Company Registration No. 05453370 (England and Wales)

MARSTON'S PUBS PARENT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 29 SEPTEMBER 2018

MARSTON'S PUBS PARENT LIMITED

COMPANY INFORMATION

Directors	Andrew Andrea Ralph Findlay Richard Westwood
Secretary	Anne-Marie Brennan
Company number	05453370
Registered office	Marston's House Brewery Road Wolverhampton WV1 4JT

MARSTON'S PUBS PARENT LIMITED

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MARSTON'S PUBS PARENT LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 29 SEPTEMBER 2018

The Directors present the strategic report for the period ended 29 September 2018.

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

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

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

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

By order of the board

Anne-Marie Brennan
Secretary
21 November 2018

MARSTON'S PUBS PARENT LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 29 SEPTEMBER 2018

The Directors present their report and the financial statements of the Company and the Group for the period ended 29 September 2018.

The financial statements of the Company and the Group cover the 52 weeks ended 29 September 2018 (2017: 52 weeks ended 30 September 2017).

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

Andrew Andrea
Ralph Findlay
Richard Westwood

Results and dividends
The results for the period are set out on page 7.

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

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

Financial instruments
Financial risk management
The financial risk management of the Company and the Group reflect that of the Marston's Group. Details of the Marston's Group's financial risk exposure, and the management objectives and policies thereon, are presented within the Annual Report and Accounts of Marston's PLC.

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

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

By order of the board

Anne-Marie Brennan
Secretary
21 November 2018

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 29 SEPTEMBER 2018

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group or the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MARSTON'S PUBS PARENT LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MARSTON'S PUBS PARENT LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Marston's Pubs Parent Limited's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 29 September 2018 and of the Group's loss and cash flows for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Group and Company balance sheets as at 29 September 2018; the Group profit and loss account for the period then ended; the Group statement of comprehensive income for the period then ended; the Group statement of cash flows for the period then ended; the Group and Company statements of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's and Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 29 September 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements
As explained more fully in the Directors' Responsibilities Statement set out on page 3, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

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

Use of this report
This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Andrew Lyon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
21 November 2018

MARSTON'S PUBS PARENT LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 29 SEPTEMBER 2018

	Notes	Period ended 29 September 2018 £m	Period ended 30 September 2017 £m
Turnover	3	407.0	402.4
Trading expenses	4	(309.1)	(309.0)
Exceptional items	5	(14.1)	(1.8)
Operating profit	6	83.8	91.6
Interest payable and similar charges	9	(159.8)	(149.5)
Other gains and losses	10	0.2	(2.1)
Loss before taxation		(75.8)	(60.0)
Taxation	11	11.3	11.6
Loss for the financial period		(64.5)	(48.4)

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

MARSTON'S PUBS PARENT LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 29 SEPTEMBER 2018

	Period ended 29 September 2018 £m	Period ended 30 September 2017 £m
Loss for the period	(64.5)	(48.4)
Items of other comprehensive income		
Revaluation of tangible fixed assets	18.8	(0.4)
Cash flow hedges (loss)/gain arising in the period	(0.5)	34.9
Transfers to the profit and loss account on cash flow hedges	10.9	10.7
Tax relating to items of other comprehensive income	(3.5)	(5.9)
Other comprehensive income for the period	25.7	39.3
Total comprehensive expense for the period	(38.8)	(9.1)

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

MARSTON'S PUBS PARENT LIMITED

GROUP BALANCE SHEET

AS AT 29 SEPTEMBER 2018

	Notes	2018 £m	2018 £m	2017 £m	2017 £m
Fixed assets					
Goodwill	12		52.6		62.3
Other intangible assets	12		-		-
Total intangible assets			52.6		62.3
Tangible assets	13		1,293.3		1,269.8
			1,345.9		1,332.1
Current assets					
Stocks	16	6.2		5.9	
Debtors	17	26.1		28.6	
Cash at bank and in hand		27.5		39.2	
		59.8		73.7	
Creditors: amounts falling due within one year	18	(66.6)		(73.9)	
Net current liabilities			(6.8)		(0.2)
Total assets less current liabilities			1,339.1		1,331.9
Creditors: amounts falling due after more than one year	19		(1,844.8)		(1,799.6)
Provisions for liabilities	21		(46.7)		(45.9)
Net liabilities			(552.4)		(513.6)
Capital and reserves					
Called up share capital	23		-		-
Revaluation reserve	24		268.2		251.2
Hedging reserve	24		(108.7)		(117.3)
Profit and loss reserves			(711.9)		(647.5)
Total equity			(552.4)		(513.6)

