swap movements	**-**	**(32.2)**	**(32.2)**	-	(21.6)	(21.6)
Net finance costs	**(105.1)**	**(32.2)**	**(137.3)**	(99.2)	(21.6)	(120.8)
Profit/(loss) before taxation	**42.1**	**(27.7)**	**14.4**	25.6	(56.2)	(30.6)
Taxation	**(9.0)**	**12.1**	**3.1**	(3.5)	14.9	11.4
Profit/(loss) for the period from continuing operations	**33.1**	**(15.6)**	**17.5**	22.1	(41.3)	(19.2)
Discontinued operations						
Profit/(loss) for the period from discontinued operations	**0.5**	**(36.5)**	**(36.0)**	9.9	-	9.9
Profit/(loss) for the period attributable to equity shareholders	**33.6**	**(52.1)**	**(18.5)**	32.0	(41.3)	(9.3)

The results for the current period reflect the 52 weeks ended 28 September 2024 and the results for the prior period reflect the 52 weeks ended 30 September 2023.

Following the disposal of the Group's 40% investment in Carlsberg Marston's Limited, the comparative information for the 52 weeks ended 30 September 2023 has been restated to show discontinued operations separately from continuing operations.

Earnings/(loss) per share:	**2024 p**	2023 (Restated) p
Basic (loss)/earnings per share		
Total	**(2.9)**	(1.5)
Continuing	**2.8**	(3.0)
Discontinued	**(5.7)**	1.6
Basic underlying[1] earnings per share		
Total	**5.3**	5.1
Continuing	**5.2**	3.5
Discontinued	**0.1**	1.6
Diluted (loss)/earnings per share		
Total	**(2.8)**	(1.5)
Continuing	**2.7**	(3.0)
Discontinued	**(5.5)**	1.6
Diluted underlying[1] earnings per share		
Total	**5.1**	5.1
Continuing	**5.0**	3.5
Discontinued	**0.1**	1.6

[1] Alternative performance measures (APMs) are defined and reconciled to a statutory equivalent in the APM section of these Preliminary Results.

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the 52 weeks ended 28 September 2024

	2024 £m	2023 £m
Loss for the period	**(18.5)**	(9.3)
Items of other comprehensive income that may subsequently be reclassified to profit or loss		
Losses arising on cash flow hedges	**(2.8)**	(3.0)
Transfers to the income statement on cash flow hedges	**7.6**	11.4
Other comprehensive (expense)/income of associates relating to discontinued operations	**(0.1)**	0.8
Tax on items that may subsequently be reclassified to profit or loss	**(1.2)**	(2.1)
	3.5	7.1
Items of other comprehensive income that will not be reclassified to profit or loss		
Remeasurement of retirement benefits	**(6.9)**	(9.2)
Unrealised surplus on revaluation of properties	**80.8**	95.6
Reversal of past revaluation surplus	**(39.8)**	(93.9)
Tax on items that will not be reclassified to profit or loss	**(8.1)**	(0.2)
	26.0	(7.7)
Other comprehensive income/(expense) for the period	**29.5**	(0.6)
Total comprehensive income/(expense) for the period attributable to equity shareholders	**11.0**	(9.9)

The results for the current period reflect the 52 weeks ended 28 September 2024 and the results for the prior period reflect the 52 weeks ended 30 September 2023.

GROUP CASH FLOW STATEMENT

For the 52 weeks ended 28 September 2024

	2024 £m	2023 (restated) £m
Operating activities		
Loss for the period	**(18.5)**	(9.3)
Taxation	**(3.1)**	(11.4)
Net finance costs	**137.3**	120.8
Depreciation and amortisation	**45.3**	45.5
Working capital movement	**8.2**	(29.0)
Non-cash movements	**32.7**	12.3
Decrease in provisions and other non-current liabilities	**(0.9)**	(0.8)
Difference between defined benefit pension contributions paid and amounts charged	**(7.5)**	(7.6)
Dividends from associates	**13.8**	21.6
Income tax received/(paid)	**0.1**	(0.9)
Net cash inflow from operating activities	**207.4**	141.2
Investing activities		
Interest received	**1.7**	1.8
Sale of property, plant and equipment and assets held for sale	**46.9**	51.3
Purchase of property, plant and equipment and intangible assets	**(46.2)**	(65.3)
Disposal of associate	**205.5**	-
Finance lease capital repayments received	**2.0**	2.5
Net transfer from/(to) other cash deposits	**2.0**	(0.1)
Net cash inflow/(outflow) from investing activities	**211.9**	(9.8)
Financing activities		
Interest paid	**(101.9)**	(93.1)
Arrangement costs of bank facilities	**(3.6)**	(4.0)
Swap termination costs	**(2.0)**	-
Repayment of securitised debt	**(41.5)**	(39.4)
Repayment of bank borrowings	**(419.0)**	(151.0)
Advance of bank borrowings	**225.0**	165.0
Net repayments of capital element of lease liabilities	**(8.4)**	(5.1)
Repayment of other borrowings	**(50.0)**	(5.0)
Net cash outflow from financing activities	**(401.4)**	(132.6)
Net increase/(decrease) in cash and cash equivalents	**17.9**	(1.2)

The cash flows for the current period reflect the 52 weeks ended 28 September 2024 and the cash flows for the prior period reflect the 52 weeks ended 30 September 2023.

Following the publication of the FRC Thematic Review on ‘Offsetting in the financial statements’ in September 2024, the Group has reassessed the classification of cash flows arising from its bank borrowing facilities as presented in the cash flow statement and has concluded that advance/(repayment) of bank borrowings should be reported on a gross basis, where the maturity periods were greater than three months. Prior year information has been restated on an equivalent basis. The net repayment of bank borrowings in the current period was £(194.0) million (2023: advance of £14.0 million). The presentational adjustment does not have any impact on net increase/(decrease) in cash and cash equivalents, the balance sheet, the Group’s profit, or earnings per share in any of the periods presented.

