

Stonegate Group

OPERATING AND FINANCIAL REVIEW FOR THE 28 WEEKS ENDED 13 April 2025

Stonegate Pub Company Limited announces its trading update for the 28 week period to 13 April 2025 (2024: 28 week period to 7 April 2024).

David McDowall, Chief Executive of Stonegate Group, commented:

"While the sector experienced continued volatile trading in the second quarter, we continued to make meaningful progress on our strategic initiatives. Our estate transformation plan continues to deliver strong results, with both our leased and tenanted and operator-led businesses showing growth and a leaner cost base in our managed estate.

"Strong profit performance in March and April, up 7.7% on the prior year, is an encouraging sign. Our strategic plan will ensure that we continue building on this momentum."

Current Trading

Total revenue for the period was £871 million compared to £916 million in the same period in the prior year. Of the £871 million, the managed segment contributed £465 million (28 weeks 2024: £525 million), primarily reflecting a strong comparative period, particularly in the first quarter. The Group's leased and tenanted pubs, being Pub Partners and Commercial Property, together contributed £224 million (28 weeks 2024: £222 million) and the operator-led segment, contributed £182 million (28 weeks 2024: £169 million).

For the 28 weeks to 13 April 2025 the leased and tenanted estate demonstrated profit growth consistent with previous quarters of 5.2% on the equivalent period in the prior year. Craft Union, the Group's operator-led business, also delivered profit growth of 1.4% and the managed estate showed a decline of 19.3% across the period.

During the 28 weeks to 13 April 2025, the Group achieved a robust adjusted EBITDA of £184 million (28 weeks 2024: £196 million). Adjusted EBITDA margin in the 28 weeks to 13 April 2025 was down 0.3% to 21.1%, as we continue to feel challenging cost headwinds affecting profitability, principally around labour.

The operating profit for the 28 week period is £147 million (28 weeks 2024: £190 million), the loss before taxation is £75 million (28 weeks 2024: £5 million) and the loss after taxation is £59 million (28 weeks 2024: £4 million).

Capital Expenditure

In the 28 week period the Group has spent £68 million (28 weeks 2024: £74 million) on expansionary, conversion and maintenance capital.

Property

The Group has disposed of 49 trading sites and five pieces of land for net proceeds of £26 million in the 28 weeks to 13 April 2025, which also includes the sale of fixtures and fittings to publicans (28 weeks 2024: 34 trading sites; two non-trading sites and two non-licensed property for net proceeds of £25 million; 53 weeks 2024: 70 trading sites; two non-trading sites and five non-licensed properties for net proceeds of £58 million). Included in the number of disposals were four lease hand backs for which the Group paid £4 million (28 weeks 2024: six for £nil; 53 weeks 2024: 15 for £1 million). In addition the Group completed on sale and leasebacks of ten trading sites for proceeds of £11 million.

Stonegate Group

OPERATING AND FINANCIAL REVIEW FOR THE 28 WEEKS ENDED 13 April 2025 (continued)

Financial position

The Group has net assets of £732 million at 13 April 2025 (7 April 2024: net assets of £597 million; 29 September 2024: net assets of £791 million). The Group has a policy of revaluation and at 29 September 2024 recognised a net upwards movement of £126 million in the valuation of the estate. Group cash at the quarter end is £103 million (7 April 2024: £690 million; 29 September 2024: £171 million), of which £14 million (7 April 2024: £10 million; 29 September 2024: £30 million), is held within the Unique securitisation and £42 million (7 April 2024: £46 million; 29 September 2024: £46 million) is held in the restricted portfolio loan group. The Group had access to a further £150 million (7 April 2024: £nil; 29 September 2024: £150 million) from its revolving credit facility and a further £25 million overdraft facility (7 April 2024: £25 million; 29 September 2024: £25 million).

The Group Consolidated Income Statement discloses statutory profit / (loss) information that includes items disclosed in the tables below which Management believe if separately disclosed allow a clearer understanding of the trading performance of the Group. Separately disclosed items are those which are separately identified by virtue of their size or incidence.

	Statutory			Adjusted		
	28 weeks ended 13 April 2025 £m	28 weeks ended 7 April 2024 £m	53 weeks ended 29 September 2024 £m	28 weeks ended 13 April 2025 £m	28 weeks ended 7 April 2024 £m	53 weeks ended 29 September 2024 £m
Revenue	871	916	1,747	871	916	1,747
Other income	-	40	30	-	40	30
Operating costs before depreciation and amortisation	(650)	(695)	(1,300)	(687)	(760)	(1,383)
EBITDA	221	261	477	184	196	394
Operating profit	147	190	249	119	117	261

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OPERATING AND FINANCIAL REVIEW FOR THE 28 WEEKS ENDED 13 April 2025 (continued)

	28 weeks ended 13 April 2025 £m	28 weeks ended 7 April 2024 £m	53 weeks ended 29 September 2024 £m
EBITDA	221	261	477
Business interruption	-	(40)	(30)
Surrender premiums	-	1	1
Business reorganisation	1	3	8
Management fees	-	1	1
Equity settled share based payment expense	-	-	1
Pension scheme service costs	-	-	1
Losses on disposed/non-trading sites	1	1	6
Professional fees associated with Group restructuring	-	11	11
Other non-recurring costs	2	1	2
IFRS 16	(41)	(43)	(84)
Adjusted EBITDA	184	196	394

Adjusted EBITDA represents profit before finance income, finance costs, taxation, depreciation, amortisation, impairment, and the other items shown above. In relation to those leases under IFRS 16, for the 28 weeks ending 13 April 2025, the Group's operating profit before depreciation, amortisation, impairment, revaluation and (loss) / profit on sale of non-current assets improved by £41 million as operating lease rentals are no longer included in operating profit (28 weeks 2024: £43 million; 53 weeks 2024: £84 million). Depreciation of right-of-use assets and lease liability interest are instead included below operating profit. The Directors consider the adjusted EBITDA provides useful information about the Group's performance and aids a comparison of the Group's trading performance from one period to the next and with similar businesses.

