

Stonegate Group

Annual report and financial statements

For the 52 weeks ended 28 September 2025

Registered number FC029833

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Strategic report

The Directors present their strategic report for Stonegate Pub Company Limited and its subsidiaries (together “the Group”) for the 52 weeks ended 28 September 2025 (2024: 53 weeks ended 29 September 2024).

Stonegate is the largest pub owning company in the United Kingdom, with 4,259 operating sites at the period-end (2024: 4,370). The Stonegate Group encompasses five businesses with each one delivering a distinctive operating model. We optimise value creation by ensuring every one of our sites has the right operating model, value proposition and people in place.

Pub Partners

Our leased and tenanted estate comprises 2,724 operating pubs at the period end (2024: 2,735 pubs). These sites are let to publicans on tied leases and tenancies, such that as well as paying rent for the pub, each publican is tied into buying certain drink products from the Group. The publicans also have access to a large support infrastructure which is dedicated to supporting and empowering them to run great businesses. The Pub Partners’ estate is spread across England and Wales.

Stonegate

Our Managed estate comprising 544 operating sites at the period end (2024: 674 sites) is diversified with a mix of branded and unbranded pubs, bars and clubs, and is located across England, Scotland and Wales. The Group ensures that no matter what the brand or size of venue, each guest receives a warm Stonegate welcome in exciting, relevant and safe surroundings. Our Managed sites are run under a traditional managed model such that the Group employs all staff, incurs all costs and has full responsibility for all compliance matters, but in return directs the retail offer and has access to the full retail margin.

Craft Union

The Group has 653 operating Craft Union pubs across England and Wales at the period end (2024: 612 pubs) which sit at the heart of the communities they serve. The simple idea behind Craft Union is to deliver good quality drinks at a competitive price accompanied by varied entertainment in a well-invested pub for the locals. These pubs are run under an operator agreement whereby each pub is run by an Operator who receives a percentage of turnover. The Operator is responsible for all labour, but all other costs and responsibilities sit with the Group.

Commercial Properties

Our Commercial Properties estate comprises 303 operating pubs at the period end (2024: 315 pubs) which are let on free-of-tie terms to commercial landlords. These sites, although similar to the Pub Partners estate, do not have the same support infrastructure and the relationship with each tenant is purely driven by the lease agreement.

Managed Investments

The Group also has 35 pubs (2024: 34 pubs) that are run in conjunction with six different operating partners predominately based in London and the South East. The vast majority of these sites are run under the traditional managed model.

Strategic report (continued)

Vision and Values

The Group's vision is:

“Bringing people together through our passion for great pubs, bars, and venues.”

The Group continually evolves in order to exceed customer and wider stakeholder expectations, and ultimately create value. In FY26 the Group's key focus is on transforming from a traditional pub company to a modern, partnership-led pub portfolio, built for the future.

In order to deliver our mission, we focus on five key pillars:

- 1. Look after our teams as they make the difference** - Support and empower our teams; develop talent to drive transformation; and align resource to the shape of our transforming estate.
- 2. Position every site for success** - Accelerate reshaping our estate; create a more focused managed estate; and innovate through new partnership models and agreements.
- 3. Support empowered operators** - 'Locally owned, centrally enabled'; optimise our formats and offers; and recruit and retain best in class operational talent.
- 4. Create efficiencies and improvements** - Maximise use of existing systems; embrace AI, automation and innovation; and simplify our processes.
- 5. Invest to create meaningful value** - Re-engineered capex approach; carefully invest in business enablers; and maximise our procurement scale.

Our vision and strategy are firmly underpinned by our 'FIRST' values, which define how we show up, step up, and stand out every single day:

- We have **FUN** – We take pride and enjoy what we do; we celebrate success and recognise achievements; we go out of our way to make sure customers and teams have a great time; we have fun in a responsible way.
- We **INVEST** wisely – We invest to create meaningful value; we prioritise innovative and efficient ways of working; we focus our time on what matters most; we develop and support our colleagues with skills for the future.
- We are **RARING** to go – We are agile and embrace change; we bring energy and passion every day; we take accountability for our personal development; we proactively use the tools and systems available.
- We are **STRAIGHTFORWARD** – We keep things simple; we communicate openly, honestly and respectfully; we trust and use systems and processes; we make decisions based on data and insights.
- We are one **TEAM** – We work together in a collaborative way; we welcome everyone to be their true authentic self; we value our colleagues; partners and guests; we support every part of our business.

Business model

Value is generated using our resources, our strong capabilities and leveraging our stakeholder relationships.

The Group's investors TDR Capital LLP, a leading private equity firm, have a strong track record working with their investments' senior management teams to drive value and grow the business. This is achieved through the investment of resources, both financial and operational, to improve the core business and as well as growth through targeted acquisitions. Both TDR and Stonegate are experienced and respected in the industry, with the capability to deliver the long-term plan.

The Group's key resource is its large estate of predominately freehold properties, geographically spread across the UK. Stonegate's management, with TDR's support, ensure that the Group has sufficient working capital and capability to generate the best returns. This ensures the properties are continually assessed and moved to the correct segment and then that they are operated in the best way to create optimal value.

Strategic report *(continued)*

Business model *(continued)*

The business then works closely with a range of internal and external stakeholders, such as professional partners, investment analysts and supply chain partners to continually assess its performance and make improvements where required. Alongside the economic returns, Stonegate takes pride in its growing environmental, social and governance agenda. Further information can be found on page 9.

Business review

The Group's Estate Transformation Strategy is delivering, with our leased and tenanted and Craft Union estates showing strong growth despite the well-documented trading challenges faced by the industry, and a leaner managed estate significantly reducing the Group's operating costs. Our transformation is about positioning every pub for long-term success, and with the capability and infrastructure to operate pubs in varying different models, we can move pubs between business segments at pace. Customers increasingly value the people behind the bar over the brand name above the door, so by partnering with entrepreneurial operators, we're building pubs that are more resilient, community-driven, and adaptable to evolving guest habits. Over the course of the financial year, rising operating costs, including labour, have impacted the profitability of our managed estate more than our L&T and Craft Union estates, and therefore the Group has accelerated its transitions program for sites that are less sustainable as a managed pub for the Group. In addition, the Group continues to review its support functions, embracing the use of automation and AI where efficient and value-adding to do so, resulting in a reduction in the overall size of the support function headcount.

The results for the Group for the 52 weeks ended 28 September 2025 are shown in the consolidated income statement on page 22. Total revenue for the period was £1,619 million compared to £1,747 million in the 53 weeks ended 29 September 2024. Of the £1,619 million, the managed segment contributed £828 million (53 weeks 2024: £974 million), whilst the leased and tenanted pubs, being Pub Partners and Commercial Property, together contributed £437 million (53 weeks 2024: £440 million) and the operator-led segment, contributed £354 million (53 weeks 2024: £333 million). Pre-exceptional operating profit for the period was £323 million (53 weeks 2024: profit of £336 million). Post-exceptional operating profit for the period was £212 million (53 weeks 2024: profit of £249 million). Loss before tax was £174 million (53 weeks 2024: loss of £214 million). The financial position of the Group is set out in the consolidated balance sheet on page 24 which shows net assets of £773 million (2024: net assets of £791 million). Net decrease in cash and cash equivalents in the period was £11 million (53 weeks 2024: increase of £79 million).

In the period the Group has spent £135 million on expansionary, conversion and maintenance capital (53 weeks 2024: £148 million).

The Group has disposed of 109 trading sites, 13 pieces of land and completed ten trading site sale and leasebacks for net proceeds of £74 million in the 52 weeks ended 28 September 2025. These figures also include 23 head lease surrenders or expiries for which the Group paid £6 million and the sale of fixtures and fittings to publicans. The ten sale and leaseback completions generated proceeds of £12 million (53 weeks 2024: 70 trading sites; two non-trading sites; five non-licensed properties; 15 lease hand backs and the completion of ten sale and leaseback agreements for net proceeds of £68 million).

Strategic report (continued)

Business review (continued)

Group Key Performance Indicators

Below are the key performance indicators (KPIs) for the Stonegate Group at the period end which the Board reviews on a periodic basis.

Financial KPIs – Group	2025 52 weeks	2024 52 weeks*
Managed Turnover Growth (like for like)	(1.6)%	(0.3)%
Operator Led Turnover Growth (like for like)	(0.9)%	1.9%
L&T Turnover Growth (like for like)	(0.6)%	3.3%

*For 2024, like for like measures have been shown on a 52-week comparable basis.

Like for like represents turnover compared to the previous comparable period, for the sites in each segment that were trading throughout the current and previous period. Like for like turnover is a simple and well-understood retail measure of performance and better enables comparisons with peers.

The Group 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	
	2025 52 weeks £m	2024 53 weeks £m	2025 52 weeks £m	2024 53 weeks £m
Revenue	1,619	1,747	1,619	1,747
Other income	-	30	-	30
Operating costs before depreciation and amortisation	(1,198)	(1,300)	(1,247)	(1,383)
EBITDA	421	477	372	394
Operating profit	212	249	252	261

	2025 52 weeks £m	2024 53 weeks £m
EBITDA	421	477
Business interruption (note 7)	-	(30)
Surrender premiums (note 7)	1	1
Business reorganisation (note 7)	17	8
Management fees	-	1
Equity settled share based payment expense	1	1
Pension scheme service costs	2	1
Losses on disposed/non-trading sites	4	6
Professional fees associated with Group restructuring (note 7)	-	11
Other non-recurring costs (note 7)	4	2
IFRS 16	(78)	(84)
Adjusted EBITDA	372	394

Strategic report *(continued)*

Business review *(continued)*

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 52 weeks ending 28 September 2025, the Group’s operating profit before depreciation, amortisation, impairment, revaluation and profit on sale of non-current assets improved by £78 million as operating lease rentals are not included in operating profit (53 weeks 2024: £84 million). Depreciation of right-of-use assets and lease liability interest are instead included below EBITDA. Further information on leases can be found in note 26. The Directors consider the adjusted EBITDA is an important internal metric as it 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. It is also the basis of measurement for covenant calculations.

Adjusted Operating profit represents statutory operating profit adjusted for the other items shown above in the adjusted EBITDA reconciliation and the impact of £96 million reduction in the value of the estate and goodwill (53 weeks 2024: £111 million reduction) and profit on sale of non-current assets of £7 million (53 weeks 2024: £16 million).

Non-financial KPIs

We report our progress against a range of established ESG metrics that form the basis of our non-financial KPIs. These are based upon leading industry indicators such as Food Hygiene Rating Scheme (FHRS), diversity, employee wellbeing and recycling. Further areas of focus cover water consumption, energy usage, internal appointments, employee engagement and customer net promoter score (NPS). Our key non-financial safety standards metric is the 5-star rating that we seek to achieve from the Food Standards Agency’s website across our managed pub estate. The percentage of managed pubs rated five stars at the end of the financial period has increased to 98.2% (2024: 97.6%) with an average rating of 4.97 (2024: 4.97).

People are at the heart of our business and therefore the attraction, retention and engagement of colleagues remains a key strategic priority for the Group. The Group has conducted a number of engagement surveys over the past few years to understand how it is performing around employee engagement. The most recent survey was conducted in October 2025 with our new survey provider, CultureAmp. For the first time we have sought feedback from all of our operations teams in pubs alongside our support teams. The result was an overall engagement score of 55%, which was 13% lower than the average for the UK hospitality sector and likely impacted by our Transformation Agenda. The results have however provided clear areas of focus for the year ahead, and we will develop plans aligned to these.

We strive to create a work environment free of discrimination, harassment and bullying, where everyone is treated with dignity and respect and all employment decisions are based on merit, qualifications and abilities. Stonegate operates a robust grievance procedure which enables employees to raise any concerns they may have.

The following table sets out our diversity balance as between men and women at the end of the financial period:

	Male	Female
All employees (site and Head Office)	50%	50%
All Head Office employees	47%	53%
Senior management team (excluding Operating Board)	47%	53%
Operating Board	80%	20%

For the first time in the history of the Group, there is a higher ratio of females to males in the Leadership Team (the level below Operating Board).

We continue to offer development to aspiring female leaders via industry wide female mentoring programs and have just confirmed our sponsorship of the female mentoring programme run by Women in Hospitality, Travel and Leisure.

Strategic report (continued)

Business review (continued)

Financial Position

The financial position of the Group is set out in the consolidated balance sheet on page 24 which shows net assets of £773 million (2024: £791 million). Group cash at the period end was £160 million (2024: £171 million), of which £41 million (2024: £30 million) is held within the Unique securitisation, referred to as the securitised bonds, and £53 million (2024: £46 million) is held in the restricted portfolio loan group, together the senior facility and mezzanine facility. The Group has access to a further £90 million (2024: £150 million) from its revolving credit facility and a further £25 million (2024: £25 million) overdraft facility.

Non-current borrowings were £3,810 million (2024: £3,760 million). Following the refinancing event in the prior year, the Group's borrowings largely mature in 2029. None of these borrowings are subject to scheduled amortisation until September 2027, although a total of £17 million of debt has been repaid in the year using proceeds from disposals in the Unique securitisation and the portfolio loan group. Net debt at the year end was £3,685 million (2024: £3,755 million). Net debt is calculated as total borrowings less cash and cash equivalents. Further details can be found in note 21.

The Group revalues its properties each year and engaged a third-party valuer, Newmark Gerald Eve LLP, to conduct a full estate valuation exercise at the year end date. The Group has recognised a £154 million upwards movement in the valuation of the estate and related assets and a net £96 million downwards movement. In the 53 weeks ended 2024 the Group has recognised a £126 million upwards movement in the valuation of the estate and related assets and a net £111 million downwards movement. Further details can be found in note 13 and in the accounting policy 1.6.

Principal risks and uncertainties

The Group manages risk through its Risk Management Group (RMG) which meets formally each quarter to assess and update those risks and uncertainties facing the Group. It is chaired by the Director of Risk and attended by the CFO, HR Director, MD of Managed Operations, Chief Information Officer, Operations Director of Managed Operations, Group General Counsel, Chief Strategy Officer, Director of Licensing, Director of Property, MD of Craft and other professional leaders, so is well represented across the business.

The RMG document their output on the Group's risk register. The Group currently has 16 risks deemed to be high, of which only two remain high once the RMG has considered controls in place and other mitigation factors. These are the risks around the general economy and cyber security. Both are deemed to have a high impact on the Group's operations since they could lead to material loss, and we have assessed that the likelihood of these occurring is medium.

In addition, there are a further three medium risks that the Group has determined should be disclosed:

- Health and safety – could have high impact, especially on reputational risk, yet likelihood is medium and is mitigated with strong controls and governance.
- Group and portfolio loan liquidity and financial covenant compliance – could have high impact on the Group, yet likelihood is medium and is mitigated with clear forecasting and focus.
- Publican debt – individually this would be low impact to the Group, yet should legislation impact our publican population more widely which we deem medium likelihood, the impact could be material.

Further information regarding these risks follows.

Strategic report (continued)

Principal risks and uncertainties (continued)

General economy

The macroeconomic environment continues to challenge the hospitality industry in particular with cost inflation across drink and food and growing labour costs. The significant increases to National Minimum Wage, National Living Wage and National Insurance contributions, together with the National Insurance threshold reduction, announced in Autumn Budget 2024 were in place for six months of the financial year. It is encouraging that in Autumn Budget 2025, increases were more modest and in line with expectations. The Group will continue to monitor emerging trends with consumers, such that we can grow market share and tap into the additional money in our customers' pockets.

In order to mitigate cost inflation, beer contracts were negotiated for three years, whilst the wines and spirits contracts have just been renegotiated at favourable terms. The Group's size enables it to lever scale with suppliers, which can mitigate some cost pressures. Where cost inflation does creep in, the Group is able to mitigate some of the increase through retail price rises and these are constantly monitored to ensure the increases are not at the unmanageable detriment to volume.

On labour costs, during the year the Group has implemented a new labour efficiency initiative across the Managed business to aid with effective staff rostering.

Cyber security

The Group's operations are reliant on its information technology systems for business processes, accounting, reporting and communication. There is therefore a risk to business operations if there is a critical IT systems loss caused by failure or a security breach. The Group has enhanced both its proactive and reactive responses to cyber risk in the year through outsourcing the internal cyber function to a third party to benefit from deeper technical skills and introducing better technology to enable faster disaster recovery.

Health and Safety

A health and safety incident could result in serious injury to the Group's employees, publicans or customers. There is also a risk that we do not have visibility of our full supply chain, especially where food products are concerned, that could lead to unsafe foods entering the chain without our knowledge. In addition, the importance of allergen information continues to grow and the Group needs to make sure that its information is accurate and readily available.

As a Group we have developed an effective and robust health and safety management system to ensure compliance with all legal duties placed on the organisation by health and safety law. All systems are subject to regular review with training provided as appropriate. These measures ensure effective control of the managed house operations, adapted for our Craft Union sites, as well as continued appropriate focus on the issues facing the Publican Partnerships estate. The Group employs a team of qualified health and safety professionals to maintain the health and safety management system along with the identification and remediation of specific risks. It also operates a strategic and operational health and safety regime and operates within a Primary Authority Scheme with Milton Keynes Borough Council and the West Midlands Fire Service. Health and safety risk is overseen by the Risk Management Group, made up of Board Directors and other relevant senior professionals covering multiple disciplines including licensing, food safety and property.

Group and portfolio loan liquidity and financial covenant compliance

The Group's operations expose it to a variety of financial risks including the effects of credit risk and liquidity. The Group's principal financial instruments comprise cash sterling balances and bank deposits, loan notes, and other obligations that arise under leases together with trade receivables and trade payables that arise directly out of its operations. The Group's primary financial risks are to ensure that its debt is serviced, its financial covenants are achieved, investment plans are satisfied and working capital requirements are met. The Group's debt comprises borrowings in both sterling and euros and at both fixed and floating rates of interest. Floating rate debt is swapped to fixed rate wherever it is commercially sensible to do so. During the previous period, the Group refinanced the majority of its borrowings to extend the maturity. This has resulted in reduced debt but slightly higher interest rates. Full detail can be found in note 22 to the accounts.

Strategic report *(continued)*

Principal risks and uncertainties *(continued)*

Within the Group's debt structure, there exists three main covenants that must be met and against which Management monitor and forecast performance, alongside the portfolio debt's one financial covenant. Further detail on these covenants can be found within note 22 to the accounts.

In addition, the Group maintains daily cash forecasting in order to monitor the liquidity of the Group and the portfolio loan and ensure it can meet liabilities as they fall due.