GROUP BALANCE SHEET
As at 28 September 2024

	28 September 2024 £m	30 September 2023 £m
Non-current assets		
Intangible assets	**29.3**	32.9
Property, plant and equipment	**2,069.0**	2,064.8
Interests in associates	**-**	250.9
Other non-current assets	**14.4**	15.0
Deferred tax assets	**-**	0.9
Retirement benefit surplus	**13.1**	12.9
Derivative financial instruments	**0.4**	2.7
	2,126.2	2,380.1
Current assets		
Derivative financial instruments	**-**	1.1
Inventories	**14.4**	14.9
Trade and other receivables	**25.9**	26.9
Current tax assets	**-**	0.4
Other cash deposits	**1.1**	3.1
Cash and cash equivalents	**44.4**	26.5
	85.8	72.9
Assets held for sale	**1.3**	1.4
	87.1	74.3
Current liabilities		
Borrowings	**(58.2)**	(65.9)
Trade and other payables	**(179.5)**	(170.4)
Current tax liabilities	**(2.8)**	-
Provisions for other liabilities and charges	**(0.6)**	(1.4)
	(241.1)	(237.7)
Non-current liabilities		
Borrowings	**(1,244.7)**	(1,529.5)
Derivative financial instruments	**(59.4)**	(37.4)
Other non-current liabilities	**(8.3)**	(7.1)
Provisions for other liabilities and charges	**(2.6)**	(2.6)
Deferred tax liabilities	**(2.4)**	-
	(1,317.4)	(1,576.6)
Net assets	**654.8**	640.1
Shareholders' equity		
Equity share capital	**48.7**	48.7
Share premium account	**334.0**	334.0
Revaluation reserve	**431.6**	412.1
Capital redemption reserve	**6.8**	6.8
Hedging reserve	**(40.8)**	(44.4)
Own shares	**(110.2)**	(110.6)
Retained earnings	**(15.3)**	(6.5)
Total equity	**654.8**	640.1

GROUP STATEMENT OF CHANGES IN EQUITY

For the 52 weeks ended 28 September 2024

	Equity share capital £m	Share premium account £m	Revaluation reserve £m	Capital redemption reserve £m	Hedging reserve £m	Own shares £m	Retained earnings £m	Total equity £m
At 1 October 2023	48.7	334.0	412.1	6.8	(44.4)	(110.6)	(6.5)	640.1
Loss for the period	-	-	-	-	-	-	**(18.5)**	**(18.5)**
Remeasurement of retirement benefits	-	-	-	-	-	-	**(6.9)**	**(6.9)**
Tax on remeasurement of retirement benefits	-	-	-	-	-	-	**1.7**	**1.7**
Losses on cash flow hedges	-	-	-	-	**(2.8)**	-	-	**(2.8)**
Transfers to the income statement on cash flow hedges	-	-	-	-	**7.6**	-	-	**7.6**
Tax on hedging reserve movements	-	-	-	-	**(1.2)**	-	-	**(1.2)**
Other comprehensive expense of associates	-	-	-	-	-	-	**(0.1)**	**(0.1)**
Property revaluation	-	-	**80.8**	-	-	-	-	**80.8**
Property impairment	-	-	**(39.8)**	-	-	-	-	**(39.8)**
Deferred tax on properties	-	-	**(9.8)**	-	-	-	-	**(9.8)**
Total comprehensive income/(expense)	-	-	**31.2**	-	**3.6**	-	**(23.8)**	**11.0**
Share-based payments	-	-	-	-	-	-	**2.0**	**2.0**
Tax on share-based payments	-	-	-	-	-	-	**0.1**	**0.1**
Sale of own shares	-	-	-	-	-	**0.4**	**(0.4)**	-
Transfer disposals to retained earnings	-	-	**(13.8)**	-	-	-	**13.8**	-
Transfer tax to retained earnings	-	-	**2.1**	-	-	-	**(2.1)**	-
Changes in equity of associates	-	-	-	-	-	-	**1.6**	**1.6**
Total transactions with owners	-	-	**(11.7)**	-	-	**0.4**	**15.0**	**3.7**
At 28 September 2024	**48.7**	**334.0**	**431.6**	**6.8**	**(40.8)**	**(110.2)**	**(15.3)**	**654.8**

For the 52 weeks ended 30 September 2023

	Equity share capital £m	Share premium account £m	Revaluation reserve £m	Capital redemption reserve £m	Hedging reserve £m	Own shares £m	Retained earnings £m	Total equity £m
At 2 October 2022	48.7	334.0	417.1	6.8	(50.7)	(110.9)	3.1	648.1
Loss for the period	-	-	-	-	-	-	(9.3)	(9.3)
Remeasurement of retirement benefits	-	-	-	-	-	-	(9.2)	(9.2)
Tax on remeasurement of retirement benefits	-	-	-	-	-	-	2.3	2.3
Losses on cash flow hedges	-	-	-	-	(3.0)	-	-	(3.0)
Transfers to the income statement on cash flow hedges	-	-	-	-	11.4	-	-	11.4
Tax on hedging reserve movements	-	-	-	-	(2.1)	-	-	(2.1)
Other comprehensive income of associates	-	-	-	-	-	-	0.8	0.8
Property revaluation	-	-	95.6	-	-	-	-	95.6
Property impairment	-	-	(93.9)	-	-	-	-	(93.9)
Deferred tax on properties	-	-	(2.5)	-	-	-	-	(2.5)
Total comprehensive (expense)/income	-	-	(0.8)	-	6.3	-	(15.4)	(9.9)
Share-based payments	-	-	-	-	-	-	0.4	0.4
Sale of own shares	-	-	-	-	-	0.3	(0.3)	-
Transfer disposals to retained earnings	-	-	(5.0)	-	-	-	5.0	-
Transfer tax to retained earnings	-	-	0.8	-	-	-	(0.8)	-
Changes in equity of associates	-	-	-	-	-	-	1.5	1.5
Total transactions with owners	-	-	(4.2)	-	-	0.3	5.8	1.9
At 30 September 2023	**48.7**	**334.0**	**412.1**	**6.8**	**(44.4)**	**(110.6)**	**(6.5)**	**640.1**

NOTES

For the 52 weeks ended 28 September 2024

1 ACCOUNTING POLICIES

The Group's principal accounting policies are set out below:

Basis of preparation

These consolidated financial statements for the 52 weeks ended 28 September 2024 (2023: 52 weeks ended 30 September 2023) have been prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain items, principally effective freehold land and buildings, certain financial instruments, retirement benefits and share-based payments, as explained below.