Adjusted operating profit represents statutory operating profit adjusted for the other items shown above in the adjusted EBITDA reconciliation and the impact of £7 million of reduction in the value of the estate (28 weeks 2024: £1 million; 53 weeks 2024: £111 million) and loss on sale of non-current assets of £2 million (28 weeks 2024: profit of £9 million; 53 weeks 2024: profit of £16 million).

Stonegate Group

Stonegate Pub Company Limited

Condensed Consolidated Interim Financial Statements

For the 28 weeks ended 13 April 2025

Registered number FC029833

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Consolidated Income Statement
For the 28 weeks ended 13 April 2025

	Notes	Unaudited 28 weeks ended 13 April 2025			Unaudited 28 weeks ended 7 April 2024			Audited 53 weeks ended 29 September 2024		
		Pre- exceptional items £m	Exceptional items* £m	Total £m	Pre- exceptional items £m	Exceptional items* £m	Total £m	Pre- exceptional items £m	Exceptional items* £m	Total £m
Revenue	2	871	-	871	916	-	916	1,747	-	1,747
Other income		-	-	-	-	40	40	-	30	30
Operating costs before depreciation and amortisation		(647)	(3)	(650)	(679)	(16)	(695)	(1,278)	(22)	(1,300)
EBITDA[^]		224	(3)	221	237	24	261	469	8	477
Depreciation and impairment		(65)	-	(65)	(79)	-	(79)	(133)	-	(133)
Movement in value of the estate		-	(7)	(7)	-	(1)	(1)	-	(111)	(111)
Total depreciation, amortisation, impairment and revaluation		(65)	(7)	(72)	(79)	(1)	(80)	(133)	(111)	(244)
(Loss) / profit on sale of non-current assets		-	(2)	(2)	-	9	9	-	16	16
Operating profit / (loss)		159	(12)	147	158	32	190	336	(87)	249
Finance income	3	2	-	2	8	-	8	19	-	19
Finance costs	4	(229)	-	(229)	(196)	-	(196)	(348)	(107)	(455)
Movement in fair value of swaps		5	-	5	(7)	-	(7)	(27)	-	(27)
(Loss) / profit before taxation		(63)	(12)	(75)	(37)	32	(5)	(20)	(194)	(214)
Taxation	6	16	-	16	1	-	1	8	46	54
(Loss) / profit for the period		(47)	(12)	(59)	(36)	32	(4)	(12)	(148)	(160)
Attributable to:										
Owners of the parent company		(47)	(12)	(59)	(36)	32	(4)	(12)	(148)	(160)
Non-controlling interests		-	-	-	-	-	-	-	-	-

* Exceptional items are explained further in note 5.

[^] EBITDA represents Operating profit / (loss) before depreciation, amortisation, impairment, movement in valuation of the estate and (loss) / profit on sale of non-current assets.

All of the Group's operations are classed as continuing.

The accompanying notes form part of these financial statements.

Consolidated Statement of Comprehensive Income
For the 28 weeks ended 13 April 2025

	Unaudited 28 weeks ended 13 April 2025 £m	Unaudited 28 weeks ended 7 April 2024 £m	Audited 53 weeks ended 29 September 2024 £m
Loss for the period	(59)	(4)	(160)
Items that will not be reclassified to the income statement			
Re-measurement of defined benefit pension schemes	-	-	8
Tax charge relating to components of other comprehensive income	-	-	(35)
Revaluation of property, plant and equipment	-	-	126
Other comprehensive profits after tax	-	-	99
Total comprehensive loss for the period	(59)	(4)	(61)

The accompanying notes form part of these financial statements.

Consolidated Balance Sheet
At 13 April 2025

		Unaudited 13 April 2025 £m	Unaudited 7 April 2024 £m	Audited 29 September 2024 £m
	Notes			
Assets				
Non-current assets				
Property, plant and equipment	7	4,376	4,404	4,403
Investment property	8	259	265	266
Brand	10	1	1	1
Goodwill	10	17	17	17
Financial assets		4	5	5
Trade and other receivables	11	7	7	7
Derivative financial instruments		-	1	-
Retirement benefit surplus		1	1	1
		4,665	4,701	4,700
Current assets				
Inventories		21	22	21
Trade and other receivables	11	143	121	247
Cash and cash equivalents		103	690	171
Financial assets		1	1	1
		268	834	440
Non-current assets held for sale	9	50	36	58
Total assets		4,983	5,571	5,198
Liabilities				
Current liabilities				
Trade and other payables	12	(370)	(352)	(366)
Borrowings	13	(31)	(331)	(166)
Derivative financial instruments	13	-	(30)	-
		(401)	(713)	(532)
Non-current liabilities				
Borrowings	13	(3,756)	(4,137)	(3,760)
Derivative financial instruments	13	(12)	-	(17)
Deferred tax liabilities		(80)	(114)	(96)
Retirement benefit obligations		-	(8)	-
Provisions		(2)	(2)	(2)
		(3,850)	(4,261)	(3,875)
Total liabilities		(4,251)	(4,974)	(4,407)
Net assets		732	597	791
Equity				
Called up share capital		5	5	5
Share premium		1,448	1,198	1,448
Revaluation reserve		915	793	915
Capital contribution reserve		4	3	4
Retained earnings		(1,639)	(1,400)	(1,580)
Total equity attributable to owners of the parent company		733	599	792
Non-controlling interests		(1)	(2)	(1)
Total equity		732	597	791

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity
For the 28 weeks ended 13 April 2025