Stonegate's credit risk is primarily driven by the credit terms awarded to its publicans. The dedicated credit control function, together with the operations team, work with publicans to ensure levels of debt remain in line with Group expectations.

Further details of the financial risk management objectives and policies are set out in note 22.

Publican debt

The leased and tenanted business model relies on having excellent publicans in sites that are passionate about their businesses. The macroeconomic environment in which these publicans operate is tough as noted above, as they face similar inflationary cost headwinds to the Group. There are some small reliefs that publicans can benefit from, most notably rates relief, although that will be removed from April 2026 as announced in Autumn Budget 2025.

One of our earliest indicators of publican health is the level of publican debt, which remains a focus risk area for the Group. Whenever debt increases, the operations and support teams will work together to understand the reason for the increase and agree a plan with the publican to manage and reduce.

Environmental, Social and Governance

Environmental factors – Non-financial and sustainability information statement

General approach

Stonegate continues to make positive contributions towards driving our environmental impact and improving society for the future. The climate agenda continues to be at the forefront of wider industry retail and hospitality thinking, seen very much in supply chain decisions, as well as the general provision of energy. Energy and carbon management continue to play an increasingly important role in the medium and long term.

To enhance our internal governance, we continue to refocus our ESG steering group, bringing together experts to cover key parts of the ESG agenda including Commercial, Energy, Property, Operations and Communications. The steering group continues to support the development of a group sustainability strategy to ensure the direction of travel is appropriate and relevant to our stakeholders. The group meets each quarter to update on progress and discuss relevant matters, reporting back to the Board and shareholders. The role of the Board is to agree strategy, steer and support, oversee delivery and set / monitor targets. ESG is a regular item on the Board agenda, with the ESG steering group formally attending to update at least quarterly. In 2024 Stonegate established a Sustainability Team looking at the broad agenda of evolution, analytics and governance. In the last financial year energy saving initiatives have continued to be a key focus area for Stonegate and this has been reflected in the steering group focus. Work targeted on climate-related risks and opportunities has also continued in the last 12 months. To date we have seen that climate-related risks are relatively low, as reflected by minimal climate-related insurance claims history as well as minimal business interruption. In 2023, we completed a key piece of work with external consultants ERM International (ERM), looking at climate-related risks and opportunities, which concluded that Stonegate specific risks are low and that any risks are most likely be as a result of industry global supply chain dynamics.

In 2022 we performed our first carbon baselining exercise with help from external consultants, setting out our carbon footprint and in-depth analysis of areas of opportunity. The analysis highlighted prospective areas that can make a difference, reflecting size and complexity. Like many in hospitality, Scope 1 & 2 account for approximately 10% of our carbon emissions and the much harder to achieve 90%, sits in Scope 3. We continue to perform an annual footprint exercise using updated methodology and higher quality data in order to get a more accurate measure. The intent remains to perform this annually to understand and drive underlying carbon reductions from planned activity

Strategic report *(continued)*

Environmental, Social and Governance *(continued)*

and initiatives. Annually calculating our carbon footprint will allow us to monitor changes and collaborate with the supply chain to drive reductions in our Scope 3 footprint.

Scope 1 relates to the direct emissions from the fuels we use in our pubs, hotels and offices, such as natural gas and liquid petroleum gas. It also includes emissions from owned vehicles (including company cars) but excludes logistics where we outsource this to third parties. Scope 2 relates to the indirect emissions associated with the generation of electricity consumed in our sites. Scopes 1 & 2 are much more in our immediate control in the sense that energy consumption plays a major part of carbon management. Scope 3 relates to all other upstream and downstream activities present in our operations. Scope 3 remains a longer-term opportunity in that it is highly dependent on factors less in our control. This would include our suppliers setting out their carbon management plans, supply chains being able to accommodate changes and consumer sentiment and choice. In order to engage and collaborate with suppliers we continue to work with key partners to understand where their emissions originate from and identify opportunities for emissions reductions.

Sustainability focus

In the last financial year, we have further developed our ESG Strategy to drive positive change which we are branding 'Pouring with Purpose'. It means that everything we do, from how we care for our people, to how we look after the planet, and how we run our pubs, should make a positive difference. That means supporting our people and the communities we serve, reducing our impact on the environment and making sure our venues are safe and inclusive spaces for our guests and our colleagues. There are three key pillars to our strategy: People, Planet and Pubs.

The Planet pillar relates to environmental sustainability, with two key areas of focus within this being:

- We are committed to achieving Net Zero by reducing our Scope 1, 2 & 3 emissions.
- We drive resource efficiency by reducing our energy, water and waste.

We continue to work closely with industry groups such as the Zero Carbon Forum (ZCF) and our suppliers to be moving forward in these areas. The industry has started to consider key target dates, which will become clearer and firmer as our suppliers' supply chains mature. Climate related risks and opportunities, rely on helping our customers to make more sustainable choices, and improving our own operations and value chain through targets. The future of sustainable choices comes through adapting our pub environment so that sustainability is considered in the fabric of our sites and operations, as well as through innovation across menus and reducing food waste at the point of serve. We can also provide community assets such as electronic vehicle (EV) chargers where appropriate in our car parks across the wider estate. There is the ability to drive our carbon footprint down, through the procurement of renewable energy and introducing of energy efficiency measures and solutions.

The Group's business model and strategy will, over time, reflect climate-related risk in many areas. The current financial period has continued to focus on energy consumption reduction, with an increasing emphasis on carbon footprint reduction, water consumption reduction and waste reduction.

Energy consumption remains an important operational consideration and objective going forward. We are continuing to work towards our Energy Savings Opportunity Scheme (ESOS) Phase 3 by implementing and trailing technologies alongside placing focus on behaviour change interventions. Energy consumption management is not just an operational risk but also brings an opportunity to reduce spend and carbon impact as energy use is material across all our business segments.

Water consumption has been an increasing focus this year, which remains justified with a number of geographic regions experiencing temporary use bans due to the low levels of rainfall we experienced this summer. We have been working on increasing the visibility of water consumption data by developing a monthly consumption report. We have also completed more detailed water risk mapping of our estate with the support of Waterscan.

We are continuing to explore ways in which we can reduce our waste and increase our recycling rates. Which has been supported by our obligation to comply with Simpler Recycling Legislation, as we have upgraded our waste infrastructure at our managed sites. We have also rolled out glass backhauling to 100 sites, which we are expanding.

Strategic report (continued)

Environmental, Social and Governance (continued)

UK Climate-Related Financial Disclosures (CFD)

In 2023 Stonegate enlisted the support of external consultants, ERM, to perform scenario analysis to identify potential climate-related risks and opportunities and understand how changes to the climate and the transition to a low- carbon economy may impact the risk or opportunity profile. The assessment ERM conducted was aligned to the recommendations of the Task Force on Climate-Related Financial Disclosures and would help Stonegate to respond to the UK Government's mandatory CFD requirements. ERM collaborated with Stonegate to agree relevant scenarios and time horizons, before selecting scenario indicators to represent the Group's potential exposure to climate change. The resulting assessment provided risk scores to enable efficient prioritisation of risks and opportunities for further consideration. ERM used time horizons of short (2030) medium (2040) and long (2050) as aligned with the UK-CFD recommendations to conduct scenario analysis over short, medium and long-term timescales.

The Task Force has called for organisations to assess, manage and disclose their exposure to climate-related financial risk and opportunity. Stonegate could be exposed to a range of climate-related risks and opportunities. Two categories of climate-related exposure are required according to the UK-CFD. The first category identified was physical, being risks and opportunities associated with changing physical climate, including chronic changes, such as more extreme heat and water stress events, and acute changes, such wildfires. The second category identified was transition, being risks and opportunities associated with the low carbon economy transition, e.g., the shift to low carbon energy and increasing carbon prices. The Task Force calls for organisations to test strategic resilience to climate-related risks under a range of possible scenarios. This assessment was completed in alignment with that guidance and the associated FCA PS21/24 requirements.

The findings of the analysis on balance showed a low risk profile, which is reflected in an immaterial number of weather-related insurance claims across the entire estate. This is a key consideration as part of the Group's overall risk management planning and where resource and focus are targeted. Management's view is that our business model and strategy is robust when considering climate-related scenarios.

Stonegate's transition risk and opportunity profile as considered with ERM is low balanced in the short/medium term and developing into a low opportunity overall in the long term. Product demand and markets are likely to change in the net zero 2050 scenario, with reduced demand for products associated with high emissions longer term. Engagement with the Group's wider supply chain will be key to address our scope 3 emissions and source low-carbon products. Working with ZCF, this low risk and low opportunity view is very much in line with others in our industry as well as wider in hospitality. The ongoing conversations with key partner suppliers, reinforces the point that industry success will depend on suppliers and customers working collaboratively together. The drink supply chain is driven in the main by large global suppliers and therefore tend to move together as an industry. The food supply chain is different with a mixture of sizes of suppliers, which means there is more flexibility for reviewing supply chains on a more granular level.

Broadly speaking climate risk is assessed using the same conceptual framework as other types of identifiable business risk for Stonegate, using a risk related framework. This focusses on impact and probability, where when considered together is deemed low in the short term. Although the Group's physical risk profile, based on current climate conditions is low, this is projected to increase in the future under a high emissions scenario (SSP5-8.5). ERM reviewed the Group's estate against industry datasets including heat, cold, flooding, wind, landslides, drought and wildfires. No material risks were flagged that would be specific to the Group. The only risk that could be expected in the long term could be extreme rainfall and river flooding. However, based on actual insurance claims history over the 12 months, last decade and beyond, there is currently low risk across the estate and management expectation is that low risk will remain. In the long term as an industry, we need to be aware of risks impacting all of hospitality. These could range from the increasing impacts of extreme heat in relation to energy sourcing as well as weather impacts on crops. As an industry we also need to be aware of climate related influences on legislation and regulations, but we have strong experience dealing with these types of impacts.

Strategic report *(continued)*

Environmental, Social and Governance *(continued)*

Whilst both transitional and physical risks and opportunities are deemed low in the short term, it will nevertheless be reflected in considerations as part of the wider sustainability governance plans. The risks that we believe we are exposed to per the ERM findings are deemed to have an immaterial impact and climate risk is not considered a principal risk. As a result of these findings and the stable position, we have not completed a reassessment, due to the low risk profile. As such we have omitted against disclosure requirements (CA 2006 s414 CB (2A) (f), (g) and (h)) because this information is not deemed material for an understanding of our business. We also do not see a risk hitting Government deadlines and Stonegate have considered setting formal external targets which are likely to align with industry. However, until it becomes clearer as an industry on how we will deliver Scope 3 reductions, it's difficult to agree a set of targets. In the meantime, Stonegate will continue to work with internal targets and review the setting of external formal targets over this financial year period, while also considering how to align with the setting of the Forest, Land and Agriculture (FLAG) Science-based targets (SBTs).

Transition planning remains more relevant in the short term as part of marketing and supply chain opportunities as we develop what we buy and what we sell.

Reduction Initiatives

Over the past year we have reached several milestones towards the path of energy reduction. Firstly, we have created and agreed an Energy Policy establishing a reduction of 15% in energy consumption by 2030. An energy efficiency strategy has been developed and approved to achieve the target; this includes investment in Internet of Things (IoT) technologies, behavioural change programmes and compliance with current and upcoming legislation.

Secondly, a number of trials have been completed to test the best energy efficiency technologies for the Stonegate estate. This included voltage optimisation, digital timers and IoT smart controls. We have identified smart controls as a promising solution, backed by the results from the trials, which we are looking to further develop and roll-out across the estate in FY26. Collaboration between the Operational, Sustainability and IT teams has been strengthened to ensure a full organisation effort, ensuring all initiatives are implemented effectively leading by the “centrally enabled and locally led” mantra.

Thirdly, we are currently working on the creation of energy efficiency standards to be initially tested on a small number of large capital investment projects and eventually rolled out as a standard across all upcoming projects. The goal is to encourage initial investment in energy saving initiatives to reduce operational and maintenance cost, while also reducing impact on trading while increasing asset value. A close collaboration between finance and project teams is currently ongoing with early results to be reported by the end of FY26. We have also now completed the roll-out of the LoweConex technology across our managed estate and are evolving a strategy to extend it to our L&T pubs.

Finally, we are able to report on a 20% reduction in our head office energy consumption since May 2025 thanks to the optimisation of the ventilation system control strategy. The above give us a strong case to present for the upcoming ESOS assessment in 2027.

Energy use and the associated greenhouse gas emissions for the Group is set out below:

	2025	2024
	52 weeks	53 weeks
Energy use – Electricity (kWh)	127,586,321	145,774,321
Energy use – Gas (kWh)	114,425,711	131,415,067
Energy use – LPG (kWh)	739,503	2,169,180
Energy use – Vehicles (kWh)	5,365,953	6,145,988
Associated GHG emission (tCO ₂ e) – Electricity	23,572	30,183
Associated GHG emission (tCO ₂ e) – Gas	20,928	23,941
Associated GHG emission (tCO ₂ e) – LPG (2024 revised)	159	465
Associated GHG emission (tCO ₂ e) – Vehicles	1,302	1,465
Intensity ratio (tCO ₂ e per £m) – (2024 revised)	28.39	32.09

Strategic report (continued)

Environmental, Social and Governance (continued)

Waste and recycling matters

Waste disposal and recycling is an important issue in the pub and food industry. The Group partners with Olleco in the recycling of its used cooking oil in the managed business. Our used oil is refined into a range of products such as industrial oils and renewable fuels. In the 52 weeks to 28 September 2025 Olleco collected 719,929 litres (53 weeks 2024: 909,591 litres) of used cooking oil. This is the equivalent of saving 1,215 tonnes of carbon (53 weeks 2024: 1,938 tonnes). The Group also continues to work with publicans by recycling oil with third parties where the used cooking oil is converted into biodiesel.

Stonegate work in partnership with Veolia Environmental Services for waste and recycling services across the Managed and Craft Union estates. Veolia provides four main waste stream services consisting of general waste, dry mixed recycling, glass and food recycling which helps us continuing to reach zero waste to landfill. Currently 100% of our waste collected by Veolia is diverted from landfill and 66% is recycled on site. In line with recent legislation changes in England, all sites are compliant with Simpler Recycling requirements and further reviews underway to further improve on site recycling. Stonegate also works with Let's Use Again who are assisting with glass backhauling in 134 sites and since starting the partnership in September 2024 we have sent 393 tonnes of glass for reuse rather than recycling.

	2025		2024	
	52 weeks		53 weeks	
Veolia - Recycling	Tonnes	%	Tonnes	%
Waste diverted on site	9,142	46.1	13,191	52.6
Waste sent to Energy from Waste (ERF)	2,247	11.3	8,516	34.0
Waste sent to Mixed Recycling Facilities (MRF)	2,946	14.9	1,902	7.6
Other (anaerobic / composting / sub con)	5,495	27.7	1,460	5.8
Waste sent to landfill	-	0.0	-	0.0
Total	19,830	100.0	25,069	100.0

Water conservation

Managed and Craft Union sites in England are covered by our self-supply water license, as part of this license we work closely with Waterscan and the individual water wholesalers to ensure consumption remains as low as possible and any leaks or significant changes in consumption are resolved promptly. Sites in Scotland and Wales are supplied by the relevant Retailers as self-supply is not available in these areas currently. Waterscan assist us with taking regular meter reads and audit sites where we see any drastic change in consumption to review and assist with getting consumption back in line with expectations.

	2025	2024
Water	52 weeks	53 weeks
Water saved (m ³)*	91,148	98,484
Average daily usage saved (m ³)*	249.72	269.82
Pints of water saved per day	439,445	474,814
Reduction in billing (ongoing savings)	£355,330	£260,561
Refunds achieved	£2,273	£25,282

* Water saved by identifying and fixing leaks and water saving projects.

Strategic report *(continued)*

Environmental, Social and Governance *(continued)*

Social

Stonegate believes that social responsibility and commercial responsibility are inextricably linked. It is important, therefore, that we work with the Government and Enforcement Bodies, such as the Police and Local Authorities, to actively support and promote responsible drinking. To achieve this, the Group is committed to the following standards:

- Not offering “all you can drink” promotions;
- Not offering liquor-only multi-buy deals; and
- Not pricing any alcoholic drinks below £1.00 per unit of alcohol.

All pub managers are encouraged to attend Pub Watch meetings in their area and closely liaise with all authorities. We also ask for strict adherence to the nationally acknowledged “Challenge 25” scheme, seeking proof of age for anyone appearing to be 25 years or under.

Health and Safety

As part of providing a fantastic experience to our customers, Stonegate is committed to a high standard of health and safety. The Board and other senior management meet as part of the Risk Management Group on a frequent and regular basis discussing a wide range of business risks, of which many have a safety focus. Managed and Operator-led sites are assessed and audited on a regular basis reviewing food safety, licensing, fire safety, external play area safety and hotel safety. The Risk Team control and support our managers and operators, supported by quarterly Area Manager checks. Stonegate works with an external partner to provide each site with an annual audit, with additional visits planned for those sites of greatest risk. The small number of sites that are not attaining our expected standards, are monitored closely by senior management, and are supported to get back to the high standards we expect. This is achieved via extra training, visits, and reporting. Health and safety within leased and tenanted sites is the primary responsibility of the publican, however they have the support of the Group to help them, and it will be discussed at meetings held between Regional Managers and publicans if required.

Social and community issues

Our local pubs are at the heart of the communities they serve and therefore we take responsibility for ensuring that our pubs add to this community rather than detract from it. Many of our pubs will engage with charitable efforts at a local or more nationwide level, driven by the interests of their guests, and will get involved with local initiatives wherever they can, which can be as simple as offering up meeting places for local community groups, donating raffle prizes for charity events or really embracing key seasonal events such as Halloween. In February 2025 our Craft Union division hit the monumental milestone of raising more than £1 million for over 650 different local causes, individuals and families in need across the UK in just 12 months, through community-focused fundraising initiatives.

We recognise our duty to operate the business in an ethical and responsible. We aim to build sustainable businesses with a strategy that will continually evolve dependant on the needs of our customers and stakeholders. We recognise our responsibility towards the promotion and management of a responsible drinking environment in all our pubs, working with the Government and enforcing bodies as necessary.

Charitable activities

Excluding the Make it a Million campaign noted above, our pubs and head office have concluded our charity partnership with the Motor Neurone Disease Association (MNDA) with a grand total raised of £825,000, over the period since our partnership began in April 2022 (at 29 September 2024 over £550,000 raised). From marathon runners to pub quiz hosts, every Stonegate colleague, guest and community has played a part in bringing hope and awareness to families affected by Motor Neurone Disease since the partnership began. We are now looking forward to working with our next charity partner from January 2026.