The financial information contained in this preliminary announcement does not constitute the Group's statutory accounts within the meaning of section 434 of the Companies Act 2006. The financial information has been extracted from the statutory accounts of the Group for the 52 weeks ended 28 September 2024, which will be filed with the Registrar of Companies in due course. The statutory accounts for the 52 weeks ended 30 September 2023 have been delivered to the Registrar of Companies. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) for the 52 weeks ended 30 September 2023 included reference to a matter to which the auditor drew attention by way of emphasis without qualifying their report in respect of a material uncertainty in respect of going concern, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Going concern

The Group's sources of funding include its securitised debt, a £200.0 million bank facility available until July 2026 (of which £35.0 million was drawn at 28 September 2024), and a £5.0 million seasonal overdraft facility which extends to £20.0 million from 25 January to 6 May and 1 July to 12 August each year, which is expected to reduce to £10.0 million in the near future (of which £nil was drawn at 28 September 2024).

There are two covenants associated with the Group's securitised debt – free cash flow to debt service coverage ratio (FCF DSCR) and Net Worth. The FCF DSCR is a measure of free cash flow to debt service for the group headed by Marston's Pubs Parent Limited and is required to be a minimum of 1.1 over both a two-quarter and a four-quarter period, and the Net Worth is derived from the net assets of that group of companies.

There are two covenants associated with the Group's bank facility for the non-securitised group of companies – Debt Cover and Interest Cover. The Debt Cover covenant is a measure of net borrowings to EBITDA which is a maximum of 3.0 times. The Interest Cover covenant is a measure of EBITDA to finance charges, which is a minimum of 1.5 times from 28 September 2024, rising on a stepped basis to 1.75 times from 28 June 2025 and 2.0 times from 28 March 2026.

The Directors 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 Group's financial resources. In performing their assessment, the Directors considered the Group's financial position and exposure to principal risks, including the uncertain economic and political outlook, with ongoing geopolitical conflicts and uncertainties and inflationary pressures that have also been impacted by the Autumn Budget 2024 measures, notably employment cost increases.

The Group's base case forecast assumes moderate sales price increases, operational costs (that have not already been secured) rising broadly in line with inflation together with continuing progress on the margin expansion programme and incorporating additional increases to employee-related costs following the Autumn Budget 2024, including National Minimum and Living Wage and Employers' National Insurance. On the Group's base case forecast, no covenants are forecast to be breached within the next 12 months and the Group has adequate liquidity throughout the going concern period.

Due to the uncertain economic and political outlook and risk of further inflationary pressures, the Directors have considered a downside scenario which models a small decrease in sales compared to the prior year and additional costs beyond those forecast in the base case in addition to the incremental costs already incorporated as a result of the Autumn Budget 2024, excluding any potential mitigating management actions other than the reduction of discretionary employee reward payments. On the Group's downside scenario, no covenants are forecast to be breached within the next 12 months and the Group has adequate liquidity throughout the going concern period.

The Directors have also considered a reverse stress test, which analyses to what extent sales would need to decrease in order to breach financial covenants. This reverse stress test has determined that the Group could withstand a reduction in sales of over 10% from those assessed in the base case throughout the going concern period, excluding any mitigating actions other than the removal of discretionary employee reward payments, before headroom on the Interest Cover covenant only becomes tight in the final quarter of the going concern period and would be breached in the first quarter test after the going concern period ends.

The Directors consider this scenario to be remote as, other than when the business was closed during the pandemic, the Group has never experienced sales declines to this level. Additionally, the Group could take management actions within the Directors' control to partially mitigate the financial impact.

Accordingly, the financial statements have been prepared on the going concern basis.

Key estimates and significant judgements

Under IFRS the Group is required to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The following are the critical judgements, apart from those involving estimates (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies and that have had the most significant effect on the amounts recognised in the financial statements:

Non-underlying[1] items
- Determination of items to be classified as non-underlying[1].

Discontinued operations
- Determination of income from associates representing a separate major line of business resulting in the classification as discontinued operations.

The following estimates and assumptions have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities:

Property, plant and equipment
- Valuation of effective freehold land and buildings.

Interests in associates
- Recoverable amount of the investment in Carlsberg Marston's Limited immediately prior to its disposal.

Retirement benefits
- Actuarial assumptions in respect of the defined benefit pension plan, which include discount rates, rates of increase in pensions, inflation rates and life expectancies.

Financial instruments
- Valuation of derivative financial instruments.

2 SEGMENT REPORTING

The Group is considered to have one operating segment under IFRS 8 'Operating Segments' and therefore no disclosures are presented. This is in line with the reporting to the chief operating decision maker and the operational structure of the business. The measure of profit or loss reviewed by the chief operating decision maker is underlying[1] profit/(loss) before tax for the total of continuing and discontinued operations.

Geographical areas
All of the Group's revenue is generated in the UK. All of the Group's material assets are located in the UK.

3 NON-UNDERLYING[1] ITEMS

	2024 £m	2023 £m
Non-underlying[1] operating items from continuing operations		
(Impairment reversal)/impairment of freehold and leasehold properties	**(5.7)**	31.2
Special discretionary pension increase	**-**	0.5
Reorganisation, restructuring and relocation costs	**0.7**	2.9
Duplication costs	**0.5**	-
	(4.5)	34.6
Non-underlying[1] non-operating items from continuing operations		
Interest rate swap movements	**32.2**	21.6
	32.2	21.6
Total non- underlying[1] items from continuing operations	**27.7**	56.2
Non-underlying[1] items from discontinued operations		
Non-underlying[1] loss from associates	**16.6**	-
Impairment of associate	**8.0**	-
Loss on disposal of associate	**11.9**	-
	36.5	-
Total non-underlying[1] items	**64.2**	56.2

(Impairment reversal)/impairment of freehold and leasehold properties
At 30 June 2024 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 and prior period.

