Independent auditor's report

To the members of Marston's PLC

Opinion

We have audited the financial statements of Marston's PLC (the 'parent company') and its subsidiaries (the 'group') for the 52 week period ended 27 September 2025 which comprise the Group Income Statement, Group Statement of Comprehensive Income, Group Cash Flow Statement, Group Balance Sheet, Group Statement of Changes in Equity, Company Balance Sheet, Company Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 27 September 2025 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	**Group** • Valuation of freehold and effective freehold land and buildings **Parent Company** No key audit matters noted
Materiality	**Group** • Overall materiality: £8,080,000 (2024: £8,050,000) • Performance materiality: £6,060,000 (2024: £5,635,000) **Parent Company** • Overall materiality: £15,300,000 (2024: £14,730,000) • Performance materiality: £11,400,000 (2024: £10,300,000)
Scope	Our audit procedures covered 100% of revenue, 100% of total assets and 100% of profit before tax.

Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the group and parent company financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. The matter identified was addressed in the context of our audit of the group and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Independent auditor's report continued

To the members of Marston's PLC

Valuation of effective freehold land and buildings

Key audit matter description

The effective freehold land and buildings within the group's property estate are held under the valuation model with a carrying value of £1,786.8m at the period end (2024: £1,661.7m) as disclosed in note 11 of the financial statements.

The valuation estimation involves the determination of key inputs for each property in the estate, being fair maintainable trade (FMT) and an applicable market multiple.

Management have appointed an external expert to provide a formal revaluation of the property estate.

Relatively small changes in these assumptions could have a significant effect on the valuation and resulting strength of the group's balance sheet.

Due to the potential for management bias in the determination of the key assumptions used to value the group's estate, which could result in a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, we identified a significant risk in respect of the valuation of the effective freehold land and buildings.

How the matter was addressed in the audit

Our main audit procedures included the following. We:

- Obtained an understanding of the group's valuation approach, including key assumptions, methodologies and data inputs, and assessed the design and implementation of management's review controls.
- Critically assessed the independence, professional qualifications, competence and experience of both the external valuer engaged by the group, and the key management personnel involved in the valuation process.
- Designed a risk-based approach, in conjunction with our own external property expert, to identify a sample of properties within the valuation which represented a heightened risk of material misstatement due to the potential for management bias. The valuation of these properties was challenged, and we obtained explanations and supporting documentation from management to understand the rationale for these valuations for both trading expectations which informed FMT, and for market multiples.

How the matter was addressed in the audit continued

- Obtained the underlying trading data used to determine FMT and tested the reliability of this for a sample of properties, vouching inputs to source documentation and records.
- Instructed our auditor's expert to:
  - review the group's approach and valuation policy;
  - review our risk assessment process and property selection;
  - perform an inspection and assessment of the valuation assumptions for a sample of properties and perform a comparison to management's valuation estimates;
  - benchmark market multiples ranges used; and
  - consider significant changes in the market in the intervening period from the valuation date.
- Obtained and reviewed management's year end assessment of whether the property valuation and therefore carrying value of effective freehold land and buildings had materially changed between the valuation date (29 June 2025) and end of the financial period (27 September 2025).
- Evaluated the appropriateness and accuracy of management's accounting entries in respect of the third-party valuations.
- Evaluated the completeness and accuracy of disclosures, including disclosure of estimation uncertainty.

Key observations

We did not identify any material issues within our testing. Overall we were satisfied with the valuation of the property estate.

Independent auditor's report continued

To the members of Marston's PLC

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£8,080,000 (2024: £8,050,000)	£15,300,000 (2024: £14,730,000)
Basis for determining overall materiality	0.9% of Revenue	1% of Total assets
Rationale for benchmark applied	Revenue is a stable primary performance measure for the users of the financial statements to review the financial performance of the Group.	Total assets is considered to be the most appropriate benchmark for the parent company.
Performance materiality	£6,060,000 (2024: £5,635,000)	£11,400,000 (2024: £10,300,000)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £404,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £765,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The group consists of two components, located in the United Kingdom and Guernsey. The full scope audit of one component provided coverage of 100% of revenue, total assets and profit before tax. Specific audit procedures were undertaken on the remaining component.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing management's approved board paper which set out the going concern basis, key forecasting assumptions, sensitivities and conclusion;
- Involved financial modelling specialists to check the integrity and reliability of the going concern model;
- Obtaining copies of management's forecasts, downside sensitivity analysis and reverse stress test for the Group and checked the mathematical accuracy of the forecasts in arriving at liquidity and covenant headroom;
- Obtaining copies of the new financing agreements and checking the calculation of the availability of revised facilities and available covenant headroom to the Group and parent company during the going concern assessment period;
- Comparing the historical forecasts to actual trading results to assess the reliability of forecasting;
- Performing procedures on the key assumptions. This included comparing forecasts to historical actuals for both the company and the sector, obtaining independent current sector trends and forecast economic information, including consensus on consumer spending;
- Recalculating the required deterioration in forecasts to trigger a breach in covenants and assessing the likelihood of this happening taking into account our assessment of the assumptions and available mitigating actions; and
- Reviewing the disclosure and details of any significant events subsequent to the balance sheet date impacting liquidity and assessing the impact on available cash and covenant headroom.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the entity reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report continued

To the members of Marston's PLC

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annal report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited 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.

Corporate governance statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the parent company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 13;
- Directors' explanation as to their assessment of the group's prospects, the period this assessment covers and why the period is appropriate set out on page 26;
- Directors' statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 26;
- Directors' statement on fair, balanced and understandable set out on page 56;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 22;
- Section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 20; and,
- Section describing the work of the audit committee set out on page 33.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 56, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report continued

To the members of Marston's PLC

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud having obtained an understanding of the overall control environment.

The most significant laws and regulations were determined as follows:

Legislation/Regulation	Additional audit procedures performed by the Group audit engagement team included:
IFRS/FRS 102 and Companies Act 2006/ Listing Rules	Review of the financial statement disclosures and testing to supporting documentation. Review of correspondence with regulators where any has been received and action taken by the Group as a result of this correspondence. Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations	Input from a tax specialist in relation to current and deferred taxes on property related matters. Review of correspondence with tax authorities where any has been received. Consideration of whether any matter identified during the audit required reporting to an appropriate authority outside the entity.
Food Safety/ Employment law/Pubs code/ Health and Safety regulations	ISAs limit the required audit procedures to identify non-compliance with these laws and regulations to inquiry of management and where appropriate, those charged with governance (as noted above) and inspection of legal and regulatory correspondence, if any. We have completed these procedures which included discussions with the group's legal counsel.

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Revenue recognition	A selection of transactions posted to nominal ledger codes outside of the normal revenue cycle were identified using a data analytic tool and support was obtained to verify the transaction identified.
Management override of controls	Testing the appropriateness of journal entries and other adjustments selected using data analytics to determine a risk based sample; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Independent auditor's report continued

To the members of Marston's PLC

The extent to which the audit was considered capable of detecting irregularities, including fraud continued

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

Following the recommendation of the audit committee, we were appointed by the board of Directors on 31 January 2024 to audit the financial statements for the period ending 28 September 2024 and subsequent financial periods.

The period of total uninterrupted consecutive appointments is two years, covering the periods ending 28 September 2024 to 27 September 2025.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee in accordance with ISAs (UK).

Use of our report

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.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rules, these financial statements form part of the Annual Financial Report prepared in Extensible Hypertext Markup Language (XHTML) format and filed on the National Storage Mechanism of the UK FCA. This auditor's report provides no assurance over whether the annual financial report has been prepared in XHTML format.

Ian Wall
(Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
103 Colmore Row
Birmingham
B3 3AG

25 November 2025

Group income statement

For the 52 weeks ended 27 September 2025

	Note	2025 Underlying[1] £m	2025 Non-underlying[1] (note 4) £m	2025 Total £m	2024 Underlying[1] £m	2024 Non-underlying[1] (note 4) £m	2024 Total £m
Revenue	3	**897.9**	**–**	**897.9**	898.6	–	898.6
Net operating expenses	3	**(738.0)**	**19.8**	**(718.2)**	(751.4)	4.5	(746.9)
Operating profit		**159.9**	**19.8**	**179.7**	147.2	4.5	151.7
Finance costs	6	**(90.0)**	**–**	**(90.0)**	(106.5)	–	(106.5)
Finance income	6	**2.2**	**–**	**2.2**	1.4	–	1.4
Interest rate swap movements	4, 6	**–**	**(3.6)**	**(3.6)**	–	(32.2)	(32.2)
Net finance costs	4, 6	**(87.8)**	**(3.6)**	**(91.4)**	(105.1)	(32.2)	(137.3)
Profit/(loss) before taxation		**72.1**	**16.2**	**88.3**	42.1	(27.7)	14.4
Taxation	4, 7	**(18.3)**	**1.6**	**(16.7)**	(9.0)	12.1	3.1
Profit/(loss) for the period from continuing operations		**53.8**	**17.8**	**71.6**	33.1	(15.6)	17.5
Discontinued operations							
Profit/(loss) for the period from discontinued operations	4, 8	**–**	**–**	**–**	0.5	(36.5)	(36.0)
Profit/(loss) for the period attributable to equity shareholders		**53.8**	**17.8**	**71.6**	33.6	(52.1)	(18.5)

The results for the current period reflect the 52 weeks ended 27 September 2025 and the results for the prior period reflect the 52 weeks ended 28 September 2024.

Earnings/(loss) per share:	Note	2025 p	2024 p
Basic earnings/(loss) per share	9		
Total		**11.3**	(2.9)
Continuing		**11.3**	2.8
Discontinued		**–**	(5.7)
Basic underlying[1] earnings per share	9		
Total		**8.5**	5.3
Continuing		**8.5**	5.2
Discontinued		**–**	0.1
Diluted earnings/(loss) per share	9		
Total		**11.1**	(2.8)
Continuing		**11.1**	2.7
Discontinued		**–**	(5.5)
Diluted underlying[1] earnings per share	9		
Total		**8.3**	5.1
Continuing		**8.3**	5.0
Discontinued		**–**	0.1

1. Alternative performance measures (APMs) are defined and reconciled to a statutory equivalent in the Additional information section on pages 114 to 117.

Group statement of comprehensive income

For the 52 weeks ended 27 September 2025

	2025 £m	2024 £m
Profit/(loss) for the period	**71.6**	(18.5)
Items of other comprehensive income that may subsequently be reclassified to profit or loss		
Gains/(losses) arising on cash flow hedges	**1.9**	(2.8)
Transfers to the income statement on cash flow hedges	**6.8**	7.6
Other comprehensive expense of associates relating to discontinued operations	**–**	(0.1)
Tax on items that may subsequently be reclassified to profit or loss	**(2.2)**	(1.2)
	6.5	3.5
Items of other comprehensive income that will not be reclassified to profit or loss		
Remeasurement of retirement benefits	**1.5**	(6.9)
Unrealised surplus on revaluation of properties	**109.8**	80.8
Reversal of past revaluation surplus	**(38.6)**	(39.8)
Tax on items that will not be reclassified to profit or loss	**(16.2)**	(8.1)
	56.5	26.0
Other comprehensive income for the period	**63.0**	29.5
Total comprehensive income for the period attributable to equity shareholders	**134.6**	11.0

The results for the current period reflect the 52 weeks ended 27 September 2025 and the results for the prior period reflect the 52 weeks ended 28 September 2024.

Group cash flow statement

For the 52 weeks ended 27 September 2025

	Note	**2025 £m**	2024 £m
Operating activities			
Profit/(loss) for the period		**71.6**	(18.5)
Taxation		**16.7**	(3.1)
Net finance costs		**91.4**	137.3
Depreciation and amortisation		**45.2**	45.3
Working capital movement	31	**3.0**	8.2
Non-cash movements	31	**(21.5)**	32.7
Decrease in provisions and other non-current liabilities		**(0.3)**	(0.9)
Difference between defined benefit pension contributions paid and amounts charged		**(1.6)**	(7.5)
Dividends from associates		**–**	13.8
Income tax (paid)/received		**(5.3)**	0.1
Net cash inflow from operating activities		**199.2**	207.4
Investing activities			
Interest received		**2.2**	1.7
Sale of property, plant and equipment and assets held for sale		**6.4**	46.9
Purchase of property, plant and equipment and intangible assets		**(61.2)**	(46.2)
Disposal of associate		**(2.8)**	205.5
Finance lease capital repayments received		**1.2**	2.0
Net transfer from other cash deposits	30	**–**	2.0
Net cash (outflow)/inflow from investing activities		**(54.2)**	211.9
Financing activities			
Interest paid		**(86.6)**	(101.9)
Arrangement costs of bank facilities		**(0.9)**	(3.6)
Swap termination costs		**–**	(2.0)
Purchase of own shares		**(0.8)**	–
Proceeds from sale of own shares		**0.1**	–
Repayment of securitised debt		**(43.8)**	(41.5)
Repayment of bank borrowings*		**(215.0)**	(419.0)
Advance of bank borrowings*		**201.0**	225.0
Net repayments of capital element of lease liabilities		**(8.6)**	(8.4)
Repayment of other borrowings		**–**	(50.0)
Net cash outflow from financing activities		**(154.6)**	(401.4)
Net (decrease)/increase in cash and cash equivalents	30	**(9.6)**	17.9

The cash flows for the current period reflect the 52 weeks ended 27 September 2025 and the cash flows for the prior period reflect the 52 weeks ended 28 September 2024.

* The Group reports cash flows arising from its bank borrowing facilities on a gross basis where the maturity periods were greater than three months. The net repayment of bank borrowings in the current period was £14.0 million (2024: £194.0 million).

Group balance sheet

As at 27 September 2025

	Note	27 September 2025 £m	28 September 2024 £m
Non-current assets			
Intangible assets	10	**26.9**	29.3
Property, plant and equipment	11	**2,181.3**	2,069.0
Other non-current assets	13	**14.7**	14.4
Retirement benefit surplus	15	**15.4**	13.1
Derivative financial instruments	16	**0.7**	0.4
		2,239.0	2,126.2
Current assets			
Inventories	17	**13.8**	14.4
Trade and other receivables	18	**27.6**	25.9
Other cash deposits		**1.1**	1.1
Cash and cash equivalents		**34.8**	44.4
		77.3	85.8
Assets held for sale	19	**–**	1.3
		77.3	87.1
Current liabilities			
Borrowings	20	**(62.2)**	(58.2)
Trade and other payables	22	**(182.1)**	(179.5)
Current tax liabilities		**(3.9)**	(2.8)
Provisions for other liabilities and charges	23	**(0.6)**	(0.6)
		(248.8)	(241.1)
Non-current liabilities			
Borrowings	20	**(1,179.4)**	(1,244.7)
Derivative financial instruments	16	**(54.6)**	(59.4)
Other non-current liabilities	24	**(9.4)**	(8.3)
Provisions for other liabilities and charges	23	**(2.5)**	(2.6)
Deferred tax liabilities	26	**(30.9)**	(2.4)
		(1,276.8)	(1,317.4)
Net assets		**790.7**	654.8

Group balance sheet continued

As at 27 September 2025

	Note	**27 September 2025 £m**	28 September 2024 £m
Shareholders' equity			
Equity share capital	28	**48.7**	48.7
Share premium account		**334.0**	334.0
Revaluation reserve		**486.2**	431.6
Capital redemption reserve	29	**6.8**	6.8
Hedging reserve		**(34.3)**	(40.8)
Own shares	29	**(108.3)**	(110.2)
Retained earnings		**57.6**	(15.3)
Total equity		**790.7**	654.8

The financial statements were approved by the Board and authorised for issue on 25 November 2025 and are signed on its behalf by:

Justin Platt
Chief Executive Officer
25 November 2025

Group statement of changes in equity
For the 52 weeks ended 27 September 2025

	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 29 September 2024	48.7	334.0	431.6	6.8	(40.8)	(110.2)	(15.3)	654.8
Profit for the period	–	–	–	–	–	–	71.6	71.6
Remeasurement of retirement benefits	–	–	–	–	–	–	1.5	1.5
Tax on remeasurement of retirement benefits	–	–	–	–	–	–	(0.4)	(0.4)
Gains on cash flow hedges	–	–	–	–	1.9	–	–	1.9
Transfers to the income statement on cash flow hedges	–	–	–	–	6.8	–	–	6.8
Tax on hedging reserve movements	–	–	–	–	(2.2)	–	–	(2.2)
Property revaluation	–	–	109.8	–	–	–	–	109.8
Property impairment	–	–	(38.6)	–	–	–	–	(38.6)
Deferred tax on properties	–	–	(15.8)	–	–	–	–	(15.8)
Total comprehensive income	–	–	55.4	–	6.5	–	72.7	134.6
Share-based payments	–	–	–	–	–	–	1.8	1.8
Tax on share-based payments	–	–	–	–	–	–	0.2	0.2
Purchase of own shares	–	–	–	–	–	(0.8)	–	(0.8)
Sale of own shares	–	–	–	–	–	2.7	(2.6)	0.1
Transfer disposals to retained earnings	–	–	(0.8)	–	–	–	0.8	–
Total transactions with owners	–	–	(0.8)	–	–	1.9	0.2	1.3
At 27 September 2025	**48.7**	**334.0**	**486.2**	**6.8**	**(34.3)**	**(108.3)**	**57.6**	**790.7**

Group statement of changes in equity continued

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

Further detail in respect of the Group's equity is provided in notes 28 and 29.

Notes to the Group financial statements

For the 52 weeks ended 27 September 2025

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 27 September 2025 (2024: 52 weeks ended 28 September 2024) 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.