Strategic report *(continued)*

Environmental, Social and Governance *(continued)*

Employee engagement

To deliver the fantastic customer experience the Group strives for, it is important to attract, develop and retain the best employees for our managed pubs and our support centre, the best operators for our operator-led pubs and the best publicans for our leased and tenanted pubs. As well as comprehensive career and training programmes, we undertake succession planning and remuneration benchmarking to retain our best employees and offer a variety of training courses for our publicans.

Retaining engaged colleagues remains a critical part of our people strategy. We continue to run regular employee engagement surveys in order to understand what our people are feeling and where we should better direct our efforts to improve engagement. In our last round of the survey in October 2025, as well as our support teams, we sought views from our pub-based employees, with pleasing results and an engagement score of 55%.

Employee wellbeing

Over the last year we have mobilised a group of c.50 internal Wellbeing and Inclusion ambassadors, who have helped create a strategic framework. This framework has four focus areas:

- A culture of fostering Wellbeing and Inclusion
- A culture of psychological safety at work
- Neurodiversity
- Financial wellbeing

This strategic framework is then complimented with particular areas of focus on a quarterly basis.

The strategy has been communicated to all colleagues, and it is encouraging to see that two areas of wellbeing are amongst our highest scores in our engagement survey:

- I have a good working relationship with colleagues (91% favourable)
- My manager genuinely cares about my wellbeing (84% favourable)

Employee learning and development

Stonegate operates a genuine meritocracy which compliments and amplifies our approach to wellbeing and inclusion. Our career pathways contribute to our business both culturally and commercially. Over 70% of our General Managers have been promoted internally, and over 60% of our Area Managers. We also measure retention rates across key roles and know that people who enrol into our career pathway are twice as likely to stay with the business. Our approach to Learning and Development has also helped us achieve our best ever rates of employee retention in FY25.

Equality and diversity

Stonegate is an equal opportunities employer committed to providing equal employment opportunities to all employees regardless of personal status and to prohibit all forms of discrimination. In 2024, we reviewed and updated our Equality, Diversity and Inclusion policy. The principles are also included within our Code of Conduct ('The way we do things at Stonegate'). We have strengthened this area of the business further via the recruitment of a dedicated Wellbeing and Inclusion Manager.

Supplier management

Procurement activity is managed by a Commercial Team who operate in accordance with agreed policies. Stonegate sources goods and services from approved suppliers and business is conducted honestly, ethically and with respect for the rights and interests of the people with whom we do business. We expect honesty, openness and courtesy from all suppliers and their employees. We conduct business in accordance with responsible principles and we expect our suppliers to equally focus on issues such as pay, working hours, child labour, workers' rights, and representation. While we consider the risk of modern slavery or human trafficking taking place in our supply chain to be low, we do recognise the importance of combating slavery and human trafficking and the duty to tackle these issues.

Strategic report *(continued)*

Environmental, Social and Governance *(continued)*

Allergens

As a company, we are committed to providing information to our customers who suffer from allergies, so they can make informed choices when consuming our products. We provide allergen information on our websites and at site to help customers. We constantly review our training and food chain in making sure we offer the best customer experience.

Healthy eating

We are fully aware of the impact of modern lifestyles on the health and wellbeing of the population and recognise that we have a vital role to play in improving people's health.

Our aim is to create a variety of dishes on all our menus with a wide range of calorie options that support a healthy balanced diet. This then ultimately provides our guests with the ability to make an informed decision. In line with the Calorie Labelling (Out of Home Sector) (England) Regulations 2021, all our menus detail calories for all food items and low and no alcohol drinks.

Our children's menus offer fresh salad and vegetable options, in line with the five-a-day government recommendation. Our children's menus are in a build your own format, allowing our guests to create their own dish, with a range of cooking options, including baked to allow healthier choices.

We are fully committed to continuously reviewing range and cooking platforms to further strengthen our offers, whilst still providing great-tasting quality food.

Governance

A strong approach to governance is in place with robust practice and process around areas including cyber security, commercial integrity, and wider Board governance.

Anti-bribery and corruption

The Group operates a full suite of policies and procedures to guard against bribery and corruption. Whilst we operate in an industry that is not believed to be especially prone to bad practices, the risks of bribery, corruption, fraud, or theft exist in every company. We are committed to conducting our business with the highest level of integrity. The Group encourages any reports of malpractice, illegal acts or omissions or matters of a similar nature by employees, former employees, contractors, publicans, suppliers, or advisors using mechanisms for reporting, and support the framework for protecting whistle-blowers who have a genuine concern about malpractice from victimisation, dismissal, or detriment.

Our gifts and hospitality policy ensures a consistent approach towards gifts and hospitality offered to and received, or solicited from, third parties. It adopts a fair, ethical, legal and appropriate approach towards the distribution of gifts and hospitality invitations. The policy properly co-ordinates any representations the Stonegate Group wishes to make to suppliers and, in turn, does not unintentionally create inappropriate or misleading relationships. As a principle, any supplier gifts received are raffled on a regular basis and all proceeds are donated to charity.

The Pubs Code

The Group is committed to fair, transparent and lawful dealings with our publicans. The Pubs Code Regulations 2016 applies to the Group and all our tied publicans as we are the landlord of more than 500 tied pubs. The regulations define our obligations to our tied publicans and provide guidelines for processes governed by the Code. The Pubs Code is overseen by an independent Adjudicator.

Strategic report (continued)

Environmental, Social and Governance (continued)

Human rights

Stonegate is committed to conducting business with integrity and fairness.

Our various policies and ways of working ensure that employees are to be treated with respect, and their health, safety and basic human rights protected and promoted. We expect our suppliers and sub-contractors to meet the same standards through their policies and conduct.

Our whistleblowing policy encourages employees to report any wrongdoing, financial or otherwise. Our teams are able to report via a confidential email. No material issues were raised through the year.

Data privacy protection is embedded into our ways of working, policies and procedures and training programmes. There is oversight by a governance group made up of functional experts.

Tax

Stonegate is tax domiciled in the UK. Being UK tax resident, we support the economic and social objectives of the UK Government. We are committed to conducting our tax affairs in a clear, fair, and transparent way, paying all employee; employer; corporation; VAT and other taxes due in the UK and do not have an aggressive tax planning strategy. The Group's tax strategy can be found on our website.

Future outlook

2025 was a pivotal year for Stonegate, evidencing the benefits of the Group's Transformation Strategy, which has both enhanced the resilience of the Group as a whole and made us more competitive in an evolving consumer environment. We are well underway with our plan to build a partnership led pub company, built for the future.

Key to the Stonegate Transformation Plan is our strategy to transform the shape of the estate, and this has allowed us to mitigate continued inflationary cost pressures across the business, resulting in an improving bottom line performance, despite an expected drop in revenue, as we move directly Managed operations to Leased and Tenanted. We have a suite of initiatives now well underway as we transform Stonegate for the future, that will continue to deliver progress in the coming year. We believe that consumers increasingly value the connection with the people who work in our pubs, over the brand name above the door, so by partnering with entrepreneurial operators, we are building pubs that are more resilient, community focused, and adaptable to evolving guest habits and needs. The resilience of this model is evidenced by the strong performance of our Leased and Tenanted and Craft Union divisions over the last two years.

Against a challenging economic backdrop, the Group has in place a clear Transformation Strategy which will continue to improve its financial and operational resilience. This, coupled with the strength of the Group's increasingly partnership led operating model, positions Stonegate for continued progress in the year ahead.

Going concern

The financial statements have been prepared on the going concern basis. The statement headed "Going concern" on page 27 sets out certain factors to the Directors' consideration in reaching this assessment.

Approval

The Directors' Strategic report was approved by the Board on 15 January 2026 and signed on its behalf by:



David Ross
Director

Directors' report

The Directors present their report together with the non-statutory financial statements for the 52 weeks ended 28 September 2025. As further described in note 1, these consolidated financial statements have been prepared solely for non-statutory purposes.

Principal activities

The principal activity of the Group is the ownership and operation of licensed pubs and bars within the UK.

Ownership

The immediate controlling party is Stonegate Pub Company Midco Limited, a company that is owned by TDR Capital Stonegate L.P., an investment fund managed by TDR Capital LLP, a private equity management firm registered in the UK. TDR Capital LLP is a leading private equity firm with approximately €15 billion of committed capital. It invests in medium-sized, European businesses and partners with them to develop and grow their operations. TDR Capital LLP works in partnership with management to harness opportunities together through board representation and professional support.

Various investment funds managed by TDR Capital LLP incorporated Stonegate Pub Company Limited in August 2010 when it purchased 333 freehold and leasehold pubs and bars from Mitchells & Butlers plc and then went on to purchase the Town and City Pub Group Limited and Bay Restaurant Group Limited businesses in June 2011.

Board of Directors

The Directors, who held office during the period, and since the end of the period, were as follows:

Brian Magnus
Alhassan Elgazzar
David Ross
David McDowall
Mark Davies

Brian Magnus (Senior Partner at TDR Capital LLP)

Brian joined TDR Capital in September 2012. Prior to joining TDR, he was a Managing Director at Morgan Stanley where he was European Head of Morgan Stanley Private Equity, and formerly Head of UK Investment Banking. He joined Morgan Stanley in 2000 having previously worked in the Corporate Finance Division of Schroders, a company later acquired by Citigroup. Brian graduated from the University of Manchester with a degree in Management Sciences and qualified as a Chartered Accountant with Price Waterhouse.

Alhassan Elgazzar (Partner at TDR Capital LLP)

Alhassan joined TDR Capital in July 2014. Prior to joining TDR, he worked across a number of teams within the Investment Banking Division at Morgan Stanley, most recently as an Associate in the Global Industries Group. Alhassan graduated from the University of Edinburgh with a degree in Economics.

David McDowall (Chief Executive Officer of Stonegate Pub Company)

Having started working in pubs whilst studying at university, David worked his way up through various operational roles in some of the country's biggest hospitality groups, building a wealth of industry knowledge and experience, and a huge passion for the sector.

Before joining Stonegate in January 2023, David was with the innovative brewer and bar operator BrewDog, firstly as CEO of the bars business before holding the wider role of President & COO, overseeing the strategic direction and day to day operations across all aspects of the business in the UK and internationally. Prior to BrewDog, David was Group Operations Director at G1 Group, a leading Scottish hospitality operator.

Directors' report *(continued)*

Board of Directors *(continued)*

David Ross (Chief Financial Officer of Stonegate Pub Company)

David qualified with PriceWaterhouseCoopers in 1999 before joining Boots as a senior internal audit manager. After holding various senior roles in Boots, David joined the Spirit Group in 2004 as Head of Finance for Investments and the development company of Gastro Pubs & Bars. He joined Laurel in 2007 as Head of Finance and held that position until the break-up of Laurel in 2008 when David was appointed Head of Finance of Bay Restaurant Group Limited and Town and City Pub Group Limited. He was appointed Chief Financial Officer of Stonegate Pub Company Limited in January 2012.

Mark Davies (Independent Non Executive Director)

Mark is an experienced FTSE250 CEO, Chairman and Non Executive Director and has relevant experience in property, pubs and capital markets. He is currently CEO of PHP, a FTSE250 Healthcare REIT and responsible for delivering the strategic direction of the business. He was previously CEO of Hawthorn, a co-founder of NewRiver REIT plc and has worked for Morgan Stanley, BDO and Grant Thornton.

Senior Management Team

The Senior Management team that make up the Group's Operating Board at year end consisted of David McDowall (CEO), David Ross (CFO), Daniel Wilkinson (Chief Strategy Officer), Tim Painter (HR Director), Carol Campbell (Managing Director - Managed), Dan Castle (Managing Director - Pub Partners), Frazer Grimbleby (Managing Director - Operator-led), Nick Marks (Group Commercial Director), Kay Bartlett (Chief Marketing Officer) and Andrew Cavanagh (Property & Maintenance Director). Subsequent to the year end, Carol resigned from the Operating Board and was replaced by Nigel Sherwood (Managing Director - Managed). Also subsequent to the year end, Elena Venkova joined the Operating Board as Transformation Director.

Daniel Wilkinson

Daniel joined Stonegate in April 2015 as Corporate Affairs Director. He was appointed Strategy, Legal and Business Development Director in March 2020 and then Chief Strategy Officer from October 2024. He is responsible for the strategic direction of our business and is the head of mergers, acquisitions and disposal activity within Stonegate. Daniel joined from the leased and tenanted division of Greene King, where he was a commercial director. He holds an MSc in physics and nuclear science from the University of Birmingham.

Tim Painter

Tim is responsible for the recruitment, training and development of the Group's 11,000 employees. Tim started his career in food retail with HR roles at Asda and Sainsbury. He then moved to Thorn UK, where he progressed to be HR Director for a Division of the business. In 2003, Tim was appointed as HR Director for Travel Inn, part of Whitbread plc. During his tenure, Travel Inn acquired and integrated the Premier Lodge business to form Premier Travel Inn. In 2006, Tim returned to food retail as HR Director of Musgrave Retail Partners GB, which managed the franchised convenience brands Budgens and Londis. Tim was appointed HR Director for Stonegate Pub Company Limited in January 2012.

Dan Castle

Dan was appointed Managing Director for Pub Partners, Stonegate's leased and tenanted business, in 2025 with responsibility for delivering sustainable growth. He has been with the Group since 2015 and has held senior operational positions across both the Managed and Leased and tenanted divisions, most latterly as Operations Director for the Pub Partner's estate in London and the South-East. Prior to joining the Group, Dan held leadership roles at Greene King and at several UK holiday park businesses, gaining extensive experience in multi-site operations and hospitality management.

Directors' report (continued)

Senior Management Team (continued)

Frazer Grimbleby

Frazer joined Stonegate Group in 2020 following the acquisition of Ei Group and is Managing Director of the operator led business, Craft Union. Frazer co-founded Craft Union in 2015 within Ei Group and has been responsible for leading the business through its growth to over 600 pubs. Prior to joining Ei Group in 2012, Frazer held several senior leadership roles within hospitality including Operations Director at SSP UK and Operations Director at The Restaurant Group developing the Frankie & Benny's brand.

Nick Marks

Nick joined Stonegate in 2023 as Director of Commercial and was appointed to the Operating Board in October 2024 as Group Commercial Director, overseeing the Group procurement and supply chain function. Prior to Stonegate, Nick led The Hershey Company international markets which included ANZO, Malaysia, and Singapore. He also has extensive experience on the supplier side, having worked with leading FMCG companies including Nestlé, Danone, and Burtons Biscuits.

Kay Bartlett

Kay joined Stonegate in February 2025 as Chief Marketing Officer. She leads the delivery of guest insight across the business, driving innovation to capitalise on emerging trends and ensuring a strong focus on top-line sales growth across all business units. Prior to Stonegate, Kay spent five years as Chief Marketing Officer at Wagamama, where she led brand strategy and growth initiatives. Her career also includes a series of senior commercial roles within the FMCG sector.

Andrew Cavanagh

Andy joined Stonegate in April 2022 as the Director of Property PMO, Compliance & Maintenance Services. He was appointed Property & Maintenance Director in May 2025. He is responsible for the delivery and spend of Property related capex, investing in and maintaining our estate. Andrew joined from the Co-op Group where he was Chief Risk and Capex Programmes Officer for the Property business. Andrew has held senior positions in retail previously with Selfridges and Harrods. He has an honours degree in Risk Management.

Nigel Sherwood

Nigel joined Stonegate in 2025 as the Managing Director of the Managed business. Nigel has worked in hospitality for over 30 years, starting his career in pubs within the Allied Domecq business before embarking on a career in branded restaurants working in senior leadership roles in iconic brands including Pizza Hut, Nando's and then most recently as Chief Operating Officer at Wagamamas.

Elena Venkova

Elena joined Stonegate in 2025 as Transformation Director to lead the design and execution of the Group's Transformation Strategy. She brings a broad track record in operational and strategic transformation across consulting, real estate, private equity, and banking. Before joining Stonegate, Elena was a Senior Vice President at AlixPartners, advising leadership teams across multiple sectors on value creation and performance improvement. Elena holds an MBA from Columbia Business School and is a qualified Chartered Accountant CA (SA).

The senior management team remuneration is linked to agreed profit targets of the business.

Directors' report *(continued)*

Results and dividends

The loss after tax was £139 million (2024: loss of £160 million).

Modern Slavery Act 2015

In accordance with the requirements of the Modern Slavery Act, the Board has approved, and the Group has accordingly published its compliance statement on its website. This can be accessed at www.stonegategroup.co.uk.

Guidelines for Disclosure and Transparency in Private Equity

The Directors consider the annual report and financial statements to comply with all aspects of the Guidelines for Disclosure and Transparency in Private Equity.

Additional information regarding the Group's engagement with stakeholders can be found throughout the Strategic Report.

Approval

The Directors report was approved by the Board on 15 January 2026 and signed on its behalf by:



David Ross
Director

Statement of directors' responsibilities in respect of the annual report and the financial statements

The Directors of Stonegate Pub Company Limited ('the Directors') have accepted responsibility for the preparation of the Strategic report, Director's report and non-statutory Group accounts for the period ended 28 September 2025 which are intended by them to give a true and fair view of the state of affairs of the Group and of the profit or loss for that period. They have decided to prepare the non-statutory Group accounts in accordance with UK-adopted International Financial Reporting Standards (IFRS) and applicable Cayman Island company law. In preparing these non-statutory Group accounts, the Directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether they have been prepared in accordance with IFRS, UK-adopted international accounting standards;
- assessed the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- used the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for such internal control as they determine is necessary to enable the preparation of non-statutory Group accounts 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.

Consolidated Income Statement
For the 52 weeks ended 28 September 2025

	Notes	52 weeks ended 28 September 2025			53 weeks ended 29 September 2024		
		Pre- exceptional items £m	Exceptional items* £m	Total £m	Pre- exceptional items £m	Exceptional items* £m	Total £m
Revenue	2	1,619	-	1,619	1,747	-	1,747
Other income		-	-	-	-	30	30
Operating costs before depreciation and amortisation		(1,176)	(22)	(1,198)	(1,278)	(22)	(1,300)
EBITDA[^]		443	(22)	421	469	8	477
Depreciation and impairment		(119)	-	(119)	(133)	-	(133)
Movement in value of the estate		-	(96)	(96)	-	(111)	(111)
Brand amortisation		(1)	-	(1)	-	-	-
Total depreciation, amortisation, impairment and revaluation		(120)	(96)	(216)	(133)	(111)	(244)
Profit on sale of non- current assets		-	7	7	-	16	16
Operating profit / (loss)		323	(111)	212	336	(87)	249
Finance income	5	4	-	4	19	-	19
Finance costs	6	(409)	(2)	(411)	(348)	(107)	(455)
Movement in fair value of derivative financial instruments		21	-	21	(27)	-	(27)
Loss before taxation		(61)	(113)	(174)	(20)	(194)	(214)
Taxation	8	13	22	35	8	46	54
Loss for the period		(48)	(91)	(139)	(12)	(148)	(160)
Attributable to:							
Owners of the parent company		(48)	(91)	(139)	(12)	(148)	(160)
Non-controlling interests		-	-	-	-	-	-

* Exceptional items are explained further in note 7.