The revaluation and impairment adjustments in respect of the above were recognised in the revaluation reserve or income statement as appropriate. The amount recognised in the income statement comprises:

	2024 £m	2023 £m
Impairment of property, plant and equipment	**37.4**	70.9
Reversal of past impairment of property, plant and equipment	**(43.4)**	(40.0)
Impairment of assets held for sale	**0.1**	-
Valuation fees	**0.2**	0.3
	(5.7)	31.2

Special discretionary pension increase
A past service cost of £0.5 million arose in the prior period as a result of a one-off, and discretionary, increase to pensions in payment for members of the Marston's PLC Pension and Life Assurance Scheme.

Reorganisation, restructuring and relocation costs
During the prior period the Group commenced the implementation of an operational programme to simplify the business and drive efficiencies. The programme was initiated towards the end of the prior period resulting in costs being incurred in both the prior and current periods. The costs identified are one-off headcount related costs and this element of the programme is expected to be short-term in nature and non-recurring. The cost of implementing this programme in the current period was £0.7 million (2023: £2.9 million). Cumulatively, as at 28 September 2024 a cash cost of £3.6 million has been incurred, which is considered material to the Group. The reorganisation, restructuring and relocation costs have been recorded within non-underlying[1] items in the income statement based on their materiality, nature and expected infrequency.

Duplication costs
On 17 November 2023 Andrew Andrea stepped down from his role as CEO of the Group and, following an external process, Justin Platt was appointed as CEO from 10 January 2024. During the current period duplicated costs were incurred as a result of the change in CEO which were unusual and one-off for Marston's. The duplicated costs have been recorded within non-underlying[1] items in the income statement based on their nature and expected infrequency.

Interest rate swap movements
The Group's interest rate swaps are revalued to fair value at each balance sheet date. For interest rate swaps which were designated as part of a hedging relationship a loss of £2.8 million (2023: £3.0 million) has been recognised in the hedging reserve in respect of the effective portion of the fair value movement and a credit of £0.4 million (2023: charge of £2.1 million) has been reclassified from the hedging reserve to underlying[1] finance costs in the income statement in respect of the cash received/paid in the period. A loss of £0.2 million (2023: £0.6 million) in respect of the ineffective portion of the fair value movement has been recognised within non-underlying[1] items in the income statement. An amount representing the cash paid of £1.2 million (2023: £1.4 million) has subsequently been transferred from non-underlying[1] items to underlying[1] finance costs to ensure that underlying[1] finance costs reflect the resulting fixed rate paid on the associated debt. As such there is an overall gain of £1.0 million (2023: gain of £0.8 million) recognised within non-underlying[1] items in the income statement based on its materiality and nature. In addition, £8.0 million (2023: £9.3 million) of the balance remaining in the hedging reserve in respect of discontinued cash flow hedges has been reclassified as a charge to the income statement within non-underlying[1] items based on its materiality and nature.

For interest rate swaps which were not designated as part of a hedging relationship a loss of £18.2 million (2023: £9.5 million) in respect of the fair value movement has been recognised within non-underlying[1] items in the income statement. An amount representing the cash received of £7.0 million (2023: £3.6 million) has subsequently been transferred from non-underlying[1] items to underlying[1] finance costs to ensure that underlying[1] finance costs reflect the resulting fixed rate paid on the associated debt. As such there is an overall loss of £25.2 million (2023: £13.1 million) recognised within non-underlying[1] items in the income statement based on its materiality and nature, which is equal to the change in the carrying value of the interest rate swaps in the period or up to the date of termination/disposal.

Non-underlying[1] loss from associates
The Group's associate, Carlsberg Marston's Limited, recognised an impairment (of which the Group's share was £14.0 million) during the current period in relation to some of the ale brands that it holds. The ale category has been severely impacted by the COVID-19 pandemic, secular trends, and the cost-of-living crisis, resulting in long-term expectations specifically for the ale brands being updated. The brand impairment of £14.0 million is material in the context of both the Group's total results and the underlying[1] income from associates of £0.5 million. The resulting brand impairment has been recorded within non-underlying[1] items in the income statement based on its materiality, nature and expected infrequency.

Carlsberg Marston's Limited also recognised an onerous contract provision (of which the Group's share was £2.6 million) during the current period in relation to a specific porterage contract that it holds. The significant cost inflation experienced from the cost-of-living crisis, alongside the increases in distribution costs over and above what was reasonably anticipated has led to an acute and short-term (rather than business-as-usual) environment of cost inflation which has required an onerous provision to be recorded for this specific contract. The onerous contract provision of £2.6 million is material in the context of the underlying[1] income from associates of £0.5 million. The resulting onerous contract provision has been recorded within non-underlying[1] items in the income statement based on its materiality, nature and expected infrequency.

Impairment of associate and loss on disposal of associate
On 31 July 2024, Marston's PLC completed the sale of its remaining non-core brewing assets, being its 40% interest in Carlsberg Marston's Limited ("CMBC"), to a subsidiary of Carlsberg A/S for £206.0 million in cash, to create a business entirely focused on pubs.

An impairment assessment over the carrying value of the Group's investment in CMBC was performed immediately prior to disposal on 31 July 2024. The result of the impairment assessment was an impairment to the carrying value of the Group's investment in CMBC of £8.0 million. The remaining difference between the newly impaired carrying value of the investment and the net disposal proceeds represents a loss on disposal of £11.9 million.

These costs have been recorded within non-underlying1 items in the income statement based on their materiality, nature and expected infrequency.

Impact of taxation
The current tax credit relating to the above non-underlying[1] items amounts to £0.1 million (2023: £nil). The deferred tax credit relating to the above non-underlying[1] items amounts to £12.0 million (2023: £14.9 million).

4 TAXATION

Income statement	2024 £m	2023 £m
Current tax		
Current period	**4.6**	0.1
Adjustments in respect of prior periods	**-**	(0.3)
Credit in respect of tax on non-underlying[1] items	**(0.1)**	-
	4.5	(0.2)
Deferred tax		
Current period	**5.2**	5.5
Adjustments in respect of prior periods	**(0.8)**	(1.8)
Credit in respect of tax on non-underlying[1] items	**(12.0)**	(14.9)
	(7.6)	(11.2)
Taxation credit reported in the income statement from continuing operations	**(3.1)**	(11.4)

Statement of comprehensive income	2024 £m	2023 £m
Remeasurement of retirement benefits	**(1.7)**	(2.3)
Impairment and revaluation of properties	**9.8**	2.5
Hedging reserve movements	**1.2**	2.1
Taxation charge reported in the statement of comprehensive income	**9.3**	2.3

A taxation credit in relation to tax on share-based payments of £0.1 million (2023: £nil) has been recognised directly in equity.