The financial statements were approved by the board of Directors and authorised for issue on 21 November 2018 and are signed on its behalf by:

Andrew Andrea
Director

MARSTON'S PUBS PARENT LIMITED

COMPANY BALANCE SHEET

AS AT 29 SEPTEMBER 2018

	Notes	2018 £m	2017 £m
Fixed assets			
Investments	14	-	-
Net assets		-	-
Capital and reserves			
Called up share capital	23	-	-
Profit and loss reserves		-	-
Total equity		-	-

The Company's profit for the period was £nil (2017: £nil).

The financial statements were approved by the board of Directors and authorised for issue on 21 November 2018 and are signed on its behalf by:

Andrew Andrea
Director

Company Registration No. 05453370

MARSTON'S PUBS PARENT LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 29 SEPTEMBER 2018

	Share capital	Revaluation reserve	Hedging reserve	Profit and loss reserves	Total
	£m	£m	£m	£m	£m
Balance at 2 October 2016	-	251.3	(155.6)	(600.2)	(504.5)
Period ended 30 September 2017:					
Loss for the period	-	-	-	(48.4)	(48.4)
Other comprehensive income:					
Revaluation of tangible fixed assets	-	(0.4)	-	-	(0.4)
Cash flow hedges gain arising in the period	-	-	34.9	-	34.9
Transfers to the profit and loss account on cash flow hedges	-	-	10.7	-	10.7
Tax relating to items of other comprehensive income	-	1.4	(7.3)	-	(5.9)
Total comprehensive income/(expense) for the period	-	1.0	38.3	(48.4)	(9.1)
Transfers	-	(1.1)	-	1.1	-
Balance at 30 September 2017	-	251.2	(117.3)	(647.5)	(513.6)
Period ended 29 September 2018:					
Loss for the period	-	-	-	(64.5)	(64.5)
Other comprehensive income:					
Revaluation of tangible fixed assets	-	18.8	-	-	18.8
Cash flow hedges loss arising in the period	-	-	(0.5)	-	(0.5)
Transfers to the profit and loss account on cash flow hedges	-	-	10.9	-	10.9
Tax relating to items of other comprehensive income	-	(1.7)	(1.8)	-	(3.5)
Total comprehensive income/(expense) for the period	-	17.1	8.6	(64.5)	(38.8)
Transfers	-	(0.1)	-	0.1	-
Balance at 29 September 2018	-	268.2	(108.7)	(711.9)	(552.4)

MARSTON'S PUBS PARENT LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 29 SEPTEMBER 2018

	Share capital	Profit and loss reserves	Total
	£m	£m	£m
Balance at 2 October 2016	-	-	-
Period ended 30 September 2017:			
Profit and total comprehensive income for the period	-	-	-
Balance at 30 September 2017	-	-	-
Period ended 29 September 2018:			
Profit and total comprehensive income for the period	-	-	-
Balance at 29 September 2018	-	-	-

MARSTON'S PUBS PARENT LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 29 SEPTEMBER 2018

	Notes	2018 £m	2018 £m	2017 £m	2017 £m
Operating activities					
Cash generated from operations	**29**		111.5		114.4
Interest paid			(46.4)		(46.6)
Income taxes refunded			11.1		40.4
Net cash inflow from operating activities			76.2		108.2
Investing activities					
Purchase of intangible fixed assets		-		(0.1)	
Purchase of tangible fixed assets		(38.6)		(41.9)	
Proceeds on disposal of tangible fixed assets		6.7		10.7	
Net cash outflow from investing activities			(31.9)		(31.3)
Financing activities					
Repayment of borrowings		(56.0)		(85.8)	
Net cash outflow from financing activities			(56.0)		(85.8)
Net decrease in cash and cash equivalents			(11.7)		(8.9)
Cash and cash equivalents at beginning of period			39.2		48.1
Cash and cash equivalents at end of period			27.5		39.2

1 Accounting policies

Company information

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

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

1.1 Accounting convention

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

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

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

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

1.2 Basis of consolidation and business combinations

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

All financial statements are made up to 29 September 2018. All intra-group transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated on consolidation.