[^]EBITDA represents Operating profit / (loss) before depreciation, amortisation, impairment, movement in value of the estate and 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 52 weeks ended 28 September 2025

	52 weeks ended 28 September 2025 £m	53 weeks ended 29 September 2024 £m
Loss for the period	(139)	(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	(32)	(35)
Revaluation of assets on transfer to Investment Property	(2)	-
Revaluation of property, plant and equipment	154	126
Other comprehensive profits after tax	120	99
Total comprehensive loss for the period	(19)	(61)

The accompanying notes form part of these financial statements.

Consolidated Balance Sheet
At 28 September 2025

	Notes	28 September 2025 £m	29 September 2024 £m
Assets			
Non-current assets			
Property, plant and equipment	9	4,464	4,403
Investment property	10	214	266
Brand	12	-	1
Goodwill	12	17	17
Financial assets	18	4	5
Trade and other receivables	19	7	7
Derivative financial instruments	22	4	-
Retirement benefit surplus	27	1	1
		4,711	4,700
Current assets			
Inventories	17	18	21
Trade and other receivables	19	162	247
Cash and cash equivalents		160	171
Financial assets	18	1	1
		341	440
Non-current assets held for sale	11	55	58
Total assets		5,107	5,198
Liabilities			
Current liabilities			
Trade and other payables	20	(395)	(366)
Borrowings	21	(35)	(166)
		(430)	(532)
Non-current liabilities			
Borrowings	21	(3,810)	(3,760)
Derivative financial instruments	22	-	(17)
Deferred tax liabilities	16	(92)	(96)
Provisions	23	(2)	(2)
		(3,904)	(3,875)
Total liabilities		(4,334)	(4,407)
Net assets		773	791
Equity			
Called up share capital	24	5	5
Share premium	24	1,448	1,448
Revaluation reserve	24	1,064	915
Capital contribution reserve	24	5	4
Retained earnings		(1,748)	(1,580)
Total equity attributable to owners of the parent company		774	792
Non-controlling interests		(1)	(1)
Total equity		773	791

The accompanying notes form part of these financial statements.

These financial statements were approved by the board of directors on 15 January 2026 and were signed on its behalf by:



David Ross

Director

Company registered number: FC029833

Consolidated Statement of Changes in Equity
For the 52 weeks ended 28 September 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) / income:								
Losses for the period	-	-	-	-	(139)	(139)	-	(139)
Other comprehensive income for the period	-	-	152	-	(32)	120	-	120
Total comprehensive income / (losses) for the period	-	-	152	-	(171)	(19)	-	(19)
Transfer of realised revaluation surplus on disposals	-	-	(3)	-	3	-	-	-
Capital contribution	-	-	-	1	-	1	-	1
Total equity at 28 September 2025	5	1,448	1,064	5	(1,748)	774	(1)	773
Total equity at 24 September 2023	5	1,198	793	3	(1,396)	603	(2)	601
Total comprehensive (losses) / income:								
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 52 weeks ended 28 September 2025

	52 weeks ended 28 September 2025 £m	53 weeks ended 29 September 2024 £m
Cash flows from operating activities		
Loss for the period	(139)	(160)
Adjustments for:		
-Depreciation, amortisation, impairment and movement in value of the estate	216	244
-Profit on sale of non-current assets	(7)	(16)
-Finance income	(4)	(19)
-Finance costs	411	455
-Movement in derivative financial instruments	(21)	27
-Taxation	(35)	(54)
	421	477
Changes in:		
-Inventories	3	2
-Receivables	(55)	(3)
-Payables	35	7
-Provisions	-	(3)
Cash generated from operating activities	404	480
Interest received	3	19
Net cash flow from operating activities	407	499
Cash flows from investing activities		
Purchase of property, plant and equipment	(135)	(148)
Net proceeds from sale of property, plant and equipment	74	68
Loan made to group undertaking	-	(8)
Net cash flow from investing activities	(61)	(88)
Cash flows from financing activities		
Interest paid	(348)	(414)
Advance of borrowings	230	1,042
Repayment of borrowings	(187)	(769)
Transaction costs related to loans and borrowings	(27)	(97)
Payment of principal portion of lease liabilities	(24)	(58)
Payments in relation to derivative financial instruments	-	(31)
Redemption premium paid on prepayment	(1)	(4)
Payment of non-controlling interest in subsidiary undertaking	-	(1)
Net cash flow from financing activities	(357)	(332)
Net (decrease) / increase in cash and cash equivalents	(11)	79
Opening cash and cash equivalents	171	92
Closing cash and cash equivalents	160	171

At 28 September 2025 £41 million of the closing cash and cash equivalents (2024: £30 million) is held within the Unique securitisation, referred to as the securitised bonds and £53 million (2024: £46 million) is held in the restricted portfolio loan group, together the senior facility and mezzanine facility (note 22).

The accompanying notes form part of these financial statements.

Notes to the consolidated financial statements

1 Accounting policies

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

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the “Group”). The consolidated 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 these consolidated financial statements in accordance with UK-adopted international accounting standards (“UK-adopted IFRS”), as allowed under Cayman Island Company Law.

There is no statutory requirement for accounts to be audited in the UK; however, these accounts are being prepared and 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.

No parent company information is presented in these consolidated financial statements, Companies Law (2013 Revision) in the Cayman Islands does not require such information to be presented. The parent company information has been prepared under FRS 102. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

The consolidated financial statements are presented in pounds sterling (rounded to the nearest million), being the functional currency of the primary economic environment in which the Group operates.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial liabilities (including derivatives) measured at fair value; property plant and equipment, following the adoption of a valuation policy at 24 September 2023, and investment property. Non-current assets held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

1.2 Going concern

The financial position of the Group is set out in the Consolidated Balance Sheet on page 24 which shows net assets of £773 million (2024: £791 million) and net current liabilities of £89 million (2024: £92 million). During the 52 weeks ended 28 September 2025 the Group achieved a net cash flow from operating activities of £407 million (2024 £499 million) and a net cash outflow of £11 million (53 weeks ended 29 September 2024: net cash inflow of 79 million).

The Group has continued to meet its day-to-day working capital requirements through its standard trading cycle of cash generation when sites are open, charging and collecting rents from publicans, and its overdraft facility of £25 million and revolving credit facility of £248 million. The continued availability of the revolving credit facility is subject to compliance with covenants (see note 22). The Directors consider that this is a normal feature of trading in this industry.

In the managed business, customers pay by cash or card at the point of sale, resulting in minimal credit risk, whilst in the leased and tenanted business, the Group has a dedicated credit control function, who are able to manage the credit risk exposure. The Group typically operates with net current liabilities.

At the balance sheet date, the Group was financed by external debt totalling £3,075 million (29 September 2024: £3,197 million), of which an amount of £184 million related to the Unique securitisation is subject to covenants that are tested quarterly and, if breached, would result in the debt becoming repayable on demand. In addition, £626 million related to a portfolio loan transaction was raised during the 53 weeks ended 29 September 2024. This will become subject to covenant compliance from May 2026. The Group was compliant with all covenants at the year end test date. Details of the debt facilities are set out in note 21.

The Board have reviewed the cash flow forecasts for the Company and the Group for the period through to January 2027 (“the going concern assessment period”). This period incorporates at least 12 months from the date of signing these financial statements.

Notes *(continued)*

1 Accounting policies *(continued)*

1.2 Going concern *(continued)*

The base case forecasts reviewed by the Board reflect levels of trade across the Group in line with the current year, sales and cost price increases generally in line with inflation and labour cost increases slightly above inflation. The base case forecasts also assume cash generation from the sale of a number of properties in line with our disposal programme.

As well as the base case forecasts indicating that there is sufficient liquidity in the Group, the forecasts also indicate that there are no breaches to covenants within either the Group's revolving credit facility, the Unique securitisation nor the covenant within the portfolio loan facilities.

The Board has also considered a severe but plausible scenario incorporating a reduction in retail sales volumes within its Managed and Operator-led segments, and a reduction in the Leased and Tenanted volume to reflect the current uncertain economic outlook. It has been assumed that variable costs move in line with the reduction in sales. These forecasts indicate that in this severe but plausible downside, there remains sufficient liquidity within the Group and the covenants would not be breached.

Based on the above, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. These financial statements therefore do not contain the adjustments that would result if the Group were unable to continue as a going concern.

1.3 Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity in those subsidiaries. Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

Notes *(continued)*

1 Accounting policies *(continued)*

1.4 Key accounting judgements and estimates

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect reported amounts of assets, liabilities, revenues and expenses during the period. Management periodically evaluates its estimates and judgements and bases them on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

Key accounting judgements

The following are the key judgements, apart from those involving estimations, dealt with separately below, that management have made in the process of applying the Group's accounting policies and which have the most significant effect on the amounts recognised in the financial statements.

Exceptional items

During the period certain items are identified and separately disclosed as exceptional. Judgement is applied as to whether the item meets the necessary criteria as per the accounting policy disclosed. This assessment covers the nature of the item, cause of occurrence and the scale of impact of that item on reported performance. Note 7 provides information on all of the items disclosed as exceptional in the current and previous period.

Key areas of estimation

The following are the key areas of estimation uncertainty that may have the most significant effect on the amounts recognised in the financial statements.

Valuation of property, plant and equipment, and investment property

Licensed land and buildings are revalued annually to fair value in accordance with RICS Valuation – Global Standards and IFRS 13. The valuation methodology uses an estimation of the fair maintainable trade (FMT) of a pub held in PPE and commercial rent for a property held as an investment property and then applies a multiple. The FMT is estimated based on historic trends and projected future income whilst multiples are determined by our valuers with reference to each specific asset and market information. For more details on the FMT and multiples see note 13. The valuers also make reference to market evidence of transaction prices for similar properties. An adjustment to any of these assumptions could lead to a material change in the property valuation. The highest and best use for the licensed land and buildings is assumed to be their current use by the Group, principally due to the legal restrictions imposed by the agreement with the publican, planning regulations and the financial implications of a change of use given those restrictions and the Group's business model. However, consideration is given to an alternative highest and best use if there are factors that indicate that such an alternative use exists which is physically possible, legally permissible and financially feasible.

Further information about the valuation of the estate is provided in note 13 of these financial statements.

Notes (continued)

1 Accounting policies (continued)

1.5 Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they originate. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

Notes (continued)

1 Accounting policies (continued)

1.5 Financial instruments (continued)

(b) Subsequent measurement and gains and losses

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI - these assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities and equity

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- (b) where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Group's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Notes *(continued)*

1 Accounting policies *(continued)*

1.5 Financial instruments *(continued)*

When borrowings are refinanced the Group reviews whether the arrangement constitutes an extinguishment of the original financial liability and the recognition of a new financial liability or a modification of the terms of the existing financial liability. If the refinanced borrowings are accounted for as an extinguishment of the original financial liability or as a substantial modification, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment and written off through non-underlying finance costs and the new borrowings are recognised at fair value. If the refinanced borrowings are accounted for as a non-substantial modification, a gain or loss is recognised at the time of the non-substantial modification (to the extent that there is a change in the expected amount or timing of payments of interest and principal).

The gain or loss is calculated as the difference between the present value of the cash flows (excluding fees) under the original and modified terms discounted at the original effective interest rate. Any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining life of the modified loan.

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

1.6 Property, plant and equipment

Licensed land and buildings are held at their fair value and landlords' fixtures and fittings and other assets are held at cost less depreciation.

The licensed land and buildings, except for those non-current assets held for sale, are revalued each year by external valuers qualified to carry out such valuations.

Licensed land and buildings are revalued annually to fair value in accordance with RICS Valuation – Global Standards and IFRS 13. The valuation methodology uses an estimation of the fair maintainable trade (FMT) of a pub held in PPE and commercial rent for a property held as an investment property and then applies a multiple. The FMT is estimated based on historic trends and projected future income whilst multiples are determined by our valuers with reference to each specific asset and market information. For more details on the FMT and multiple see note 13.

The valuers also make reference to market evidence of transaction prices for similar properties. An adjustment to any of these assumptions could lead to a material change in the property valuation.

The highest and best use for the licensed land and buildings is assumed to be their current use by the Group, principally due to the legal restrictions imposed by the agreement with the publican, planning regulations and the financial implications of a change of use given those restrictions and the Group's business model. However, consideration is given to an alternative highest and best use if there are factors that indicate that such an alternative use exists which is physically possible, legally permissible and financially feasible.

Surpluses arising from the revaluation exercise are taken through other comprehensive income to 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 through other comprehensive income 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.

Property, plant and equipment that are not included in the revaluation are stated at cost less accumulated depreciation and accumulated impairment losses.

Notes *(continued)*

1 Accounting policies *(continued)*

1.6 Property, plant and equipment *(continued)*

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- right-of-use assets are depreciated over their lease lives;
- freehold properties are depreciated to their estimated residual values over 50 years;
- leasehold properties and improvements are depreciated over the shortest of 50 years, their estimated useful lives and their remaining lease periods;
- long-life landlords' fixtures and fittings are depreciated over 5 to 30 years;
- retail, administration and short-life landlords' furniture, fixtures, fittings and equipment are depreciated over 3 to 15 years.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Property, plant and equipment that are not included in the revaluation are reviewed annually for indications of impairment. Where any indications are identified, assets are assessed fully for impairment. Impairment occurs where the recoverable amount of the asset is less than its carrying amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Any impairment loss is treated as an expense in the income statement, and any subsequent impairment reversal as a gain in the income statement.

1.7 Investment property

The Group leases some properties on commercial leases within the Commercial Properties segment. The commercial terms of these leases result in the assets meeting the criteria of investment property. Properties held as investment property are measured at fair value reflecting market conditions at the balance sheet date. Gains and losses arising from changes in the fair value of investment property 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.

Transfers are made to/from investment property when there is change of use evidenced by a change in the lease terms. When a property transfers from property, plant and equipment to investment property, and vice versa, it is revalued to fair value and the movement recognised in the income statement.

Notes *(continued)*

1 Accounting policies *(continued)*

1.8 Non-current assets held for sale

Properties identified for disposal which are classified in the balance sheet as non-current assets held for sale are held at the lower of carrying value on transfer to non-current assets held for sale, as assessed at the time of transfer, and fair value less costs to dispose. The fair value less costs to dispose is based on the net estimated realisable disposal proceeds (ERV) which is derived from internal valuations when the property is transferred to non-current assets held for sale and then sense checked with third party property agents who have been engaged to sell the properties.

Licensed land and buildings, investment property and right-of-use assets are classified as held for sale when they have been identified for disposal by the Group. They must be available for immediate sale in their present condition and the sale should be highly probable. These conditions are met when management are committed to the sale, the property or lease is actively marketed and the sale is expected to occur within one year. Licensed land and buildings held for sale are not depreciated and right-of-use assets held for sale are not amortised.

Profits or losses on disposal of property are calculated as the difference between the net sales proceeds and the carrying amount of the asset within non-current assets held for sale at the date of disposal.

1.9 Business combinations

Subject to the transitional relief in IFRS 1, all business combinations are accounted for by applying the acquisition method. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Acquisitions post transition date

For acquisitions on or after 26 September 2011, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree, if any; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred. Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

1.10 Intangible assets and goodwill

Goodwill

Goodwill represents the excess of consideration over the fair value of identifiable assets and liabilities acquired in a business combination. Goodwill is not amortised but is tested for impairment annually, or more frequently where events or changes in circumstances indicate that the carrying value may be impaired. Goodwill is stated at cost less any impairment. For the purpose of impairment testing, goodwill is allocated to cash generating units that are consistent with the Group's operating segments. At 28 September 2025 the balance of goodwill remaining is allocated to the Operator-led operating segment. As properties move between segments the associated goodwill will also be transferred.

Brand

Brand intangible assets recognised on acquisition are amortised on a straight-line basis over their estimated useful lives of 10 years.

Notes *(continued)*

1 Accounting policies *(continued)*

1.11 Leases

As a lessee

The Group leases properties and vehicles.

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

The Group has elected not to apply the lessee requirements of IFRS 16 to short-term leases and leases for which the underlying asset is of low value. The lease payments for such leases are recognised as an expense on a straight-line basis over the lease term.

For all other leases where it is the lessee the Group recognises a lease liability and a right-of-use asset at the commencement date of the lease.

The lease liability is initially measured at the present value of the remaining lease payments at commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The carrying amount of the lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made.

The lease liability is re-measured when there is a change in future lease payments arising from a change in an index rate or, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

For rent concessions in leases the Group assesses whether there is a lease modification. The lease liability is then re-measured at the present value of the revised lease payments at the modification date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The change in the present value of the lease liability is accounted for as an increase to the right-of-use asset where it relates to a future change, with any element relating to a past payment dated before the modification date accounted for in the income statement.

The right-of-use asset is recognised at an amount equal to the total of the lease liability, any lease payments made at or before the commencement date, any initial direct costs and the estimated future dismantling, removal and site restoration costs. The Group 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.

Right-of-use assets included in property, plant and equipment are initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for any re-measurements or modifications of the lease liability. Where the right-of-use asset is in relation to an investment property it is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's accounting policies. Where a property held on lease transfers from PPE to investment property the right of use asset is revalued to fair value before transfer.

Notes *(continued)*

1 Accounting policies *(continued)*

1.11 Leases *(continued)*

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone price. When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Where a property that is leased is re-leased to a third party and that sub-lease is categorised as a finance lease the right-of-use asset is derecognised and it is replaced by a financial asset being the net investment in that sublease. The net investment in the sub-lease is calculated as the net present value of the future rent payments receivable at the interest rate implicit in the sub-lease or, if that cannot be readily determined, at the discount rate used for the head lease.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of revenue.

Leases acquired in a business combination

For leases acquired in a business combination, the Group measures the acquired lease liability at the present value of the remaining lease payments, as if the acquired lease were a new lease at the acquisition date. The right-of-use asset is measured at acquisition at the same amount as the lease liability, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

1.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price less any costs of disposal. Cost is calculated using the first in first out method.