The actual tax rate for the period is lower (2023: higher) than the standard rate of corporation tax of 25% (2023: 22%). The differences are explained below:

Tax reconciliation	2024 £m	2023 (Restated) £m
Profit/(loss) before tax from continuing operations	**14.4**	(30.6)
Profit/(loss) before tax multiplied by the corporation tax rate of 25% (2023: 22%)	**3.6**	(6.8)
Effect of:		
Adjustments in respect of prior periods	**(0.8)**	(2.1)
Change in deferred tax asset not recognised	**(5.4)**	1.0
Net deferred tax charge/(credit) in respect of land and buildings	**0.2**	(1.2)
Costs not deductible for tax purposes	**0.1**	0.1
Other amounts on which tax relief is available	**(0.8)**	(1.2)
Difference between deferred and current tax rates	**-**	(1.2)
Taxation credit for continuing operations	**(3.1)**	(11.4)

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. As such the Group's results for the current period have been taxed at a rate of 25% and the results for the prior period were taxed at a rate of 22%. This has increased the Group's current tax charge accordingly. The deferred tax assets and liabilities at 28 September 2024 have been calculated at 25% (2023: 25%).

In December 2021, the Organisation for Economic Co-operation and Development (OECD) published the Pillar Two model rules to introduce a minimum global effective tax rate of 15%, under their Inclusive Framework on Base Erosion and Profit Shifting (BEPS).

UK legislation adopting the Pillar Two rules was substantively enacted on 20 June 2023 and will apply to the Group for the 52 weeks ended 27 September 2025 onwards. Therefore, there is no impact on income taxes for the 52 weeks ended 28 September 2024.

The Group continues to monitor and assess the impact of the new rules and prepare for compliance for the 52 weeks ended 27 September 2025 onwards. Based on the analysis derived from data in respect of current and prior periods, the Group's potential exposure to Pillar Two taxes is not expected to be material.

The Group has applied the temporary exception under IAS 12 'Income Taxes' in relation to the accounting for deferred taxes arising from the implentation of the Pillar Two rules.

5 DISCONTINUED OPERATIONS

On 8 July 2024, the Group announced the sale of its remaining non-core brewing assets, with a binding agreement to sell the whole of its 40% interest in Carlsberg Marston's Limited to a subsidiary of Carlsberg A/S for £206.0 million in cash. The transaction subsequently completed on 31 July 2024.

The Directors considered that Carlsberg Marston's Limited constituted a separate major line of business that had been disposed of and as a result met the criteria to be classified as a discontinued operation. The interest in Carlsberg Marston's Limited was not previously classified as held for sale or within discontinued operations. As such the income statement for the 52 weeks ended 30 September 2023 has been restated to show discontinued operations separately from continuing operations.

Results of discontinued operations

	2024			2023		
	Underlying[1] £m	**Non-underlying[1] £m**	**Total £m**	Underlying[1] £m	Non-underlying[1] £m	Total £m
Revenue	**-**	**-**	**-**	-	-	-
Net operating expenses	**-**	**-**	**-**	-	-	-
Income/(loss) from associates	**0.5**	**(16.6)**	**(16.1)**	9.9	-	9.9
Operating profit/(loss)	**0.5**	**(16.6)**	**(16.1)**	9.9	-	9.9
Net finance (costs)/income	**-**	**-**	**-**	-	-	-
Profit/(loss) before taxation	**0.5**	**(16.6)**	**(16.1)**	9.9	-	9.9
Taxation	**-**	**-**	**-**	-	-	-
Profit/(loss) for the period attributable to equity shareholders	**0.5**	**(16.6)**	**(16.1)**	9.9	-	9.9
Impairment of investment in associates	**-**	**(8.0)**	**(8.0)**	-	-	-
Loss on disposal of associates	**-**	**(11.9)**	**(11.9)**	-	-	-
Profit/(loss) from discontinued operations	**0.5**	**(36.5)**	**(36.0)**	-	-	-

Non-underlying[1] operating items in the current period relate to an impairment in relation to some of the ale brands and an onerous contract provision in relation to a specific porterage contract held by Carlsberg Marston's Limited.

Cash flows from discontinued operations

	2024 £m	2023 £m
Net cash inflow from operating activities	**13.8**	21.6
Net cash inflow from investing activities	**205.5**	-
Net cash inflow from financing activities	**-**	-
Net increase in cash and cash equivalents	**219.3**	21.6

A loss on disposal of £11.9 million arose on the disposal of Carlsberg Marston's Limited, being the difference between the net disposal proceeds and the carrying amount of the investment in the associate of £214.5 million.

6 EARNINGS PER ORDINARY SHARE

Basic earnings/(loss) per share are calculated by dividing the profit/(loss) attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period, excluding treasury shares and those held on trust for employee share schemes.

For diluted earnings/(loss) per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. These represent share options granted to employees where the exercise price is less than the weighted average market price of the Company's shares during the period.

Underlying[1] earnings/(loss) per share figures are presented to exclude the effect of non-underlying[1] items. The Directors consider that the supplementary figures are a useful indicator of performance.