	Share capital £m	Share premium £m	Revaluation reserve £m	Capital contribution reserve £m	Retained earnings £m	Equity attributable to owners of the Parent Company £m	Non- controlling interests £m	Total equity £m
Total equity at 29 September 2024	5	1,448	915	4	(1,580)	792	(1)	791
Total comprehensive losses:								
Losses for the period	-	-	-	-	(59)	(59)	-	(59)
Total comprehensive losses for the period	-	-	-	-	(59)	(59)	-	(59)
Total equity at 13 April 2025	5	1,448	915	4	(1,639)	733	(1)	732
Total equity at 24 September 2023	5	1,198	793	3	(1,396)	603	(2)	601
Total comprehensive losses:								
Losses for the period	-	-	-	-	(4)	(4)	-	(4)
Total comprehensive losses for the period	-	-	-	-	(4)	(4)	-	(4)
Total equity at 7 April 2024	5	1,198	793	3	(1,400)	599	(2)	597
Total equity at 24 September 2023	5	1,198	793	3	(1,396)	603	(2)	601
Total comprehensive losses:								
Losses for the period	-	-	-	-	(160)	(160)	-	(160)
Other comprehensive income / (losses) for the period	-	-	126	-	(27)	99	-	99
Total comprehensive income / (losses) for the period	-	-	126	-	(187)	(61)	-	(61)
Transfer of realised revaluation surplus on disposals	-	-	(4)	-	4	-	-	-
New share capital issued	-	250	-	-	-	250	-	250
Change in ownership interest in subsidiary undertaking	-	-	-	-	(1)	(1)	1	-
Capital contribution	-	-	-	1	-	1	-	1
Total equity at 29 September 2024	5	1,448	915	4	(1,580)	792	(1)	791

The accompanying notes form part of these financial statements.

Consolidated Cash Flow Statement
For the 28 weeks ended 13 April 2025

	Unaudited 28 weeks ended 13 April 2025 £m	Unaudited 28 weeks ended 7 April 2024 £m	Audited 53 weeks ended 29 September 2024 £m
Cash flows from operating activities			
Loss for the period	(59)	(4)	(160)
Adjustments for:			
-Depreciation, amortisation, impairment and movement in value of the estate	72	80	244
-Loss / (profit) on sale of non-current assets	2	(9)	(16)
-Finance income	(2)	(8)	(19)
-Finance costs	229	196	455
-Movement in swaps	(5)	7	27
-Taxation	(16)	(1)	(54)
	221	261	477
Changes in:			
-Inventories	-	1	2
-Receivables	(36)	(21)	(3)
-Payables	6	(4)	7
-Provisions	-	(3)	(3)
Cash generated from operating activities	191	234	480
Interest received	2	4	19
Net cash flow from operating activities	193	238	499
Cash flows from investing activities			
Purchase of property, plant and equipment	(68)	(74)	(148)
Net proceeds from sale of property, plant and equipment	37	25	68
Loan made to group undertaking	-	-	(8)
Net cash flow from investing activities	(31)	(49)	(88)
Cash flows from financing activities			
Interest paid	(185)	(181)	(414)
Advance of borrowings	85	886	1,042
Repayment of borrowings	(88)	(244)	(769)
Transaction costs related to loans and borrowings	(21)	(16)	(97)
Payment of principal portion of lease liabilities	(21)	(34)	(58)
Payments in relation to derivative financial instruments	-	(2)	(31)
Redemption premium paid on prepayment	-	-	(4)
Payment of non-controlling interest in subsidiary undertaking	-	-	(1)
Net cash flow from financing activities	(230)	409	(332)
Net (decrease) / increase in cash and cash equivalents	(68)	598	79
Opening cash and cash equivalents	171	92	92
Closing cash and cash equivalents	103	690	171

The accompanying notes form part of these financial statements.

Notes to the condensed consolidated interim financial statements

1 Accounting policies and basis of preparation

Stonegate Pub Company Limited (the “Company”) is governed by Cayman Island Company Law and is limited by shares.

The condensed consolidated interim financial statements consolidates those results of the Company and its subsidiaries (together referred to as the “Group”). The condensed consolidated interim financial statements have been prepared in accordance with Companies Law (2013 Revision) of the Cayman Islands. As the Cayman Islands do not have prescribed accounting standards, the Group has elected to prepare the condensed consolidated interim financial statements in accordance with IAS 34 ‘Interim Financial Reporting as adopted for use in the UK’, as allowed under Cayman Island Company Law.

The results for the current and comparative period are unaudited. The financial information for the 53 weeks ended 29 September 2024 is extracted from the accounts for that period which are subject to a non-statutory audit for the purpose of filing accounts of the UK branch of this overseas Group and formally setting out the financial performance and position of the Group.

The condensed consolidated interim financial statements have been prepared on a consistent basis using the accounting policies set out in the Annual Report and Accounts for the period ended 29 September 2024. There have been no new standards that have been adopted during the period.

1.1 Going concern

In accordance with IFRS, management has conducted an assessment of the ability to continue as a going concern and have concluded that the accounts should be prepared on a going concern basis with no material uncertainty.

The Directors have considered the Group’s financial resources including a review of the medium-term financial plan, which includes a review of the Group’s cash flow forecasts for the period of at least 12 months from the date of approval of these financial statements.

Based on the outcome of the above considerations the Directors expect the Group to have adequate resources to continue in operational existence for the period under review. For this reason the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.2 Key accounting judgements

The following are the key judgements that management have made in the period in applying the Group’s accounting policies as disclosed in the financial statements of the Group for the period ended 29 September 2024.

Impairment of goodwill

The Group’s performance has been in line with forecasts used in the September 2024 impairment review. Therefore, Management do not consider there to be any further indicators of impairment that would trigger an impairment review at the current reporting date.

Valuation of property, plant and equipment, and investment property

Properties are measured at fair value reflecting market conditions at the balance sheet date. Gains and losses arising from changes in the fair value of property, plant and equipment are recognised in the revaluation reserve except where they reverse a revaluation decrease relating to the same asset previously recognised as an expense in the income statement in which case the reversal of the revaluation decrease is recognised in the income statement. Any deficit arising from the revaluation exercise is taken to the revaluation reserve to the extent that there is a surplus in place relating to the same asset. Any further decrease in value is recognised in the income statement as an expense. Changes to the fair value of investment properties are recognised in the income statement in the period in which they arise. Fair values are determined based on an annual revaluation by external valuers. Management have judged that the valuation reached at 29 September 2024 still represents the best estimate of the fair value of such properties at 13 April 2025.