1.13 Trade receivables and trade payables

Trade receivables are held at their original invoiced amount net of an Expected Credit Loss (“ECL”) allowance based on the simplified model as allowed by IFRS 9. The Group has adopted the simplified impairment model to measure the expected lifetime credit losses on its trade receivables. Using a provision matrix the Group analyses its historic bad debt experience to create an ageing profile which it then applies to its trade receivables balance as at the reporting date. The Group writes off its trade receivables when it has no reasonable expectation of recovery of the debt.

Trade payables are held at amortised cost.

1.14 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group’s cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement. The Group was not drawn on its bank overdraft facility at 28 September 2025 or 29 September 2024.

Notes *(continued)*

1 Accounting policies *(continued)*

1.15 Impairment excluding inventories and deferred tax assets

Financial assets (including receivables)

The amount of trade and other receivables included in the balance sheet are net of an expected credit loss (ECL) provision. The Group has adopted the simplified impairment model to measure the expected lifetime credit losses on its trade receivables. Using a provision matrix the Group analyses its historic bad debt experience to create an ageing profile which it then applies to its trade receivables balance as at the reporting date. The Group writes off its trade receivables when it has no reasonable expectation of recovery of the debt. The carrying amount of financial assets represents the maximum credit exposure.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than properties held at valuation, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment or impairment reversals. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Groups of assets (the "cash-generating unit").

The Group considers each of its individual pubs as a cash-generating unit. Each relevant CGU is reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or for impairment reversals. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell or value in use. Where fair value is used this is based on known sales proceeds or an external valuation. Any changes in outlet earnings or cash flows, the discount rate applied to those cash flows and fair value could give rise to an additional impairment loss.

The Group annually tests whether goodwill has been impaired. Management makes judgements to allocate goodwill to the group of CGUs that benefits from the synergy of acquisitions and reflects the level at which goodwill is monitored, on this basis goodwill is allocated to the Group's operating segments. The recoverable amount of the CGUs that the goodwill has been allocated to is determined based on value-in-use calculations which require estimating future cash flows and applying a suitable discount rate.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (Group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the income statement.

Notes *(continued)*

1 Accounting policies *(continued)*

1.16 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Group determines the net interest on the net defined benefit liability/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/asset.

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid. Re-measurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs. The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on a settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payment transactions

Where the Group's parent grants rights to its equity instruments to this Group's employees, which are accounted for as equity-settled in the consolidated accounts of the parent, the Group accounts for these share-based payments as equity-settled. As the shares to be given to the employees are not the Company or Group's own equity instruments and have been effectively paid for by the parent entity, the Group recognises a share-based payment expense in its income statement and an associated capital contribution in equity from its parent.

The fair value of share-based payments awards at the date of grant is recognised as an employee expense, with a corresponding increase in equity as stated above, over the period that the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted.

Notes (continued)

1 Accounting policies (continued)

1.17 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects risks specific to the liability.

A provision for onerous leases is made for non-trading sites closure costs.

1.18 Revenue

Revenue is the fair value of consideration received or receivable for goods and services provided in the normal course of business, net of discounts and VAT. Revenue from drink and food is recognised at the point at which the goods are provided. Property rental income is recognised on a straight-line basis over the life of the lease. Amusement machine royalties are recognised in the accounting period to which the income relates.

Leased and tenanted

Drink revenue – Drink revenue is earned from the supply of drink products to publicans and revenue is recognised at the point of delivery to the pub at which point physical possession is passed and the publican takes control of the product, obtaining the significant risks and rewards of ownership. The proceeds from the sale are recognised as revenue.

Rent revenue – Rent revenue is recognised on a straight-line basis over the term of the lease based on the contractual terms of the lease agreement.

Revenue from amusement and other machines – Amusement machine royalty income represents the Group's share of the net income earned from machines in the Group's properties. The revenue is recognised in the period to which the sale relates.

Managed

Drink revenue – Drink revenue is earned from retail sale of drinks to customers and is recognised at the point of delivery.

Food revenue – Food revenue is earned from retail sale of food to customers and is recognised at the point of delivery.

Revenue from amusement and other machines – Amusement machine income represents the income earned from machines in our managed properties. The revenue is recognised in the period to which the sale relates.

Admission, accommodation and other revenue – Other revenue includes admission and accommodation income and is recognised at the point of delivery.

Operator-led

Drink revenue – Drink revenue is earned from retail sale of drinks to customers and is recognised at the point of delivery.

Revenue from amusement and other machines – Amusement machine income represents the income earned from machines in our managed properties. The revenue is recognised in the period to which the sale relates.

Admission, accommodation and other revenue – Other revenue includes admission and accommodation income and is recognised in the period to which the sale relates.

Notes *(continued)*

1 Accounting policies *(continued)*

1.19 Supplier incentives

Supplier incentives and rebates are recognised within operating costs as they are earned. The accrued value at the reporting date is included in trade and other receivables.

1.20 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.21 Exceptional items

The Group presents separately on the face of the income statement those material items of income and expense which are outside of the normal course of trading, which management consider will distort comparability, in order to provide a trend measure of underlying performance. This includes the profit / (loss) on sale of property, movements in the valuation of investment properties and property, plant and equipment and the impairment of property, plant and equipment and goodwill which do not directly result from the underlying trading performance of the Group and are not in their direct control, and therefore have been categorised as exceptional items. These costs are discussed further in note 7.

1.22 Adopted IFRS not yet applied

The following Adopted IFRSs have been issued but have not been applied by the Group in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates (effective 1 January 2025).

Notes *(continued)*

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 Managed Investments – 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, revaluation, 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)

2025	Leased and tenanted	Managed	Operator-led	Central	Total
52 weeks	£m	£m	£m	£m	£m
Drink revenue	300	626	316	-	1,242
Rent revenue	128	-	-	-	128
Food revenue	-	142	-	-	142
Revenue from amusement and other machines	8	21	36	-	65
Admission, accommodation and other revenue	1	39	2	-	42
Total revenue	437	828	354	-	1,619
Operating costs before depreciation and amortisation	(163)	(655)	(247)	(133)	(1,198)
EBITDA	274	173	107	(133)	421
Depreciation, amortisation, impairment and movement in value of the estate					(216)
Profit on sale of non-current assets					7
Net finance costs and movement in fair value of swaps					(386)
Loss before tax					(174)
Taxation					35
Loss after tax					(139)
2024	Leased and tenanted	Managed	Operator-led	Central	Total
53 weeks	£m	£m	£m	£m	£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 Expenses

Included in operating profit / (loss) are the following expenses / (income):

	2025	2024
	52 weeks	53 weeks
	£m	£m
Drink and food costs	423	464
Employment costs	327	346
Other costs	448	490
Depreciation, amortisation, impairment and movement in value of the estate	216	244
Profit on sale of non-current assets	(7)	(16)
Costs deducted from revenue to determine operating profit	1,407	1,528

Included within the above costs is a cost of £111 million (2024: £87 million) relating to exceptional items (see note 7).

4 Employees

The average number of persons employed by the Group (including directors) during the period, analysed by category, was as follows:

	2025	2024
	52 weeks	53 weeks
Head office administration ¹	1,103	1,099
Retail ¹	13,124	15,624
	14,227	16,723

¹ The employee numbers above relate to actual employees rather than full-time employee equivalents.

At the period end the Group had 10,979 employees (2024: 15,864 employees). The aggregate payroll costs were as follows:

	2025	2024
	52 weeks	53 weeks
	£m	£m
Wages and salaries	295	314
Social security costs	25	25
Pension costs	6	6
Equity settled share based payment expense	1	1
	327	346

Notes (continued)

5 Finance income

	2025 52 weeks £m	2024 53 weeks £m
Other interest receivable	4	19
Total finance income	4	19

6 Finance costs

	2025 52 weeks £m	2024 53 weeks £m
Interest payable on loan notes	323	313
Other interest payable	11	18
Debt issue costs amortisation	8	6
Other finance costs	3	3
Foreign exchange loss / (gain)	19	(40)
Interest expense on lease liabilities	45	48
Exceptional interest payable and finance costs	2	107
Total finance costs	411	455

7 Exceptional items

	2025 52 weeks £m	2024 53 weeks £m
Other income:		
Business interruption	-	(30)
Operating costs before depreciation and amortisation:		
Surrender premiums	1	1
Business reorganisation	17	8
Professional fees associated with Group restructuring	-	11
Other non-recurring costs	4	2
Depreciation, amortisation, impairment and revaluation:		
Movements in valuation of the estate and related assets	96	111
Profit on sale of non-current assets	(7)	(16)
	111	87
Net finance costs	2	107
UK income tax credit relating to exceptional items	(22)	(46)
Total exceptional costs	91	148

Business interruption insurance: In the 53 weeks ended 29 September 2024 the Group received £30 million of proceeds relating to business interruption during the period of closure as a result of Covid-19.

Surrender premiums: During the period £1 million (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. This one-off process is likely to take five years, during which time any assignment premiums paid will be shown as exceptional.

Notes (continued)

7 Exceptional items (continued)

Business reorganisation: During the period £17 million (2024: £8 million) has been recognised in relation to known redundancy costs and associated legal and professional fees associated with restructuring the Group's support function in line with the early stages of the Transformation Agenda and moving pubs from managed to leased and tenanted.

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 £4 million has been incurred in relation to a procurement efficiency project (2024: £2 million of costs were incurred relating to the dual costs of distribution to facilitate a change of provider).

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

	2025 52 weeks £m	2024 53 weeks £m
Impairment of property, plant and equipment (note 9)	34	70
Reversal of impairment of property plant and equipment (note 9)	(23)	(12)
Net movement from impairment	11	58
Movement in investment property from revaluation of the estate (note 10)	24	(2)
Impairment of non-current assets held for sale (note 11)	1	2
Revaluation of property, plant and equipment on transfer to non current assets held for sale (note 9)	7	9
Revaluation of property, plant and equipment on transfer to investment properties (note 9)	1	-
Revaluation loss charged as an impairment (note 9)	52	44
Total movements in valuation of the estate and related assets	96	111

Profit on sale of non-current assets: The Group has disposed of 109 trading sites, 13 pieces of land and completed ten trading site sale and leasebacks for net proceeds of £74 million in the 52 weeks ended 28 September 2025. These figures also include 23 head lease surrenders or expiries for which the Group paid £6 million and the sale of fixtures and fittings to publicans. The ten sale and leaseback completions generated proceeds of £12 million (53 weeks 2024: 70 trading sites; two non-trading sites; five non-licensed properties; 15 lease hand backs and the completion of ten sale and leaseback agreements for net proceeds of £68 million).

Net finance costs: During the period £2 million of fees were paid in relation to the refinancing during the prior period. In the 53 weeks ended 29 September 2024 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 have been 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 has been recognised in the Income Statement. Existing fees and fair value adjustments on the Balance Sheet at the date of the refinancing have been 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.

UK income tax credit: In the 52 weeks ended 28 September 2025 UK income tax credit of £22 million was recognised relating to tax credits on exceptional items (53 weeks 2024: £46 million).

Notes (continued)

8 Taxation

	2025 52 weeks £m	2024 53 weeks £m
Tax charged in the income statement		
Current tax:		
- UK corporation tax	1	-
Total current tax charge	1	-
Deferred tax:		
- Origination and reversal of temporary differences	(40)	(48)
- Adjustments in respect of previous periods	4	(6)
Total deferred tax credit	(36)	(54)
Total current and deferred tax credited in the income statement	(35)	(54)

	2025 52 weeks £m	2024 53 weeks £m
Tax charged in other comprehensive income		
Deferred tax:		
- Revaluation of property and rolled over gains	32	33
- Re-measurement of defined benefit pension schemes	-	2
Total tax charge recognised in other comprehensive income	32	35

The effective rate of tax is different to the full rate of corporation tax. The differences are explained below:

	2025 52 weeks £m	2024 53 weeks £m
Loss before tax	(174)	(214)
Tax at current UK corporation tax rate of 25% (2024: 25%)	(43)	(54)
Expenses not deductible for tax purposes	1	6
Adjustment in respect of previous periods	4	(6)
Movement in deferred tax liability for retained properties due to indexation	3	-
Total tax credited in the income statement	(35)	(54)

The UK Government announced that new Pillar Two rules will come into effect for certain businesses and now apply to the Group for the first time for the 52 weeks ended 28 September 2025. Management expect the transitional safe harbour rules to apply for the first three years such that no returns or top up tax under these rules will be due.

Notes (continued)

9 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 (note 13)	-	126	-	-	-	-	126
-Income statement (note 13)	-	(44)	-	-	-	-	(44)
Disposals	(18)	-	(3)	-	(8)	(5)	(34)
Transfer to non-current assets held for sale (note 11)	-	(45)	-	(3)	-	-	(48)
Transfer to investment properties (note 10)	(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	54	8	12	63	-	144
Modifications	2	-	-	-	-	-	2
Disposals	(8)	-	(1)	-	(5)	(3)	(17)
Revaluation of non-current assets held for sale to fair value:							
-Income Statement	-	(7)	-	-	-	-	(7)
Fair value on transfer to investment properties:							
-Income Statement (note 7)	-	(1)	-	-	-	-	(1)
-Revaluation reserve	-	(2)	-	-	-	-	(2)
Revaluation:							
-Revaluation reserve (note 13)	-	154	-	-	-	-	154
-Income statement (note 13)	-	(52)	-	-	-	-	(52)
Transfer from / (to) non-current assets held for sale (note 11)	1	(32)	(6)	(3)	(2)	-	(42)
Transfer to investment properties (note 10)	(2)	(6)	-	(1)	-	-	(9)
At 28 September 2025	963	3,503	196	225	316	86	5,289
Depreciation							
At 24 September 2023	(263)	-	(118)	(47)	(123)	(49)	(600)
Charge for the period	(55)	-	(11)	(16)	(49)	(2)	(133)
Impairment charge (note 7)	(70)	-	-	-	-	-	(70)
Impairment reversal (note 7)	12	-	-	-	-	-	12
Reclassification	(14)	-	14	-	-	-	-
Disposals	11	-	2	-	3	5	21
Transfer to non-current assets held for sale (note 11)	-	-	-	1	-	-	1
Fully depreciated assets	10	-	-	-	43	-	53
At 29 September 2024	(369)	-	(113)	(62)	(126)	(46)	(716)
Charge for the period	(44)	-	(12)	(15)	(47)	(1)	(119)
Impairment charge (note 7)	(26)	-	(8)	-	-	-	(34)
Impairment reversal (note 7)	23	-	-	-	-	-	23
Disposals	7	-	1	-	4	4	16
Transfer to non-current assets held for sale (note 11)	-	-	4	-	1	-	5
At 28 September 2025	(409)	-	(128)	(77)	(168)	(43)	(825)
Net book value							
At 28 September 2025	554	3,503	68	148	148	43	4,464
At 29 September 2024	594	3,395	82	155	134	43	4,403

Notes (continued)

9 Property, plant and equipment (continued)

If licensed land and buildings had been measured using the cost model, the carrying amounts would be as follows:

	28 September 2025	29 September 2024
	£m	£m
Cost	2,946	2,940
Accumulated depreciation	(361)	(361)
	2,585	2,579

The Group's licensed land and buildings held in property, plant and equipment and investment property were valued at 28 September 2025 on the basis of open market value for existing use. The valuations were undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors in the United Kingdom by Newmark Gerald Eve LLP, independent Chartered Surveyors. At 29 September 2024 the valuations were undertaken by Avison Young (UK) Limited, independent Chartered Surveyors.

At 28 September 2025, upwards revaluations have been taken to the revaluation reserve whilst downward revaluations have been taken to the income statement. Overall, there has been an upwards revaluation of £154 million which has credited the revaluation reserve (2024: £126 million) and a downwards revaluation of £96 million which has been debited to the income statement (2024: £111 million).

10 Investment property

The Group leases some properties to tenants on commercial leases, the commercial terms of these leases results in the assets meeting the criteria of 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 9)	6	20	26
Transfer to non-current assets held for sale (note 11)	-	(21)	(21)
Revaluation	(2)	4	2
Disposals	(2)	-	(2)
At 29 September 2024	46	220	266
Transfer from property, plant and equipment (note 9)	2	7	9
Transfer to non-current assets held for sale (note 11)	-	(44)	(44)
Transfers from non-current assets held for sale (note 11)	-	9	9
Revaluation on transfer to non-current assets held for sale	-	(4)	(4)
Revaluation	(5)	(15)	(20)
Disposals	(2)	-	(2)
At 28 September 2025	41	173	214

Gains and losses arising from changes in the fair value of investment property are recognised in the income statement in the period in which they arise, which is the same accounting treatment as in the prior period.

Notes (continued)

11 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 9)	-	45	2	-	47
Transfer from investment properties (note 10)	-	21	-	-	21
Write down to fair value less costs to dispose (note 7)	-	(2)	-	-	(2)
Disposals	-	(40)	-	-	(40)
At 29 September 2024	1	43	11	3	58
Transfer (to) / from property, plant and equipment (note 9)	(1)	34	3	1	37
Transfer from investment properties (note 10)	-	44	-	-	44
Transfer to investment properties (note 10)	-	(9)	-	-	(9)
Write down to fair value less costs to dispose (note 7)	-	(1)	-	-	(1)
Disposals	-	(74)	-	-	(74)
At 28 September 2025	-	37	14	4	55

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 estimated 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 77 sites of which none are non-trading sites (29 September 2024: 73 sites, two non-trading).

Notes (continued)

12 Brand and goodwill intangible assets

	Brand £m	Goodwill £m
Cost		
At 24 September 2023	6	243
At 29 September 2024	6	243
At 28 September 2025	6	243
Amortisation		
At 24 September 2023	(5)	(226)
At 29 September 2024	(5)	(226)
Charge for the period	(1)	-
At 28 September 2025	(6)	(226)
Net book value		
At 28 September 2025	-	17
At 29 September 2024	1	17

13 Property fair value measurements

At 24 September 2023 the Group adopted a revaluation policy for property, plant and equipment. Therefore at 28 September 2025 the Group has engaged a third-party valuer, Newmark Gerald Eve LLP, independent Chartered Surveyors, to conduct a full estate valuation as at the year end date. A sample of 20% of properties were inspected and the remainder were desk reviewed. At 29 September 2024 the valuations were undertaken by Avison Young (UK) Limited. Whilst there has been a change in valuer there has been no material change in the approach or methodology for assumptions.