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

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

1.3 Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

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

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

1 Accounting policies **(Continued)**

1.5 Intangible fixed assets - goodwill

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

1.6 Intangible fixed assets other than goodwill

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

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

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

Computer software	3 to 15 years

1.7 Tangible fixed assets

Freehold and leasehold properties are initially measured at cost and subsequently measured at valuation, net of depreciation and any impairment losses. Plant, fixtures and fittings are measured at cost, net of depreciation and any impairment losses.

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

Freehold land and buildings	50 years
Leasehold land and buildings	the lower of the lease period and 50 years
Plant, fixtures and fittings	3 to 15 years

Freehold land is not depreciated.

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

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

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

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

1 Accounting policies **(Continued)**

1.8 Fixed asset investments

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

1.9 Impairment of fixed assets

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

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

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

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

1.10 Stocks

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

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

1.11 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits held on call with banks.

1.12 Financial instruments

The Group 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 Group 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.

1 Accounting policies **(Continued)**

Basic financial assets

Basic financial assets, which comprise trade debtors, 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.

Other financial assets

The Group has no other financial assets.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and 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.

Derecognition of financial assets

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

Classification of financial liabilities

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 Group or Company after deducting all of its liabilities.

Basic financial liabilities

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

Other financial liabilities

Derivatives, including interest rate swaps, are not basic financial instruments and are accounted for as set out below.

Derecognition of financial liabilities

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

1.13 Equity instruments

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

1 Accounting policies **(Continued)**

1.14 Derivatives

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

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

Hedge accounting

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

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income.

The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in other gains and losses in the profit and loss account.

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

1.15 Taxation

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

Current tax

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

Deferred tax

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

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

1 Accounting policies **(Continued)**

1.16 Leases

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

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

1.17 Exceptional items

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

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

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

Exceptional items

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

2 Judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

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

Tangible fixed assets

The Group carries its freehold and leasehold properties 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 useful lives and residual values of the Group's tangible fixed assets are estimated based on current property market trends, technological advancement, physical condition of the assets and expected future investment. These are reviewed annually and amended when necessary to reflect current estimates. The annual depreciation charge is sensitive to changes in both the useful lives and residual values of these assets.

The carrying amount of tangible fixed assets is shown in note 13 and the useful lives are shown in note 1.

Valuation of interest rate swaps

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

3 Turnover

An analysis of the Group's turnover is as follows:

	2018 £m	2017 £m
Turnover by business segment		
Destination and Premium	151.9	155.1
Taverns	255.1	247.3
	407.0	402.4

	2018 £m	2017 £m
Turnover by category		
Sale of goods	372.9	369.2
Rendering of services	34.1	33.2
	407.0	402.4

In the prior period the Group had three business segments being Destination and Premium, Taverns and Leased. During the current period the Group merged its Taverns and Leased operational teams, meaning that it is no longer possible to separate their performance and profitability. The results of the merged operations are now presented to management as one combined 'Taverns' segment and management decisions are made on a combined basis. The results for the prior period have been restated to reflect the merging of these two segments.

3 Turnover **(Continued)**

Turnover originates in the UK and is not materially different from turnover by destination.

4 Trading expenses

	2018 £m	2017 £m
Change in stocks of finished goods	(0.4)	(0.1)
Other operating income	(1.8)	(1.0)
Raw materials and consumables	125.2	124.5
Staff costs recharged from associated undertakings	67.2	67.4
Depreciation and other amounts written off tangible and intangible fixed assets	20.0	20.5
Other net operating charges	98.9	97.7
	309.1	309.0

5 Exceptional costs/(income)

	2018 £m	2017 £m
Impairment of tangible fixed assets	55.5	1.8
Reversal of past impairment of tangible fixed assets	(41.4)	-
	14.1	1.8

6 Operating profit

	2018 £m	2017 £m
Operating profit for the period is stated after charging/(crediting):		
Depreciation of tangible fixed assets	11.1	11.4
Impairment of tangible fixed assets	55.5	1.8
Reversal of past impairment of tangible fixed assets	(41.4)	-
Loss on disposal of tangible fixed assets	0.1	1.1
Amortisation of intangible fixed assets	8.9	9.1
Operating lease charges	0.8	0.7

7 Auditors' remuneration

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

8 Employees

The average monthly number of people employed by the Group and the Company during the period excluding Directors was nil (2017: nil). The Directors received no remuneration in respect of their services to the Group or the Company (2017: £nil).