Notes (continued)

Going concern

The Directors exercise judgement when concluding on going concern as the basis of preparation of the condensed consolidated interim financial statements. For further details see note 1.1.

2 Segmental reporting

The Directors determine the appropriate operating segments based on the discrete management information regularly reviewed by the Chief Operating Decision Maker (CODM). The Group has five distinguishable revenue generating operating segments being Pub Partners, Commercial Property, Stonegate, Craft Union and Joint Ventures, and the CODM reviews discrete information on these segments. These have been aggregated into three reportable segments as outlined below:

- 1) Leased and tenanted comprising Pub Partners and Commercial Property – The Group receives rental income from leasing these sites to third parties. Revenue is also received from tied sites within Pub Partners for the supply of drinks and gaming machines. The Group has no direct involvement in the operation of each site.
- 2) Managed comprising Stonegate and Joint Ventures – The Group generates revenue from the sale of food, drink, admission, accommodation and gaming machine income. Each site is fully managed by the Group, such that the Group is exposed to all operational risks and in return receives the full retail margin.
- 3) Operator-led comprising Craft Union – The Group receives revenue from the sale of food, drink, admission and gaming machine income. The Group contracts with an operating company to manage the day-to-day operations of the site for which they receive a turnover-based fee. All labour costs are borne by the operating company, with all other costs being borne by the Group. The Group has access to the full retail margin.

Central costs represent certain head office expenses which are not attributable to specific segments. Accordingly, these costs are disclosed as a separate column within the segmental notes.

The CODM reviews the financial results by segment to EBITDA, which represents operating profit / (loss) before depreciation, amortisation, impairment, movement in valuation of the estate and profit on sale of non-current assets, and this therefore provides the basis for the disclosures below. Inter-segment revenues and costs are eliminated upon consolidation such that all numbers disclosed in the table below are with external customers. All of the Group's revenue is generated in the United Kingdom and is not further segmented based on location, therefore no geographical segmental analysis has been provided. The balance sheet is not reviewed by the CODM on a segmented basis and therefore no disclosure has been made in relation to segmental assets and liabilities.

Notes (continued)

2 Segmental reporting (continued)

	Leased and				
2025	tenanted	Managed	Operator-led	Central	Total
28 weeks	£m	£m	£m	£m	£m
Drink revenue	152	353	164	-	669
Rent revenue	68	-	-	-	68
Food revenue	-	79	-	-	79
Revenue from amusement and other machines	4	12	18	-	34
Admission, accommodation and other revenue	-	21	-	-	21
Total revenue	224	465	182	-	871
Operating costs before depreciation and amortisation	(86)	(368)	(131)	(65)	(650)
EBITDA	138	97	51	(65)	221
Depreciation, amortisation, impairment and movement in value of the estate					(72)
Loss on sale of non-current assets					(2)
Net finance costs and movement in fair value of swaps					(222)
Loss before tax					(75)
Taxation					16
Loss after tax					(59)

	Leased and				
2024	tenanted	Managed	Operator-led	Central	Total
28 weeks	£m	£m	£m	£m	£m
Drink revenue	153	401	153	-	707
Rent revenue	64	-	-	-	64
Food revenue	-	89	1	-	90
Revenue from amusement and other machines	4	13	15	-	32
Admission, accommodation and other revenue	1	22	-	-	23
Total revenue	222	525	169	-	916
Other income	-	-	-	40	40
Operating costs before depreciation and amortisation	(89)	(411)	(119)	(76)	(695)
EBITDA	133	114	50	(36)	261
Depreciation, amortisation, impairment and movement in value of the estate					(80)
Profit on sale of non-current assets					9
Net finance costs and movement in fair value of swaps					(195)
Loss before tax					(5)
Taxation					1
Loss after tax					(4)

Notes (continued)

2 Segmental reporting (continued)

2024 53 weeks	Leased and tenanted £m	Managed £m	Operator-led £m	Central £m	Total £m
Drink revenue	304	733	301	-	1,338
Rent revenue	127	-	-	-	127
Food revenue	-	166	2	-	168
Revenue from amusement and other machines	8	23	30	-	61
Admission, accommodation and other revenue	1	52	-	-	53
Total revenue	440	974	333	-	1,747
Other income	-	-	-	30	30
Operating costs before depreciation and amortisation	(172)	(756)	(237)	(135)	(1,300)
EBITDA	268	218	96	(105)	477
Depreciation, amortisation, impairment and movement in value of the estate					(244)
Profit on sale of non-current assets					16
Net finance costs and movement in fair value of swaps					(463)
Loss before tax					(214)
Taxation					54
Loss after tax					(160)

Notes *(continued)*

3 Finance income

	28 weeks ended 13 April 2025	28 weeks ended 7 April 2024	53 weeks ended 29 September 2024
	£m	£m	£m
Other interest receivable	2	8	19
Total finance income	2	8	19

4 Finance costs

	28 weeks ended 13 April 2025	28 weeks ended 7 April 2024	53 weeks ended 29 September 2024
	£m	£m	£m
Interest payable on loan notes	177	157	313
Other interest payable	6	10	18
Debt issue costs amortisation	4	2	6
Other finance costs	2	2	3
Foreign exchange loss / (gain)	16	-	(40)
Interest expense on lease liabilities	24	25	48
Exceptional interest payable and finance costs	-	-	107
Total finance costs	229	196	455

Notes (continued)

5 Exceptional items

	28 weeks ended 13 April 2025 £m	28 weeks ended 7 April 2024 £m	53 weeks ended 29 September 2024 £m
Other income:			
Business interruption	-	(40)	(30)
Operating costs before depreciation and amortisation:			
Surrender premiums	-	1	1
Business reorganisation	1	3	8
Professional fees associated with Group restructuring	-	11	11
Other non-recurring costs	2	1	2
Depreciation, amortisation, impairment and revaluation:			
Movements in valuation of the estate and related assets	7	1	111
Loss / (profit) on sale of non-current assets	2	(9)	(16)
	12	(32)	87
Net finance costs	-	-	107
UK income tax credit relating to exceptional items	-	-	(46)
Total exceptional costs / (gains)	12	(32)	148

Business interruption: In the prior period the Group received £30 million in relation to business interruption insurance following the Covid 19 pandemic.