In determining the appropriate classes of asset to present for fair value purposes, the Group has considered the nature, characteristics and risks of the assets. This has resulted in determining two separate classes of assets being property assets held in property, plant and equipment and property assets held in investment property.

Revaluation of property assets held in property, plant and equipment and investment property

Valuations will be carried out on an annual basis at each period end date. With the exception of properties identified for disposal and transferred to non-current assets held for sale and right of use assets, the Group's properties were revalued as at 28 September 2025 by Newmark Gerald Eve LLP.

All valuations of assets have been assessed as being level 3 valuations, as there are no directly comparable market observable inputs.

Property assets held in property, plant and equipment were valued using fair maintainable trade income (FMT) capitalised at an appropriate rate of return (as defined within RICS Valuation - Global Standards) or an equivalent multiple. This method of valuation involves making an assessment of the fair maintainable trade, rent, wholesale and machine income that can be generated from the property assuming they are run by a reasonably efficient operator, taking into account future trading potential. This assessment of profit is then capitalised at an appropriate multiple to reflect the risks and rewards of the property. The valuation of the managed pub assets is prepared using a consistent approach that effectively capitalises the net income attributable to the Group from operating the pub at an appropriate multiple.

Notes (continued)

13 Property fair value measurements (continued)

In determining the multiple to use, the valuers consider evidence of comparable market transactions. The resulting fair value of the pub represents the land and buildings and any fixed landlords' fixtures and fittings.

Property assets held in investment property include free-of-tie pubs let to tenants at open market rents and non-pub assets. These assets have been valued adopting the investment method of valuation. By reference to the rents, fixed lease terms and market conditions, an appropriate multiple based on comparable market transactions is applied, discounting future rental receipts back to present value.

As valuers make reference to market evidence of transaction prices for similar properties an adjustment to any of these assumptions could lead to a material change in the property valuation.

All classes of asset are, under IFRS 13, required to be valued at highest and best use. IFRS 13 prescribes that the Group's current use is presumed to be its highest and best value, unless market or other factors suggest that a different use by market participants would maximise the value of the asset. In doing their valuations, the valuers consider whether the asset may have a higher or better feasible use which would be reflected in the fair value where applicable. This is on an asset by asset basis if there are circumstances to indicate that there may be a higher and better use. In the current period the highest and best use of all the property assets in property, plant and equipment and investment property has been assessed as their existing use.

The impact of the revaluation is as follows:

	2025	2024
	52 weeks	53 weeks
	£m	£m
Income Statement		
Revaluation loss charged as an impairment (note 9)	52	44
Losses / (gains) on revaluation of investment property (note 10)	24	(2)
Losses on revaluation of non-current assets held for sale (note 11)	1	2
Property, plant and equipment impairment charge (note 9)	42	79
Property, plant and equipment impairment reversal (note 9)	(23)	(12)
	96	111
Revaluation reserve		
Unrealised surplus	(154)	(126)
	(154)	(126)

Gains and losses arising from changes in the fair value of investment property are recognised in the income statement in the period in which they arise, which is the same accounting treatment as prior period.

Notes (continued)

13 Property fair value measurements (continued)

The table below presents, by class of property, the income and multiple bandings within which the properties have been valued, and the number of properties that have been valued in each of the bandings. In determining the bandings to use, the Group has considered a variety of options including size and location of property but has concluded that the value of the property is principally driven by FMT and multiple, so this forms the most appropriate disclosure.

Number of pub assets – within property, plant and equipment

Income bandings	Total number	Over 16 times	Multiple applied to income				under 6 times
			12 - 16 times	10 - 12 times	8 - 10 times	6 - 8 times	
At 28 September 2025							
more than £90,000 per annum	1,950	-	5	286	1,285	369	5
£60,000 to £90,000 per annum	842	1	6	45	676	113	1
less than £60,000 per annum	432	7	33	85	291	13	3
	3,224	8	44	416	2,252	495	9
At 29 September 2024							
more than £90,000 per annum	1,737	-	30	355	883	465	4
£60,000 to £90,000 per annum	1,103	-	22	371	579	131	-
less than £60,000 per annum	452	-	5	153	254	38	2
	3,292	-	57	879	1,716	634	6

Included in the total number of pubs within property, plant and equipment is one non-trading site (2024: none).

Number of pub assets – within investment property

Income bandings	Total number	Multiple applied to income				under 10 times
		14 - 16 times	12 - 14 times	10 - 12 times		
At 28 September 2025						
more than £90,000 per annum	36	-	11	20	5	
£60,000 to £90,000 per annum	84	2	36	39	7	
less than £60,000 per annum	85	7	28	46	4	
	205	9	75	105	16	
At 29 September 2024						
more than £90,000 per annum	39	3	22	13	1	
£60,000 to £90,000 per annum	110	14	61	33	2	
less than £60,000 per annum	87	13	51	20	3	
	236	30	134	66	6	

Included in the total number of pubs within investment property are no non-trading sites (2024: none).

Notes (continued)

13 Property fair value measurements (continued)

Sensitivity analysis table

The significant unobservable inputs used in the fair value measurement categorised within level 3 of the fair value hierarchy of the Group's estate are FMT and a multiple. There is a limited amount of interrelation between the variation in these inputs.

A change in either of these assumptions could have a significant effect on the overall valuation of the estate. Sensitivities around these assumptions that are deemed to be reasonably likely based on the experience of the valuers are illustrated below:

Property, plant and equipment

	2025	2024
	£m	£m
FMT sensitivity		
+2.5%	91	90
-2.5%	(91)	(90)
Multiple sensitivity		
+0.25	102	99
-0.25	(102)	(99)

Investment property

	2025	2024
	£m	£m
FMT sensitivity		
+2.5%	4	5
-2.5%	(4)	(5)
Multiple sensitivity		
+0.25	4	4
-0.25	(4)	(4)

Notes *(continued)*

14 Impairment testing

Property, plant and equipment

For leasehold properties not included in the valuation the Group considers each of these individual pubs as a cash-generating unit (CGU). At 28 September 2025, 765 pubs (2024: 779 pubs) were included in leasehold properties, of which 11 are non-trading sites (2024: eight). Each CGU is reviewed annually for indicators of impairment, and impairment reversals for previously impaired CGUs. When indicators of impairment are identified the carrying value of the individual pub is compared to its recoverable amount. The recoverable amount is determined as being the higher of the value in use and fair value less costs to sell. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

Value in use calculations use forecast trading performance cash flows, which are discounted by applying a pre-tax discount rate of 12.7% (2024: 12.3%). The discount rate used is based on the Group weighted average cost of capital (WACC) which has been risk adjusted to reflect current market factors which have not already been captured within the cash flows. In making this adjustment to the Group WACC management have risk adjusted the cost of debt and the cost of equity by using an average of market risk premiums and Company betas at the period end date and a CGU specific risk premium has been applied.

Where fair value has been used this is deemed to be a higher value than a value in use calculation amount. External valuations have been used for this purpose, carried out by Newmark Gerald Eve LLP, independent Chartered Surveyors. The fair value of property assets held in property, plant and equipment was derived using fair maintainable trade income (FMT) multiplied by an appropriate rate of return (as defined within RICS Valuation – Global Standard) or an equivalent multiple. This method of valuation involves making an assessment of the fair maintainable rent, wholesale and machine income that can be generated from the property assuming they are run by a reasonably efficient operator, taking into account future trading potential. An appropriate multiple is then applied to reflect the risks and rewards of the property. In determining the multiple to use, the valuers consider evidence of comparable market transactions. The resulting fair value of the pub represents the land and buildings and any fixed landlord's fixtures and fittings. The fair value of managed pub assets is prepared using a consistent approach involving the net income attributable to the Group from operating the pub at an appropriate multiple.

All classes of asset, where fair value has been used, are, under IFRS 13, required to be valued at highest and best use. IFRS 13 prescribes that the Group's current use is presumed to be its highest and best value, unless market or other factors suggest that a different use by market participants would maximise the value of the asset. In doing their valuations, the valuers consider whether the asset may have a higher or better feasible use which would be reflected in the fair value where applicable. This is on an asset by asset basis if there are circumstances to indicate that there may be a higher and better use. In the current period the highest and best use of all the property assets in property, plant and equipment and investment property has been assessed as their existing use.

Impairments totalling £34 million (2024: £70 million) and impairment reversals of £23 million (2024: £12 million) were identified within property, plant and equipment.

Impairment charges and reversals booked in the period reflect the impact of the reassessment of the carrying value of the leased assets based on changes in the trading performance and outlook for each CGU. For those CGUs where an impairment charge or impairment reversal has been recorded in the period, the recoverable amount of the assets tested for impairment totalled £67 million and £33 million respectively. For those CGUs where carrying value was measured at fair value, the basis is consistent with that disclosed in note 13, being level 3 valuations, as there are no directly comparable market observable inputs.

It was determined that for approximately one third of the CGUs that fair value is higher than value in use. The total impairment charge and reversal booked in the period would not have been materially different if the carrying value of all CGUs had been assessed using either fair value or value in use.

Sensitivity analysis – property, plant and equipment

No reasonable changes to the above assumptions would lead to a material change in the above impairment charge or reversal.

Notes (continued)

15 Investments in subsidiaries

The Company has the following investments in subsidiaries.

Name of company	Country of incorporation	Class of shares held	Proportion held	Nature of business
Held directly by Stonegate Pub Company Limited:				
Stonegate Pub Company Financing Limited	England and Wales	Ordinary	100%	Dormant
Stonegate Property Topco Limited	England and Wales	Ordinary	100%	Dormant
Plato Company 3 Limited	Cayman Islands	Ordinary	100%	Holding company
Hull Propco Limited	England and Wales	Ordinary	100%	Property company
Large Bars Limited	England and Wales	Ordinary	100%	Operation of licensed bars
Falcon Propco 1 Limited	England and Wales	Ordinary	100%	Non-trading
Intertain Limited	England and Wales	Ordinary	100%	Holding company
Bar Holdings Limited	England and Wales	Ordinary	100%	Operation of licensed bars
Be At One Holdings Limited	England and Wales	Ordinary	100%	Holding company
Leased and Tenanted Pubs 1 Limited	England and Wales	Ordinary	100%	Financing company
Stonegate Pub Company Financing 2019 plc	England and Wales	Ordinary	100%	Financing company
Bar Fever Limited	England and Wales	Ordinary	100%	Holding company
Stonegate Entity A Limited	England and Wales	Ordinary	100%	Holding company
Held indirectly by Stonegate Pub Company Limited:				
Town and City Pub Group Limited	England and Wales	Ordinary	100%	Holding company
Barley Pub Company Limited	England and Wales	Ordinary	100%	Operation of licensed bars
Hops Pub Company Limited	England and Wales	Ordinary	100%	Operation of licensed bars
Plato Restaurant Holdings Limited	Cayman Islands	Ordinary	100%	Holding company
Bay Restaurant Holdings Limited	Cayman Islands	Ordinary	100%	Holding company
Bay Restaurant Group Limited	England and Wales	Ordinary	100%	Holding company
Slug and Lettuce Company Limited	England and Wales	Ordinary	100%	Operation of licensed bars
Yates Group Pension Trustees Limited	England and Wales	Ordinary	100%	Dormant
Laurel Pension Trustee Company Limited	England and Wales	Ordinary	100%	Dormant
Intertain (Bars) Limited	England and Wales	Ordinary	100%	Operation of licensed bars
Intertain (Bars) II Limited	England and Wales	Ordinary	100%	Operation of licensed bars
Intertain (Bars) III Limited	England and Wales	Ordinary	100%	Dormant
Intertain (Bars) IV Limited	England and Wales	Ordinary	100%	Dormant
Sports Bar And Grill (Canary Wharf) Limited	England and Wales	Ordinary	100%	Operation of licensed bars
Sports Bar And Grill Farringdon Limited	England and Wales	Ordinary	100%	Operation of licensed bars
Sports Bar And Grill Victoria Limited	England and Wales	Ordinary	100%	Non-trading
Sports Bar And Grill Waterloo Limited	England and Wales	Ordinary	100%	Non-trading
Be At One Limited	England and Wales	Ordinary	100%	Operation of licensed bars
Bar Fever (Aylesbury) Ltd	England and Wales	Ordinary	100%	Non-trading
Bar Fever (Barnstaple) Ltd	England and Wales	Ordinary	100%	Non-trading
Bar Fever (Cannock) Ltd	England and Wales	Ordinary	100%	Non-trading
Bar Fever (Fleet) Ltd	England and Wales	Ordinary	100%	Non-trading
Bar Fever (Isle of Wight) Ltd	England and Wales	Ordinary	100%	Non-trading
Bar Fever (Lincoln) Ltd	England and Wales	Ordinary	100%	Non-trading
Barclub (Lincoln) Limited	England and Wales	Ordinary	100%	Operation of licensed bars

Notes (continued)

15 Investments in subsidiaries (continued)

Name of company	Country of incorporation	Class of shares held	Proportion held	Nature of business
Bar Fever (Nuneaton) Ltd	England and Wales	Ordinary	100%	Non-trading
Bar Fever (Southend) Ltd	England and Wales	Ordinary	100%	Non-trading
Bar Fever (Taunton) Ltd	England and Wales	Ordinary	100%	Operation of licensed bars
Ei Group Limited	England and Wales	Ordinary	100%	Ownership of licensed properties
Enterprise Inns Limited	England and Wales	Ordinary	100%	Dormant
Gibbs Mew Limited	England and Wales	Ordinary	100%	Dormant
Enterprise Inns Holding Company Limited	England and Wales	Ordinary	100%	Dormant
Bede Holding Company Limited	England and Wales	Ordinary	100%	Dormant
Century Inns Limited	England and Wales	Ordinary	100%	Dormant
Ei Publican Services Limited	England and Wales	Ordinary	100%	Intermediate supply company
Unique Pubs Limited	England and Wales	Ordinary	100%	Holding company
Unique Pub Properties Alpha Limited	England and Wales	Ordinary	100%	Dormant
Unique Pub Properties Beta Limited	England and Wales	Ordinary	100%	Dormant
Unique Pub Properties Gamma Limited	England and Wales	Ordinary	100%	Dormant
Unique Pub Properties Theta Limited	England and Wales	Ordinary	100%	Dormant
Voyager Pub Group Holdings Limited	England and Wales	Ordinary	100%	Holding company
West Midlands Taverns (Holdings) Limited	England and Wales	Ordinary	100%	Dormant
Voyager Pub Group Limited	England and Wales	Ordinary	100%	Holding company
Unique Pub Investments Limited	England and Wales	Ordinary	100%	Holding company
Unique Pub Properties Limited	England and Wales	Ordinary	100%	Ownership of licensed properties
The Unique Pub Finance Company plc	England and Wales	Ordinary	100%	Financing company
		Cumulative preference shares	100%	
Enterprise Managed Investments Limited	England and Wales	Ordinary	100%	Holding company
Hush Heath Inns Limited	England and Wales	Ordinary	51%	Operation of licensed bars
Old Spot Pub Company Limited	England and Wales	Ordinary	100%	Non-trading
Dirty Liquor Limited	England and Wales	Ordinary	100%	Non-trading
Urban Pubs & Bars 2 Limited	England and Wales	Ordinary	51%	Operation of licensed bars
Bestplace (Beta) Limited	England and Wales	Ordinary	74%	Non-trading
Bestplace Limited	England and Wales	Ordinary	74%	Operation of licensed bars
Imagegold Limited	England and Wales	Ordinary	100%	Non-trading
Bermondsey Pub Company Limited	England and Wales	Ordinary	100%	Non-trading
The Craft Union Pub Company Limited	England and Wales	Ordinary	100%	Operation of licensed bars
Vixen Pub Company Limited	England and Wales	Ordinary	100%	Operation of licensed bars
Six Cheers Limited	England and Wales	Ordinary	51%	Operation of licensed bars
Mash Inns Limited	England and Wales	Ordinary	51%	Operation of licensed bars
Frontier Pubs Limited	England and Wales	Ordinary	75%	Operation of licensed bars
Stonegate Property Midco Limited	England and Wales	Ordinary	100%	Dormant
Stonegate Property (Craft) Limited	England and Wales	Ordinary	100%	Dormant
Stonegate Property (L&T) Limited	England and Wales	Ordinary	100%	Dormant
Leased and Tenanted Pubs 2 Limited	England and Wales	Ordinary	100%	Ownership of licensed properties
Social Cellar Limited	England and Wales	Ordinary	100%	Ownership of licensed properties
Social Cellar (Gamma) Limited	England and Wales	Ordinary	100%	Ownership of licensed properties
Stonegate Entity B Limited	England and Wales	Ordinary	100%	Holding company
Stonegate Entity C Limited	England and Wales	Ordinary	100%	Financing company
Stonegate Entity 1 Limited	England and Wales	Ordinary	100%	Holding company
Stonegate Entity 2 Limited	England and Wales	Ordinary	100%	Financing company
Stonegate Entity 3 Limited	England and Wales	Ordinary	100%	Ownership of licensed properties

Notes (continued)

16 Deferred tax assets and liabilities

Movement in deferred tax during the period is as follows:

	28 September 2025	29 September 2024
	£m	£m
At beginning of period	(96)	(115)
Credited to income statement	36	54
Charged to other comprehensive income	(32)	(35)
At end of period	(92)	(96)
Consisting of:		
Deferred tax assets	298	239
Deferred tax liabilities	(390)	(335)
	(92)	(96)

The movements in deferred tax assets and liabilities during the period are shown below:

Deferred tax assets	Fair value debt adjustments	Deferred interest deductions	Tax losses	Retirement benefit liabilities	Property, plant and equipment	Total
	£m	£m	£m	£m	£m	£m
At 24 September 2023	10	136	21	2	21	190
(Charged) / credited to income statement	(4)	6	38	-	11	51
Charged to other comprehensive income	-	-	-	(2)	-	(2)
At 29 September 2024	6	142	59	-	32	239
(Charged) / credited to income statement	(1)	16	(3)	-	47	59
At 28 September 2025	5	158	56	-	79	298

The Directors consider it reasonable to recognise deferred tax assets as the Group has recognised deferred tax liabilities in excess of those assets which are expected to unwind in future years.

Deferred tax liabilities

	Intangibles	Property, plant and equipment	Total
	£m	£m	£m
At 24 September 2023	8	297	305
Charged / (credited) to income statement	3	(6)	(3)
Charged to other comprehensive income	-	33	33
At 29 September 2024	11	324	335
(Credited) / charged to income statement	(1)	24	23
Charged to other comprehensive income	-	32	32
At 28 September 2025	10	380	390

At the period end the Group had a net deferred tax liability of £92 million (2024: liability of £96 million).