9 Interest payable and similar charges

	2018 £m	2017 £m
Interest on financial liabilities measured at amortised cost:		
Subordinated loan interest	113.0	102.8
Securitised debt interest	46.2	46.1
	159.2	148.9
Other finance costs:		
Other interest and similar charges	0.6	0.6
	159.8	149.5

10 Other gains and losses

	2018 £m	2017 £m
Fair value gains/(losses) on financial instruments		
Hedge ineffectiveness on cash flow hedges	0.2	(2.1)

11 Taxation

	2018 £m	2017 £m
Current tax		
UK corporation tax on results for the current period	(11.6)	(10.5)
Adjustments in respect of prior periods	(0.1)	(0.1)
Total current tax	(11.7)	(10.6)
Deferred tax		
Origination and reversal of timing differences	0.4	(1.0)
Total tax credit	(11.3)	(11.6)

The standard rate of corporation tax in the UK changed from 20% to 19% with effect from 1 April 2017. Accordingly, the Group's losses for the current period are taxed at an effective rate of 19% and the losses for the prior period were taxed at an effective rate of 19.5%.

The March 2016 Budget announced that the standard rate of corporation tax would change from 19% to 17% with effect from 1 April 2020. This change was substantively enacted in the Finance Act 2016 in September 2016 and as such the deferred tax assets and liabilities reflect these rates.

11 Taxation **(Continued)**

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

	2018 £m	2017 £m
Loss before taxation	(75.8)	(60.0)
Expected tax based on the standard rate of corporation tax in the UK of 19% (2017: 19.5%)	(14.4)	(11.7)
Tax effect of expenses that are not deductible in determining taxable profit	1.8	1.9
Adjustments in respect of prior periods	(0.1)	0.5
Deferred tax in respect of land and buildings	1.3	(2.2)
Difference between deferred and current tax rates	0.1	(0.1)
Tax credit for the period	(11.3)	(11.6)

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

	2018 £m	2017 £m
Deferred tax arising on:		
Revaluation of property	1.7	(1.4)
Cash flow hedges	1.8	7.3
Total tax recognised in other comprehensive income	3.5	5.9

12 Intangible fixed assets

Group	Goodwill	Computer software	Total
	£m	£m	£m
Cost			
At 1 October 2017	160.1	0.3	160.4
Disposals	(2.3)	(0.2)	(2.5)
At 29 September 2018	157.8	0.1	157.9
Amortisation and impairment			
At 1 October 2017	97.8	0.3	98.1
Amortisation charged for the period	8.9	-	8.9
Disposals	(1.5)	(0.2)	(1.7)
At 29 September 2018	105.2	0.1	105.3
Carrying amount			
At 29 September 2018	52.6	-	52.6
At 30 September 2017	62.3	-	62.3

The Company had no intangible fixed assets at 29 September 2018 or 30 September 2017.

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

13 Tangible fixed assets

Group	Land and buildings	Plant, fixtures and fittings	Total
	£m	£m	£m
Cost or valuation			
At 1 October 2017	1,211.8	123.9	1,335.7
Additions	23.9	12.6	36.5
Disposals	(6.8)	(16.0)	(22.8)
Revaluation	4.5	-	4.5
Transfers to/from associated undertakings	(0.3)	1.3	1.0
At 29 September 2018	1,233.1	121.8	1,354.9
Depreciation and impairment			
At 1 October 2017	0.2	65.7	65.9
Depreciation charged in the period	0.1	11.0	11.1
Eliminated in respect of disposals	-	(15.2)	(15.2)
Revaluation	(0.2)	-	(0.2)
At 29 September 2018	0.1	61.5	61.6
Carrying amount			
At 29 September 2018	1,233.0	60.3	1,293.3
At 30 September 2017	1,211.6	58.2	1,269.8

The Company had no tangible fixed assets at 29 September 2018 or 30 September 2017.

The carrying amount of land and buildings comprises:

	Group 2018	2017	Company 2018	2017
	£m	£m	£m	£m
Freehold	1,161.8	1,128.3	-	-
Long leasehold	68.6	80.8	-	-
Short leasehold	2.6	2.5	-	-
	1,233.0	1,211.6	-	-

13 Tangible fixed assets **(Continued)**

At 28 January 2018 independent chartered surveyors revalued the Group's freehold and leasehold properties on an open market value basis.