	2024		2023 (Restated)	
	Earnings £m	**Per share amount p**	Earnings £m	Per share amount p
Basic (loss)/earnings per share				
Total	**(18.5)**	**(2.9)**	(9.3)	(1.5)
Continuing	**17.5**	**2.8**	(19.2)	(3.0)
Discontinued	**(36.0)**	**(5.7)**	9.9	1.6
Diluted (loss)/earnings per share				
Total	**(18.5)**	**(2.8)**	(9.3)	(1.5)
Continuing	**17.5**	**2.7**	(19.2)	(3.0)
Discontinued	**(36.0)**	**(5.5)**	9.9	1.6
Underlying[1] earnings per share figures				
Basic underlying[1] earnings per share				
Total	**33.6**	**5.3**	32.0	5.1
Continuing	**33.1**	**5.2**	22.1	3.5
Discontinued	**0.5**	**0.1**	9.9	1.6
Diluted underlying[1] earnings per share				
Total	**33.6**	**5.1**	32.0	5.1
Continuing	**33.1**	**5.0**	22.1	3.5
Discontinued	**0.5**	**0.1**	9.9	1.6

	2024 m	2023 m
Basic weighted average number of shares	**633.5**	633.3
Dilutive potential ordinary shares	**23.0**	-
Diluted weighted average number of shares	**656.5**	633.3

In the prior period in accordance with IAS 33 'Earnings per Share' the potential ordinary shares were not dilutive as their inclusion would reduce the loss per share from continuing operations.

7 PROPERTY, PLANT AND EQUIPMENT

	Effective freehold land and buildings £m	**Leasehold land and buildings £m**	**Fixtures, fittings, tools and equipment £m**	**Total £m**
Cost or valuation				
At 1 October 2023	1,645.1	434.4	280.1	2,359.6
Additions	17.2	10.7	22.5	50.4
Disposals	(44.7)	(15.1)	(26.4)	(86.2)
Net transfers to assets held for sale	(1.2)	-	(0.1)	(1.3)
Revaluation	45.3	-	-	45.3
At 28 September 2024	**1,661.7**	**430.0**	**276.1**	**2,367.8**
Depreciation				
At 1 October 2023	-	147.6	147.2	294.8
Charge for the period	-	13.8	26.2	40.0
Disposals	-	(10.7)	(23.6)	(34.3)
Impairment	-	(1.7)	-	(1.7)
At 28 September 2024	**-**	**149.0**	**149.8**	**298.8**
Net book amount at 30 September 2023	1,645.1	286.8	132.9	2,064.8
Net book amount at 28 September 2024	**1,661.7**	**281.0**	**126.3**	**2,069.0**

	Effective freehold land and buildings	Leasehold land and buildings	Fixtures, fittings, tools and equipment	Total
	£m	**£m**	**£m**	**£m**
Cost or valuation				
At 2 October 2022	1,682.4	434.1	284.9	2,401.4
Additions	25.5	11.1	28.8	65.4
Disposals	(37.2)	(12.4)	(33.8)	(83.4)
Transfers between asset classes	(1.6)	1.6	-	-
Net transfers from assets held for sale	0.3	-	0.2	0.5
Revaluation	(24.3)	-	-	(24.3)
At 30 September 2023	**1,645.1**	**434.4**	**280.1**	**2,359.6**
Depreciation				
At 2 October 2022	-	140.7	149.7	290.4
Charge for the period	-	14.0	26.5	40.5
Disposals	-	(11.6)	(29.5)	(41.1)
Net transfers from assets held for sale	-	-	0.1	0.1
Impairment	-	4.5	0.4	4.9
At 30 September 2023	**-**	**147.6**	**147.2**	**294.8**
Net book amount at 1 October 2022	1,682.4	293.4	135.2	2,111.0
Net book amount at 30 September 2023	**1,645.1**	**286.8**	**132.9**	**2,064.8**

Revaluation/impairment

At 30 June 2024 independent chartered surveyors revalued the Group's effective freehold properties on an open market value basis. During the current and prior period various assets were also reviewed for impairment and/or material changes in value. These valuation adjustments were recognised in the revaluation reserve or the income statement as appropriate.

	2024	2023
	£m	£m
Income statement:		
Impairment	**(37.4)**	(70.9)
Reversal of past impairment	**43.4**	40.0
	6.0	(30.9)
Revaluation reserve:		
Unrealised revaluation surplus	**80.8**	95.6
Reversal of past revaluation surplus	**(39.8)**	(93.9)
	41.0	1.7
Net increase/(decrease) in shareholders' equity/property, plant and equipment	**47.0**	(29.2)

A reasonably possible increase of 10% in the multiple would increase the fair value by £174.4 million and a reasonably possible decrease of 10% in the multiple would decrease the fair value by £174.4 million. A reasonably possible increase of 4% in the fair maintainable trade would increase the fair value by £69.8 million and a reasonably possible decrease of 4% in the fair maintainable trade would decrease the fair value by £69.8 million. These are based on the top ends of observable multiples achieved in the market and historic movements in the average fair maintainable trade.

The Group's effective freehold land and buildings are revalued by external independent qualified valuers on an annual basis using open market values so that the carrying value of an asset does not differ significantly from its fair value at the balance sheet date. The annual valuations are determined via third party inspection of approximately a third of the sites, and a desktop valuation of the remaining two-thirds of the sites, such that all sites are individually inspected every three years. The last external valuation of the Group's effective freehold land and buildings was performed as at 30 June 2024. The Group has an internal team of qualified valuers and at each reporting date the estate is reviewed for any indication of significant changes in value. Where this is the case internal valuations are performed on a basis consistent with those performed externally. The Group has concluded that the valuation as at 30 June 2024 does not differ materially from that which would have been determined using fair value as at 28 September 2024.

Impairment testing of leasehold properties

Leasehold properties, comprising leasehold land and buildings and associated fixtures, fittings, tools and equipment and computer software, are held under the cost model. These properties were reviewed for impairment in the current and prior period by comparing the recoverable amount of each property to the carrying amount of the assets. Recoverable amount is the higher of value in use and fair value less costs to sell. The key assumptions used in the value in use calculations were the future trading cash flows of the properties, a pre-tax discount rate of 12.2% (2023: 12.2%) and a long-term growth rate of 2.0% (2023: 1.8%). No adjustment has been made in the current period for any potential climate change related impact as the future potential additional cash inflows and outflows are not deemed to be a key assumption in the value in use calculations.

Changes in these key assumptions could impact the impairment charge/reversal recognised for these assets. The future trading cash flows used in the value in use calculations are property level EBITDA less maintenance expenditure forecasts. If the forecast cash flows were to decline by 4% then there would be a £0.6 million decrease in the net impairment reversal recognised. If the pre-tax discount rate were to increase by 0.5% it would decrease the net impairment reversal by £0.4 million. If the long-term growth rate were to decrease by 0.5% it would decrease the net impairment reversal by £0.6 million.