Surrender premiums: During the period £nil (28 weeks ended 7 April 2024: £1 million; 53 weeks ended 29 September 2024: £1 million) of assignment premiums were paid to publicans in order to take the assignment of a lease or to break a lease at any point other than at renewal. Following the acquisition of Ei Group Limited, the Group are looking to review the entire portfolio of assets and move pubs across segments into their perceived optimum operating format.

Business reorganisation: During the period £1 million (28 weeks ended 7 April 2024: £3 million; 53 weeks ended 29 September 2024: £8 million) has been incurred in relation to a Group restructuring of its support function, including associated legal and professional fees.

Professional fees associated with Group restructuring: During the 53 weeks ended 29 September 2024, £11 million had been incurred in relation to a Group restructure to optimise the structure and move a portfolio of pubs out of the restricted financing group.

Other costs: During the period £2 million was incurred in relation to the dual running costs incurred as part of a system change (28 weeks ended 7 April 2024: £1 million; 53 weeks ended 29 September 2024: £2 million was incurred in relation to the dual costs of distribution to facilitate a change of provider).

Notes (continued)

5 Exceptional items (continued)

Movements in valuation of the estate and related assets: Movements in valuation of the estate and related assets comprise the following:

	28 weeks ended 13 April 2025 £m	28 weeks ended 7 April 2024 £m	53 weeks ended 29 September 2024 £m
Impairment of property, plant and equipment (note 7)	-	-	70
Reversal of impairment of property plant and equipment (note 7)	-	-	(12)
Net movement from impairment	-	-	58
Movement in investment property from revaluation of the estate (note 8)	-	-	(2)
Impairment of non-current assets held for sale (note 9)	-	1	2
Revaluation of property, plant and equipment on transfer to non current assets held for sale (note 7)	5	-	9
Revaluation of investment property on transfer to non current assets held for sale (note 8)	2	-	-
Revaluation loss charged as an impairment (note 7)	-	-	44
Total movements in valuation of the estate and related assets	7	1	111

(Loss)/profit on sale of non-current assets: 49 properties (28 weeks ended 7 April 2024: 36 properties; 53 weeks ended 29 September 2024: 70 properties) were disposed in the current period and the Group completed on sale and leasebacks of ten properties generating an overall loss on disposal of £2 million (28 weeks ended 7 April 2024: profit of £9 million; 53 weeks ended 29 September 2024: profit of £16 million).

Net finance costs: During the prior period the refinancing of the Senior Secured Notes and the Revolving Credit Facility were both assessed as a substantial modification and therefore fees paid in relation to these facilities of £85 million were recognised in the Income Statement. The refinancing of the Floating Rate Euro Note was assessed as a non-substantial modification and therefore a day 1 adjustment to carrying value of the loan of £21 million was recognised in the Income Statement. Existing fees and fair value adjustments on the Balance Sheet at the date of the refinancing were written off which resulted in a £3 million credit to net finance costs and a redemption premium of £4 million was paid on the repayment of the Class A4 Securitised bonds.

6 Taxation

	28 weeks ended 13 April 2025 £m	28 weeks ended 7 April 2024 £m	53 weeks ended 29 September 2024 £m
Tax charged in the income statement			
Current tax:			
- UK corporation tax	-	-	-
- Adjustments in respect of previous periods	-	-	-
Total current tax charge	-	-	-
Deferred tax:			
- Origination and reversal of temporary differences	(16)	(1)	(48)
- Adjustments in respect of previous periods	-	-	(6)
Total deferred tax credit	(16)	(1)	(54)
Total current and deferred tax credited in the income statement	(16)	(1)	(54)

Notes (continued)

7 Property, plant and equipment

	Right-of-use assets £m	Land and buildings £m	Leasehold improvements £m	Landlords' fixtures and fittings £m	Furniture, fixtures and equipment £m	Non-licensed properties and other assets £m	Total £m
Cost or valuation							
At 24 September 2023	991	3,331	189	200	236	94	5,041
Additions	6	53	11	21	75	-	166
Revaluation of non-current assets held for sale to fair value:							
-Income Statement	-	(9)	-	-	-	-	(9)
Revaluation:							
-Revaluation reserve	-	126	-	-	-	-	126
-Income statement	-	(44)	-	-	-	-	(44)
Disposals	(18)	-	(3)	-	(8)	(5)	(34)
Transfer to non-current assets held for sale (note 9)	-	(45)	-	(3)	-	-	(48)
Transfer to investment properties (note 8)	(6)	(19)	-	(1)	-	-	(26)
Reclassification	-	2	(2)	-	-	-	-
Fully depreciated assets	(10)	-	-	-	(43)	-	(53)
At 29 September 2024	963	3,395	195	217	260	89	5,119
Additions	7	16	5	8	38	1	75
Disposals	(9)	-	(1)	-	(4)	(3)	(17)
Revaluation of non-current assets held for sale to fair value:							
-Income statement	-	(5)	-	-	-	-	(5)
Transfer to non-current assets held for sale (note 9)	-	(14)	-	(2)	-	-	(16)
Transfer to investment properties (note 8)	-	(6)	-	(1)	-	-	(7)
At 13 April 2025	961	3,386	199	222	294	87	5,149
Depreciation							
At 24 September 2023	(263)	-	(118)	(47)	(123)	(49)	(600)
Charge for the period	(55)	-	(11)	(16)	(49)	(2)	(133)
Impairment charge (note 5)	(70)	-	-	-	-	-	(70)
Impairment reversal (note 5)	12	-	-	-	-	-	12
Reclassification	(14)	-	14	-	-	-	-
Disposals	11	-	2	-	3	5	21
Transfer to non-current assets held for sale (note 9)	-	-	-	1	-	-	1
Fully depreciated assets	10	-	-	-	43	-	53
At 29 September 2024	(369)	-	(113)	(62)	(126)	(46)	(716)
Charge for the period	(24)	-	(6)	(9)	(26)	-	(65)
Disposals	6	-	(1)	-	-	3	8
At 13 April 2025	(387)	-	(120)	(71)	(152)	(43)	(773)
Net book value							
At 13 April 2025	574	3,386	79	151	142	44	4,376
At 29 September 2024	594	3,395	82	155	134	43	4,403