During the prior period various properties were reviewed for impairment and/or material changes in value. These valuation adjustments were recognised in the revaluation reserve or within exceptional items in the profit and loss account as appropriate.

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

	Group		Company	
	2018	2017	2018	2017
	£m	£m	£m	£m
Profit and loss account:				
Reversal of past impairment	41.4	-	-	-
Impairment	(55.5)	(1.8)	-	-
	(14.1)	(1.8)	-	-
Revaluation reserve:				
Unrealised revaluation surplus	84.3	-	-	-
Reversal of past revaluation surplus	(65.5)	(0.4)	-	-
	18.8	(0.4)	-	-
Net increase/(decrease) in shareholders' equity/tangible fixed assets	4.7	(2.2)	-	-

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

	Group		Company	
	2018	2017	2018	2017
	£m	£m	£m	£m
Carrying amount	923.4	920.6	-	-

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

14 Subsidiaries

Details of the Company's subsidiaries at 29 September 2018 are as follows:

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

The registered office of Marston's Pubs Limited is Marston's House, Brewery Road, Wolverhampton, WV1 4JT. The cost and net book value of the Company's investment in Marston's Pubs Limited at 29 September 2018 was £1 (2017: £1).

15 Financial instruments

	Group 2018 £m	2017 £m	Company 2018 £m	2017 £m
Carrying amount of financial assets				
Measured at amortised cost	36.3	47.4	-	-
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
- Derivative financial instruments	148.6	159.2	-	-
Measured at amortised cost	1,740.5	1,690.6	-	-

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

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

Hedging arrangements

The Group uses its interest rate swaps to fix the interest rate payable on the floating rate elements of its securitised debt (note 20). These interest rate swaps, including borrowing margins, fix interest at 6.2% and 7.7% and their fair value is shown in the table above.

16 Stocks

	Group 2018 £m	2017 £m	Company 2018 £m	2017 £m
Raw materials and consumables	1.5	1.6	-	-
Finished goods and goods for resale	4.7	4.3	-	-
	6.2	5.9	-	-

17 Debtors

	Group 2018	2017	Company 2018	2017
Amounts falling due within one year:	**£m**	**£m**	**£m**	**£m**
Trade debtors	2.7	2.8	-	-
Corporation tax recoverable	5.9	5.3	-	-
Other debtors	6.1	5.4	-	-
Prepayments and accrued income	1.9	2.5	-	-
	16.6	16.0	-	-
Amounts falling due after one year:				
Deferred tax asset (note 22)	9.5	12.6	-	-
Total debtors	26.1	28.6	-	-

18 Creditors: amounts falling due within one year

	Notes	Group 2018 £m	2017 £m	Company 2018 £m	2017 £m
Other borrowings	20	31.2	29.5	-	-
Amounts owed to associated undertakings		6.3	14.2	-	-
Other taxation and social security		4.1	4.2	-	-
Other creditors		6.8	6.5	-	-
Accruals and deferred income		18.2	19.5	-	-
		66.6	73.9	-	-

Amounts owed to associated undertakings are unsecured, non-interest bearing and repayable on demand.

19 Creditors: amounts falling due after more than one year

	Notes	Group 2018 £m	2017 £m	Company 2018 £m	2017 £m
Other borrowings	20	1,696.2	1,640.4	-	-
Derivative financial instruments		148.6	159.2	-	-
		1,844.8	1,799.6	-	-

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

Payable by instalments	601.3	640.3	-	-
Payable other than by instalments	951.1	864.1	-	-
	1,552.4	1,504.4	-	-

20 Borrowings

	Group 2018 £m	2017 £m	Company 2018 £m	2017 £m
12.5% subordinated loan due to ultimate parent	951.1	864.1	-	-
Securitised debt	776.3	805.8	-	-
	1,727.4	1,669.9	-	-
Payable within one year	31.2	29.5	-	-
Payable after one year	1,696.2	1,640.4	-	-

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

The securitisation is governed by various covenants, warranties and events of default, many of which apply to Marston's Pubs Limited. These include covenants regarding the maintenance and disposal of securitised properties and restrictions on the ability to move cash to other companies within the Marston's Group.