8 NET DEBT

Analysis of net debt	2024 £m	2023 £m
Cash and cash equivalents		
Cash at bank and in hand	**44.4**	26.5
	44.4	26.5
Financial assets		
Other cash deposits	**1.1**	3.1
	1.1	3.1
Debt due within one year		
Bank borrowings	**2.5**	2.6
Securitised debt	**(43.5)**	(41.1)
Lease liabilities	**(17.7)**	(17.8)
Other lease related borrowings	**0.5**	0.4
Other borrowings	**-**	(10.0)
	(58.2)	(65.9)
Debt due after one year		
Bank borrowings	**(33.0)**	(228.2)
Securitised debt	**(516.7)**	(560.2)
Lease liabilities	**(356.0)**	(362.6)
Other lease related borrowings	**(338.9)**	(338.4)
Other borrowings	**-**	(40.0)
Preference shares	**(0.1)**	(0.1)
	(1,244.7)	(1,529.5)
Net debt	**(1,257.4)**	(1,565.8)

Other cash deposits and cash and cash equivalents include deposits securing letters of credit for reinsurance contracts. Included within cash and cash equivalents is an amount of £5.5 million (2023: £5.6 million) relating to collateral held in the form of cash deposits. These amounts are both considered to be restricted cash. In addition, any other cash held in connection with the securitised business is governed by certain restrictions under the covenants associated with the securitisation.

Reconciliation of net cash flow to movement in net debt	2024 £m	2023 £m
Increase/(decrease) in cash and cash equivalents in the period	**17.9**	(1.2)
(Decrease)/increase in other cash deposits	**(2.0)**	0.1
Cash outflow from movement in debt	**293.9**	35.5
Net cash inflow	**309.8**	34.4
Non-cash movements and deferred issue costs	**(1.4)**	(6.2)
Movement in net debt in the period	**308.4**	28.2
Net debt at beginning of the period	**(1,565.8)**	(1,594.0)
Net debt at end of the period	**(1,257.4)**	(1,565.8)

	2024 £m	2023 £m
Net debt excluding lease liabilities	**(883.7)**	(1,185.4)
Lease liabilities	**(373.7)**	(380.4)
Net debt	**(1,257.4)**	(1,565.8)

Changes in liabilities arising from financing activities are as follows:

	2024			2023		
	Borrowings £m	**Derivative financial instruments £m**	**Total financing liabilities £m**	Borrowings £m	Derivative financial instruments £m	Total financing liabilities £m
At beginning of the period	**(1,595.4)**	**(33.6)**	**(1,629.0)**	(1,624.7)	(20.4)	(1,645.1)
Cash flow	**293.9**	**(4.2)**	**289.7**	35.5	(0.1)	35.4
Changes in fair value	**-**	**(21.2)**	**(21.2)**	-	(13.1)	(13.1)
Other changes	**(1.4)**	**-**	**(1.4)**	(6.2)	-	(6.2)
At end of the period	**(1,302.9)**	**(59.0)**	**(1,361.9)**	(1,595.4)	(33.6)	(1,629.0)

9 ORDINARY DIVIDENDS ON EQUITY SHARES

No dividends were paid during the current or prior period. A final dividend for 2024 has not been proposed.

Notes:

(a) The Annual Report and Accounts for the 52 weeks ended 28 September 2024 will be posted to shareholders on 17 December 2024. The Annual Report and Accounts will be available to be downloaded from the Marston's PLC website: www.marstonspubs.co.uk. Alternatively, copies will be obtainable from the Group General Counsel & Company Secretary, Marston's PLC, St Johns House, St Johns Square, Wolverhampton, WV2 4BH.
(b) The maintenance and integrity of the website is the responsibility of the Directors. The work carried out by the auditors does not involve consideration of these matters. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ALTERNATIVE PERFORMANCE MEASURES

In addition to statutory financial measures, these full year results include financial measures that are not defined or recognised under IFRS, all of which the Group considers to be alternative performance measures (APMs). APMs should not be regarded as a complete picture of the Group's financial performance, which the Group presents within its total statutory results.

The APMs are used by the Board and management to analyse operational and financial performance and track the Group's progress against long-term strategic plans. The APMs provide additional information to investors and other external shareholders to enhance their understanding of the Group's results and facilitate comparison with industry peers.

Capital expenditure (CAPEX)
Capital expenditure is the cost of acquiring and maintaining fixed assets, comprising both maintenance and investment expenditure. It is a measure by which the Group and interested stakeholders assess the level of investment in the estate to maintain the Group's profit. Capital expenditure is the purchase of property, plant and equipment and intangible assets as presented directly within the Group cash flow statement.

Loan to value
Loan to value is presented both for the Group's securitised debt and for the Group's net debt excluding lease liabilities. The loan to value ratio is the percentage of the amount borrowed against the value of the Group's assets.

	2024	2023
	£m	£m
Securitised pubs and lodges	**1,145.9**	1,157.1
Non-securitised effective freehold pubs and lodges	**618.5**	595.6
	1,764.4	1,752.7
Non-securitised leasehold pubs and lodges	**282.8**	287.3
Other non-core properties and administration assets	**21.8**	24.8
Property, plant and equipment total	**2,069.0**	2,064.8
Securitised debt due within one year	**43.5**	41.1
Securitised debt due after one year	**516.7**	560.2
Other borrowings due within one year	**-**	10.0
	560.2	611.3
Loan to value of securitised debt	**49 %**	53 %
Net debt excluding lease liabilities at end of the period	**883.7**	1,185.4
Loan to value of debt excluding lease liabilities	**50 %**	68 %

Like-for-like (LFL) sales
LFL sales reflect sales for all pubs that were trading in the two periods being compared expressed as a percentage, excluding those pubs that have changed format between tenanted and leased and the rest of the estate. LFL sales does not exclude those pubs that have changed format between managed and franchised.

The inclusion of a pub within LFL sales is considered on a daily basis and a pub is included within LFL sales for only the days within the trading period where it meets the definition of LFL. A site is considered fully open for trading if it generated more than £100 per day. If a site is acquired or disposed of during the two periods being compared, LFL sales includes the days where the site is fully open for trading in both periods.