Notes (continued)

7 Property, plant and equipment (continued)

	Right-of-use assets £m	Land and buildings £m	Leasehold improvements £m	Landlords' fixtures and fittings £m	Furniture, fixtures and equipment £m	Non-licensed properties and other assets £m	Total £m
Cost							
At 24 September 2023	991	3,331	189	200	236	94	5,041
Additions	-	22	4	6	20	17	69
Modifications	4	-	-	-	-	-	4
Disposals	(6)	-	-	-	(2)	-	(8)
Revaluation of non-current assets held for sale to fair value:							
-Recognised in the income statement	-	(1)	-	-	-	-	(1)
Transfer to non-current assets held for sale (note 9)	-	(15)	-	(1)	-	-	(16)
Transfer to investment properties (note 8)	-	(8)	-	-	-	-	(8)
Reclassification	-	2	(2)	-	-	-	-
At 7 April 2024	989	3,331	191	205	254	111	5,081
Depreciation							
At 24 September 2023	(263)	-	(118)	(47)	(123)	(49)	(600)
Charge for the period	(28)	-	(9)	(15)	(20)	(7)	(79)
Disposals	1	-	-	-	1	-	2
At 7 April 2024	(290)	-	(127)	(62)	(142)	(56)	(677)
Net book value							
At 7 April 2024	699	3,331	64	143	112	55	4,404
At 24 September 2023	728	3,331	71	153	113	45	4,441

8 Investment property

	Right-of-use assets £m	Land and buildings £m	Total £m
Fair value			
At 24 September 2023	42	217	259
Additions	2	-	2
Transfer from property, plant and equipment (note 7)	6	20	26
Transfer to non-current assets held for sale (note 9)	-	(21)	(21)
Revaluation	(2)	4	2
Disposals	(2)	-	(2)
At 29 September 2024	46	220	266
Transfer from property, plant and equipment (note 7)	-	7	7
Revaluation on transfer to non-current assets held for sale	-	(2)	(2)
Transfer to non-current assets held for sale (note 9)	-	(12)	(12)
At 13 April 2025	46	213	259
At 24 September 2023	42	217	259
Transfer from property, plant and equipment (note 7)	-	8	8
Transfer to non-current assets held for sale (note 9)	-	(1)	(1)
Disposals	(1)	-	(1)
At 7 April 2024	41	224	265

Notes (continued)

9 Non-current assets held for sale

	Right-of-use assets £m	Land and buildings £m	Landlords' fixtures and fittings £m	Furniture, fixtures and equipment £m	Total £m
At 24 September 2023	1	19	9	3	32
Transfer from property, plant and equipment (note 7)	-	45	2	-	47
Transfer from investment properties (note 8)	-	21	-	-	21
Write down to fair value less costs to dispose (note 5)	-	(2)	-	-	(2)
Disposals	-	(40)	-	-	(40)
At 29 September 2024	1	43	11	3	58
Transfer from property, plant and equipment (note 7)	-	14	2	-	16
Transfer from investment properties (note 8)	-	12	-	-	12
Disposals	-	(36)	-	-	(36)
At 13 April 2025	1	33	13	3	50
At 24 September 2023	1	19	9	3	32
Transfer from property, plant and equipment (note 7)	-	15	1	-	16
Transfer from investment properties (note 8)	-	1	-	-	1
Disposals	-	(13)	-	-	(13)
At 7 April 2024	1	22	10	3	36

Non-current assets held for sale comprises properties that have been identified by the Group for disposal as part of the continued disposal programme. The sale of all assets within this category is expected to be completed within one year of the balance sheet date.

When assets are identified for disposal and meet the criteria within IFRS 5 they are reclassified from property, plant and equipment to non-current assets held for sale and are revalued at that point to their fair value less costs to dispose if this is lower than their carrying value. Investment property assets are also moved to non-current assets held for sale at book value when they meet the criteria within IFRS 5.

Included in non-current assets held for sale are 64 sites at 13 April 2025 (7 April 2024: 55 sites; 29 September 2024: 73 sites).

Notes (continued)

10 Brand and goodwill intangible assets

	Brand £m	Goodwill £m
Cost		
At 24 September 2023	6	243
At 29 September 2024	6	243
At 13 April 2025	6	243
Amortisation		
At 24 September 2023	(5)	(226)
At 29 September 2024	(5)	(226)
At 13 April 2025	(5)	(226)
Net book value		
At 13 April 2025	1	17
At 29 September 2024	1	17

	Brand £m	Goodwill £m
Cost		
At 24 September 2023	6	243
At 7 April 2024	6	243
Amortisation		
At 24 September 2023	(5)	(226)
At 7 April 2024	(5)	(226)
Net book value		
At 7 April 2024	1	17

Notes (continued)

11 Trade and other receivables

	13 April 2025 £m	7 April 2024 £m	29 September 2024 £m
Trade receivables	50	56	59
Amounts due from parent undertakings	17	9	17
Other receivables	23	21	157
Prepayments and accrued income	53	32	14
Current tax receivable	-	3	-
	143	121	247
Due in more than one year:			
Trade receivables	2	2	2
Amounts due from group undertakings	5	5	5
	7	7	7