New standards

The Group has adopted the following new or revised standards in the current period:

IFRS 7	Financial Instruments: Disclosures Supplier finance arrangements
IFRS 16	Leases Amendments regarding seller-lessee subsequent measurement in a sale and leaseback transaction
IAS 1	Presentation of Financial Statements Amendments regarding the classification of liabilities Amendments regarding the classification of debt with covenants
IAS 7	Statement of Cash Flows Supplier finance arrangements

There are no material impacts of these new or revised standards on the consolidated financial statements for the 52 weeks ended 27 September 2025.

The International Accounting Standards Board (IASB) has issued the following new or revised standards with an effective date for financial periods beginning on or after the dates disclosed below. These standards have not yet been adopted by the Group. The IASB has also issued a number of minor amendments to standards as part of its Annual Improvements to IFRS.

IFRS 7	Financial Instruments: Disclosures Amendments to the classification and measurement of financial instruments Amendments regarding contracts referencing nature-dependent electricity	 1 January 2026 1 January 2026
IFRS 9	Financial Instruments Amendments to the classification and measurement of financial instruments Amendments regarding contracts referencing nature-dependent electricity	 1 January 2026 1 January 2026
IFRS 10	Consolidated Financial Statements Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	 Date deferred
IFRS 18	Presentation and Disclosure in Financial Statements New accounting standard	 1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures New accounting standard	 1 January 2027
IAS 21	The Effects of Changes in Foreign Exchange Rates Lack of exchangeability	 1 January 2025
IAS 28	Investments in Associates and Joint Ventures Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	 Date deferred

IFRS 18 'Presentation and Disclosure in Financial Statements' is effective for accounting periods beginning on or after 1 January 2027, with early adoption permitted. Application of the standard will require restatement of comparative information. IFRS 18 replaces IAS 1 'Presentation of Financial Statements' and introduces a revised framework for presenting financial performance, with a particular emphasis on the income statement. While the recognition and measurement of items remain unchanged, the standard introduces three newly defined categories – Operating, Investing and Financing – and two new subtotals: Operating Profit or Loss and Profit or Loss Before Financing and Income Tax. In addition, IFRS 18 enhances disclosure requirements, including the introduction of Management-Defined Performance Measures (MPMs) and more detailed guidance on aggregation and disaggregation.

The Group is currently assessing the implications of IFRS 18. At this stage, it is not practicable to quantify the potential impact on the consolidated financial statements. There is no impact on the current year's presentation, as the standard is not yet effective.

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

1 Accounting policies continued

Going concern

The Group successfully secured the extension of its bank facility, which was due to expire in July 2026. The revised funding comprises a £200.0 million bank facility available until July 2027 (of which £21.0 million was drawn at 27 September 2025) and a £5.0 million seasonal overdraft facility (of which £nil was drawn at 27 September 2025). The Group's sources of funding also include its securitised debt.

There are three covenants associated with the Group's amended bank borrowings for the non-securitised group of companies – Debt Cover, Interest Cover and Liquidity. The Debt Cover covenant is a measure of net borrowings to EBITDA, the Interest Cover covenant is a measure of EBITDA to finance charges, and the Liquidity covenant is a measure of headroom on the Group's bank borrowings. The covenant levels remain unchanged except for the Interest Cover covenant which does not step up to 2.0 times until 3 April 2027 (previously 28 March 2026).

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 headed by Marston's Pubs Parent Limited and the Net Worth is derived from the net assets of that group of companies.

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 risk of 'uncertain economic and geopolitical outlook', in which high inflation, slow GDP growth and elevated interest rates may lead to lower discretionary spending on leisure activities, leading to reduced footfall and average spend per visit. This assessment predates the Autumn Budget 2025 and therefore does not include the impact of any specific measures which may be announced. However, downsides are considered in this going concern assessment as set out below.

The Group's base case forecast assumes moderate sales price increases and operational costs (that have not already been secured) rising broadly in line with inflation together with continuing progress on the margin expansion programme. The conclusion of this assessment was that the Directors are satisfied that the Group has adequate liquidity, is not forecast to breach any covenants within its banking group or securitisation in its base case forecast and has sufficient resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements.

Due to the uncertain economic and geopolitical outlook, risk of further inflationary pressures and the potential impact of this on guest sentiment, the Group has analysed a downside scenario in which a lower level of sales are achieved compared to the base case forecast with additional costs beyond those forecast in the base case and variable costs flexing with the reduced volume, excluding any potential mitigating management actions. The result of this downside scenario is that the Group would still have sufficient liquidity to settle liabilities as they fall due and headroom within its financial covenants throughout the going concern review period.

The Group has also performed a reverse stress test case, which analyses to what extent sales would need to decrease from the base case in order to breach financial covenants, with similar cost assumptions to that of the base case forecast and variable costs flexing with the reduced volume. This reverse stress test shows 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. 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 including deferral or reduction of discretionary spend to partially mitigate the financial impact.

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Marston's PLC and all of its subsidiary undertakings. The results of subsidiary undertakings are included in the Group accounts from the date on which control transferred to the Group or, in the case of disposals, up to the date when control ceased. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights. Transactions between Group companies are eliminated on consolidation.

The Group has applied the purchase method in accounting for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the consideration paid and deferred. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition costs are expensed as incurred. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the Group's share of the identifiable net assets of the subsidiary acquired, the difference is recognised immediately in the income statement.

The consolidated financial statements incorporate the results of Marston's Issuer PLC and its parent company, Marston's Issuer Parent Limited. Marston's Issuer PLC was set up with the sole purpose of issuing debt secured on assets owned by the Group. Wilmington Trust SP Services (London) Limited holds the shares of Marston's Issuer Parent Limited under a declaration of trust for charitable purposes. The rights provided to the Group through the securitisation give the Group power over these companies and the ability to use that power to affect its exposure to variable returns from them. As such the Directors of Marston's PLC consider that these companies are controlled by the Group, as defined in IFRS 10 'Consolidated Financial Statements', and hence for the purpose of the consolidated financial statements they have been treated as subsidiary undertakings.

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

1 Accounting policies continued

Basis of consolidation continued

The Group's interests in associates are accounted for using the equity method. On initial recognition the investment in an associate is recognised at cost and the carrying amount is subsequently increased or decreased to recognise the Group's share of the profit or loss, other comprehensive income and changes in equity of the associate after the date of acquisition. The net investment in an associate is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of events that occurred after the initial recognition of the net investment which have an impact on the estimated future cash flows that can be reliably estimated. During the prior period, the Group sold the whole of its 40% interest in Carlsberg Marston's Limited to a subsidiary of Carlsberg A/S.

Revenue and other operating income

The Group's revenue from contracts with customers comprises outlet sales, wholesale sales and rental income.

Sales from managed and pub partnership sites

The Group sells food and drink to customers in its pubs. Revenue from the sale of food and drink is recognised when the goods are sold to the customers in the pubs. Payment of the transaction price is due immediately when the goods are provided to the customer.

The Group provides accommodation to customers in its pubs and lodges. Revenue from the provision of accommodation is recognised over the period of the customer's stay. Payment of the transaction price is generally due at the time of the customer's stay.

The Group provides gaming machines for customers to play in its pubs. Revenue from gaming machines is recognised when the game has been played. Payment of the transaction price is due when the game is played.

In respect of its franchised arrangements, where the Group controls the above goods or services before those goods or services are transferred to the customer, the associated income is included within the Group's revenue. The Group recognises revenue in respect of its franchised arrangements as a principal rather than an agent because the Group has discretion in establishing prices for the above goods or services with the supplier and controls the goods prior to transfer to the customer.

Wholesale sales

The Group sells drinks to tenants of its licensed properties. Revenue is recognised when the Group has transferred control of the goods to the customer. This occurs when the goods have been delivered to the customer, the Group cannot require the return or transfer of the goods and the customer has an unconditional obligation to pay for the goods.

The Group has discretion in establishing the price of goods delivered to the customer and the Group is responsible for fulfilling the promise to provide the specified goods.

A receivable is recognised when the goods are delivered, and payment is due in line with each customer's individual credit terms. These terms are all less than one year and as such no element of financing is considered to be present.

Rental income

The Group also includes rent receivable from tenants of its licensed properties within revenue. This income is recognised in the period to which it relates.

Operating segments

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.

Non-underlying[1] items

In order to illustrate the underlying[1] performance of the Group, presentation has been made of performance measures excluding those items which it is considered would distort the comparability of the Group's results. Non-underlying[1] items are defined as those items of income and expense which, because of the size, nature and/or expected infrequency of the events giving rise to them, are considered material, and merit separate presentation to enable users of the financial statements to better understand elements of financial performance in the period, and to facilitate comparison with future and prior periods.

In determining whether an item should be presented as non-underlying[1], the Group considers items which are significant either because of their size or their nature, and which may be non-recurring. For an item to be considered as non-underlying[1], it must initially meet at least one of the following criteria:

- Its size is significant in the context of the element of the results or balance it relates to.
- The nature of the item is outside the normal or core business activities.
- It may span accounting periods but is not expected to recur routinely in future periods.

If an item meets at least one of the criteria, the Group then exercises judgement as to whether the item should be classified as non-underlying[1]. In exercising this judgement, the Group also takes into account consistency with any disclosures in prior periods.

Non-underlying[1] items are one of the matters which involve significant judgement. Items of significant judgement are reviewed by the Board, through the Audit Committee.

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

1 Accounting policies continued

Non-underlying[1] items continued

Details in respect of non-underlying[1] items recognised in the current and prior period are provided in note 4. Significant judgements in respect of the classification of non-underlying[1] items in the current period related to the impairment (reversal) of freehold and leasehold properties, reorganisation, restructuring and relocation costs and the interest rate swap movements. These items were considered to be non-underlying[1] as they were significant items that resulted primarily from movements in external market variables or considerable one-off factors rather than reflecting the underlying[1] trading performance of the Group.

Intangible assets

Intangible assets are carried at cost less accumulated amortisation and any impairment losses. Intangible assets arising on an acquisition are recognised separately from goodwill if the fair value of these assets can be identified separately and measured reliably.

Amortisation is calculated on a straight-line basis over the estimated useful life of the intangible asset. Where the useful life of the asset is considered to be indefinite no annual amortisation is provided but the asset is subject to annual impairment reviews. Impairment reviews are carried out more frequently if events or changes in circumstances indicate that the carrying value of an asset may be impaired. Any impairment of carrying value is charged to the income statement. The useful lives of the Group's intangible assets are:

Computer software	5 to 20 years

Property, plant and equipment

- 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 stated at cost and subsequently at valuation. Leasehold land and buildings and fixtures, fittings, tools and equipment are stated at cost.
- Depreciation is charged to the income statement on a straight-line basis to provide for the cost or valuation of the assets less their residual values over their useful lives.
- Land and buildings are depreciated to their residual values over the lower of the lease term (where applicable) and 50 years.
- Fixtures, fittings, tools and equipment are depreciated over periods ranging from 3 to 15 years.
- Own labour and interest costs directly attributable to capital projects are capitalised.

Residual values and useful lives are reviewed and adjusted if appropriate at each balance sheet date. 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.

Effective freehold land and buildings are revalued by 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 such that all sites are individually inspected every three years. Substantially all of the Group's effective freehold land and buildings have been valued by a third party 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 for determined multiples and unobservable market data for fair maintainable trade. Internal valuations are performed on the same basis.

For effective freehold land and buildings, revaluation losses are charged to the revaluation reserve to the extent that a previous gain has been recorded for that asset, and thereafter to the income statement. Surpluses on revaluation are recognised in the revaluation reserve, except to the extent that they reverse previously charged impairment losses for that asset, in which case the reversal is recorded in the income statement.

The effective freehold property estate is assessed at each reporting date to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. This is consistent with the requirements of IAS 16 'Property, Plant and Equipment'.

Disposals of property, plant and equipment

Profit/loss on disposal of property, plant and equipment represents net sale proceeds less the carrying value of the assets and any associated lease liabilities. Any element of the revaluation reserve relating to the property disposed of is transferred to retained earnings at the date of sale.

Impairment

If there are indications of impairment or reversal of impairment, an assessment is made of the recoverable amount of each significant cash generating unit; these are considered to be the individual trading sites. If there are indications of impairment or reversal of impairment as a result of a gap between the Group's market capitalisation and asset values, an assessment is made of the recoverable amount of the Group as a single cash generating unit; this includes the Group's effective freehold land and buildings and leasehold land and buildings. An impairment loss is recognised where the recoverable amount is lower than the carrying value of assets, including goodwill. The recoverable amount is the higher of value in use and fair value less costs to sell. The impairment loss is recognised in the income statement unless the asset is carried at a revalued amount, in which case the impairment loss is charged to the revaluation reserve to the extent that a previous gain has been recorded, and thereafter to the income statement.

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

1 Accounting policies continued

Impairment continued

Where there is an indication that any previously recognised impairment losses no longer exist or have decreased, a reversal of the loss is made if there has been a change in the estimates used to determine the recoverable amounts since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount only up to the carrying amount that would have resulted, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior periods. The reversal is recognised in the income statement unless the asset is carried at a revalued amount. The reversal of an impairment loss on a revalued asset is recognised in other comprehensive income and increases the revaluation surplus for that asset. However, to the extent that an impairment loss on the same revalued asset was previously recognised in the income statement, the reversal of that impairment loss is recognised in the income statement. The depreciation charge is adjusted in future periods to allocate the asset's revised carrying value, less any residual value, on a systematic basis over its remaining useful life. There is no reversal of impairment losses relating to goodwill.

Leases

At the inception of a contract the Group assesses whether that contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The lease term is determined as the non-cancellable period of a lease together with periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and the periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

The Group has elected not to apply the lessee requirements of IFRS 16 to short-term leases and leases for which the underlying asset is of low value. The lease payments for such leases are recognised as an expense on a straight-line basis over the lease term. For all other leases where it is the lessee the Group recognises a lease liability and a right-of-use asset at the commencement date of the lease.

The lease liability is recognised as the present value of the lease payments discounted using either the interest rate implicit in the lease or, where that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments include variable payments that depend on an index or rate and the exercise price of a purchase option if it is reasonably certain that it will be exercised. The lease liability is subsequently increased to reflect the interest thereon, reduced by the lease payments made and remeasured to reflect any reassessments or lease modifications, such as a change in future lease payments resulting from a change in an index or rate or a change in the lease term.

The right-of-use asset is recognised at an amount equal to the total of the lease liability, any lease payments made at or before the commencement date, any initial direct costs and the estimated future dismantling, removal and site restoration costs. The Group has elected to apply the revaluation model to right-of-use assets relating to the effective freehold land and buildings class of property, plant and equipment. All other right-of-use assets are held under the cost model and subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liability.

For assets where the Group is the lessor, leases are classified as finance leases if 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. Where the Group is an intermediate lessor of an asset, the sublease is classified as a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease rather than the underlying asset.

Income receivable under operating leases is credited to the income statement on a straight-line basis over the term of the lease.

Where a sublease is classified as a finance lease the right-of-use asset is derecognised and the Group recognises a finance lease receivable at an amount equal to the net investment in the lease. The lease payments are discounted at the interest rate implicit in the lease, or where this cannot be readily determined, the discount rate used for the head lease. Finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the net investment in the lease.

Obligations arising from sale and leaseback arrangements with repurchase options that do not fall within the scope of IFRS 16 are classified as other lease related borrowings and accounted for in accordance with IFRS 9 'Financial Instruments'.

Inventories

Inventories are stated at the lower of cost and net realisable value and are valued on a 'first in, first out' basis.

Assets held for sale

Assets, typically properties and related fixtures and fittings, are categorised as held for sale when their value will be recovered through a sale transaction rather than continuing use. This condition is met when the sale is highly probable, the asset is available for immediate sale in its present condition and it is being actively marketed. In addition, the Group must be committed to the sale and completion should be expected to occur within one year from the date of classification. Assets held for sale are valued at the lower of carrying value and fair value less costs to sell. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

1 Accounting policies continued

Financial instruments

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 it has not been designated as at fair value through profit or loss, 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 unless they are designated as part of a hedging relationship. The Group holds no other financial instruments at fair value through profit or loss.

Financial assets at amortised cost

Financial assets at amortised cost comprise finance lease receivables, trade receivables, other receivables, other cash deposits 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, trade payables and other payables. 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 only derivative financial instruments that the Group enters into are interest rate swaps. The purpose of these transactions is to manage the interest rate risk arising from the Group's operations and its sources of finance.

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at their fair value at each balance sheet date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument.

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 the income statement.

Gains or losses arising from changes in the fair value of derivatives which are not designated as part of a hedging relationship are presented in the income statement in the period in which they arise.

At the inception of a hedging transaction, the Group documents the economic relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking the hedging transaction. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

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 income statement. 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 income statement. In assessing whether a forecast transaction is no longer expected to occur, the Group considers a range of factors including Board-approved plans, market conditions and historical actions.

Amounts that have been recognised in other comprehensive income in respect of cash flow hedges are reclassified from equity to profit or loss as a reclassification adjustment in the same period or periods during which the hedged forecast cash flow affects profit or loss.

Finance lease receivables, trade receivables and other receivables

Finance lease receivables are recognised at an amount equal to the net investment in the lease and subsequently measured at amortised cost less provision for impairment.

Trade receivables and other receivables are initially recognised 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 finance lease receivables, trade receivables and other receivables. For finance lease receivables, trade receivables and other receivables 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 loss. As no trade or other receivables contain a significant financing component, for the remaining trade or other receivables the loss allowance is measured as the 12-month expected credit loss unless the credit risk has increased significantly since initial recognition, in which case the lifetime expected credit loss is used. Details of the methodologies used to calculate the expected credit loss for the different groupings of finance lease receivables, trade receivables and other receivables are given in note 25.