LFL sales is a widely used industry measure which provides better insight into the trading performance of the Group as total revenue is impacted by acquisitions, disposals, and investment into the estate through conversions and refurbishments.

	52 weeks to 28 September 2024 £m	52 weeks to 30 September 2023 £m	LFL %
LFL retail sales	**813.7**	776.4	4.8
Non-LFL retail sales	**21.4**	29.7	
Retail sales	**835.1**	806.1	
Non-EPOS outlet sales	**29.5**	26.7	
Outlet sales	**864.6**	832.8	

	6 weeks to 9 November 2024 £m	6 weeks to 11 November 2023 £m	LFL %
LFL retail sales	**89.2**	85.9	3.9
Non-LFL retail sales	**0.9**	0.1	
Retail sales	**90.1**	86.0	

Net asset value (NAV) per share
NAV per share is the value of net assets of the Group, divided by the number of shares in issue excluding own shares held.

	2024	2023
Net assets (£m)	**654.8**	640.1
Number of shares outstanding	**633.8**	633.5
NAV per share	**1.03**	1.01

Net cash flow (NCF) – including reconciliation to recurring free cash flow
NCF is the increase/decrease in cash and cash equivalents in the period, adjusted for movements in other cash deposits and the cash movement in debt. NCF is used by the Group to determine targets for LTIP awards.

	2024 £m	2023 £m
Increase/(decrease) in cash and cash equivalents	**17.9**	(1.2)
(Decrease)/increase in other cash deposits	**(2.0)**	0.1
Cash outflow from movement in debt	**293.9**	35.5
Net cash flow	**309.8**	34.4
Sale of property, plant and equipment and assets held for sale	**(46.9)**	(51.3)
Disposal of associate	**(205.5)**	-
Dividends from associate	**(13.8)**	(21.6)
Recurring FCF	**43.6**	(38.5)

Net debt
Net debt is defined as the sum of cash and cash equivalents and other cash deposits, less total borrowings, at the balance sheet date. Net debt is also presented excluding lease liabilities. The net debt to EBITDA leverage ratio is presented both inclusive and exclusive of lease liabilities and the associated EBITDA impact.

	2024 £m	2023 £m
Increase/(decrease) in cash and cash equivalents	**17.9**	(1.2)
(Decrease)/increase in other cash deposits	**(2.0)**	0.1
Cash outflow from movement in debt excluding lease liabilities	**285.5**	30.4
Net cash inflow	**301.4**	29.3
Non-cash movements and deferred issue costs	**0.3**	1.5
Movement in net debt excluding lease liabilities in the period	**301.7**	30.8
Net debt excluding lease liabilities at beginning of the period	**(1,185.4)**	(1,216.2)
Net debt excluding lease liabilities at end of the period	**(883.7)**	(1,185.4)

Non-underlying items
Non-underlying items are presented separately on the face of the income statement and are defined as those items of income and expense which, because of the materiality, nature and/or expected infrequency of the events giving rise to them, merit separate presentation to enable users of the financial statements to better understand elements of financial performance in the period, so as to facilitate comparison with future and prior periods. As management of the freehold and leasehold property estate is an essential and significant area of the business, the threshold for classification of property related items as non-underlying is higher than other items.

Underlying results should not be regarded as a complete picture of the Group's financial performance as they exclude specific items of income and expense. The full financial performance of the Group is presented within its total statutory results.

Operating profit/(loss)
Operating profit/(loss) is revenue less net operating expenses, plus the share of results from associates. Operating profit/(loss) is presented directly on the Group income statement. It is not defined in IFRS however it is a generally accepted profit measure.

	2024 £m	2023 £m
Operating profit	**151.7**	90.2
Non-underlying operating items	**(4.5)**	34.6
Underlying operating	**147.2**	124.8
Revenue	**898.6**	872.3
Underlying operating margin	**16.4%**	14.3%

	26 weeks to 30 March 2024 £m	26 weeks to 28 September 2024 £m	**52 weeks to 28 September 2024 £m**
Operating profit	51.8	99.9	**151.7**
Non-underlying operating items	0.9	(5.4)	**(4.5)**
Underlying operating profit	52.7	94.5	**147.2**
Revenue	428.1	470.5	**898.6**
Underlying operating margin	12.3%	20.1%	**16.4%**

Recurring FCF
Recurring FCF represents NCF adjusted for the sale of property, plant and equipment and assets held for sale, disposal proceeds from the sale of the Group's investment in Carlsberg Marston's Limited, and dividends received from associates.

Retail sales
Retail sales represents all revenue that is generated through the Group's EPOS (electronic point of sale) till systems in our managed and franchised pubs, which includes food, drink, and accommodation sales.

Underlying EBITDA
Underlying EBITDA is the earnings before interest, tax, depreciation, amortisation and non-underlying items. The Directors regularly use underlying EBITDA as a key performance measure in assessing the Group's profitability. The measure is considered useful to users of the financial statements as it is a widely used industry measure which allows comparison to peers, comparison of performance across periods, and is used to determine bonus outcomes for Directors' remuneration.

	2024 £m	2023 £m
Operating profit	**151.7**	90.2
Non-underlying operating items	**(4.5)**	34.6
Depreciation and amortisation	**45.3**	45.5
Underlying EBITDA	**192.5**	170.3
Revenue	**898.6**	872.3
Underlying EBITDA margin	**21.4%**	19.5%

	2024 £m	2023 £m
Underlying EBITDA under IFRS 16	**192.5**	170.3
Net rental charge	**(21.7)**	(21.8)
Underlying EBITDA pre IFRS 16	**170.8**	148.5
Net debt including lease liabilities at end of the period	**1,257.4**	1,565.8
Net debt to EBITDA leverage including lease liabilities	**6.5**	9.2
Net debt excluding lease liabilities at end of the period	**883.7**	1,185.4
Net debt to EBITDA leverage excluding lease liabilities	**5.2**	8.0

Wholesale sales
Wholesale sales represents revenue from continuing operations with customers generated from our tenanted and leased pubs.

Year
The current year refers to the 52-week period ended 28 September 2024. The prior year refers to the 52-week period ended 30 September 2023.