12 Trade and other payables

	13 April 2025 £m	7 April 2024 £m	29 September 2024 £m
Trade payables	106	73	97
Amounts due to parent undertakings	2	2	2
Other taxation and social security	41	39	35
Other payables	46	55	60
Accruals	175	183	172
	370	352	366

Notes (continued)

13 Borrowings

	13 April 2025 £m	7 April 2024 £m	29 September 2024 £m
Current liabilities			
Revolving credit facility	-	247	-
Securitised bonds	-	54	140
Lease liabilities	31	30	26
	31	331	166
Non-current liabilities			
Revolving credit facility	98	-	98
Securitised bonds	209	317	211
Senior secured notes issued by Stonegate Pub Company Financing 2019 plc	1,682	1,240	1,682
Privately placed notes issued by Stonegate Pub Company Financing 2019 plc	-	502	-
Euro floating rate notes issued by Stonegate Pub Company Financing 2019 plc	403	436	386
Second lien facility	-	392	-
PIK second lien facility	151	-	145
Portfolio loan - Senior facility	427	427	427
Portfolio loan - Mezzanine facility	195	195	195
Lease liabilities	591	628	616
	3,756	4,137	3,760

Terms and debt repayment schedule:

		Principal outstanding		
	Year of maturity	13 April 2025 £m	7 April 2024 £m	29 September 2024 £m
Securitised bonds - A4 - 5.659%	2027	-	152	140
Securitised bonds - N - 6.464%	2032	190	190	190
Senior secured notes - 8.25%	2025	-	1,235	-
Senior secured notes - 10.75%	2029	1,682	-	1,682
Privately placed notes - 8.00%	2025	-	500	-
Euro floating rate notes - Euribor + 5.75%	2025	-	452	-
Euro floating rate notes - Euribor + 6.625%	2029	408	-	392
Second lien facility - SONIA + 8.50%	2028	-	400	-
PIK second lien facility - SONIA + 8.50%	2028	162	-	156
Portfolio loan - Senior facility - SONIA + 5.0%	2029	435	438	437
Portfolio loan - Mezzanine facility - SONIA + 9.3065%	2029	199	200	200
		3,076	3,567	3,197

Notes (continued)

13 Borrowings (continued)

All financial assets and liabilities, with the exception of derivative financial instruments, are carried at amortised cost. The fair values of all financial instruments are either equal to, or not materially different from their book values, with the exception of securitised bonds, senior secured notes, privately placed notes and euro floating rate notes. The book values and fair values of these financial instruments are summarised below:

	Fair value			Carrying value		
	13 April 2025 £m	7 April 2024 £m	29 September 2024 £m	13 April 2025 £m	7 April 2024 £m	29 September 2024 £m
Financial liabilities						
Securitised bonds - A4	-	150	139	-	159	140
Securitised bonds - N	197	197	198	209	212	211
Senior secured notes due 2025	-	1,187	-	-	1,240	-
Senior secured notes due 2029	1,659	-	1,736	1,682	-	1,682
Privately placed notes	-	482	-	-	502	-
Euro floating rate notes due 2025	-	437	-	-	436	-
Euro floating rate notes due 2029	394	-	400	403	-	386
PIK second lien facility	151	-	145	151	-	145
Portfolio loan - Senior facility	427	-	427	427	-	427
Portfolio loan - Mezzanine facility	195	-	195	195	-	195
	3,023	2,453	3,240	3,067	2,549	3,186

Derivative financial instruments

The carrying values of derivative financial instruments in the balance sheet are as follows:

	13 April 2025 £m	7 April 2024 £m	29 September 2024 £m
Interest rate swaps			
Non-current assets	-	(1)	-
Current liabilities	-	30	-
Non-current liabilities	12	-	17
	12	29	17

As part of the refinancing event during the period ended 29 September 2024 the Group terminated the existing swaps and entered into three new cross currency interest rate swaps in relation to the new Euro Floating Rate Notes. These swaps replace EURIBOR with a rate denominated in sterling and with reference to SONIA and expire in August 2027.

The Group also entered an interest rate swap in relation to the portfolio loan. The swap relates to £478 million of these borrowings and replaces the floating SONIA rate with which the interest is calculated to a fixed rate of 5.0%. This expires January 2026.

Notes (continued)

14 Net debt

	At 29 September 2024 £m	Cash flow £m	Non-cash movements £m	At 13 April 2025 £m
Cash at bank and in hand	171	(68)	-	103
Loans and borrowings	(3,284)	3	116	(3,165)
Lease liabilities	(642)	45	(25)	(622)
	(3,755)	(20)	91	(3,684)

Debt due within one year	(31)
Debt due after one year	(3,756)
Cash at bank and in hand	103
Net debt per balance sheet	(3,684)

	At 24 September 2023 £m	Cash flow £m	Non-cash movements £m	At 7 April 2024 £m
Cash at bank and in hand	92	598	-	690
Loans and borrowings	(3,188)	(626)	4	(3,810)
Lease liabilities	(692)	59	(25)	(658)
	(3,788)	31	(21)	(3,778)

Debt due within one year	(331)
Debt due after one year	(4,137)
Cash at bank and in hand	690
Net debt per balance sheet	(3,778)

	At 24 September 2023 £m	Cash flow £m	Non-cash movements £m	At 29 September 2024 £m
Cash at bank and in hand	92	79	-	171
Loans and borrowings	(3,188)	(176)	80	(3,284)
Lease liabilities	(692)	106	(56)	(642)
	(3,788)	9	24	(3,755)

Debt due within one year	(166)
Debt due after one year	(3,760)
Cash at bank and in hand	171
Net debt per balance sheet	(3,755)

Underlying net debt represents amounts repayable to banks and other lenders net of cash retained in the business. Cash includes £14 million (7 April 2024: £10 million; 29 September 2024: £30 million) held in the securitised Unique sub-group and £42 million (7 April 2024: £46 million; 29 September 2024: £46 million) held in the restricted portfolio loan group.

