

MARSTON'S PUBS PARENT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 2 OCTOBER 2021

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

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

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of their profit or loss for that period. In preparing each of the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

MARSTON'S PUBS PARENT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MARSTON'S PUBS PARENT LIMITED

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Material uncertainty related to going concern

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

Our opinion is not modified in respect of this matter.

Going concern basis of preparation

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

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

MARSTON'S PUBS PARENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MARSTON'S PUBS PARENT LIMITED

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

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

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

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

We did not identify any additional fraud risks.

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

We also performed procedures including:

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

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

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

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

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

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

MARSTON'S PUBS PARENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MARSTON'S PUBS PARENT LIMITED

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

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

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

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

Strategic report and Directors' report

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

MARSTON'S PUBS PARENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MARSTON'S PUBS PARENT LIMITED

Directors' responsibilities

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

Auditor's responsibilities

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

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

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

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



John Leech (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom
16 December 2021

MARSTON'S PUBS PARENT LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 2 OCTOBER 2021

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

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

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

MARSTON'S PUBS PARENT LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 2 OCTOBER 2021

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

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

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

MARSTON'S PUBS PARENT LIMITED

GROUP BALANCE SHEET

AS AT 2 OCTOBER 2021

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

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


Hayleigh Lupino
Director

MARSTON'S PUBS PARENT LIMITED

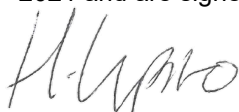
COMPANY BALANCE SHEET

AS AT 2 OCTOBER 2021

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

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

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



Hayleigh Lupino
Director

Company Registration No. 05453370

MARSTON'S PUBS PARENT LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 2 OCTOBER 2021

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

MARSTON'S PUBS PARENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 2 OCTOBER 2021

20 Borrowings

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

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

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

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

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

MARSTON'S PUBS PARENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 2 OCTOBER 2021

20 Borrowings

(Continued)

The interest payable on each tranche is as follows:

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

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

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

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

21 Provisions for liabilities

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

22 Deferred taxation

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

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

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

MARSTON'S PUBS PARENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 2 OCTOBER 2021

22 Deferred taxation (Continued)

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

23 Share capital

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

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

24 Revaluation reserve

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

25 Hedging reserve

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

26 Contingent assets and liabilities

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

MARSTON'S PUBS PARENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 2 OCTOBER 2021

27 Operating lease commitments

Lessee

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

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

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

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

28 Capital commitments

At 2 October 2021 capital commitments were as follows:

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

MARSTON'S PUBS PARENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 2 OCTOBER 2021

29 Related party transactions

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

30 Controlling party

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

31 Cash generated from Group operations

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