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

1 Accounting policies continued

Financial instruments continued

Finance lease receivables, trade receivables and other receivables continued

The carrying amount of finance lease receivables, trade receivables and other receivables is reduced through the use of an allowance account, and the amount of the loss allowance is recognised in the income statement within other operating charges. The Group's policy is to write off finance lease receivables, trade receivables and other receivables 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 operating charges in the income statement.

Other cash deposits

Cash held on deposit with banks with a maturity of more than three months at the date of acquisition is classified within other cash deposits.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits on call with banks. Any bank overdrafts are shown within borrowings in current liabilities. For the purpose of the cash flow statement, cash and cash equivalents are as defined above, net of outstanding bank overdrafts.

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 income statement over the period of the borrowings using the effective interest method.

Preference shares are non-redeemable and are classified as liabilities. The dividends on these preference shares are recognised in the income statement as finance costs.

Borrowing costs are recognised as an expense in the period in which they are incurred, except for interest costs incurred on the financing of major projects, which are capitalised until the time that the projects are available for use.

Trade payables and other payables

Trade payables and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Employee benefits

Pension costs for the Group's defined benefit pension plan are determined by the Projected Unit Credit Method, with actuarial calculations being carried out at each period end date. Costs are recognised in the income statement within net operating expenses and net finance costs/income. The current service cost, past service cost and gains or losses arising from settlements are included within net operating expenses. The net interest on the net defined benefit asset/liability and the administrative expenses paid from plan assets are included within finance income or costs.

Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are recognised in full in the period in which they occur in the statement of comprehensive income. The return on plan assets, excluding amounts included in the net interest on the net defined benefit asset/liability, is also recognised in other comprehensive income.

The asset/liability recognised in the balance sheet for the defined benefit pension plan is the fair value of plan assets less the present value of the defined benefit obligation. Where the fair value of plan assets exceeds the present value of the defined benefit obligation, the Group recognises an asset at the lower of the fair value of plan assets less the present value of the defined benefit obligation, and the present value of any economic benefits available in the form of refunds from the plan. The surplus has been recognised on the basis there is no augmentation of benefits, and the Group is able to obtain a refund on the assumption of gradual settlement of the plan liabilities over time until the point that there are no members left. On this basis, any net surplus is recognised in full. The tax on the surplus has been recognised as a deferred tax liability on the basis that the surplus represents a taxable temporary difference, which will give rise to future taxable income when the underlying asset is recovered.

Should contributions payable under a minimum funding requirement not be available as a refund or reduction in future contributions after they are paid into the plan, a liability would be recognised to this extent when the obligation arose.

Pension costs for the Group's defined contribution pension plans are charged to the income statement in the period in which they arise.

Post-retirement medical benefits are accounted for in an identical way to the Group's defined benefit pension plan.

Key management personnel

Key management personnel are those who have authority and responsibility for planning, directing and controlling the activities of the Group. In the case of Marston's PLC, the key management personnel are the Directors of the Group and as such the Directors are related parties of the Group.

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

1 Accounting policies continued

Current and deferred tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date and is measured at the amount expected to be paid to, or recovered from, the tax authorities.

Deferred tax is provided in full, using the liability method, on all differences that have originated but not reversed by the balance sheet date, and which give rise to an obligation to pay more or less tax in the future. Differences are defined as the differences between the carrying value of assets and liabilities and their tax base.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the assets can be utilised. Deferred tax is calculated using tax rates that are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Provisions

Provisions are recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

These provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation for which the estimates of future cash flows have not been adjusted.

Share-based payments

The fair value of share-based remuneration at the date of grant is calculated using the Black-Scholes option-pricing model and charged to the income statement on a straight-line basis over the vesting period of the award. The charge to the income statement takes account of the estimated number of shares that will vest.

Non-vesting conditions are considered when determining the fair value of the Group's share-based payments, and all cancellations of share-based payments, whether by the Group or by employees, are accounted for in an identical manner with any costs unrecognised at the date of cancellation being immediately accelerated.

Own shares

Own shares comprise treasury shares, and shares held on trust for employee share schemes, which are used for the issuing of shares to applicable employees. Own shares are recognised at cost as a deduction from shareholders' equity. Subsequent consideration received for the sale of such shares is also recognised in equity, with any difference between the sale proceeds and the original cost being taken to equity. No income or expense is recognised in the performance statements on own share transactions.

Dividends

Dividends proposed by the Board but unpaid at the period end are recognised in the financial statements when they have been approved by the shareholders. Interim dividends are recognised when paid.

Transactions and balance sheet items in a foreign currency

Transactions in a foreign currency are translated to sterling using the exchange rate at the date of the transaction. Monetary receivables and payables are remeasured at closing day rates at each balance sheet date. Exchange gains or losses that arise from such remeasurement and on settlement of the transaction are recognised in the income statement. Translation differences for non-monetary assets valued at fair value through profit or loss are reported as part of the fair value gain or loss. Gains or losses on disposal of non-monetary assets are recognised in the income statement.

Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the results are presented separately in the consolidated financial statements and the comparative income statement is restated as if the operation had been discontinued from the start of the comparative period.

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. Further details are provided in the relevant accounting policy or detailed note to the financial statements.

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 in the current and prior periods:

Non-underlying[1] items

- Determination of items to be classified as non-underlying[1] (note 4).

Discontinued operations

- Determination of income from associates representing a separate major line of business resulting in the classification as a discontinued operation (note 8).

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

1 Accounting policies continued

Key estimates and significant judgements continued

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 (note 11).

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 (note 15).

Financial instruments

- Valuation and accounting treatment of derivative financial instruments (note 25).

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 Revenue and net operating expenses

Revenue	2025 £m	2024 £m
Sales from managed and pub partnership sites	**871.9**	864.6
Wholesale sales	**19.9**	26.2
Revenue from contracts with customers	**891.8**	890.8
Rental income	**6.1**	7.8
Total revenue	**897.9**	898.6

Net operating expenses	2025 £m	2024 £m
Change in stocks of finished goods	**0.7**	0.3
Own work capitalised	**(1.3)**	–
Other operating income	**(8.2)**	(4.4)
Raw materials and consumables	**212.4**	222.6
Depreciation of property, plant and equipment	**40.3**	40.0
Amortisation of intangible assets	**4.9**	5.3
Employee costs	**202.5**	209.6
Net impairment reversal of freehold and leasehold properties	**(23.1)**	(5.9)
Other operating charges	**290.0**	279.4
Net operating expenses	**718.2**	746.9

Other operating charges primarily relate to pub overheads, administration costs and expenditure in relation to pub partnership agreements.

The amounts included in the line items above which have been classified as non-underlying[1] are as follows:

	2025 £m	2024 £m
Employee costs	**3.0**	0.8
Net impairment reversal of freehold and leasehold properties	**(23.1)**	(5.9)
Other operating charges	**0.3**	0.6
	(19.8)	(4.5)

Fees payable to the Company's Auditor were as follows:

RSM UK Audit LLP fees	2025 £m	2024 £m
Fees payable to the Company's Auditor for the audit of the Company's annual accounts	**0.4**	0.5
Fees payable to the Company's Auditor for other services to the Group:		
The audit of the Company's subsidiaries	**0.3**	0.3
Audit-related assurance services	**0.1**	–
	0.8	0.8

Audit-related assurance services in respect of lender reporting amounted to £22,500 (2024: £22,500). Audit-related assurance services in respect of the interim review amounted to £95,000 (2024: £nil).

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

4 Non-underlying[1] items

	2025 £m	2024 £m
Non-underlying[1] operating items from continuing operations		
Net impairment reversal of freehold and leasehold properties and other operating charges	**(22.9)**	(5.7)
Reorganisation, restructuring and relocation costs and other operating charges	**3.1**	0.7
Duplication costs	**–**	0.5
	(19.8)	(4.5)
Non-underlying[1] non-operating items from continuing operations		
Interest rate swap movements	**3.6**	32.2
	3.6	32.2
Total non-underlying[1] items from continuing operations	**(16.2)**	27.7
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	**(16.2)**	64.2

Net impairment reversal of freehold and leasehold properties and other operating charges

At 29 June 2025 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:

	2025 £m	2024 £m
Impairment of property, plant and equipment (note 11)	**30.7**	37.4
Reversal of past impairment of property, plant and equipment (note 11)	**(54.0)**	(43.4)
Impairment of assets held for sale (note 19)	**0.2**	0.1
Valuation fees	**0.2**	0.2
	(22.9)	(5.7)

Reorganisation, restructuring and relocation costs and other operating charges

As previously reported during the interim results for the 26 weeks ended 29 March 2025, during the current period the Group commenced a programme to align and resource teams against the Group's strategic priorities and reduce cost for future resilience of the business. The costs identified as non-underlying in the current period are one-off headcount-related costs which are expected to be short-term in nature. The cost of implementing this programme in the current period was £3.1 million (2024: £nil), of which £2.0 million was incurred in the first half of the current period. This is a cash cost of which £2.5 million was paid in the current period and £0.6 million will be paid in the subsequent period. The cost has been recorded within non-underlying items in the income statement based on its significance, nature, expected infrequency and consistency with treatment of similar historical programmes.

During the prior period, the Group completed the implementation of an operational programme to simplify the business and drive efficiencies. The cost of this programme in the prior period was £0.7 million.

Interest rate swap movements

The Group's interest rate swaps are revalued to fair value at each balance sheet date. These fair value gains/losses have been recognised in the hedging reserve or the income statement as appropriate. Reclassifications within the income statement and/or with the hedging reserve have also been made as required.

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

4 Non-underlying[1] items continued

Interest rate swap movements continued

	52 weeks to 27 September 2025			52 weeks to 28 September 2024		
	Hedging reserve £m	**Underlying[1] net finance costs £m**	**Non-underlying[1] interest rate swap movements £m**	Hedging reserve £m	Underlying[1] net finance costs £m	Non-underlying[1] interest rate swap movements £m
Interest rate swaps designated as part of a hedging relationship:						
Effective portion						
(Gain)/loss on change in fair value	**(1.9)**	**–**	**–**	2.8	–	–
Reclassification in respect of cash received	**0.1**	**(0.1)**	**–**	0.4	(0.4)	–
	(1.8)	**(0.1)**	**–**	3.2	(0.4)	–
Ineffective portion						
Loss on change in fair value	**–**	**–**	**0.6**	–	–	0.2
Reclassification in respect of cash paid	**–**	**0.6**	**(0.6)**	–	1.2	(1.2)
	–	**0.6**	**–**	–	1.2	(1.0)
Interest rate swaps not designated as part of a hedging relationship:						
(Gain)/loss on change in fair value	**–**	**–**	**(3.1)**	–	–	18.2
Reclassification in respect of cash paid/received	**–**	**0.2**	**(0.2)**	–	(7.0)	7.0
	–	**0.2**	**(3.3)**	–	(7.0)	25.2
Reclassification in respect of discontinued cash flow hedges	**(6.9)**	**–**	**6.9**	(8.0)	–	8.0
	(6.9)	**–**	**6.9**	(8.0)	–	8.0
Total interest rate swap movements	**(8.7)**	**0.7**	**3.6**	(4.8)	(6.2)	32.2

A loss of £0.6 million (2024: £0.2 million) on the ineffective portion of the fair value movement of interest rate swaps designated as part of a hedging relationship and a fair value gain of £3.1 million (2024: loss of £18.2 million) on interest rate swaps not designated as part of a hedging relationship have also been recognised within non-underlying[1] items in the income statement.

Cash paid of £0.6 million (2024: £1.2 million) in respect of interest rate swaps designated as part of a hedging relationship and cash paid of £0.2 million (2024: received of £7.0 million) in respect of interest rate swaps not designated as part of a hedging relationship were reclassified from non-underlying[1] items to underlying[1] net finance costs to ensure that underlying[1] net finance costs reflect the fixed rate paid on the associated debt.

Finally, £6.9 million (2024: £8.0 million) of the balance remaining in the hedging reserve in respect of discontinued cash flow hedges has been reclassified as charge to the income statement within non-underlying[1] items.

The treatment of the amounts as non-underlying[1] has been made based on their significance, nature and consistency with previous classification. Unless specified, the movements have no cash impact.

Prior period non-underlying[1] items

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 prior 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.

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 prior period in relation to some of the ale brands that it held. The ale category had 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 was material in the context of both the Group's total results and the underlying[1] loss from associates of £0.5 million. The resulting brand impairment, which had no cash impact, was recorded within non-underlying[1] items in the income statement based on its significance, 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 prior period in relation to a specific porterage contract that it held. The significant cost inflation experienced from the cost-of-living crisis, alongside the increases in distribution costs over and above what was reasonably anticipated, led to an acute and short-term (rather than business-as-usual) environment of cost inflation which required an onerous provision to be recorded for this specific contract. The onerous contract provision of £2.6 million was material in the context of the underlying[1] loss from associates of £0.5 million. The resulting onerous contract provision, which had no cash impact, was recorded within non-underlying[1] items in the income statement based on its significance, nature and expected infrequency.

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

4 Non-underlying[1] items continued

Prior period non-underlying[1] items continued

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 (note 12). The remaining difference between the newly impaired carrying value of the investment and the net disposal proceeds represented a loss on disposal of £11.9 million (note 12).

These costs were recorded within non-underlying 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 £0.5 million (2024: £0.1 million). The deferred tax credit relating to the above non-underlying[1] items amounts to £1.1 million (2024: £12.0 million).

5 Employees

Employee costs	2025 £m	2024 £m
Wages and salaries	**173.2**	185.8
Social security costs	**18.0**	14.6
Pension costs	**6.5**	6.4
Share-based payments	**1.8**	2.0
Termination benefits	**3.0**	0.8
Employee costs for continuing operations	**202.5**	209.6

A non-underlying[1] charge of £3.0 million (2024: £0.8 million) is included in employee costs in the current period.

Average monthly number of employees	2025 Number	2024 Number
Bar staff	**7,961**	9,228
Management and administration	**1,056**	1,134

Key management personnel compensation	2025 £m	2024 £m
Short-term employee benefits	**2.1**	2.3
Share-based payments	**0.2**	0.6
Termination benefits	**–**	0.2
	2.3	3.1

Key management personnel have been defined as the Board of Marston's PLC, including the Executive Directors. Members of the Board are set out on pages 29 and 30 of the Annual Report and Accounts 2025. Details of remuneration for Directors, including the highest paid Director, are presented in the Annual Report on Remuneration on pages 47 to 53.

6 Finance costs and income

	2025 £m	2024 £m
Finance costs		
Bank borrowings	**11.9**	25.4
Securitised debt	**34.8**	35.3
Lease liabilities	**19.0**	19.2
Other lease related borrowings	**23.3**	22.9
Other interest payable and similar charges	**1.0**	3.7
Total finance costs	**90.0**	106.5
Finance income		
Finance lease and other interest receivable	**(2.2)**	(1.4)
Total finance income	**(2.2)**	(1.4)
Interest rate swap movements		
Hedge ineffectiveness on cash flow hedges (net of cash paid)	**–**	(1.0)
Change in carrying value of interest rate swaps	**(3.3)**	25.2
Transfer of hedging reserve balance in respect of discontinued hedges	**6.9**	8.0
	3.6	32.2
Net finance costs for continuing operations	**91.4**	137.3

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

7 Taxation

Income statement	2025 £m	2024 £m
Current tax		
Current period	**6.7**	4.6
Adjustments in respect of prior periods	**0.2**	–
Credit in respect of tax on non-underlying[1] items	**(0.5)**	(0.1)
	6.4	4.5
Deferred tax		
Current period	**12.4**	5.2
Adjustments in respect of prior periods	**(1.0)**	(0.8)
Credit in respect of tax on non-underlying[1] items	**(1.1)**	(12.0)
	10.3	(7.6)
Taxation charge/(credit) reported in the income statement from continuing operations	**16.7**	(3.1)

Statement of comprehensive income	2025 £m	2024 £m
Remeasurement of retirement benefits	**0.4**	(1.7)
Impairment and revaluation of properties	**15.8**	9.8
Hedging reserve movements	**2.2**	1.2
Taxation charge reported in the statement of comprehensive income	**18.4**	9.3

A taxation credit in relation to tax on share-based payments of £0.2 million (2024: £0.1 million) has been recognised directly in equity.

The actual tax rate for the period is lower (2024: lower) than the standard rate of corporation tax of 25% (2024: 25%). The differences are explained below:

Tax reconciliation	2025 £m	2024 £m
Profit before tax from continuing operations	**88.3**	14.4
Profit before tax multiplied by the corporation tax rate of 25% (2024: 25%)	**22.1**	3.6
Effect of:		
Adjustments in respect of prior periods	**(0.8)**	(0.8)
Recognition of capital losses not previously recognised	**(5.4)**	(5.4)
Non-qualifying depreciation	**1.4**	1.3
Property items taxed on a different basis to accounting entries	**(0.2)**	(1.1)
Costs not deductible for tax purposes	**0.3**	0.1
Other amounts on which tax relief is available	**(0.7)**	(0.8)
Taxation charge/(credit) for continuing operations	**16.7**	(3.1)

In December 2021, the Organisation for Economic Co-operation and Development (OECD) published the Pillar Two model rules to introduce a global minimum effective tax rate of 15%, under its 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.

Based on its assessment of the trading results, the Group anticipates that it will benefit from the transitional safe harbour rules and does not expect to pay any Pillar Two top-up tax in respect of the 52 weeks ended 27 September 2025.

The Group has applied the exemption under the IAS 12 'Income Taxes' amendment for recognising and disclosing information about deferred tax assets and liabilities relating to Pillar Two income taxes.

8 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.