Notes (continued)

15 Leases

Leases as a lessee

Impacts for the period

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment', the same line item as it presents underlying assets of the same nature that it owns. The following table sets out the movement in the Group's right-of-use assets during the period and the carrying value at 13 April 2025:

	Investment property £m	Non-current assets held for sale £m	Property, plant and equipment		Total £m
			Property £m	Vehicles £m	
Right-of-use assets					
At 24 September 2023	42	1	726	2	771
Modifications	2	-	6	-	8
Depreciation charge for the period	-	-	(54)	(1)	(55)
Impairment	(2)	-	(70)	-	(72)
Impairment reversal	-	-	12	-	12
Reclassification	-	-	(14)	-	(14)
Derecognition	(2)	-	(7)	-	(9)
Transfers	6	-	(6)	-	-
At 29 September 2024	46	1	593	1	641
Additions	-	-	7	-	7
Depreciation charge for the period	-	-	(24)	-	(24)
Derecognition	-	-	(3)	-	(3)
At 13 April 2025	46	1	573	1	621
At 24 September 2023	42	1	726	2	771
Modifications	-	-	4	-	4
Depreciation charge for the period	-	-	(28)	-	(28)
Derecognition	(1)	-	(5)	-	(6)
At 7 April 2024	41	1	697	2	741

The following amounts have been recognised in profit or loss for which the Group is a lessee:

	28 weeks ended 13 April 2025 £m	28 weeks ended 7 April 2024 £m	53 weeks ended 29 September 2024 £m
Leases under IFRS 16			
Interest expense on lease liabilities	24	25	48
Depreciation of right of use assets	24	28	55
Impairment of right of use assets	-	-	72
Impairment reversal of right of use assets	-	-	(12)
Expenses relating to leases of low-value assets	-	1	1
Variable lease payments	-	1	1

Notes (continued)

15 Leases (continued)

The following amounts have been recognised in the statement of cash flows for which the Group is a lessee:

	28 weeks ended 13 April 2025 £m	28 weeks ended 7 April 2024 £m	53 weeks ended 29 September 2024 £m
Interest payments	24	25	48
Principal payments	21	34	58
Total cash outflow for leases	45	59	106

In relation to those leases under IFRS 16, for the 28 weeks ending 13 April 2025, the Group's operating profit metric improved by £17 million as the new depreciation expense is lower than the IAS 17 operating lease charge (28 weeks ended 7 April 2024: £15 million; 53 weeks ended 29 September 2024: £29 million). Interest expense was charged of £24 million (28 weeks ended 7 April 2024: £25 million; 53 weeks ended 29 September 2024: £48 million), such that net profit after tax is lower compared to the previous IAS 17 reporting basis (28 weeks ended 7 April 2024: lower; 53 weeks ended 29 September 2024: lower). Operating profit before depreciation, amortisation, impairment, movement in valuation of the estate and (loss) / profit on sale of non-current assets is higher compared to the previous IAS 17 reporting basis (28 weeks ended 7 April 2024: higher; 53 weeks ended 29 September 2024: higher).

16 Pensions

The Group operates two defined benefit pension schemes providing benefits based on final pensionable salary. The assets of the schemes are held separately from those of the Group.

The defined benefit obligation as at 13 April 2025 is calculated on a year-to-date basis using the latest available actuarial valuation at 29 September 2024, being as at 29 February 2024, which was carried out by a qualified independent actuary. Differences between the expected return on assets and the actual return on assets have been recognised as an actuarial gain or loss in the consolidated statement of total recognised gains and losses in accordance with the Group's accounting policy.

The Group also participates in defined contribution pension schemes for the benefit of certain employees. The assets of the schemes are held separately from those of the Group in independently administered funds.

The amount charged to the profit and loss account represents the contributions payable to the schemes in respect of the accounting period.

17 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not contained in this note.

Included in amounts due from parent undertakings is a balance of £9 million owing from Stonegate Pub Company Pikco Limited, a parent undertaking (7 April 2024: £1 million; 29 September 2024: £9 million).

The Group also operated a handful of public houses on behalf of entities affiliated with investment funds managed by TDR Capital LLP, known as Cubitt House Limited. The balance owing as a result of transactions on its behalf at 13 April 2025 and included in amounts due from parent undertakings is £115,000 (7 April 2024: £22,000; 29 September 2024: £102,000).

In a prior period, Stonegate Pub Company Limited provided a loan to Stonegate Pub Company Holdings Limited, a parent undertaking. The loan is repayable on demand and charges annual interest of SONIA + 2.50%. The amount owed of £8 million is included in trade and other receivables (7 April 2024: £8 million; 29 September 2024: £8 million).

Notes *(continued)*

17 Related party transactions *(continued)*

On 13 June 2022, Stonegate Pub Company Limited provided a £4 million loan to Stonegate Pub Company Kitchens Limited, a company under common control of the ultimate parent company, Stonegate Pub Company Topco Sarl, a company incorporated in Luxembourg, in relation to a minority investment in Peckwater Brands. The loan charges interest at a rate of 8.5% and expires in 2029. The amount currently owed of £5 million is included in trade and other receivables due after one year (7 April 2024: £4 million; 29 September 2024: £5 million).

There is an amount of £2 million (7 April 2024: £2 million; 29 September 2024: £2 million) owing to Stonegate Pub Company Midco Limited, the immediate parent undertaking, at 13 April 2025, which is included in trade and other payables.

During the period the Group was invoiced management charges of £nil (7 April 2024: £1 million; 29 September 2024: £1 million) by TDR Capital LLP. The amount outstanding at 13 April 2025 was £nil (7 April 2024: £nil; 29 September 2024: £nil).

18 Seasonality of operations

The business is subject to seasonal fluctuations dependant on public holidays and the weather.