Notes (continued)

17 Inventories

	28 September	29 September
	2025	2024
	£m	£m
Goods held for resale	18	21
	18	21

The estimated replacement cost of stocks is not materially different from the above carrying values.

The Group recognised £423 million of inventories as an expense included in operating costs before depreciation and amortisation during the period (2024: £464 million).

18 Financial assets

	28 September	29 September
	2025	2024
	£m	£m
Non-current:		
Net investment in sublease	4	5
	4	5
Current:		
Net investment in sublease	1	1
	1	1

Net investment in subleases relate to the finance leases in place when leasing sites to tenants.

19 Trade and other receivables

	28 September	29 September
	2025	2024
	£m	£m
Trade receivables	70	59
Amounts due from parent undertakings	19	17
Other receivables	21	157
Prepayments and accrued income	52	14
	162	247
Due in more than one year:		
Trade receivables	2	2
Amounts due from group undertakings	5	5
	7	7

Included in amounts due from parent undertakings is a balance of £9 million (2024: £9 million) owing from Stonegate Pub Company Pikco Limited, a company incorporated in England and Wales. This relates to certain fees paid by the Company on Stonegate Pub Company Pikco Limited's behalf.

Also included within amounts due from parent undertakings is £9 million (2024: £8 million). This relates to a loan provided on 4 April 2019 to Stonegate Pub Company Holdings Limited, a company incorporated in the Cayman Islands. The loan is repayable on demand and charging annual interest of SONIA +2.50%.

Also included within amounts due from parent undertakings is £1 million (2024: £nil). This relates to an amount owing from Stonegate Pub Company Group S.a.r.l in relation to the management incentive plan.

Notes (continued)

19 Trade and other receivables (continued)

Included within trade receivables is £2 million (2024: £2 million) due in more than one year which is money owed by the publicans for the sale of fixtures and fittings on deferred terms and part of the balance is due in more than one year.

Included in amounts due from group undertakings is £5 million (2024: £5 million) due in more than one year. On 13 June 2022, Stonegate Pub Company provided a £4 million loan to PWB Kitchens Limited, a company under common control of the ultimate parent company, Stonegate Pub Company Topco Sarl, a company incorporated in Luxembourg. The loan charges interest at a rate of 8.5% per annum and expires in 2029.

20 Trade and other payables

	28 September	29 September
	2025	2024
	£m	£m
Trade payables	110	97
Amounts due to parent undertakings	2	2
Other taxation and social security	39	35
Other payables	48	60
Accruals	196	172
	395	366

Included within amounts due to parent undertakings there is £2 million (2024: £2 million) owing to Stonegate Pub Company Midco Limited, the immediate parent company.

21 Borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. The securitised bonds acquired as a result of the acquisition of Ei Group Limited were measured at fair value on acquisition. For more information about the Group's exposure to interest rate and foreign currency risk, see note 22.

	28 September	29 September
	2025	2024
	£m	£m
Current liabilities		
Securitised bonds	-	140
Lease liabilities	35	26
	35	166
Non-current liabilities		
Revolving credit facility	158	98
Securitised bonds	201	211
Senior secured notes issued by Stonegate Pub Company Financing 2019 plc	1,680	1,682
Euro floating rate notes issued by Stonegate Pub Company Financing 2019 plc	405	386
PIK second lien facility	163	145
Portfolio loan - Senior facility	422	427
Portfolio loan - Mezzanine facility	193	195
Lease liabilities	588	616
	3,810	3,760

Notes (continued)

21 Borrowings (continued)

Non-current liabilities include £158 million (2024: £98 million) drawn down from the Group's revolving credit facility. Interest is charged at SONIA +3% and the facility expires in January 2029.

During the prior period, on 26 January 2024, the Group completed on a limited recourse financing structure over a portfolio of 1,034 of its freehold pubs in order to raise a principal amount of £638 million. The portfolio comprised 944 leased and tenanted and 90 free-of-tie freehold pubs. The loan matures in January 2029 and accrues interest at SONIA (floored at 2.5%) plus 6.35%, which is cash settled quarterly.

On 29 July 2024 the Group announced that it had launched an offering of £1,645 million aggregate principal amount of 10.75% Senior Secured Notes due 2029 and €470 million aggregate principal amount of Floating Rate Notes due 2029. In addition, the Group issued £37 million aggregate principal amount of 10.75% Senior Secured Notes due 2029 as compensation for certain backstop arrangements. Upon completion on 14 August 2024, the proceeds, along with funds from certain other financing sources as described below, were used to, among others, redeem in entirety the existing £500 million aggregate principal amount of 8.00% Privately Placed Notes due 2025, the £1,235 million aggregate principal amount of 8.25% Senior Secured Notes due 2025 and the €496 million aggregate principal amount of Floating Rate Notes due 2025.

In addition on 14 August 2024 the Group drew in full a new £156 million Second Lien Facility which matures in 2029 and bears interest at SONIA plus 9.375%. This interest is not cash paid and instead capitalised semi-annually. On the same day the Group also purchased and cancelled the existing £400 million Second Lien debt.

Furthermore, on 14 August 2024 the Group extended its Revolving Credit Facility, on the same terms, to January 2029.

With proceeds raised from the transactions described above the Group also, during the period, issued an irrevocable notice to repay the outstanding balance of Class A4 Securitised bonds in full, together with the associated premium. The cash to repay was paid across to the Agent before the period end date, but the holders of the bonds were not repaid in full by the Agent until subsequent to the period end on 30 September 2024. The amount of cash held by the Agent of £134 million was shown as a current other receivable at 29 September 2024.

Terms and debt repayment schedule excluding the revolving credit facility:

	Year of maturity	Principal outstanding	
		28 September 2025 £m	29 September 2024 £m
Securitised bonds - A4 - 5.659%	2027	-	140
Securitised bonds - N - 6.464%	2032	184	190
Senior secured notes - 10.75%	2029	1,682	1,682
Euro floating rate notes - Euribor + 6.625%	2029	410	392
PIK second lien facility - SONIA + 9.3755%	2029	173	156
Portfolio loan - Senior facility - SONIA + 5.0%	2029	430	437
Portfolio loan - Mezzanine facility - SONIA + 9.3065%	2029	196	200
		3,075	3,197

Notes (continued)

21 Borrowings (continued)

Changes in liabilities from financing activities:

	Loans and borrowings £m	Lease liabilities £m	Total £m
Balance at 29 September 2024	3,284	642	3,926
Changes from financing cash flows			
Proceeds from loans and borrowings	230	-	230
Repayment of borrowings	(187)	-	(187)
Payment of lease principal	-	(24)	(24)
Transaction costs related to loans and borrowings	(27)	-	(27)
Interest paid included in cash flows	(311)	(37)	(348)
Total changes from financing cash flows	(295)	(61)	(356)
Non-cash changes			
Lease modifications and re-measurements	-	(3)	(3)
Amortisation of fair value on securitised bonds	(4)	-	(4)
Interest expense included in finance costs	349	45	394
Movement in interest accruals	(16)	-	(16)
Movement in transaction costs accrued	25	-	25
Foreign exchange loss	19	-	19
Loan redemption cash in transit	(140)	-	(140)
Total non-cash changes	233	42	275
Balance at 28 September 2025	3,222	623	3,845
	Loans and borrowings £m	Lease liabilities £m	Total £m
Balance at 24 September 2023	3,188	692	3,880
Changes from financing cash flows			
Proceeds from loans and borrowings	1,042	-	1,042
Repayment of borrowings	(769)	-	(769)
Payment of lease principal	-	(58)	(58)
Transaction costs related to loans and borrowings	(97)	-	(97)
Interest paid included in cash flows	-	(48)	(48)
Total changes from financing cash flows	176	(106)	70
Non-cash changes			
Loan redemption cash in transit	140	-	140
Lease modifications and re-measurements	-	8	8
Amortisation of fair value on securitised bonds	(16)	-	(16)
Interest expense included in finance costs	-	48	48
Transaction costs accrued	(25)	-	(25)
Debt modifications and amortisation	111	-	111
Foreign exchange gain	(40)	-	(40)
Loan cancelled	(250)	-	(250)
Total non-cash changes	(80)	56	(24)
Balance at 29 September 2024	3,284	642	3,926

Notes (continued)

22 Financial instruments

Fair values of financial instruments

Set out in the table below are the carrying values and fair values of all of the Group's financial instruments at 28 September 2025 and 29 September 2024.

	Fair value		Carrying value	
	28 September 2025 £m	29 September 2024 £m	28 September 2025 £m	29 September 2024 £m
Financial assets - loans and receivables				
Trade receivables	72	61	72	61
Other receivables	21	157	21	157
Amounts due from parent and group undertakings	24	22	24	22
Cash and cash equivalents	160	171	160	171
Financial assets	5	6	5	6
Interest rate swaps	4	-	4	-
	286	417	286	417
Financial liabilities				
Trade payables	110	97	110	97
Other payables	48	60	48	60
Amounts due to parent undertakings	2	2	2	2
Interest rate swaps	-	17	-	17
Securitised bonds - A4	-	139	-	140
Securitised bonds - N	191	198	201	211
Senior secured notes due 2029	1,651	1,736	1,680	1,682
Euro floating rate notes due 2029	399	400	405	386
PIK second lien facility	163	145	163	145
Portfolio loan - Senior facility	422	427	422	427
Portfolio loan - Mezzanine facility	193	195	193	195
Bank loans and overdrafts	158	98	158	98
Lease liabilities	623	642	623	642
	3,960	4,156	4,005	4,102

The following assumptions were used to estimate the fair values:

Trade, other receivables and amounts due from parent and group undertakings – these are carried at amortised cost using the effective interest method and fair value is deemed to be the same as this.

Cash and cash equivalents - approximate to the carrying amounts stated in the accounts.

Financial assets – approximates to the carrying amount of the sublease net investment.

Trade, other payables and amounts due to parent undertakings - these are carried at amortised cost using the effective interest method and fair value is deemed to be the same as this.

Short-term loans and overdrafts – approximates to the carrying amount because of the short maturity of these instruments.

Long term loans – based on quoted market prices in the case of the securitised debt; approximates to the carrying amount in the case of the senior term loan and second lien facility.

Lease liabilities – the fair value of obligations under lease liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Derivatives – these are carried at fair value.

Notes *(continued)*

22 Financial instruments *(continued)*

The Group's financial instruments consist of securitised loan notes, bank and other borrowings and cash, the main purpose of which is to raise finance for the Group's operations. The Group's other financial instruments, such as trade receivables and payables, arise directly from its operations.

Fair value hierarchy

IFRS 13 requires that the classification of financial instruments at fair value be determined by reference to the source of inputs used to derive fair value.

The classification uses the following three-level hierarchy:

- Level 1 – quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the senior secured notes and euro floating rate notes are measured at market price and are therefore evaluated to be level 1 in the fair value hierarchy. The fair value of the Group's securitised bonds; second lien facility and bank loans and overdrafts are deemed to be level 2 in the fair value hierarchy. All other financial instruments carried at fair value have been measured by a level 2 valuation method.

Derivative financial instruments

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

	28 September 2025 £m	29 September 2024 £m
Cross currency interest rate swaps		
Non-current assets	4	-
Non-current liabilities	-	17
	4	17

As part of the refinancing event during the prior period 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.

In the prior period 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.

The Group has chosen not to apply hedge accounting for its interest rate swap given the additional costs of meeting the extensive documentation requirements of IFRS 9. Consequently, movements in fair value are recognised in the income statement.

Notes (continued)

22 Financial instruments (continued)

Capital risk management

The Group's capital structure consists of debt, issued share capital and reserves. These are managed effectively to minimise the Group's cost of capital, to add value to shareholders and to service debt obligations. The securitised debt is monitored by a variety of measures, which are reported to the debt providers on a quarterly basis. The Group assesses the performance of the business, the level of available funds and the short to medium term strategic plans concerning capital spend as well as the need to meet financial covenants and such assessment influences the level of dividends payable.

The main risks from the Group's financial instruments are interest rate risk, currency risk, liquidity risk and credit risk. The policy for managing each of the Group's risks is set out as follows.

Liquidity risk

Liquidity risk is risk that the Group may not be able to meet its financial obligations as they fall due. The Group seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs by regular cash flow forecasting and reporting; monitoring of the maturity of financial liabilities to avoid the risk of a shortage of funds and maintenance of undrawn bank facilities. The table below summarises the maturity profile of the Group's debt based on contractual, undiscounted cash flows including interest.

	Within 1 year £m	1-2 years £m	2-5 years £m	> 5 years £m	Total £m
At 28 September 2025					
Interest-bearing loans and borrowings					
- capital	-	-	3,009	66	3,075
- interest	316	315	560	4	1,195
- cross currency interest rate swaps	-	(4)	-	-	(4)
Revolving credit facility	-	-	158	-	158
Trade payables	110	-	-	-	110
Other payables	48	-	-	-	48
	474	311	3,727	70	4,582
At 29 September 2024					
Interest-bearing loans and borrowings					
- capital	140	-	2,956	101	3,197
- interest	335	335	354	247	1,271
- cross currency interest rate swaps	-	-	17	-	17
Revolving credit facility	-	-	98	-	98
Trade payables	97	-	-	-	97
Other payables	60	-	-	-	60
	632	335	3,425	348	4,740

Notes *(continued)*

22 Financial instruments *(continued)*

Interest rate risk

The Group finances its operations through a mixture of trading cash, bank overdraft facilities and fixed and floating secured loan notes and bonds. The Group's objective is to manage exposure within acceptable tolerances to changes in interest rates. This exposure is managed by borrowing at fixed rates for a large proportion of its debt, being the Securitised Bonds and the Senior Secured Notes.

At the balance sheet date the Group's variable rate instruments comprised Euro Floating Rate Notes, Portfolio loans and the Second lien debt. The Group manages the impact of interest rate fluctuations on the Portfolio loans by using cross currency interest rate swaps to manage exposure and replace the floating rate with a fixed rate of interest. The Group monitors and reviews interest rate risk exposure on the Euro Floating Rate Notes and the Second lien facility and will look to establish additional swaps if necessary. The Group also faces interest rate risk from its revolving credit facility but due to the nature of short-term drawings any interest rate risk is considered to be minimal.

The Group therefore predominately faces interest rate risk from the Euro Floating Rate Notes, the Second lien facility and the Portfolio loans. A 1% interest rate increase would result in an increase to interest charged to the income statement of £12 million (2024: £12 million) and a corresponding decrease in equity. This is assuming the liability outstanding at the balance sheet date was outstanding for the whole period.

Security

The Revolving Credit Facility; Senior Secured Notes; Euro Floating Rate Notes and Second lien facility borrowings are governed by debentures pursuant to English law incorporating customary fixed and floating charge security over the assets of the charging companies being Stonegate Pub Company Limited and certain of its subsidiaries, deemed the Restricted Group, and Cayman Islands law governed equitable share mortgages over the shares of Stonegate Pub Company Limited and certain other members of the Restricted Group incorporated under the laws of the Cayman Islands.

Unique Pub Properties Limited is not deemed a Restricted Subsidiary as its assets are secured by way of a fixed charge for the benefit of its bond holders within its securitisation structure. The security pledged for the securitised bonds is collectively over the whole securitisation incorporating a first fixed charge in favour of the Trustee over the Issuer's right (The Unique Pub Finance Company plc), title, interest and benefit, present and future to all properties, cash, eligible investments and income generated by Unique Pub Properties Limited. At 28 September 2025 £41 million of the closing cash and cash equivalents (2024: £30 million) is held within the Unique securitisation, referred to as the securitised bonds and is only available for use by the Unique securitisation.

In addition, the Portfolio loan companies, comprising Stonegate Entity A Limited and its subsidiaries, sit outside of the Restricted Group as their assets are secured by way of fixed charge for the benefit of their debt holders. At 28 September 2025 £53 million of the closing cash and cash equivalents (2024: £46 million) is held in the restricted portfolio loan group, together the senior facility and mezzanine facility (note 22) and is only available for use by this group.

The total value of assets within the Group secured by way of a fixed or floating charge as at 28 September 2025 is property, plant and equipment £3,719 million (2024: £3,632 million), investment property £173 million (2024: £220 million) and non-current assets held for sale £55 million (2024: £57 million). Disposals are approved by the trustee or agent for the Unique and Platinum businesses as part of the normal disposal process.

Notes *(continued)*

22 Financial instruments *(continued)*

Covenants

The Group is subject to a number of financial covenants in relation to its borrowing facilities. There are four covenants that relate to the debt as follows:

Two of the covenants relate to the securitised bonds and are tested and reported at each quarter end. The Debt Service Cover Ratio (DSCR) measures the ability of the securitised group to meet its debt service whilst the Net Worth covenant in the securitised group must be at least £300 million. The Group has met both covenants during the financial year.

The third covenant is a Net Debt : EBITDA ratio in relation to the Portfolio loans. This covenant only requires to be tested from May 2026.

The final covenant relates to the RCF. This comprises a Consolidated Net Leverage Ratio that is tested quarterly whilst the RCF is more than 40% drawn. At the period end £158 million of the £248 million total available RCF was drawn and the covenant test was met. At 29 September 2024 £98 million of the £248 million total available RCF was drawn and due to be repaid or rolled within one month and therefore did not require testing. Throughout the period at the quarterly testing dates the amount drawn was below the 40% testing threshold therefore no covenant test was required and the amount was included in non-current liabilities.

Currency risk

All of the revenues and the majority of the costs of the Group are in sterling. The Group uses cross currency interest rate swaps to manage exposure to the impact of currency risk from its Floating Rate Notes denominated in euros.

Credit risk

The amount of trade and other receivables included in the balance sheet are net of an expected credit loss (ECL) provision. The Group has adopted the simplified impairment model to measure the expected lifetime credit losses on its trade receivables. Using a provision matrix the Group analyses its historic bad debt experience to create an ageing profile which it then applies to its trade receivables balance as at the reporting date. The Group writes off its trade receivables when it has no reasonable expectation of recovery of the debt. The carrying amount of financial assets represents the maximum credit exposure.

The ageing of trade and other receivables at the balance sheet date, net of the doubtful debt provision, is as follows:

	28 September 2025	29 September 2024
	£m	£m
Not past due	31	38
0-30 days past due	8	6
31-60 days past due	5	2
61-90 days past due	4	1
Greater than 90 days past due	22	12
	70	59

Notes (continued)

22 Financial instruments (continued)

An analysis of the provision held against trade receivables is set out below. This provision related to trade receivables which are primarily owed by publicans.