Results of discontinued operations

	2025			2024		
	Underlying[1] £m	Non-underlying[1] (note 4) £m	Total £m	Underlying[1] £m	Non-underlying[1] (note 4) £m	Total £m
Revenue	–	–	–	–	–	–
Net operating expenses	–	–	–	–	–	–
Income/(loss) from associates	–	–	–	0.5	(16.6)	(16.1)
Operating profit/(loss)	–	–	–	0.5	(16.6)	(16.1)
Net finance costs	–	–	–	–	–	–
Profit/(loss) before taxation	–	–	–	0.5	(16.6)	(16.1)
Taxation	–	–	–	–	–	–
Profit/(loss) for the period after taxation	–	–	–	0.5	(16.6)	(16.1)
Impairment of investment in associate	–	–	–	–	(8.0)	(8.0)
Loss on disposal of associate	–	–	–	–	(11.9)	(11.9)
Profit/(loss) from discontinued operations	–	–	–	0.5	(36.5)	(36.0)

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

8 Discontinued operations continued

Results of discontinued operations continued

Non-underlying[1] operating items in the prior 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.

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

Cash flows from discontinued operations

	2025 £m	2024 £m
Net cash inflow from operating activities	–	13.8
Net cash (outflow)/inflow from investing activities	(2.8)	205.5
Net cash inflow from financing activities	–	–
Net (decrease)/increase in cash and cash equivalents	(2.8)	219.3

The net cash outflow in the current period of £2.8 million relates to professional fees associated with the disposal of the Group's 40% interest in Carlsberg Marston's Limited.

9 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 (note 29).

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 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.

	2025		2024	
	Earnings £m	Per share amount p	Earnings £m	Per share amount p
Basic earnings/(loss) per share				
Total	71.6	11.3	(18.5)	(2.9)
Continuing	71.6	11.3	17.5	2.8
Discontinued	–	–	(36.0)	(5.7)
Diluted earnings/(loss) per share				
Total	71.6	11.1	(18.5)	(2.8)
Continuing	71.6	11.1	17.5	2.7
Discontinued	–	–	(36.0)	(5.5)
Underlying[1] earnings per share figures				
Basic underlying[1] earnings per share				
Total	53.8	8.5	33.6	5.3
Continuing	53.8	8.5	33.1	5.2
Discontinued	–	–	0.5	0.1
Diluted underlying[1] earnings per share				
Total	53.8	8.3	33.6	5.1
Continuing	53.8	8.3	33.1	5.0
Discontinued	–	–	0.5	0.1

	2025 m	2024 m
Basic weighted average number of shares	633.2	633.5
Dilutive potential ordinary shares	11.9	23.0
Diluted weighted average number of shares	645.1	656.5

Notes to the Group financial statements continued
For the 52 weeks ended 27 September 2025

10 Goodwill and other intangible assets
Goodwill
Goodwill of £201.7 million was fully impaired in prior accounting periods and had a net book amount of £nil as at 27 September 2025 and 28 September 2024.

Other intangible assets

	Computer software £m
Cost	
At 29 September 2024	51.6
Additions	2.5
Net transfers to assets held for sale and disposals	(3.5)
At 27 September 2025	**50.6**
Amortisation	
At 29 September 2024	22.3
Charge for the period	4.9
Net transfers to assets held for sale and disposals	(3.5)
At 27 September 2025	**23.7**
Net book amount at 28 September 2024	29.3
Net book amount at 27 September 2025	**26.9**

	Computer software £m
Cost	
At 1 October 2023	50.7
Additions	1.9
Net transfers to assets held for sale and disposals	(1.0)
At 28 September 2024	51.6
Amortisation	
At 1 October 2023	17.8
Charge for the period	5.3
Net transfers to assets held for sale and disposals	(0.8)
At 28 September 2024	22.3
Net book amount at 30 September 2023	32.9
Net book amount at 28 September 2024	29.3

11 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 29 September 2024	1,661.7	430.0	276.1	2,367.8
Additions	31.5	14.2	19.0	64.7
Disposals	(2.7)	(5.3)	(21.9)	(29.9)
Revaluation	96.3	–	–	96.3
At 27 September 2025	**1,786.8**	**438.9**	**273.2**	**2,498.9**
Depreciation and impairment reversal				
At 29 September 2024	–	149.0	149.8	298.8
Charge for the period	–	14.2	26.1	40.3
Disposals	–	(2.0)	(21.3)	(23.3)
Impairment	–	1.8	–	1.8
At 27 September 2025	**–**	**163.0**	**154.6**	**317.6**
Net book amount at 28 September 2024	1,661.7	281.0	126.3	2,069.0
Net book amount at 27 September 2025	**1,786.8**	**275.9**	**118.6**	**2,181.3**

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

11 Property, plant and equipment continued

	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 and impairment				
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

The net book amount of land and buildings is split as follows:

	2025 £m	2024 £m
Freehold land and buildings	**1,591.2**	1,485.4
Leasehold land and buildings with a term greater than 100 years at acquisition/commencement	**195.6**	176.3
Leasehold land and buildings with a term less than 100 years at acquisition/commencement	**275.9**	281.0
	2,062.7	1,942.7

If the effective freehold land and buildings had not been revalued, the historical cost net book amount would be £1,193.6 million (2024: £1,138.9 million).

Cost at 27 September 2025 includes £1.2 million (2024: £1.8 million) of assets in the course of construction.

The net profit on disposal of property, plant and equipment, intangible assets and properties classified as held for sale was £0.6 million (2024: loss of £3.3 million).

Capital expenditure authorised and committed at the period end but not provided for in the financial statements was £2.7 million (2024: £1.0 million).

The net book amount of effective freehold land and buildings held as part of sale and leaseback arrangements that do not fall within the scope of IFRS 16 'Leases' was £297.9 million (2024: £267.7 million).

The disaggregation of land and buildings into assets leased to tenants under operating leases and those held and used by the Group is as follows:

	2025			2024		
Effective freehold land and buildings	**Leased to tenants £m**	**Used by the Group £m**	**Total £m**	Leased to tenants £m	Used by the Group £m	Total £m
Cost or valuation	**103.6**	**1,683.2**	**1,786.8**	124.0	1,537.7	1,661.7
Depreciation	**–**	**–**	**–**	–	–	–
Net book amount	**103.6**	**1,683.2**	**1,786.8**	124.0	1,537.7	1,661.7

	2025			2024		
Leasehold land and buildings	**Leased to tenants £m**	**Used by the Group £m**	**Total £m**	Leased to tenants £m	Used by the Group £m	Total £m
Cost	**20.6**	**418.3**	**438.9**	19.7	410.3	430.0
Depreciation	**(10.7)**	**(152.3)**	**(163.0)**	(8.5)	(140.5)	(149.0)
Net book amount	**9.9**	**266.0**	**275.9**	11.2	269.8	281.0

The services provided to the tenants are considered to be significant to the arrangement as a whole such that the properties do not qualify as investment properties under IAS 40 'Investment Property'.

Revaluation/impairment

At 29 June 2025 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.

	2025 £m	2024 £m
Income statement		
Impairment	**(30.7)**	(37.4)
Reversal of past impairment	**54.0**	43.4
	23.3	6.0
Revaluation reserve		
Unrealised revaluation surplus	**109.8**	80.8
Reversal of past revaluation surplus	**(38.6)**	(39.8)
	71.2	41.0
Net increase in shareholders' equity/property, plant and equipment	**94.5**	47.0

Notes to the Group financial statements continued
For the 52 weeks ended 27 September 2025

11 Property, plant and equipment continued
Fair value of effective freehold land and buildings
IFRS 13 'Fair Value Measurement' requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the measurements, according to the following levels:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – inputs for the asset or liability that are not based on observable market data.

The tables below show the level in the fair value hierarchy into which the fair value measurements of effective freehold land and buildings have been categorised:

Recurring fair value measurements	2025 Level 1 £m	2025 Level 2 £m	2025 Level 3 £m	2025 Total £m
Effective freehold land and buildings	**–**	**–**	**1,786.8**	**1,786.8**

Recurring fair value measurements	2024 Level 1 £m	2024 Level 2 £m	2024 Level 3 £m	2024 Total £m
Effective freehold land and buildings	–	–	1,661.7	1,661.7

There are two inputs to the fair value measurement of the public house assets, being the fair maintainable trade (an unobservable Level 3 input) and the multiple applied (an indirectly observable Level 2 input). It is considered that the unobservable Level 3 input for the fair maintainable trade is a significant input to the valuation and as such Level 3 is considered to be the most appropriate categorisation for these fair value measurements. There were no transfers between categories during the current or prior period.

The number of effective freehold properties that have been valued within each fair maintainable trade (FMT) band of income is as follows:

27 September 2025	Valuation multiple applied to FMT ≤ 8	8-9	9-10	10-11	> 11	Total
Number of pubs in each FMT band of income:						
< £100k p.a.	**42**	**156**	**147**	**1**	**1**	**347**
£100k – £200k p.a.	**21**	**180**	**185**	**10**	**–**	**396**
> £200k p.a.	**1**	**82**	**233**	**41**	**–**	**357**
	64	**418**	**565**	**52**	**1**	**1,100**

28 September 2024	Valuation multiple applied to FMT ≤ 8	8-9	9-10	10-11	> 11	Total
Number of pubs in each FMT band of income:						
< £100k p.a.	18	96	240	24	5	383
£100k – £200k p.a.	8	113	237	58	2	418
> £200k p.a.	–	27	160	119	1	307
	26	236	637	201	8	1,108

A reasonably possible increase of 10% in the multiple would increase the fair value by £186.1 million and a reasonably possible decrease of 10% in the multiple would decrease the fair value by £186.1 million. A reasonably possible increase of 10% in the fair maintainable trade would increase the fair value by £186.1 million and a reasonably possible decrease of 10% in the fair maintainable trade would decrease the fair value by £186.1 million. These are based on the top ends of observable multiples achieved in the market and historical movements in the average fair maintainable trade.

Fair maintainable trade is a measure of sustainable trading performance which focuses on medium to long term trends. Short term fluctuations in trading results may not be fully reflected in fair maintainable trade until they are demonstrated to be continuing in nature.

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 29 June 2025. 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 29 June 2025 does not differ materially from that which would have been determined using fair value as at 27 September 2025.

Level 3 recurring fair value measurements	2025 £m	2024 £m
At beginning of the period	**1,661.7**	1,645.1
Additions	**31.5**	17.2
Disposals	**(2.7)**	(44.7)
Net transfers to assets held for sale	**–**	(1.2)
Revaluation gains and losses recognised in profit or loss	**25.1**	4.3
Revaluation gains and losses recognised in other comprehensive income	**71.2**	41.0
At end of the period	**1,786.8**	1,661.7

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

11 Property, plant and equipment continued

Fair value of effective freehold land and buildings continued

Revaluation gains and losses recognised in profit or loss in respect of Level 3 recurring fair value measurements are included within net operating expenses in the income statement and comprise net unrealised gains of £25.5 million (2024: £5.7 million) and net realised losses of £0.4 million (2024: £1.4 million).

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 11.9% (2024: 12.2%) and a long-term growth rate of 2.0% (2024: 2.0%). No adjustment has been made in the current or prior 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 10% then there would be a £1.5 million increase in the impairment recognised. If the pre-tax discount rate were to increase by 0.5% it would increase the impairment by £0.4 million. If the long-term growth rate were to decrease by 0.5% it would increase the impairment by £0.6 million.

Market capitalisation

Uncertainty during recent financial periods, including the cost-of-living crisis, short-term inflationary pressures and limited growth, has negatively impacted the Company's share price. This share price suppression has resulted in a gap between the Group's market capitalisation and asset values. The Group has performed an assessment to bridge the gap between the Group's market capitalisation and asset values and therefore to determine whether further impairment considerations are required in relation to the Group's material assets, property, plant and equipment. The assessment includes centrally held assets that do not generate independent cash flows. An enterprise value has been calculated to support the asset value of the Group. Additionally, the value in use was calculated which was based on a pre-tax discount rate of 9.8% (2024: 10.7%), cash flow projections from the Group's base case going concern forecast in the short-term, and a long-term growth rate of 2.0% (2024: 2.0%). No adjustment has been made in the current or prior 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. The recoverable amount adopted in this assessment was the higher of the enterprise value and the value in use of the Group. This assessment indicated that there was sufficient headroom between the asset values and the recoverable amount of the Group. No reasonably possible change in the assumptions used in this assessment would have resulted in a change to the Group's asset values. Sensitivities in the values of the Group's property, plant and equipment are disclosed above.

12 Interests in associates

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. Carlsberg Marston's Limited remains the sole supplier of drinks to the Group. The principal place of business of Carlsberg Marston's Limited is the UK.

The tables below summarise the financial information of Carlsberg Marston's Limited as included in its own financial statements for the period from 1 October 2023 to 31 July 2024, adjusting for differences in accounting policies.

	2024 £m
Non-current assets	287.9
Current assets	359.7
Current liabilities	(461.6)
Non-current liabilities	(137.7)
Net assets	48.3
Group's share of net assets (40%)	19.3
Goodwill	203.9
Elimination of unrealised profit on upstream sales	(0.7)
Carrying amount of interest in associates as at 31 July 2024	222.5

	2024 £m
Revenue	790.6
Loss from continuing operations	(39.9)
Other comprehensive expense	(0.3)
Total comprehensive expense	(40.2)
Group's share of loss from continuing operations (40%)	(16.0)
Elimination of unrealised profit on upstream sales	(0.1)
Loss from associates recognised in the income statement	(16.1)
Group's share of other comprehensive expense (40%)	(0.1)
Group's share of total comprehensive expense	(16.2)

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

12 Interests in associates continued

A reconciliation of the movement in the carrying amount of the interest in associates is as follows:

	£m
Carrying amount of interest in associates as at 1 October 2023	250.9
Loss from associates	(16.1)
Other comprehensive expense of associates	(0.1)
Changes in equity of associates	1.6
Dividends from associates	(13.8)
Carrying amount of interest in associates as at 31 July 2024 before impairment	222.5
Impairment of associates	(8.0)
Carrying amount of interest in associates as at 31 July 2024 prior to disposal	214.5

Impairment indicators in respect of the carrying value of the investment immediately prior to disposal were identified, which included the net disposal proceeds being less than the carrying value of the investment. Other circumstances considered that were key to the impairment assessment included:

- a further decline to cask ale volume projections from those considered in the impairment recognised in the results for the 26 weeks ended 30 March 2024;
- the long-term exclusive licensed production and distribution agreement between Mahou San Miguel and Carlsberg Marston's Limited ending on 31 December 2024 (announced 2 July 2024); and
- Carlsberg Marston's Limited's planned rationalisation of the UK brewery network resulting in the announcement of the closure of the Banks's brewery.

In the prior period the Group recognised an impairment to the carrying value of the investment immediately prior to disposal of £8.0 million. The amount of the impairment in this case was a judgemental matter due to the circumstances at hand, including inherent uncertainty over the future cash flows of Carlsberg Marston's Limited. The impairment was disclosed as a key source of estimation uncertainty.

The remaining difference between the newly impaired carrying value of the investment and the net disposal proceeds represented a loss on disposal of £11.9 million.

Details of related party transactions with Carlsberg Marston's Limited from 1 October 2023 to 31 July 2024 are as follows:

	2024 £m
Purchase of goods	(146.2)
Dividends from associate	13.8

Carlsberg Marston's Limited ceased to be a related party of the Group on 31 July 2024.

13 Other non-current assets

	2025 £m	2024 £m
Finance lease receivables	**14.7**	14.4

Further detail regarding the impairment of finance lease receivables is provided in note 25.

14 Subsidiary undertakings

Details of the Group's subsidiary undertakings are provided in note 6 to the Company financial statements.

15 Retirement benefits

During the period the Group contributed to a funded defined benefit pension plan and a number of defined contribution pension plans. These plans are considered to be related parties of the Group.

Defined contribution plans

Pension costs for defined contribution plans are as follows:

	2025 £m	2024 £m
Defined contribution plans	**6.5**	6.4

Defined benefit plan

The Marston's PLC Pension and Life Assurance Scheme is a final salary pension plan which provides benefits to members in the form of a guaranteed level of pension payable for life. The plan closed to future accrual on 30 September 2014 and the link to future salary increases was also removed.

The plan operates under the UK regulatory framework and is governed by a board of Trustees composed of plan participants and representatives of the Group. The Trustees make investment decisions and set the required contribution rates based on independent actuarial advice.

The key risks to which the plan exposes the Group are as follows:

Volatility of plan assets

Assets held by the plan are invested in a diversified portfolio of pooled investments, bonds and other assets. Volatility in asset values will lead to movements in the net defined benefit asset/liability reported in the balance sheet as well as movements in the net interest on the net defined benefit asset/liability reported in the income statement.

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

15 Retirement benefits continued

Defined benefit plan continued

Changes in bond yields

Corporate bond yields are used to determine the plan's defined benefit obligation. Lower yields will lead to an increased defined benefit obligation. Increases in the defined benefit obligation will be partly offset by an increase in the value of government and corporate bonds held by the plan.

Inflation risk

A large proportion of the plan's obligations are linked to inflation. Higher inflation will lead to an increased defined benefit obligation. Increases in the defined benefit obligation will be partly offset by an increase in inflation-linked assets held by the plan.

Changes in life expectancy

An increase in the life expectancy of members will result in benefits being paid out for longer, leading to an increase in the defined benefit obligation.