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

	2018 £m	2017 £m	Interest	Principal repayment period - by instalments	Expected average life	Expected maturity date
A1	40.1	60.3	Floating	2018 to 2020	2 years	2020
A2	214.0	214.0	Fixed/floating	2020 to 2027	9 years	2027
A3	200.0	200.0	Fixed/floating	2027 to 2032	14 years	2032
A4	172.0	181.8	Floating	2018 to 2031	13 years	2031
B	155.0	155.0	Fixed/floating	2032 to 2035	17 years	2035
	781.1	811.1				

20 Borrowings **(Continued)**

The interest payable on each tranche is as follows:

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

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

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

21 Provisions for liabilities

		Group		Company	
		2018	2017	2018	2017
	Notes	£m	£m	£m	£m
Deferred tax liabilities	22	46.7	45.9	-	-

22 Deferred taxation

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities	Liabilities	Assets	Assets
	2018	2017	2018	2017
Group	£m	£m	£m	£m
Accelerated capital allowances	-	-	(14.8)	(13.4)
Property related items	46.7	45.9	-	-
Interest rate swaps	-	-	24.3	26.0
	46.7	45.9	9.5	12.6

The Company had no deferred tax assets or liabilities at 29 September 2018 or 30 September 2017.

22 Deferred taxation (Continued)

Movements in the period:	Group 2018 £m	Company 2018 £m
Liability at 1 October 2017	33.3	-
Charge to profit or loss	0.4	-
Charge to other comprehensive income	3.5	-
Liability at 29 September 2018	37.2	-

23 Share capital

	Group and Company 2018 £m	2017 £m
Ordinary share capital		
Issued and fully paid		
1 ordinary share of £1 each	-	-

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

24 Reserves

Revaluation reserve
When freehold and leasehold properties 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.

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

25 Operating lease commitments

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

25 Operating lease commitments **(Continued)**

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

	Group 2018 £m	2017 £m	Company 2018 £m	2017 £m
Within one year	0.5	0.5	-	-
Between two and five years	1.8	1.8	-	-
In over five years	14.2	17.0	-	-
	16.5	19.3	-	-

Lessor

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

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

	Group 2018 £m	2017 £m	Company 2018 £m	2017 £m
Within one year	12.9	13.3	-	-
Between two and five years	39.0	41.4	-	-
In over five years	27.3	34.8	-	-
	79.2	89.5	-	-

26 Capital commitments

At 29 September 2018 capital commitments were as follows:

	Group 2018 £m	2017 £m	Company 2018 £m	2017 £m
Contracted for but not provided in the financial statements:				
Acquisition of tangible fixed assets	2.3	2.2	-	-

27 Related party transactions

On 9 August 2005 Marston's Pubs Limited was loaned £805.0m by Marston's Issuer PLC and on 22 November 2007 a further £330.0m was loaned by Marston's Issuer PLC. In addition, interest rate swap contracts entered into by Marston's Issuer PLC are used by Marston's Pubs Limited in relation to both the above loans. Interest of £9.5m (2017: £9.6m) had accrued on the loans and associated swaps at 29 September 2018 and capital repayments of £30.0m (2017: £28.4m) were made during the period. The total amount payable in relation to the swap arrangements at the period end was £148.6m (2017: £159.2m). Total interest charged was £45.7m (2017: £45.6m) and the outstanding balance of the loans at the period end is disclosed in note 20.

28 Controlling party

The immediate parent undertaking is Marston's Corporate Holdings Limited. The ultimate parent undertaking and controlling party is Marston's PLC, which is the parent undertaking of the smallest and largest group to consolidate the financial statements of Marston's Pubs Parent Limited. The registered office of Marston's PLC is Marston's House, Brewery Road, Wolverhampton, WV1 4JT and copies of the Marston's Group accounts can be obtained from the Group Secretary at this address.

29 Cash generated from Group operations

	2018 £m	2017 £m
Loss for the period after tax	(64.5)	(48.4)
Adjustments for:		
Taxation credited	(11.3)	(11.6)
Finance costs	159.8	149.5
Loss on disposal of tangible fixed assets	0.1	1.1
Write-off of goodwill on disposal	0.8	1.1
Amortisation and impairment of intangible fixed assets	8.9	9.1
Depreciation and impairment of tangible fixed assets	25.2	13.2
Other gains and losses	(0.2)	2.1
Movements in working capital:		
Increase in stocks	(0.3)	(0.1)
Decrease in debtors	1.1	1.0
(Decrease)/increase in creditors	(0.2)	1.4
Intercompany movement	(7.9)	(4.0)
Cash generated from operations	111.5	114.4