	28 September 2025	29 September 2024
	£m	£m
Provision as at 29 September 2024	10	8
Increase in provision during the year	5	5
Provision released during the year	(2)	(3)
Provision as at 28 September 2025	13	10

23 Provisions

	Onerous site costs	Health and safety claims	Total
	£m	£m	£m
At 29 September 2024	1	1	2
At 28 September 2025	1	1	2

The onerous site costs provision includes amounts for costs of securing closed sites.

The health and safety claims provision is an estimate of the claims which the Group expects to settle over the next few years. The level of provision has been based on management's estimated future pay outs.

Notes (continued)

24 Share capital and Other Reserves

	28 September 2025	29 September 2024
	£m	£m
Called up, allotted and fully paid:		
531,910,482 (2024: 531,910,482) ordinary shares of £0.01 each	5	5

Ordinary shares

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

Revaluation reserve

The upwards measurement of property, plant and equipment to fair value is recognised in revaluation reserve.

Capital contribution reserve

The receiving of services from certain employees in exchange for shares issued by an indirect parent company is recognised in capital contribution reserve.

25 Commitments

Capital commitments

Capital commitments for property, plant and equipment:

	28 September 2025	29 September 2024
	£m	£m
Contracted but not provided	4	5

Notes (continued)

26 Leases

Leases as a lessee

Impacts for the period

The Group follows the same basis of categorisation to both freehold property and leasehold property to determine where to present assets on the balance sheet and therefore right-of-use assets are recognised in investment property, non-current assets held for sale and property, plant and equipment depending on the type of sub lease (where it is sub let) or the commitment to dispose of the property/lease. The following table sets out the movement in the Group's right-of-use assets during the period and the carrying value at 28 September 2025:

	Non-current				Total £m
	Investment property £m	assets held for sale £m	Property, plant and equipment		
			Property £m	Vehicles £m	
Right-of-use assets					
At 24 September 2023	42	1	726	2	771
Additions	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
Modifications	-	-	2	-	2
Depreciation charge for the period	-	-	(43)	(1)	(44)
Impairment	(5)	-	(26)	-	(31)
Impairment reversal	-	-	23	-	23
Derecognition	(2)	-	(1)	-	(3)
Transfers	2	(1)	(1)	-	-
At 28 September 2025	41	-	554	-	595

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

	2025 52 weeks £m	2024 53 weeks £m
Leases under IFRS 16		
Interest expense on lease liabilities	45	48
Depreciation of right-of-use assets	44	55
Impairment of right-of-use assets	31	72
Impairment reversal of right-of-use assets	(23)	(12)
Expenses relating to leases of low-value assets	1	1
Variable lease payments	-	1

Notes (continued)

26 Leases (continued)

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

	2025 52 weeks £m	2024 53 weeks £m
Interest payments	37	48
Principal payments	24	58
Total cash outflow for leases	61	106

In relation to those leases under IFRS 16, for the 52 weeks ending 28 September 2025, the Group's operating profit metric improved by £34 million (2024: £29 million) as the new depreciation expense is lower than the IAS 17 operating lease charge; however net finance costs are higher than this, at £45 million (2024: £48 million), such that net profit after tax is lower (2024: lower) compared to the previous IAS 17 reporting basis. Operating profit before depreciation, amortisation, impairment, movement in valuation of the estate and profit on sale of non-current assets is higher (2024: higher) compared to the previous IAS 17 reporting basis.

Leases as a lessor

The Group leases a proportion of its properties to tenants. The majority of lease agreements have terms of between one and 30 years, most of the leases with terms of over three years include RPI or CPI base rent adjustments and provisions for rent reviews on either a three year or five year basis. Where the Group is the intermediate lessor the sublease is classified as a finance lease by reference to the right-of-use asset, all other leases are classified as operating leases.

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

	28 September 2025 £m	29 September 2024 £m
Less than one year	1	1
In more than one year and less than two years	1	1
Between two and five years	2	2
More than five years	3	5
	7	9
Future finance cost	(2)	(3)
	5	6
Recognised as:		
Non current financial asset	4	5
Current financial asset	1	1
Total undiscounted lease receivable	5	6

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

	28 September 2025 £m	29 September 2024 £m
Less than one year	93	93
In more than one year and less than two years	80	78
Between two and five years	178	172
More than five years	235	226
Total undiscounted lease receivable	586	569

Notes (continued)

27 Retirement benefits

Defined contribution pension schemes

The Group operates three defined contribution stakeholder schemes for certain employees. The pension cost charge for the period represents contributions payable by the Group to the schemes and amounted to £6 million (2024: £6 million) At the period end the Group had outstanding contributions payable to the schemes of £2 million (2024: £1 million).

Defined benefit pension schemes

On 21 June 2011, as part of the Plato Company 3 acquisition the Group acquired two defined benefit schemes, the Laurel Pub Pension scheme and the Yates Group Pension scheme, which are closed to new members and closed to further accruals for existing members. The assets of the schemes are held in single, separate trustee administered funds.

A full actuarial valuation for the Laurel Pub Pension scheme was carried out as at 28 February 2023. For the purposes of IAS19 the actuarial valuation as at 28 February 2023, which was carried out by a qualified independent actuary, has been updated on an approximate basis to 28 September 2025. A full actuarial valuation for the Yates Group Pension scheme was carried out as at 28 February 2023. For the purposes of IAS19 the actuarial valuation as at 28 February 2023, which was carried out by a qualified independent actuary, has been updated on an approximate basis to 28 September 2025.

The Trustees of the Laurel Pub Pension scheme entered into a buy-in contract on 11 September 2025. This buy-in policy now covers the main risks in the scheme namely; the investment, inflation risk and mortality risks that are inherent within a defined benefit pension scheme. The cost of the bulk annuity has been covered by excess assets held within the scheme. Under IAS 19 the buy-in is treated as a change in investment strategy as at the reporting date there was no commitment to continuing to a buy-out and hence the change in value of the assets due to the buy-in is recognised through other comprehensive income as an investment loss.

Subsequent to the period end on 9 October 2025, the Trustees of the Yates Group Pension Scheme, a defined benefit pension scheme, have agreed to purchase a bulk annuity policy to cover the scheme's members. This buy-in policy now covers the main risks in the scheme namely; the investment, inflation risk and mortality risks that are inherent within a defined benefit pension scheme. The cost of the bulk annuity has been covered by excess assets held within the scheme. There is no adjustment required to the carrying values of net pension assets at 28 September 2025 as a result of this event.

The following tables illustrate the impact of both the Laurel Pub Pension scheme and the Yates Group Pension scheme on the consolidated income statement, the consolidated statement of comprehensive income (SOCi) and the consolidated balance sheet. The amounts recognised in the balance sheet are as follows:

	28 September 2025	29 September 2024
	£m	£m
Laurel Pub Pension scheme		
Fair value of plan assets	49	62
Present value of defined benefit obligation	(45)	(50)
Surplus in the scheme	4	12
Effect of asset ceiling	(4)	(12)
Net retirement benefit recognised in the balance sheet	-	-
Yates Group Pension scheme		
Fair value of plan assets	10	11
Present value of defined benefit obligation	(9)	(10)
Surplus in the scheme	1	1
Effect of asset ceiling	-	-
Net retirement benefit surplus recognised in the balance sheet	1	1
Total net retirement benefit recognised in the balance sheet	1	1

Notes (continued)

27 Retirement benefits (continued)

As the Group has concluded there is no unconditional right to a surplus on wind up, the net deficit on the Laurel Pub Pension scheme has been recognised at the present value of minimum funding requirements.

At the end of the life of the Yates Group Pension scheme, the Company has an unconditional right to a refund and any such refund would be paid out only on a net of tax basis.

Movements in the asset ceilings are as follows:

	28 September 2025	29 September 2024
	£m	£m
Laurel Pub Pension scheme		
Asset ceiling at beginning of period	12	19
Interest income	1	1
Changes in asset ceiling (excluding interest income)	(9)	(8)
Asset ceiling at end of period	4	12

	28 September 2025	29 September 2024
	£m	£m
Yates Group Pension scheme		
Asset ceiling at beginning of period	-	-
Interest income	-	-
Changes in asset ceiling (excluding interest income)	-	-
Asset ceiling at end of period	-	-

Movements in the present value of scheme liabilities are as follows:

	28 September 2025	29 September 2024
	£m	£m
Laurel Pub Pension scheme		
Present value of scheme liabilities at beginning of period	50	51
Interest cost	2	3
Actuarial losses	(5)	(1)
Benefits paid	(2)	(3)
Present value of scheme liabilities at end of period	45	50
Yates Group Pension scheme	£m	£m
Present value of scheme liabilities at beginning of period	10	10
Interest cost	1	1
Actuarial losses	(1)	-
Benefits paid	(1)	(1)
Present value of scheme liabilities at end of period	9	10
Total present value of scheme liabilities at end of period	54	60

Notes (continued)

27 Retirement benefits (continued)

Movements in the fair value of scheme assets are as follows:

	28 September 2025	29 September 2024
	£m	£m
Laurel Pub Pension scheme		
Fair value of scheme assets at beginning of period	62	61
Interest income	3	4
Return on plan assets excluding interest income	(14)	-
Benefits paid	(2)	(3)
Fair value of scheme assets at end of period	49	62
Yates Group Pension scheme	£m	£m
Fair value of scheme assets at beginning of period	11	11
Interest income	1	1
Return on plan assets excluding interest income	(1)	-
Benefits paid	(1)	(1)
Fair value of scheme assets at end of period	10	11
Total fair value of scheme assets at end of period	59	73

Interest costs are shown in finance costs and service costs and expenses are recognised in operating costs. The amounts recognised in the income statement for the period was:

	2025 52 weeks	2024 53 weeks
	£m	£m
Laurel Pub Pension scheme		
Past service costs	-	-
Interest income	1	1
Expenses	-	-
Net cost	1	1
Yates Group Pension scheme	£m	£m
Past service costs	-	-
Interest income	-	-
Expenses	-	-
Net income	-	-
Total net cost	1	1

Notes (continued)

27 Retirement benefits (continued)

Analysis of amounts recognised in the SOCI in the period:

	2025 52 weeks £m	2024 53 weeks £m
Laurel Pub Pension scheme		
Return on plan assets excluding interest income	(14)	-
Experience gains	1	-
Effects of changes in demographic assumptions	(1)	(1)
Effects of changes in financial assumptions	5	1
Effect of asset ceiling	9	8
Re-measurement losses recognised in the SOCI	-	8
Yates Group Pension scheme		
Return on plan assets excluding interest income	1	-
Effects of changes in financial assumptions	(1)	-
Re-measurement gains recognised in the SOCI	-	-
Total re-measurement losses recognised in the SOCI	-	8

Cumulative amounts recognised in the SOCI:

	28 September 2025 £m	29 September 2024 £m
At beginning of period	(20)	(28)
Re-measurement losses in the period	-	8
At end of period	(20)	(20)

The history of experience adjustments on the schemes for the current and previous financial periods is as follows:

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
Laurel Pub Pension scheme					
Present value of retirement benefit liabilities	(45)	(50)	(51)	(57)	(92)
Fair value of plan assets	49	62	61	65	98
Net asset in the scheme	4	12	10	8	6
Experience adjustment on scheme liabilities	(5)	(1)	(3)	(35)	4
Percentage of scheme liabilities	11.1%	2.0%	5.9%	61.4%	(4.3)%
Experience adjustments on scheme assets	(14)	-	(6)	(36)	12
Percentage of scheme assets	(28.6)%	(0.0)%	(9.8)%	(55.4)%	12.2%
Yates Group Pension scheme					
Present value of retirement benefit liabilities	(9)	(10)	(10)	(10)	(14)
Fair value of plan assets	10	11	11	11	15
Net asset in the scheme	1	1	1	1	1
Experience adjustment on scheme liabilities	(1)	-	-	(3)	2
Percentage of scheme liabilities	11.1%	0.0%	0.0%	30.0%	(14.3)%
Experience adjustments on scheme assets	(1)	-	-	(4)	1
Percentage of scheme assets	(10.0)%	(0.0)%	(0.0)%	(36.4)%	6.7%

Notes (continued)

27 Retirement benefits (continued)

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

	28 September 2025	29 September 2024
Laurel Pub Pension Scheme		
Male retiring in 2025 (2024: 2024)	20.8 years	20.5 years
Female retiring in 2025 (2024: 2024)	22.6 years	22.5 years
Male retiring in 2050 (2024: 2049)	22.5 years	22.2 years
Female retiring in 2050 (2024: 2049)	24.4 years	24.3 years
Yates Group Pension Scheme		
Male retiring in 2025 (2024: 2024)	21.6 years	21.4 years
Female retiring in 2025 (2024: 2024)	24.2 years	24.2 years
Male retiring in 2050 (2024: 2049)	23.3 years	23.1 years
Female retiring in 2050 (2024: 2049)	26.1 years	26.0 years

The principal actuarial assumptions (expressed as weighted averages) at the period end were as follows:

	28 September 2025	29 September 2024
Laurel Pub Pension Scheme		
Discount rate	6.0%	5.1%
Rate of increase in pension payment	2.7%	2.7%
Inflation (RPI)	2.9%	3.0%
Inflation (CPI)	2.7%	2.7%
Yates Group Pension Scheme		
Discount rate	5.8%	5.0%
Rate of increase in pension payment	2.7%	2.8%
Inflation (RPI)	2.9%	3.1%
Inflation (CPI)	2.7%	2.8%

The fair values of the plan assets and the return on those assets for both schemes were as follows:

	28 September 2025 £m	29 September 2024 £m
Laurel Pub Pension Scheme		
Equities	-	2
Bonds	3	57
Cash	1	3
Assets held by insurance company	45	-
Fair value of plan assets	49	62
Actual return on plan assets	(11)	4
Yates Group Pension Scheme		
Equities	-	1
Bonds	10	10
Fair value of plan assets	10	11
Actual return on plan assets	-	1

Notes (continued)

27 Retirement benefits (continued)

Analysis of the sensitivity to the principal assumptions of the present value of the defined benefit obligation is set out below:

	Change in assumption	Impact on scheme liabilities	
		28 September 2025 £000	29 September 2024 £000
Laurel Pub Pension Scheme			
Discount rate	Increase of 0.5% p.a.	(42)	(47)
Rate of inflation	Increase of 0.25% p.a.	46	51
Rate of mortality	Increase in life expectancy of 1 year	46	51
Yates Group Pension Scheme			
Discount rate	Increase of 0.5% p.a.	(9)	(10)
Rate of inflation	Increase of 0.25% p.a.	9	10
Rate of mortality	Increase in life expectancy of 1 year	9	11

The sensitivities shown above are approximate. Each sensitivity considers one change in isolation. The inflation sensitivity includes the impact of changes to the assumptions for revaluation and pension increases. The average duration of the defined benefit obligation at the period ending 28 September 2025 is 13 years for the Laurel Pub Pension scheme (2024: 14 years) and 10 years for the Yates Group Pension scheme (2024: 11 years).

The plan typically exposes the Group to actuarial risks such as investment risk, interest rate risk, mortality risk and longevity risk. A decrease in corporate bond yields, a rise in inflation or an increase in life expectancy would result in an increase to plan liabilities. This would detrimentally impact the balance sheet position and may give rise to increased charges in future income statements. This effect would be partially offset by an increase in the value of the plan's bond holdings. Additionally, caps on inflationary increases are in place to protect the Yates Group Pension scheme against extreme inflation.

28 Related party transactions

Transactions between group companies, which are related parties, have been eliminated on consolidation and are not contained in this note.

Transactions with senior management personnel

Senior management comprises the executive directors and management board. The senior management personnel compensation is as follows:

	2025 52 weeks £m	2024 53 weeks £m
Salaries and short-term employee benefits	5	6
Equity settled share based payment expense	1	1
	6	7

There was no other remuneration paid in either the current or prior period.

Other related party transactions

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

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 £9 million is included in trade and other receivables (2024: £8 million).

Notes (continued)

28 Related party transactions (continued)

Also included within amounts due from parent undertakings is £1 million (2024: £nil). This relates to an amount owing from Stonegate Pub Company Group S.a.r.l in relation to the management incentive plan.

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 28 September 2025 was £170,000 (2024: £172,000).

Included in amounts due from group undertakings is £5 million (2024: £5 million) due in more than one year. On 13 June 2022, Stonegate Pub Company provided a £4 million loan to PWB Kitchens Limited, a company under common control of the ultimate parent company, Stonegate Pub Company Topco Sarl, a company incorporated in Luxembourg. The loan charges interest at a rate of 8.5% and expires in 2029.

There is an amount of £2 million (2024: £2 million) owing to Stonegate Pub Company Midco Limited, the immediate parent company, at 28 September 2025, which is included in trade and other payables.

During the period the Group was invoiced management charges of £nil (2024: £1 million) by TDR Capital LLP. The amount outstanding at 28 September 2025 was £nil (2024: £nil).

29 Management Incentive Plan

During the period ended 29 September 2019; the Group established a management incentive plan to reward certain employees, including directors and managers, for their future service. Under the plan those employees will realise a gain only if there is a growth in the equity value of the business (subject to certain 'ratchets') and only if an exit event occurs. The award has been classified as equity-settled. An exit event would occur either upon an initial public offering of the Stonegate group ('IPO') or some other form of sale (e.g. to a trade buyer). The fair value of the scheme at grant date was not considered to be material.

On 8 January 2021 the scheme was replaced with a new management incentive plan so that it also included certain legacy EIG employees and new Stonegate employees, alongside a change to the quantum of returns at an exit event following the acquisition of EI Group. The scheme is operated by the Group's ultimate owners and was established through subscription to shares in the Group's parent company, Stonegate Pub Company Holdings Limited. No dividends will accrue under this award.

There is inherent uncertainty in determining a suitable vesting period given that an exit event, whilst within the control of the Group's ultimate owners, may not happen for many years if at all. However, for the purposes of considering the impact of IFRS 2, the Directors have used a vesting period of five years. As a result, a charge of £1 million (2024: £1 million) has been recognised as an equity settled share based payment expense in the income statement.

There are no other share based payment schemes.

30 Ultimate parent undertaking

The ultimate parent company is Stonegate Pub Company Topco Sarl, a company incorporated in Luxembourg. The ultimate controlling party is TDR Capital Stonegate L.P., an investment fund managed by TDR Capital LLP, a private equity management firm.

31 Post balance sheet events

Subsequent to the period end on 18 December 2025 the Group sold the entire issued share capital of Mash Inns Limited for £nil.

Also subsequent to the period end on 5 January 2026 the Group purchased the entire issued share capital of Frontier Pubs Limited for consideration of £3.5 million.