The movements in the fair value of plan assets and the present value of the defined benefit obligation during the period were:

	Fair value of plan assets		Present value of defined benefit obligation		Net surplus	
	2025 £m	2024 £m	**2025 £m**	2024 £m	**2025 £m**	2024 £m
At beginning of the period	**362.2**	344.7	**(349.1)**	(331.8)	**13.1**	12.9
Interest income/(expense)	**17.7**	19.0	**(17.0)**	(18.1)	**0.7**	0.9
Remeasurements:						
Return on plan assets (excluding interest income)	**(28.2)**	12.0	**–**	–	**(28.2)**	12.0
Effect of changes in financial assumptions	**–**	–	**30.8**	(20.3)	**30.8**	(20.3)
Effect of changes in demographic assumptions	**–**	–	**1.2**	1.0	**1.2**	1.0
Effect of experience adjustments	**–**	–	**(2.3)**	0.5	**(2.3)**	0.5
Cash flows:						
Employer contributions	**1.6**	7.5	**–**	–	**1.6**	7.5
Administrative expenses paid from plan assets	**(1.5)**	(1.4)	**–**	–	**(1.5)**	(1.4)
Benefits paid	**(25.9)**	(19.6)	**25.9**	19.6	**–**	–
At end of the period	**325.9**	362.2	**(310.5)**	(349.1)	**15.4**	13.1

Pension costs recognised in the income statement

A credit of £0.7 million (2024: £0.9 million) comprising the net interest on the net defined benefit asset/liability is included within finance costs and a charge of £1.5 million (2024: £1.4 million) comprising the administrative expenses paid from plan assets is included within finance costs.

Recognition of net defined benefit asset

The Group has the ability to recognise a pension surplus from the defined benefit pension plan (measured under IAS 19 'Employee Benefits') in the current period as the Scheme Rules provide the Group with an unconditional right to a refund of a surplus once the last benefit has been paid to the last scheme member.

It is considered that contributions payable under a minimum funding requirement would be available as a refund. As such where the fair value of plan assets exceeds the present value of the defined benefit obligation, the Group recognises an asset at the fair value of plan assets less the present value of the defined benefit obligation.

Pension costs are assessed in accordance with the advice of independent, professionally qualified actuaries. An updated actuarial valuation of the plan was performed by Mercer as at 27 September 2025 for the purposes of IAS 19. The principal assumptions made by the actuaries were:

	2025	2024
Discount rate	**5.9%**	5.0%
Rate of increase in pensions – 5% LPI	**2.8%**	2.9%
Rate of increase in pensions – 2.5% LPI	**1.9%**	2.0%
Inflation assumption (RPI)	**2.9%**	3.1%
Inflation assumption (CPI)	**2.5%**	2.5%
Employed deferred revaluation	**2.5%**	2.5%
Life expectancy for deferred members from age 65 (years)		
Male	**22.6**	22.4
Female	**25.1**	25.0
Life expectancy for current non-insured pensioners from age 65 (years)		
Male	**20.6**	20.4
Female	**23.1**	23.1
Life expectancy for current insured pensioners from age 65 (years)		
Male	**21.4**	21.3
Female	**23.5**	23.5

The Marston's PLC Pension and Life Assurance Scheme uses Liability Driven Investment strategies (LDIs) which use a combination of gilts, cash and derivatives to hedge long-term interest and inflation risks.

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

15 Retirement benefits continued

Recognition of net defined benefit asset continued

The sensitivity of the defined benefit obligation to changes in the principal actuarial assumptions is:

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	Decrease obligation by 4.8%	Increase obligation by 5.2%
Inflation assumption	0.25%	Increase obligation by 1.1%	Decrease obligation by 1.1%
Life expectancy	1 year	Increase obligation by 3.1%	Decrease obligation by 3.1%

The above sensitivity analyses have been determined by changing one assumption while holding all other assumptions constant. The calculations are approximate in nature and full detailed calculations could lead to a different result. In practice, interrelationships exist between the assumptions, particularly between the discount rate and price inflation. The stand-alone sensitivity analyses noted above do not consider the effect of these interrelationships. Any movements in obligations arising from assumption changes are likely to be accompanied by movements in asset values, and so the impact on the net defined benefit asset/liability may be different to the impact on the obligation calculated by the sensitivity analyses.

When calculating the above sensitivities the same method has been applied as when calculating the net defined benefit asset/liability in the balance sheet i.e., the present value of the defined benefit obligation calculated using the Projected Unit Credit Method.

Plan assets	2025 £m	2024 £m
Bonds/gilts	**135.8**	149.7
Cash/pooled investments	**47.0**	52.4
Buy-in policies (matching annuities)	**143.1**	160.1
	325.9	362.2

The Group's balance sheet date of 27 September 2025 is a Saturday and, accordingly, the fair values of plan assets have been calculated as at 26 September 2025. There were no significant transactions between the respective reporting dates.

The plan holds £158.9 million (2024: £175.7 million) of quoted assets in the nature of bonds, gilts and pooled investments which are traded in active markets primarily with BlackRock and Insight. The plan also holds £23.9 million (2024: £26.4 million) of unquoted assets in the nature of cash, bonds, gilts and pooled investments with M&G and Ruffer which are valued using inputs that reflect the assumptions that market participants would use in pricing the asset based on market data from independent sources.

The plan includes qualifying insurance policies which are valued using the Group's own assessment of the assumptions market participants would use in pricing the asset, based on the best information available. None of the insurance providers are related parties of the Group. The proceeds of the policies can only be used to pay or fund employee benefits of the Scheme, are not available to the Group's creditors and cannot be paid to the Group.

The Scheme assets do not include any property, plant or equipment occupied by, or used by, the Group.

The actual return on plan assets was a loss of £10.5 million (2024: gain of £31.0 million). A proportion of the defined benefit obligation has been secured by buy-in policies and as such this proportion of liabilities is matched by annuities. The Trustees of the plan hold a range of assets and are aiming to better align the cash flows from these to those of the plan. They are also working with the Group to de-risk their portfolio further.

A schedule of contributions was agreed as part of the 30 September 2023 triennial valuation and contributions of £0.5 million per month were payable until 30 September 2024 when the plan's funding deficit was expected to be eliminated. Contributions are also payable in respect of the plan's expenses. The next triennial valuation will be performed as at 30 September 2026.

The employer contributions expected to be paid during the financial period ending 26 September 2026 amount to £1.6 million.

The weighted average duration of the defined benefit obligation is 10 years (2024: 11 years).

The Group is aware that the Court of Appeal has recently upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgement means that some historical amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained.

More recently, in June 2025, the Government announced its intention to introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standards. Draft legislation has been put forward in Government amendments to the Pension Schemes Bill, but this is still subject to change, and the Bill will not be enacted until at least spring 2026.

Until further investigations have been completed by the Trustees and/or any legislative action has been taken by the government, the potential impact, if any, on the valuation of the plan's defined benefit obligation remains unknown.

Post-retirement medical benefits

A loss of £nil (2024: £0.1 million) in respect of the remeasurement of post-retirement medical benefits has been included in the statement of comprehensive income.

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

16 Derivative financial instruments

Interest rate swaps	2025 £m	2024 £m
Non-current assets	**0.7**	0.4
Non-current liabilities	**(54.6)**	(59.4)
	(53.9)	(59.0)

Details of the Group's interest rate swaps are provided in note 25.

17 Inventories

	2025 £m	2024 £m
Raw materials and consumables	**4.2**	4.1
Finished goods	**9.6**	10.3
	13.8	14.4

18 Trade and other receivables

	2025 £m	2024 £m
Trade receivables	**12.0**	12.2
Prepayments and accrued income	**13.0**	8.9
Finance lease receivables	**1.2**	1.5
Other receivables	**1.4**	3.3
	27.6	25.9

Further detail regarding the impairment of trade receivables, finance lease receivables and other receivables is provided in note 25. All of the Group's trade receivables are denominated in pounds sterling.

At 27 September 2025 the value of collateral held in the form of cash deposits was £5.4 million (2024: £5.5 million).

19 Assets held for sale

	2025 £m	2024 £m
Properties	**–**	1.3

In accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', properties categorised as held for sale have been written down to their fair value less costs to sell if this was below their carrying amount. This is a non-recurring fair value measurement falling within Level 2 of the fair value hierarchy. These Level 2 fair values have been obtained using a market approach and are derived from sales prices in recent transactions involving comparable properties.

During the current and prior period, all properties classified as held for sale were reviewed for impairment or reversal of past impairment. This review identified an impairment of £0.2 million (2024: £0.1 million) which has been recognised in the income statement.

20 Borrowings

Current	2025 £m	2024 £m
Bank borrowings	**(1.8)**	(2.5)
Securitised debt	**45.9**	43.5
Lease liabilities	**18.6**	17.7
Other lease related borrowings	**(0.5)**	(0.5)
	62.2	58.2

Non-current	2025 £m	2024 £m
Bank borrowings	**19.5**	33.0
Securitised debt	**470.8**	516.7
Lease liabilities	**349.6**	356.0
Other lease related borrowings	**339.4**	338.9
Preference shares	**0.1**	0.1
	1, 179.4	1,244.7

Bank borrowings are secured by a floating charge over certain of the Group's properties and other assets.

Other lease related borrowings represent amounts due under sale and leaseback arrangements that do not fall within the scope of IFRS 16 'Leases'. The Group has an option to repurchase each leased property for a nominal amount at the end of the lease. The leases have terms of 35 to 40 years and rents which are linked to RPI, subject to a cap and collar.

The Group has 75,000 (2024: 75,000) preference shares of £1 each in issue at the balance sheet date. The preference shares carry the right to a fixed cumulative preferential dividend at the rate of 6% per annum (they are also entitled to a non-cumulative dividend of 1% per annum provided that dividends of not less than £24,000 have been paid on the ordinary shares in that year). They participate in the event of a winding-up and on a return of capital and carry the right to attend and vote at general meetings of the Company, carrying four votes per share.

All of the Group's borrowings are denominated in pounds sterling. There were no instances of default, including covenant terms, in the current or prior period.

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

20 Borrowings continued

Maturity of borrowings

The maturity profile of the carrying amount of the Group's borrowings at the period end was as follows:

	2025			2024		
Due:	Gross borrowings £m	Unamortised issue costs £m	Net borrowings £m	Gross borrowings £m	Unamortised issue costs £m	Net borrowings £m
Within one year	**64.9**	**(2.7)**	**62.2**	61.6	(3.4)	58.2
In more than one year but less than two years	**81.2**	**(2.4)**	**78.8**	92.2	(2.9)	89.3
In more than two years but less than five years	**198.8**	**(2.6)**	**196.2**	189.4	(2.6)	186.8
In more than five years	**924.6**	**(20.2)**	**904.4**	989.6	(21.0)	968.6
	1,269.5	**(27.9)**	**1,241.6**	1,332.8	(29.9)	1,302.9

Fair value of borrowings

The carrying amount of the Group's borrowings are as follows:

	Carrying amount 2025 £m	2024 £m
Bank borrowings	**21.0**	35.0
Securitised debt	**518.5**	562.3
Lease liabilities	**368.2**	373.7
Other lease related borrowings	**361.7**	361.7
Preference shares	**0.1**	0.1
	1,269.5	1,332.8

The fair value of the Group's securitised debt of £485.6 million (2024: £502.9 million) is based on quoted market prices and is within Level 1 of the fair value hierarchy. The fair values of all of the Group's other borrowings are considered to approximate to their carrying amounts and are within Level 2 of the fair value hierarchy. However, the Group acknowledges that market conditions and credit risk in relation to the other lease related borrowings may have changed since inception.

During the current period the Group successfully secured the extension of its bank facility, which was due to expire in July 2026. The revised funding comprises a £200.0 million bank facility available until July 2027.

The Group's sources of funding also include a £5.0 million seasonal overdraft facility.

21 Securitised debt

On 9 August 2005 £805.0 million of secured loan notes were issued in connection with the securitisation of 1,592 of the Group's pubs held in Marston's Pubs Limited. On 22 November 2007, a further £330.0 million of secured loan notes (tranches A4 and AB1) were issued in connection with the securitisation of an additional 437 of the Group's pubs, also held in Marston's Pubs Limited. The loan notes are secured over the properties and their future income streams and were issued by Marston's Issuer PLC, a special purpose entity. On 15 January 2014 all of the AB1 notes were repurchased by the Group at par and immediately cancelled.

The carrying value of the securitised pubs at 27 September 2025 was £1,218.1 million (2024: £1,155.2 million).

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 Group.

The tranches of securitised debt have the following principal terms:

Tranche	2025 £m	2024 £m	Interest	Principal repayment period – by instalments	Expected average life	Expected maturity date
A2	**68.3**	99.5	Fixed/floating	2025 to 2027	2 years	2027
A3	**200.0**	200.0	Fixed/floating	2027 to 2032	7 years	2032
A4	**95.2**	107.8	Floating	2025 to 2031	6 years	2031
B	**155.0**	155.0	Fixed/floating	2032 to 2035	10 years	2035
	518.5	562.3				

The interest payable on each tranche is as follows:

Tranche	Before step up	After step up	Step up date
A2	5.1576%	SONIA + 0.1193% + 1.32%	July 2019
A3	5.1774%	SONIA + 0.1193% + 1.45%	April 2027
A4	3-month LIBOR + 0.65%	SONIA + 0.1193% + 1.625%	October 2012
B	5.6410%	SONIA + 0.1193% + 2.55%	July 2019

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.

At 27 September 2025 Marston's Pubs Limited held cash of £21.4 million (2024: £33.6 million), which was governed by certain restrictions under the covenants associated with the securitisation. In addition, Marston's Issuer PLC held cash of £0.4 million (2024: £0.4 million).

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

22 Trade and other payables

	2025 £m	2024 £m
Trade payables	**74.9**	65.0
Other taxes and social security	**27.1**	29.3
Accruals and deferred income	**66.8**	72.0
Other payables	**13.3**	13.2
	182.1	179.5

23 Provisions for other liabilities and charges

Property leases	2025 £m	2024 £m
At beginning of the period	**3.2**	4.0
Released in the period	**(0.5)**	(0.4)
Provided in the period	**0.4**	0.8
Unwinding of discount	**0.1**	0.1
Utilised in the period	**(0.1)**	(1.3)
At end of the period	**3.1**	3.2

Recognised in the balance sheet	2025 £m	2024 £m
Current liabilities	**0.6**	0.6
Non-current liabilities	**2.5**	2.6
	3.1	3.2

The Group recognises provisions in relation to its property leases, in particular onerous leases and dilapidations. Payments are expected to continue for periods of 1 to 44 years (2024: 1 to 45 years). There is not considered to be any significant uncertainty regarding the amount and timing of these cash flows.

24 Other non-current liabilities

	2025 £m	2024 £m
IFRS 9 interest accrual (relating to other lease related borrowings)	**8.6**	7.4
Other liabilities	**0.8**	0.9
	9.4	8.3

25 Financial instruments

Financial instruments by category

At 27 September 2025	Assets at fair value through profit or loss £m	Assets at amortised cost £m	Total £m
Assets as per the balance sheet			
Derivative financial instruments	**0.7**	**–**	**0.7**
Finance lease receivables (before provision)	**–**	**17.3**	**17.3**
Trade receivables (before provision)	**–**	**12.4**	**12.4**
Other receivables (before provision)	**–**	**2.3**	**2.3**
Other cash deposits	**–**	**1.1**	**1.1**
Cash and cash equivalents	**–**	**34.8**	**34.8**
	0.7	**67.9**	**68.6**

At 27 September 2025	Liabilities at fair value through profit or loss £m	Other financial liabilities £m	Total £m
Liabilities as per the balance sheet			
Derivative financial instruments	**54.6**	**–**	**54.6**
Borrowings	**–**	**1,241.6**	**1,241.6**
Trade payables	**–**	**74.9**	**74.9**
Other payables	**–**	**13.3**	**13.3**
	54.6	**1,329.8**	**1,384.4**

At 28 September 2024	Assets at fair value through profit or loss £m	Assets at amortised cost £m	Total £m
Assets as per the balance sheet			
Derivative financial instruments	0.4	–	0.4
Finance lease receivables (before provision)	–	17.3	17.3
Trade receivables (before provision)	–	12.5	12.5
Other receivables (before provision)	–	4.1	4.1
Other cash deposits	–	1.1	1.1
Cash and cash equivalents	–	44.4	44.4
	0.4	79.4	79.8

Notes to the Group financial statements continued
For the 52 weeks ended 27 September 2025

25 Financial instruments continued
Financial instruments by category continued

At 28 September 2024	Derivatives used for hedging £m	Liabilities at fair value through profit or loss £m	Other financial liabilities £m	Total £m
Liabilities as per the balance sheet				
Derivative financial instruments	7.6	51.8	–	59.4
Borrowings	–	–	1,302.9	1,302.9
Trade payables	–	–	65.0	65.0
Other payables	–	–	13.2	13.2
	7.6	51.8	1,381.1	1,440.5

Fair values of financial instruments
The only financial instruments which the Group holds at fair value are derivative financial instruments, which are classified as at fair value through profit or loss or derivatives used for hedging.

IFRS 13 'Fair Value Measurement' requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the measurements, according to the following levels:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – inputs for the asset or liability that are not based on observable market data.

The tables below show the level in the fair value hierarchy into which fair value measurements have been categorised:

	2025			
Assets as per the balance sheet	**Level 1 £m**	**Level 2 £m**	**Level 3 £m**	**Total £m**
Derivative financial instruments	**–**	**0.7**	**–**	**0.7**

	2025			
Liabilities as per the balance sheet	**Level 1 £m**	**Level 2 £m**	**Level 3 £m**	**Total £m**
Derivative financial instruments	**–**	**54.6**	**–**	**54.6**

	2024			
Assets as per the balance sheet	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Derivative financial instruments	–	0.4	–	0.4

	2024			
Liabilities as per the balance sheet	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Derivative financial instruments	–	59.4	–	59.4

There were no transfers between Levels 1, 2 and 3 fair value measurements during the current or prior period.

The Level 2 fair values of derivative financial instruments have been 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 which 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 fair values of all the Group's other financial instruments are equal to their book values, with the exception of borrowings (note 20). The carrying amount less impairment provision of finance lease receivables, trade receivables and other receivables, and the carrying amount of other cash deposits, cash and cash equivalents, trade payables and other payables are assumed to approximate their fair values.

Financial risk factors
The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and foreign currency risk), counterparty risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury department under policies approved by the Board. The treasury department identifies, evaluates and hedges financial risks. The Board sets principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, investment of excess liquidity and use of derivative and non-derivative financial instruments.

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

25 Financial instruments continued

Financial risk factors continued

Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates, and as such the Group's interest rate risk arises from its borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The 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 Group calculates the impact on the income statement of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises borrowings at floating rates and will often swap them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed contract and floating rate interest amounts calculated by reference to the agreed notional amounts.

If interest rates had been 0.5% higher/lower during the period ended 27 September 2025, with all other variables held constant, the post-tax profit/loss for the period would have been £nil (2024: £0.4 million) lower/higher (2024: higher/lower) as a result of higher/lower interest expense.

Interest rate swaps designated as part of a hedging relationship

The Group uses interest rate swaps to fix the interest rate payable on the floating rate tranches of its securitised debt. The interest rate swap in respect of the A4 tranche of securitised debt was designated as part of a hedging relationship at the end of the prior period.

This interest rate swap had the same critical terms as the associated securitised debt including reset dates, payment dates, maturities and notional amounts (note 21). The economic relationship between the forecast floating rate interest payments and the interest rate swap was determined and assessed through quantitative hedge effectiveness calculations performed at each reporting date, and upon a significant change in the circumstances affecting the hedge effectiveness requirements. As the interest rate swap had a notional amount profile the same as that of the principal amount profile of the securitised debt on which the floating rate interest was paid the hedge ratio is 1:1. Sources of ineffectiveness that might affect the hedging relationship were the Group's own credit risk, changes in the timing and amount of the interest payments and the recouponing of the swap from a single fixed rate to a stepped profile.

The fixed rate of this interest rate swap at 28 September 2024 was 6.0%.

Interest rate swaps designated as part of a hedging relationship	2025 £m	2024 £m
Carrying amount of hedging instruments (included within derivative financial instruments)	**–**	7.6
Change in fair value of hedging instruments used as the basis for recognising hedge ineffectiveness in the period	**(1.3)**	3.0
Nominal amount of hedging instruments	**–**	107.8
Change in fair value of hedged items used as the basis for recognising hedge ineffectiveness in the period	**1.9**	(2.8)
Hedging reserve balance in respect of continuing hedges	**–**	(3.4)
Hedging reserve balance in respect of discontinued hedges	**(34.3)**	(37.4)
Hedging gains/(losses) recognised in other comprehensive income	**1.9**	(2.8)
Hedge ineffectiveness losses recognised in profit or loss	**(0.6)**	(0.2)
Amount reclassified from the hedging reserve to profit or loss in respect of continuing hedges	**(0.1)**	(0.4)
Amount reclassified from the hedging reserve to profit or loss in respect of discontinued hedges	**6.9**	8.0

Hedging reserve	2025 £m	2024 £m
At beginning of the period	**(40.8)**	(44.4)
Hedging gains/(losses) recognised in other comprehensive income	**1.9**	(2.8)
Amount reclassified from the hedging reserve to profit or loss	**6.8**	7.6
Deferred tax on hedging reserve movements	**(2.2)**	(1.2)
At end of the period	**(34.3)**	(40.8)

Interest rate swaps not designated as part of a hedging relationship

On 27 March 2019 the Group recouponed the interest rate swap that fixes the interest rate payable on the floating rate elements of its A2, A3 and B securitised notes. As a result, the hedging relationship between this interest rate swap and the associated debt ceased to meet the qualifying criteria for hedge accounting.

During the current period, the Group discontinued hedge accounting for the interest rate swap that fixes the interest rate payable on the floating rate elements of its A4 securitised notes as the hedging relationship between this interest rate swap and the associated debt ceased to meet the qualifying criteria for hedge accounting. The discontinuation does not affect the underlying contractual terms of the swap, which remain in place.

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

25 Financial instruments continued

Financial risk factors continued

Interest rate swaps not designated as part of a hedging relationship continued

For both interest rate swaps which ceased to meet the qualifying criteria for hedge accounting, the cumulative hedging losses at the discontinuance dates remain in equity and are being recognised when the forecast transactions are ultimately recognised in the income statement. IFRS 9 'Financial Instruments' would require these balances to be reclassified to the income statement if the forecast transactions were no longer expected to occur. There is currently no requirement to reclassify the balance to the income statement though this position continues to be monitored. Fair value movements in respect of the interest rate swaps after the discontinuance dates are being recognised within the income statement.

The Group also has an interest rate swap of £60.0 million which fixes the interest rate payable on the Group's bank borrowings.

The interest rate risk profile, after taking account of derivative financial instruments, is as follows:

	2025			2024		
	Floating rate financial liabilities £m	Fixed rate financial liabilities £m	Total £m	Floating rate financial liabilities £m	Fixed rate financial liabilities £m	Total £m
Borrowings	**361.7**	**907.8**	**1,269.5**	361.7	971.1	1,332.8

The weighted average interest rate of the fixed rate borrowings was 5.9% (2024: 6.0%) and the weighted average period for which the rate is fixed was 14 years (2024: 14 years).

Foreign currency risk

The Group buys goods denominated in non-sterling currencies, principally US dollars and euros. As a result, movements in exchange rates can affect the value of the Group's income and expenditure. The Group's exposure in this area is not considered to be significant.

Counterparty risk

The Group's counterparty risk in respect of its cash and cash equivalents and other cash deposits is mitigated by the use of various banking institutions for its deposits. There is no significant concentration of counterparty risk in respect of the Group's pension assets, as these are held with a range of institutions.

Credit risk

Credit risk is managed on a Group basis. 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. The utilisation of and adherence to credit limits is regularly monitored.

The financial assets of the Group which are subject to the expected credit loss model under IFRS 9 'Financial Instruments' comprise finance lease receivables, trade receivables and other receivables. Other cash deposits and cash and cash equivalents are also subject to the impairment requirements of IFRS 9; however, the impairment loss is immaterial.

Finance lease receivables, trade receivables and other receivables have been grouped as set out below for the purpose of calculating the expected credit losses:

	Gross		Loss allowance	
	2025 £m	2024 £m	2025 £m	2024 £m
Finance lease receivables				
Net investment in the lease	**17.3**	17.3	**1.4**	1.4
	17.3	17.3	**1.4**	1.4
Trade receivables				
Amounts due from current pub tenants	**1.5**	1.8	**0.1**	0.1
Miscellaneous trade receivables	**10.9**	10.7	**0.3**	0.2
	12.4	12.5	**0.4**	0.3
Other receivables				
Amounts due from previous pub tenants	**0.8**	0.6	**0.8**	0.6
Amounts due from other property tenants	**0.3**	0.2	**0.1**	0.1
Miscellaneous other receivables	**1.2**	3.3	**–**	0.1
	2.3	4.1	**0.9**	0.8
	32.0	33.9	**2.7**	2.5

Expected credit losses have been calculated as follows:

	Gross		Loss allowance	
	2025 £m	2024 £m	2025 £m	2024 £m
12-month expected credit losses	**1.2**	3.3	**–**	0.1
Lifetime expected credit losses for trade and lease receivables	**30.8**	30.6	**2.7**	2.4
	32.0	33.9	**2.7**	2.5

Finance lease receivables

Finance lease receivables are lease receivables that result from transactions that are within the scope of IFRS 16 'Leases' and the loss allowance is calculated as the lifetime expected credit losses. For tenants where it is considered that there is a significant risk of default the expected credit losses are calculated on an individual basis taking into account the circumstances involved. For all other tenants, after accounting for collateral held in the form of cash deposits and the value of the leased asset itself, the remaining balance due is low and as such the expected credit losses are minimal.

Notes to the Group financial statements continued
For the 52 weeks ended 27 September 2025

25 Financial instruments continued
Financial risk factors continued
Amounts due from pub tenants
Amounts due from current pub tenants result almost entirely from transactions that are within the scope of IFRS 15 'Revenue from Contracts with Customers' or are lease receivables that result from transactions that are within the scope of IFRS 16, and as such the loss allowance is calculated as the lifetime expected credit losses. After accounting for collateral held in the form of cash deposits the remaining balance due is low and as such the expected credit losses are minimal.

Amounts due from previous pub tenants predominantly result from transactions that are within the scope of IFRS 15 or are lease receivables that result from transactions that are within the scope of IFRS 16 and as such the loss allowance is calculated as the lifetime expected credit losses. The historical loss rate on closed accounts, adjusted to reflect current and forward-looking information regarding macroeconomic factors affecting customers' ability to pay, such as the cost-of-living crisis, is used to measure the expected credit losses on these receivables.

Miscellaneous trade receivables
Miscellaneous trade receivables result almost entirely from transactions that are within the scope of IFRS 15 and as such the loss allowance is calculated as the lifetime expected credit losses. Due to the very low credit risk on the majority of these receivables the expected credit losses are minimal.

Amounts due from other property tenants
Amounts due from other property tenants are almost entirely lease receivables that result from transactions that are within the scope of IFRS 16 and as such the loss allowance is calculated as the lifetime expected credit losses. For tenants where it is considered that there is a significant risk of default the expected credit losses are calculated on an individual basis taking into account the circumstances involved. For all other tenants, after accounting for collateral held in the form of cash deposits, the remaining balance due is low and as such the expected credit losses are minimal.

Miscellaneous other receivables
Miscellaneous other receivables do not generally result from transactions that are within the scope of IFRS 15 and do not comprise lease receivables resulting from transactions that are within the scope of IFRS 16. These receivables are considered to have low credit risk and as such the loss allowance is calculated as the 12-month expected credit losses. Receivables are considered to have low credit risk where there is a low risk of default and it is expected that the debtor will be able to meet its payment obligations in the near future.

The movements in the loss allowances for finance lease receivables, trade receivables and other receivables are as follows:

Finance lease receivables	2025 £m	2024 £m
At beginning of the period	**1.4**	2.1
Net increase/(decrease) in loss allowance recognised in profit or loss	**0.4**	(0.5)
Amounts written off as uncollectible	**(0.4)**	(0.2)
At end of the period	**1.4**	1.4

Trade receivables	2025 £m	2024 £m
At beginning of the period	**0.3**	0.5
Net increase/(decrease) in loss allowance recognised in profit or loss	**0.1**	(0.1)
Amounts written off as uncollectible	**–**	(0.1)
At end of the period	**0.4**	0.3

	12-month expected credit losses		Lifetime expected credit losses	
Other receivables	2025 £m	2024 £m	2025 £m	2024 £m
At beginning of the period	**0.1**	0.1	**0.7**	1.0
Net (decrease)/increase in loss allowance recognised in profit or loss	**(0.1)**	–	**0.2**	–
Amounts written off as uncollectible	**–**	–	**–**	(0.3)
At end of the period	**–**	0.1	**0.9**	0.7

The Group has no significant concentration of credit risk in respect of its customers. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable.

Liquidity risk
The 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. Due to the dynamic nature of the underlying business, the Group maintains the availability of committed credit lines to ensure that it has flexibility in funding.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising undrawn borrowing facilities and cash and cash equivalents) on the basis of expected cash flow. In addition, the Group's liquidity management policy involves maintaining debt financing plans, projecting cash flows and considering the level of liquid assets necessary to meet these, and monitoring balance sheet liquidity ratios against internal and external regulatory requirements. The Group's borrowing covenants are subject to regular review.

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

25 Financial instruments continued

Financial risk factors continued

Liquidity risk continued

The tables below analyse the Group's financial liabilities and non-settled derivative financial instruments into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the tables are the contractual undiscounted cash flows.

At 27 September 2025	Less than 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m	Total £m
Borrowings	**142.8**	**149.6**	**381.7**	**1,615.5**	**2,289.6**
Derivative financial instruments	**3.6**	**4.2**	**11.2**	**66.8**	**85.8**
Trade payables	**74.9**	**–**	**–**	**–**	**74.9**
Other payables	**13.3**	**–**	**–**	**–**	**13.3**
	234.6	**153.8**	**392.9**	**1,682.3**	**2,463.6**

At 28 September 2024	Less than 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m	Total £m
Borrowings	145.4	163.3	374.0	1,722.4	2,405.1
Derivative financial instruments	1.4	5.1	17.1	76.1	99.7
Trade payables	65.0	–	–	–	65.0
Other payables	13.2	–	–	–	13.2
	225.0	168.4	391.1	1,798.5	2,583.0

26 Deferred tax

Deferred tax is calculated on temporary differences between tax bases of assets and liabilities and their carrying amounts under the liability method using a tax rate of 25% (2024: 25%). The movement on the deferred tax accounts is shown below:

Net deferred tax liability/(asset)	2025 £m	2024 £m
At beginning of the period	**2.4**	(0.9)
Charged/(credited) to the income statement – continuing operations	**10.3**	(7.6)
Charged/(credited) to equity:		
Impairment and revaluation of properties	**15.8**	9.8
Hedging reserve	**2.2**	1.2
Retirement benefits	**0.4**	–
Share-based payments	**(0.2)**	(0.1)
At end of the period	**30.9**	2.4

Recognised in the balance sheet	2025 £m	2024 £m
Deferred tax liabilities (after offsetting)	**30.9**	2.4
	30.9	2.4

The movements in deferred tax assets and liabilities (prior to the offsetting of balances within the same jurisdiction as permitted by IAS 12 'Income Taxes') during the period are shown below. Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net.

Deferred tax liabilities	Pensions £m	Accelerated capital allowances £m	Revaluation of properties £m	Rolled over capital gains £m	IFRS 16 £m	Total £m
At 29 September 2024	3.3	51.7	66.0	3.2	59.7	183.9
Charged/(credited) to the income statement	0.2	6.1	5.9	0.2	(2.4)	10.0
Charged/(credited) to equity	0.4	–	16.0	–	(0.2)	16.2
At 27 September 2025	**3.9**	**57.8**	**87.9**	**3.4**	**57.1**	**210.1**

Deferred tax assets	Tax losses £m	Interest rate swaps £m	Other £m	IFRS 16 £m	Total £m
At 29 September 2024	(62.0)	(14.3)	(31.8)	(73.4)	(181.5)
Charged/(credited) to the income statement	0.1	(0.9)	(0.4)	1.5	0.3
Charged/(credited) to equity	–	2.2	(0.2)	–	2.0
At 27 September 2025	**(61.9)**	**(13.0)**	**(32.4)**	**(71.9)**	**(179.2)**

Net deferred tax liability	
At 28 September 2024	2.4
At 27 September 2025	**30.9**

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

26 Deferred tax continued

Deferred tax liabilities	Pensions £m	Accelerated capital allowances £m	Revaluation of properties £m	Rolled over capital gains £m	IFRS 16 £m	Total £m
At 1 October 2023	3.2	48.9	55.6	4.4	61.3	173.4
Charged/(credited) to the income statement	0.1	2.8	0.4	(1.2)	(1.4)	0.7
Charged/(credited) to equity	–	–	10.0	–	(0.2)	9.8
At 28 September 2024	3.3	51.7	66.0	3.2	59.7	183.9

Deferred tax assets	Tax losses £m	Interest rate swaps £m	Other £m	IFRS 16 £m	Total £m
At 1 October 2023	(62.3)	(7.4)	(30.0)	(74.6)	(174.3)
Charged/(credited) to the income statement	0.3	(8.1)	(1.7)	1.2	(8.3)
Charged/(credited) to equity	–	1.2	(0.1)	–	1.1
At 28 September 2024	(62.0)	(14.3)	(31.8)	(73.4)	(181.5)

Net deferred tax (asset)/liability	
At 30 September 2023	(0.9)
At 28 September 2024	2.4

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences where it is probable that these assets will be recovered.

Other deferred tax assets amounting to £30.6 million (2024: £30.3 million) relate to Corporate Interest Restriction.

The amount of the net deferred tax asset in respect of trading losses recognised, based on the utilisation against future taxable profits, is £14.8 million (2024: £32.9 million).

Determining the recoverability of the deferred tax asset in respect of trading items requires judgements to be made about the future profitability of the Group. The Group generated significant tax losses in prior periods due to the impact of COVID-19 on its business operations, including enforced pub closures and restrictions on trading. The base case forecast from the going concern assessment set out in note 1 was used to forecast future taxable profits and allowing for a range of reasonably possible outcomes it is estimated that the deferred tax asset in respect of trading items will be recovered within a period of five years. As such it has been recognised in full.

A deferred tax asset has not been recognised in respect of deductible temporary differences relating to capital losses of £nil (2024: £20.2 million) due to uncertainty over its future recoverability. Unused capital losses are available indefinitely.

27 Share-based payments

During the period there were three classes of equity-settled employee share incentive plans outstanding:

(a) Save As You Earn (SAYE). Under this scheme employees enter into a savings contract for a period of three years and options are granted on commencement of the contract, exercisable using the amount saved under the contract at the time it terminates. Options under the scheme are granted at a discount to the average quoted market price of the Company's shares at the time of the invitation and are not subject to performance conditions. Exercise of options is subject to continued employment.

(b) Deferred bonus. Under this scheme nil-cost options are granted to eligible employees in lieu of a cash bonus. Exercise of options is subject to a period of continued employment and required no later than the tenth anniversary of the date of grant.

(c) Long Term Incentive Plan (LTIP). Under this scheme nil-cost options are granted that will only vest provided the participant satisfies the minimum shareholding requirement and performance conditions relating to earnings per share, cash flow, return on capital, profit before tax, operating margin and relative total shareholder return are met. LTIP options are exercisable no later than the tenth anniversary of the date of grant.

The tables below summarise the outstanding share options:

	Number of shares		Weighted average exercise price	
SAYE	**2025 m**	2024 m	**2025 p**	2024 p
Outstanding at beginning of the period	**13.5**	12.7	**29.0**	29.6
Granted	**3.4**	4.2	**33.0**	29.0
Exercised	**(0.5)**	–	**26.1**	–
Expired	**(3.3)**	(3.4)	**30.3**	31.2
Outstanding at end of the period	**13.1**	13.5	**29.9**	29.0
Exercisable at end of the period	**1.1**	–	**44.0**	–
Range of exercise prices	**26.0p to 44.0p**	26.0p to 44.0p		
Weighted average remaining contractual life (years)	**2.0**	2.6		

	Number of shares		Weighted average exercise price	
Deferred bonus	**2025 m**	2024 m	**2025 p**	2024 p
Outstanding at beginning of the period	**0.1**	0.3	**–**	–
Exercised	**(0.1)**	(0.2)	**–**	–
Outstanding at end of the period	**–**	0.1	**–**	–
Exercisable at end of the period	**–**	0.1	**–**	–

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

27 Share-based payments continued

LTIP	Number of shares 2025 m	Number of shares 2024 m	Weighted average exercise price 2025 p	Weighted average exercise price 2024 p
Outstanding at beginning of the period	**26.7**	16.9	**–**	–
Granted	**9.7**	12.9	**–**	–
Exercised	**(0.7)**	(0.1)	**–**	–
Expired	**(3.9)**	(3.0)	**–**	–
Outstanding at end of the period	**31.8**	26.7	**–**	–
Exercisable at end of the period	**0.1**	–	**–**	–

The fair values of the SAYE, deferred bonus and LTIP rights are calculated at the date of grant using the Black-Scholes option-pricing model. The significant inputs into the model for all schemes unless otherwise stated were:

	2025	2024
Dividend yield %	**0.0 to 7.2**	2.3 to 6.3
Expected volatility %	**39.4 to 44.4**	38.0 to 42.6
Risk-free interest rate %	**3.8 to 4.1**	4.1 to 4.3
Share price on fair value date (pence)	**42.0 to 43.1**	29.3 to 30.2
Expected life of rights		
SAYE	**3 years**	3 years
Deferred bonus	**N/A**	N/A
LTIP	**3 to 5 years**	3 to 5 years

The expected volatility is based on historical volatility over the expected life of the rights.

The fair value of options granted during the current period in relation to the SAYE was 11.3p (2024: 4.0p). No options were granted in the current period or prior period in relation to the deferred bonus scheme. The weighted average fair value of options granted during the period in relation to the LTIP was 32.5p (2024: 25.9p).

The weighted average share price for options exercised over the period was 40.1p (2024: 37.5p). The total charge for the period relating to employee share-based payment plans was £1.8 million (2024: £2.0 million), all of which related to equity-settled share-based payment transactions. After tax, the total charge was £1.4 million (2024: £1.5 million).

28 Equity share capital

Allotted, called up and fully paid	2025 Number m	2025 Value £m	2024 Number m	2024 Value £m
Ordinary shares of 7.375p each:				
At beginning and end of the period	**660.4**	**48.7**	660.4	48.7

29 Other components of equity

The capital redemption reserve of £6.8 million (2024: £6.8 million) arose on share buybacks.

Own shares represent the carrying value of the investment in treasury shares and shares held on trust for employee share schemes (including executive share option schemes) as set out in the table below. The Trustees of the schemes are Banks's Brewery Insurance Limited, a wholly owned subsidiary of Marston's PLC, and Computershare Trustees (C.I.) Limited.

	2025 Number m	2025 Value £m	2024 Number m	2024 Value £m
Shares held on trust for employee share schemes	**1.5**	**0.7**	0.4	0.5
Treasury shares	**25.7**	**107.6**	26.2	109.7
	27.2	**108.3**	26.6	110.2

The market value of own shares held is £10.7 million (2024: £11.4 million). Shares held on trust for employee share schemes represent 0.2% (2024: 0.1%) of issued share capital. Treasury shares held represent 3.9% (2024: 4.0%) of issued share capital. Dividends on own shares have been waived.

The Group considers its capital to comprise total equity (as disclosed on the face of the Group balance sheet) and net debt (note 30). In managing its capital the primary objectives are to ensure that the Group is able to continue to operate as a going concern and to maximise return to shareholders through a combination of capital growth and distributions. The Group seeks to maintain a ratio of debt to equity that both balances risks and returns at an acceptable level and retains sufficient funds to comply with lending covenants, achieve working capital targets and meet investment requirements. The Board reviews the Group's dividend policy and funding requirements at least once a year.

Own shares held

Own shares held by the Group represent the shares in the Company held by the Employee Benefit Trust (EBT).

During the period, the EBT acquired 1,853,159 shares at a cost of £754,703 (2024: nil shares at a cost of £nil). The EBT released/transferred 806,184 (2024: 204,089) shares to employees on the exercise of options for a total consideration of £nil (2024: £nil).

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

30 Net debt

Analysis of net debt	2025 £m	2024 £m
Cash and cash equivalents		
Cash at bank and in hand	**34.8**	44.4
	34.8	44.4
Financial assets		
Other cash deposits	**1.1**	1.1
	1.1	1.1
Debt due within one year		
Bank borrowings	**1.8**	2.5
Securitised debt	**(45.9)**	(43.5)
Lease liabilities	**(18.6)**	(17.7)
Other lease related borrowings	**0.5**	0.5
	(62.2)	(58.2)
Debt due after one year		
Bank borrowings	**(19.5)**	(33.0)
Securitised debt	**(470.8)**	(516.7)
Lease liabilities	**(349.6)**	(356.0)
Other lease related borrowings	**(339.4)**	(338.9)
Preference shares	**(0.1)**	(0.1)
	(1,179.4)	(1,244.7)
Net debt	**(1,205.7)**	(1,257.4)

Other cash deposits and cash and cash equivalents include deposits securing letters of credit for reinsurance contracts (note 33). Included within cash and cash equivalents is an amount of £5.4 million (2024: £5.5 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 (note 21).

Reconciliation of net cash flow to movement in net debt	2025 £m	2024 £m
(Decrease)/increase in cash and cash equivalents in the period	**(9.6)**	17.9
Decrease in other cash deposits	**–**	(2.0)
Cash outflow from movement in debt	**66.4**	293.9
Net cash inflow	**56.8**	309.8
Non-cash movements and deferred issue costs	**(5.1)**	(1.4)
Movement in net debt in the period	**51.7**	308.4
Net debt at beginning of the period	**(1,257.4)**	(1,565.8)
Net debt at end of the period	**(1,205.7)**	(1,257.4)

	2025 £m	2024 £m
Net debt excluding lease liabilities	**(837.5)**	(883.7)
Lease liabilities	**(368.2)**	(373.7)
Net debt	**(1,205.7)**	(1,257.4)

Changes in liabilities arising from financing activities are as follows:

	2025			2024 (restated)		
	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	**(1,302.9)**	**(59.0)**	**(1,361.9)**	(1,595.4)	(33.6)	(1,629.0)
Cash flow	**152.3**	**0.7**	**153.0**	402.0	(4.2)	397.8
Changes in fair value	**–**	**4.4**	**4.4**	–	(21.2)	(21.2)
Other changes	**(91.0)**	**–**	**(91.0)**	(109.5)	–	(109.5)
At end of the period	**(1,241.6)**	**(53.9)**	**(1,295.5)**	(1,302.9)	(59.0)	(1,361.9)

Comparative information has been restated to include changes in liabilities arising from interest on financing activities, in addition to principal movements.

31 Working capital and non-cash movements

Working capital movement	2025 £m	2024 £m
Decrease in inventories	**0.6**	0.5
(Increase)/decrease in trade and other receivables	**(3.8)**	0.8
Increase in trade and other payables	**6.2**	6.9
	3.0	8.2

Non-cash movements	2025 £m	2024 £m
Movements in respect of property, plant and equipment, assets held for sale and intangible assets	**(23.7)**	(2.6)
Impairment of associates	**–**	8.0
Loss on disposal of associates	**–**	11.9
Loss from associates	**–**	16.1
Non-cash movements in respect of leases	**0.4**	(2.7)
Share-based payments	**1.8**	2.0
	(21.5)	32.7

Further details of movements in respect of intangible assets, property, plant and equipment and assets held for sale are given in notes 10, 11 and 19.

Notes to the Group financial statements continued

For the 52 weeks ended 27 September 2025

32 Leases

The Group as lessee

The Group leases a number of its properties. Right-of-use assets in respect of 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 are classed as effective freehold land and buildings within property, plant and equipment. Right-of-use assets in respect of any other leasehold land and buildings are classed as leasehold land and buildings within property, plant and equipment. The Group's property leases have various terms, escalation clauses and renewal rights. A number of the leases include variable payments that depend on changes in RPI, often subject to a cap and collar.

The Group also leases certain items of fixtures, fittings, tools and equipment. These are generally held under leases with terms of five years or less and in some cases contain an option to purchase the asset for a nominal amount at the end of the lease.

Depreciation charge for right-of-use assets	2025 £m	2024 £m
Leasehold land and buildings	**11.5**	11.3
Fixtures, fittings, tools and equipment	**–**	0.2
	11.5	11.5

Carrying amount of right-of-use assets	2025 £m	2024 £m
Effective freehold land and buildings	**130.2**	118.4
Leasehold land and buildings	**227.9**	238.6
Fixtures, fittings, tools and equipment	**–**	0.1
	358.1	357.1

	2025 £m	2024 £m
Interest expense on lease liabilities	**19.0**	19.2
Expenses relating to short-term leases	**0.7**	0.7
Variable lease payments	**0.2**	0.2
Income from subleasing right-of-use assets	**1.1**	1.1
Total cash outflow for leases	**30.3**	30.2
Additions to right-of-use assets	**7.0**	7.7

The table below analyses the Group's lease liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	2025 £m	2024 £m
Less than one year	**37.1**	36.5
Between one and two years	**29.3**	29.2
Between two and five years	**86.0**	86.2
Over five years	**524.7**	544.5
	677.1	696.4

The Group as lessor

The Group leases a proportion of its licensed estate and other unlicensed properties to tenants. The majority of lease agreements have terms of 20 years or less. For leases where the Group is the intermediate lessor certain subleases are classified as finance leases as the classification is determined by reference to the right-of-use asset arising from the head lease rather than the underlying asset. All other leases are classified as operating leases from a lessor perspective.

Amounts recognised in the income statement are as follows:

	2025 £m	2024 £m
Finance income on the net investment in the lease	**0.8**	0.8
Lease income for operating leases	**6.4**	8.0

The maturity analysis of the undiscounted lease payments to be received for finance leases is as follows:

Finance leases	2025 £m	2024 £m
Within one year	**3.5**	3.7
In more than one year but less than two years	**2.1**	2.3
In more than two years but less than three years	**2.0**	2.1
In more than three years but less than four years	**2.0**	2.1
In more than four years but less than five years	**2.0**	2.1
In more than five years	**12.6**	10.3
	24.2	22.6
Unearned finance income	**(6.9)**	(5.3)
Net investment in the lease	**17.3**	17.3

Notes to the Group financial statements continued
For the 52 weeks ended 27 September 2025

32 Leases continued
The Group as lessor continued
The maturity analysis of the undiscounted lease payments to be received for operating leases is as follows:

Operating leases	2025 £m	2024 £m
Within one year	**5.5**	5.8
In more than one year but less than two years	**4.3**	4.7
In more than two years but less than three years	**3.7**	3.6
In more than three years but less than four years	**2.8**	3.1
In more than four years but less than five years	**1.9**	2.2
In more than five years	**7.6**	8.4
	25.8	27.8

33 Contingent liabilities and financial commitments
The Group has issued letters of credit totalling £3.7 million (2024: £3.7 million) to secure reinsurance contracts, of which some of these letters of credit are secured on fixed deposits (note 30).

The Group has also entered into a Deed of Guarantee with the Trustees of the Marston's PLC Pension and Life Assurance Scheme (the 'Scheme') whereby it guarantees to the Trustees the ongoing obligations of the Group to contribute to the Scheme, and the obligations of the Group to contribute to the Scheme in the event of a debt becoming due under section 75 of the Pensions Act 1995 on the occurrence of either a Group company entering liquidation or the Scheme winding up.

34 Ordinary dividends on equity shares
No dividends were paid during the current or prior period. A final dividend for 2025 has not been proposed.

Company balance sheet

As at 27 September 2025

	Note	27 September 2025 £m	28 September 2024 £m
Fixed assets			
Tangible assets	5	**212.7**	200.5
Investments	6	**268.0**	266.2
		480.7	466.7
Current assets			
Debtors			
Amounts falling due within one year	7	**256.0**	256.6
Amounts falling due after more than one year	7	**790.4**	747.6
Cash at bank		**4.7**	2.2
		1,051.1	1,006.4
Creditors Amounts falling due within one year	8	**(576.2)**	(667.3)
Net current assets		**474.9**	339.1
Total assets less current liabilities		**955.6**	805.8
Creditors Amounts falling due after more than one year	8	**(113.4)**	(114.5)
Provisions for liabilities	9	**(3.6)**	(5.6)
Net assets		**838.6**	685.7
Capital and reserves			
Equity share capital	13	**48.7**	48.7
Share premium account	14	**334.0**	334.0
Revaluation reserve	14	**28.8**	25.0
Capital redemption reserve	14	**6.8**	6.8
Own shares	14	**(108.3)**	(110.2)
Profit and loss reserves		**528.6**	381.4
Total equity		**838.6**	685.7

The profit of the Company for the 52 weeks ended 27 September 2025 was £148.0 million (2024: £5.5 million). The profit of the Company included dividend receipts from subsidiaries of £143.3 million (2024: £nil).

The financial statements were approved by the Board and authorised for issue on 25 November 2025 and are signed on its behalf by:

Justin Platt
Chief Executive Officer
25 November 2025
Company registration number: 31461

Company statement of changes in equity

For the 52 weeks ended 27 September 2025

	Equity share capital £m	Share premium account £m	Revaluation reserve £m	Capital redemption reserve £m	Own shares £m	Profit and loss reserves £m	Total equity £m
At 1 October 2023	48.7	334.0	21.6	6.8	(110.6)	374.1	674.6
Profit for the period	–	–	–	–	–	5.5	5.5
Revaluation of properties	–	–	4.2	–	–	–	4.2
Deferred tax on properties	–	–	(0.6)	–	–	–	(0.6)
Total comprehensive income	–	–	3.6	–	–	5.5	9.1
Share-based payments	–	–	–	–	–	2.0	2.0
Sale of own shares	–	–	–	–	0.4	(0.4)	–
Transfer to profit and loss reserves	–	–	(0.2)	–	–	0.2	–
Total transactions with owners	–	–	(0.2)	–	0.4	1.8	2.0
At 28 September 2024	48.7	334.0	25.0	6.8	(110.2)	381.4	685.7
Profit for the period	–	–	–	–	–	148.0	148.0
Revaluation of properties	–	–	3.9	–	–	–	3.9
Deferred tax on properties	–	–	(0.1)	–	–	–	(0.1)
Total comprehensive income	–	–	3.8	–	–	148.0	151.8
Share-based payments	–	–	–	–	–	1.8	1.8
Purchase of own shares	–	–	–	–	(0.8)	–	(0.8)
Sale of own shares	–	–	–	–	2.7	(2.6)	0.1
Total transactions with owners	–	–	–	–	1.9	(0.8)	1.1
At 27 September 2025	**48.7**	**334.0**	**28.8**	**6.8**	**(108.3)**	**528.6**	**838.6**

Notes to the Company financial statements

For the 52 weeks ended 27 September 2025

1 Accounting policies

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

Company information

Marston's PLC is a public company limited by shares incorporated in England and Wales and domiciled in the UK. The registered office is St Johns House, St Johns Square, Wolverhampton, WV2 4BH.

Basis of preparation

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. Monetary amounts in these financial statements are rounded to the nearest £0.1 million.

The financial statements have been prepared under the historical cost convention modified to include the revaluation of effective freehold land and buildings.

The Company is a qualifying entity for the purposes of FRS 102, as it prepares publicly available consolidated financial statements, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The Company has therefore taken advantage of the exemptions from the following disclosure requirements in FRS 102:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flows and related notes and disclosures;
- Section 11 'Basic Financial Instruments' – Interest income/expense and net gains/losses for each category of financial instrument not measured at fair value through profit or loss, impairment losses for each class of financial asset and information that enables users to evaluate the significance of financial instruments;
- Section 26 'Share-based Payment' – Reconciliation of the opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, and an explanation of modifications to arrangements; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

These financial statements present information about the Company as an individual entity and not about its Group.

As permitted by section 408(3) of the Companies Act 2006, no profit and loss account has been presented for the Company.

The Directors continue to adopt the going concern basis of accounting in preparing the financial statements. Details of the going concern assessment performed by the Group are provided in note 1 to the Group financial statements.

Turnover

Turnover represents rent receivable, which is recognised over time and in the period to which it relates.

Current and deferred tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the accounts 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 Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

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 tax 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 to profit or loss, 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 Company 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.

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 stated at cost and subsequently at valuation. Leasehold land and buildings and fixtures, fittings, plant and equipment are stated at cost.
- Depreciation is charged to the profit and loss account on a straight-line basis to provide for the cost or valuation of the assets less their residual values over their useful lives.

Notes to the Company financial statements continued

For the 52 weeks ended 27 September 2025

1 Accounting policies continued

Fixed assets continued

- Land and buildings are depreciated to their residual values over the lower of the lease term (where applicable) and 50 years.
- Fixtures, fittings, plant and equipment are depreciated over seven years.
- Interest costs directly attributable to capital projects are capitalised.

Residual values and useful lives are reviewed and adjusted if appropriate at each balance sheet date. The Company'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.

Effective freehold land and buildings are revalued by 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 such that all sites are individually inspected every three years. Substantially all of the Company's effective freehold land and buildings have been valued by a third party 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 for determined multiples and unobservable market data for fair maintainable trade. Internal valuations are performed on the same basis.

When a valuation is below current carrying value, the asset concerned is reviewed for impairment. Impairment losses are charged to the revaluation reserve to the extent that a previous gain has been recorded, and thereafter to the profit and loss account. Surpluses on revaluation are recognised in the revaluation reserve, except to the extent they reverse previously charged impairment losses, in which case the reversal is recorded in the profit and loss account.

Disposals of fixed assets

Profit/loss on disposal of fixed assets represents net sale proceeds less the carrying value of the assets. Any element of the revaluation reserve relating to the fixed assets disposed of is transferred to profit and loss reserves at the date of sale.

Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument.

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.

Basic financial assets

Basic financial assets, which comprise amounts owed by Group undertakings, other debtors and cash and cash equivalents, are initially measured at the transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

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

Basic financial liabilities

Basic financial liabilities, comprising amounts owed to Group undertakings and borrowings, are initially recognised at the transaction price and subsequently carried at amortised cost using the effective interest method.

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

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.

Notes to the Company financial statements continued
For the 52 weeks ended 27 September 2025

1 Accounting policies continued

Leases continued
Assets held under finance leases are recognised as assets at the lower of the assets' fair value at the date of inception of the lease and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

Lease premiums received are recognised on a straight-line basis over the life of the lease.

Obligations arising from sale and leaseback arrangements with repurchase options that do not fall within the scope of Section 20 'Leases' of FRS 102 are classified as other lease related borrowings and accounted for as secured loans on an amortised cost basis.

Investments in subsidiaries
Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Provisions
Provisions are recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation for which the estimates of future cash flows have not been adjusted. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Dividends
Dividends proposed by the Board but unpaid at the period end are recognised in the financial statements when they have been approved by the shareholders. Interim dividends are recognised when paid.

Preference shares
Preference shares are treated as borrowings, and dividends payable on those preference shares are charged as interest in the profit and loss account.

Group undertakings
There is an intra group funding agreement in place between the Company and certain other members of the Group. This agreement stipulates that all balances outstanding on any intercompany loan account between these companies which exceed £1 are interest bearing at a prescribed rate.

There is a 12.5% subordinated loan owed to the Company by Marston's Pubs Limited. The loan is subordinate to the amounts due under the securitisation for which the expected maturity date is 2035 (note 21 to the Group financial statements). There are also deep discount bonds owed by the Company to Banks's Brewery Insurance Limited. No interest is payable on any other amounts owed by/to Group companies who are not party to the intra group funding agreement.

All amounts owed by/to Group undertakings are unsecured and, with the exception of the subordinated loan and deep discount bonds, repayable on demand.

2 Judgements and key sources of estimation uncertainty
In the application of the Company'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.

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

Tangible fixed assets
The Company 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 5.

Fixed asset investments
Where there are indications of impairment or reversal of impairment of the Company's investments in subsidiary undertakings an assessment is made of the recoverable amounts of the investments, which are based on either net assets or value in use calculations. The estimation of the recoverable amounts requires a combination of assumptions, including cash flows, long-term growth rates and pre-tax discount rates.

The carrying amount of fixed asset investments is shown in note 6.

Notes to the Company financial statements continued

For the 52 weeks ended 27 September 2025

2 Judgements and key sources of estimation uncertainty continued

Internal dividend payments

A significant judgement was required in assessing the availability of distributable reserves across subsidiaries of the Group, which enabled the declaration and settlement of internal dividends up to Marston's PLC.

Dividend income is recorded within the profit and loss reserves.

3 Auditor's remuneration

Fees payable to the Company's Auditor for the audit of the Company's annual accounts are disclosed in note 3 to the Group financial statements. Fees paid to the Company's Auditor for non-audit services to the Company itself are not required to be disclosed as the Group financial statements disclose such fees on a consolidated basis.

4 Employees

The average monthly number of people employed by the Company during the period was nil (2024: nil).

5 Tangible fixed assets

	Effective freehold land and buildings £m	Leasehold land and buildings £m	Fixtures, fittings, plant and equipment £m	Total £m
Cost or valuation				
At 29 September 2024	192.4	24.9	1.2	218.5
Additions	2.9	1.0	–	3.9
Revaluation	10.5	–	–	10.5
At 27 September 2025	**205.8**	**25.9**	**1.2**	**232.9**
Depreciation				
At 29 September 2024	–	17.1	0.9	18.0
Charge for the period	–	0.7	0.2	0.9
Impairment	–	1.3	–	1.3
At 27 September 2025	**–**	**19.1**	**1.1**	**20.2**
Net book amount at 28 September 2024	192.4	7.8	0.3	200.5
Net book amount at 27 September 2025	**205.8**	**6.8**	**0.1**	**212.7**

The net book amount of land and buildings is split as follows:

	2025 £m	2024 £m
Freehold land and buildings	**152.8**	141.8
Leasehold land and buildings with a term greater than 100 years at acquisition/commencement	**53.0**	50.6
Leasehold land and buildings with a term less than 100 years at acquisition/commencement	**6.8**	7.8
	212.6	200.2

If the effective freehold land and buildings had not been revalued, the historical cost net book amount would be £169.0 million (2024: £159.5 million).

Capital expenditure authorised and committed at the period end but not provided for in the financial statements was £nil (2024: £0.2 million).

The net book amount of effective freehold land and buildings held under finance leases at 27 September 2025 was £20.6 million (2024: £18.1 million). The net book amount of effective freehold land and buildings held as part of sale and leaseback arrangements that do not fall within the scope of Section 20 'Leases' of FRS 102 was £99.2 million (2024: £90.4 million). The net book amount of fixtures, fittings, plant and equipment held under finance leases was £0.2 million (2024: £nil).

The Company has charged effective freehold land and buildings with a value of £4.4 million (2024: £4.6 million) in favour of the Marston's PLC Pension and Life Assurance Scheme (the 'Scheme') as continuing security for the Group's obligations to the Scheme.

Revaluation/impairment

At 29 June 2025 independent chartered surveyors revalued the Company's effective freehold properties 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 profit and loss account as appropriate.

	2025 £m	2024 £m
Profit and loss account		
Impairment	**(5.0)**	(5.2)
Reversal of past impairment	**10.3**	7.7
	5.3	2.5
Revaluation reserve		
Unrealised revaluation surplus	**7.0**	7.5
Reversal of past revaluation surplus	**(3.1)**	(3.3)
	3.9	4.2
Net increase in shareholders' equity/tangible fixed assets	**9.2**	6.7

Notes to the Company financial statements continued

For the 52 weeks ended 27 September 2025

6 Fixed asset investments

	Subsidiary undertakings £m
Cost	
At 29 September 2024	266.2
Capital contribution in respect of equity-settled share-based payments	1.8
At 27 September 2025	**268.0**
Net book amount at 28 September 2024	266.2
Net book amount at 27 September 2025	**268.0**

Where there are indications of impairment or reversal of impairment of the Company's investments in subsidiary undertakings, an assessment is made of the recoverable amounts of the investments, which are based on either net assets or value in use calculations.

These financial statements are separate company financial statements for Marston's PLC.

The Company had the following subsidiary undertakings at 27 September 2025:

	Nature of business	Class of share	Proportion of shares held directly by Marston's PLC	Proportion of shares held by the Group
Marston's Estates Limited	Property management	Ordinary 25p	–	100%
Marston's Operating Limited	Pub retailer	Ordinary £1	–	100%
Marston's Pubs Limited	Pub retailer	Ordinary £1	–	100%
Marston's Pubs Parent Limited	Holding company	Ordinary £1	–	100%
Marston's Telecoms Limited	Telecommunications	Ordinary £1	–	100%
Marston's Trading Limited	Pub retailer	Ordinary £5	–	100%
Banks's Brewery Insurance Limited	Insurance	Ordinary £1	–	100%
Marston's Acquisitions Limited	Acquisition company	Ordinary 25p	–	100%
		Preference £1	–	100%
Marston's Corporate Holdings Limited	Holding company	Ordinary £1	100%	100%
Marston's Issuer PLC	Financing company	Ordinary £1	–	–
Marston's Issuer Parent Limited	Holding company	Ordinary £1	–	–
Brasserie Restaurants Limited	Dormant	Ordinary £1	–	100%
Celtic Inns Holdings Limited*	Dormant	Ordinary 1p	–	100%
Celtic Inns Limited*	Dormant	Ordinary £1	–	100%
Eldridge, Pope & Co., Limited	Dormant	Ordinary 50p	–	100%
English Country Inns Limited*	Dormant	Ordinary 50p	–	100%
Fayolle Limited	Dormant	Ordinary £1	–	100%
John Marston's Taverners Limited	Dormant	Ordinary £1	–	100%
Lambert Parker & Gaines Limited	Dormant	Ordinary £1	–	100%
Mansfield Brewery Limited	Dormant	Ordinary 25p	–	100%
Mansfield Brewery Trading Limited	Dormant	Ordinary £1	–	100%
Marston, Thompson & Evershed Limited	Dormant	Ordinary 25p	–	100%
Marston's Property Developments Limited	Dormant	Ordinary £1	–	100%
Osprey Inns Limited	Dormant	Ordinary £1	–	100%
Pitcher and Piano Limited	Dormant	Ordinary £1	–	100%
Porter Black (2003) Limited*	Dormant	Ordinary £1	–	100%
QP Bars Limited*	Dormant	Ordinary £1	–	100%
Sherwood Forest Properties Limited	Dormant	Ordinary £1	–	100%
W&DB (Finance) Limited	Dormant	Ordinary £1	–	100%
Wizard Inns Limited	Dormant	'A' Ordinary 1p	–	100%
		Deferred 1p	–	100%

* An application to strike off and dissolve these companies was submitted to Companies House prior to the date of issuance of these financial statements.

The registered office of all of the above subsidiaries is St Johns House, St Johns Square, Wolverhampton, WV2 4BH, with the exception of Banks's Brewery Insurance Limited, Marston's Issuer PLC and Marston's Issuer Parent Limited. The registered office of Banks's Brewery Insurance Limited is PO Box 33, Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 4AT. The registered office of Marston's Issuer PLC and Marston's Issuer Parent Limited is Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London, EC2R 7AF.

The exemption from audit has been claimed for the individual financial statements of Marston's Telecoms Limited (registered number 4010795) for the 52 weeks ended 27 September 2025 under section 479A of the Companies Act 2006. Marston's PLC has given the required guarantee under section 479C in respect of the reporting period. The results of Marston's Telecoms Limited are included in these consolidated financial statements.

All subsidiaries have been included in the consolidated financial statements. Although the Group does not hold any shares in Marston's Issuer PLC and its parent company, Marston's Issuer Parent Limited, these companies are treated as subsidiary undertakings for the purpose of the consolidated financial statements as it is considered that they are controlled by the Group. Marston's Issuer PLC was set up with the sole purpose of issuing debt secured on the assets of Marston's Pubs Limited. Wilmington Trust SP Services (London) Limited holds the shares of Marston's Issuer Parent Limited under a declaration of trust for charitable purposes.

Notes to the Company financial statements continued

For the 52 weeks ended 27 September 2025

7 Debtors

Amounts falling due within one year	2025 £m	2024 £m
Amounts owed by Group undertakings	**252.3**	252.3
Other debtors	**3.7**	4.3
	256.0	256.6

Amounts falling due after more than one year	2025 £m	2024 £m
12.5% subordinated loan owed by Group undertaking	**790.1**	747.6
Deferred tax asset	**0.3**	–
	790.4	747.6

Amounts owed by Group undertakings are non-interest bearing and repayable on demand.

The gross contractual amount outstanding in respect of the subordinated loan was £2,095.8 million (2024: £1,901.0 million) and the impact of discounting the expected cash flows at 12.5% was £1,305.7 million (2024: £1,153.4 million).

8 Creditors

Amounts falling due within one year	2025 £m	2024 £m
Amounts owed to Group undertakings	**470.9**	576.8
Finance leases	**0.7**	0.6
Other lease related borrowings	**(0.2)**	(0.1)
Corporation tax	**95.4**	80.9
Accruals and deferred income	**9.4**	9.1
	576.2	667.3

Amounts falling due after more than one year	2025 £m	2024 £m
Finance leases	**18.3**	18.7
Other lease related borrowings	**88.9**	88.7
Preference shares	**0.1**	0.1
Accruals and deferred income	**6.1**	7.0
	113.4	114.5

Included within amounts falling due within one year, corporation tax, are amounts payable to other Group companies in respect of corporation tax.

The preference shares carry the right to a fixed cumulative preferential dividend. They participate in the event of a winding-up and on a return of capital and carry the right to attend and vote at general meetings of the Company, carrying four votes per share.

Other lease related borrowings represent amounts due under sale and leaseback arrangements that do not fall within the scope of Section 20 'Leases' of FRS 102. The Company has an option to repurchase each leased property for a nominal amount at the end of the lease. The leases have terms of 35 to 40 years and rents which are linked to RPI, subject to a cap and collar.

The amount falling due for payment after more than five years from the balance sheet date on debts repayable by instalments was £106.3 million (2024: £106.5 million). Debts of £0.1 million (2024: £0.1 million) were repayable otherwise than by instalments after more than five years from the balance sheet date.

9 Provisions for liabilities

	2025 £m	2024 £m
Property leases	**3.6**	3.6
Deferred tax liabilities	**–**	2.0
	3.6	5.6

Movements on provisions apart from deferred tax liabilities:

	Property leases £m
At 29 September 2024	3.6
Provided in the period	1.2
Released in the period	(0.9)
Utilised in the period	(0.4)
Unwind of discount	0.1
At 27 September 2025	**3.6**

Payments are expected to continue in respect of these property leases for periods of 1 to 28 years (2024: 1 to 20 years). There is not considered to be any significant uncertainty regarding the amount and timing of these cash flows relating to onerous lease and dilapidation provisions.

Notes to the Company financial statements continued

For the 52 weeks ended 27 September 2025

10 Deferred tax

The amount provided in respect of deferred tax is as follows:

	2025 £m	2024 £m
Excess of capital allowances over accumulated depreciation	**7.5**	6.5
Property related items	**1.3**	0.3
Other	**(9.1)**	(4.8)
	(0.3)	2.0

	Deferred tax £m
Deferred tax liability at 29 September 2024	2.0
Charged to profit or loss	(2.4)
Charged to other comprehensive income	0.1
Deferred tax asset at 27 September 2025	**(0.3)**

A deferred tax asset of £6.7 million (2024: £7.5 million) arising on capital losses has not been recognised due to uncertainty over its future recoverability.

11 Operating lease commitments

At 27 September 2025 the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases as follows:

	2025 £m	2024 £m
Within one year	**6.5**	6.5
In more than one year but less than five years	**20.4**	20.5
In more than five years	**28.0**	32.2
	54.9	59.2

12 Finance lease obligations

The Company leases various properties and items of equipment under finance leases. The leases have various terms, escalation clauses and renewal rights. Future minimum lease payments under finance leases are as follows:

	2025 £m	2024 £m
Within one year	**1.7**	1.7
In more than one year but less than five years	**5.5**	5.4
In more than five years	**25.5**	26.9
	32.7	34.0
Future finance charges	**(13.7)**	(14.7)
Present value of finance lease obligations	**19.0**	19.3

13 Equity share capital

	2025		2024	
Allotted, called up and fully paid	**Number m**	**Value £m**	Number m	Value £m
Ordinary shares of 7.375p each	**660.4**	**48.7**	660.4	48.7

14 Reserves

The share premium account comprises amounts in excess of nominal value received for the issue of shares less any transaction costs.

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.

The capital redemption reserve arose on share buybacks.

Details of own shares are provided in note 29 to the Group financial statements.

Notes to the Company financial statements continued

For the 52 weeks ended 27 September 2025

15 Group undertakings

During the current period, the Company received non-cash dividends from its subsidiary, Marston's Corporate Holdings Limited, in the form of intercompany receivables due from Marston's Trading Limited and Marston's PLC. The intercompany receivables had a total carrying amount of £143.3 million and were transferred at book value. The dividends were declared out of realised profits and recognised as distributions in kind in accordance with FRS 102 and applicable company law.

Following the receipt of these assets, the Company entered into a formal offset agreement with Marston's Trading Limited to legally net the receivables against part of an existing liability. As a result, intercompany debtors and creditors of an equal and opposite amount were derecognised from the Company's balance sheet.

The wholly owned Group controlled by Marston's PLC manages its tax affairs by optimising available reliefs across the Group, which is common practice within wholly owned groups. During the year, a potential risk was identified regarding Group entity Marston's Pubs Limited's prior acceptance of capital gains and other transfers from Group entities without direct consideration. Where such gains give rise to liabilities and Marston's Pubs Limited lacks sufficient distributable reserves, this may constitute an unlawful distribution under the Companies Act 2006. To mitigate this risk, Marston's PLC has provided nominal consideration for the relevant gains to Marston's Pubs Limited, reflecting the estimated liability.

16 Guarantees and contingent liabilities

The Company has entered into a Deed of Guarantee with Marston's Trading Limited ('Trading') and the Trustees of the Marston's PLC Pension and Life Assurance Scheme (the 'Scheme') whereby it guarantees to the Trustees the ongoing obligations of Trading to contribute to the Scheme and the obligations of Trading to contribute to the Scheme in the event of a debt becoming due under section 75 of the Pensions Act 1995 on the occurrence of either Trading entering liquidation or the Scheme winding up.

The Company has guaranteed the obligations of Trading under certain of its banking facilities and the obligations of Marston's Estates Limited under various property leases.