REGISTERED NUMBER: SC306747 (Scotland)

Group Strategic Report, Report of the Directors and

Consolidated Financial Statements

for the Period 4 October 2020 to 2 October 2021

for

Three Thistles plc

Contents of the Consolidated Financial Statements
for the Period 4 October 2020 to 2 October 2021

Company Information
for the Period 4 October 2020 to 2 October 2021

DIRECTORS:	D J S C Low D C McIntyre K H McGown
SECRETARY:	Davidson Chalmers Stewart (Secretarial Services) Limited
REGISTERED OFFICE:	163 Bath Street Glasgow G2 4SQ
REGISTERED NUMBER:	SC306747 (Scotland)
AUDITORS:	McLay McAlister & McGibbon LLP Chartered Accountants and Statutory Auditors 145 St Vincent Street Glasgow G2 5JF
SOLICITORS:	Davidson Chalmers Stewart LLP 163 Bath Street Glasgow G2 4SQ

Chairman's Report
for the Period 4 October 2020 to 2 October 2021

Since last year's Chairman's Report the group has continued to grapple with the challenges presented by the Covid-19 pandemic which continues to permeate all areas of the hospitality sector. In Scotland, we have a more cautious Government than the rest of the UK and over the year we were effectively only able to trade for five months.

Group turnover declined by 18.6% to £1,739,045 (2020: £2,135,414), with the gross loss, prior to accounting for Government assistance, worsening by £203,171, to a loss of £305,981 for the year. However, the group loss before tax amounted to £39,071 (2020: £285,100). Details of government grants and assistance received are referenced in Note 5 of the accounts.

Net assets decreased in the year to £4,858,515 (2020: £4,886,686), equating to 13 pence per share (2020: equating to 13 pence per share). As at 2 October 2021 the group had net debt of £1,326,853 (2020: £1,444,484).

Since the last AGM we have released trading updates in August and October 2021 which narrated the problems facing the sector, the group in particular and the challenges we face. Whilst we entered the pandemic in a strong financial position and hoped the current year would present a more positive outlook it has become apparent that is not going to be the case and that Covid-19 is going to be with us for the foreseeable future.

The most important consideration for the Directors in such an environment is to ensure ongoing solvency and that the group maintains a strong working relationship with the bank. That environment promises subdued trading conditions, withdrawal of government support, pressure on margins, escalating utility and staff costs and the reintroduction of non domestic rates on our properties. Not a pretty picture!

Our primary focus is on reducing costs where possible and maintaining solvency. To this end we renegotiated and extended our bank facilities in October 2020 and, since the year end, we have raised £750,000 in fresh capital via a placing of new shares at 10 pence per share. This was announced with the trading update in October 2021 and we also made a commitment to offer all shareholders the same opportunity. To this end we have included AGM resolutions which if passed by shareholders will allow new shares to be issued to existing and prospective investors should there be a demand for such.

Whilst the future remains uncertain shareholders should draw some comfort from the strength of the group's asset base and the level of its cash liquidity. At the same time, though, it is unclear how values will emerge when the new trading levels are factored into heritable valuations going forward. The group's estate was last valued in 2019 and we have been advised to withhold getting an updated valuation until trading levels become more apparent. This seems to be the view of most market participants as transaction activity has been minimal to date.

Finally, I shall use this opportunity to announce that Ken McGown has intimated his intention to resign from the Board after the AGM on 3 March. Ken has been a director since May 2019 and sees the emergence from lockdown as an opportune time and a natural break to consider future plans. The Board would like to thank Ken for his valued support over the last three years.

David Low
Chairman
31 January 2022

Group Strategic Report
for the Period 4 October 2020 to 2 October 2021

The directors present their strategic report of the company and the group for the period 4 October 2020 to 2 October 2021.

REVIEW OF BUSINESS

The Directors believe that the group's key performance indicators are turnover, gross margin and the net asset value of the estate.

Clearly comparisons of performance are hard to make given the impact of the global pandemic. This is particularly frustrating given that the Board had addressed all of the fundamental issues that were adversely affecting the performance of the group and this was beginning to flow through to trading results prior to the enforced lockdown.

Trading conditions within the UK hospitality and leisure sectors have been particularly challenging over this period, with trading in Scotland effectively limited to five months.

As a result, group turnover for the period to 2 October 2021 reduced by 18.6% to £1,739,045 (2020: £2,135,414). The resulting gross loss, prior to accounting for Government assistance, increased by £203,171 to a loss of £305,981.

However, the group loss before tax improved by £246,029 to £39,071 (2020: £285,100) as costs were mitigated and Government assistance granted.

The shares were subdivided on 21 March 2021 into 37,500,000 shares with a nominal value of 10p (previously 7,500,000 shares of 50p per share).

Net assets decreased in the year to £4,858,515 (2020: £4,886,686), equating to 13 pence per share (2020: equating to 13 pence per share). As at 2 October 2021 the group had net debt of £1,326,853 (2020: £1,444,484).

On 27 October 2021, 7,500,000 additional shares were allotted at 10p per share, increasing the share capital to 45,000,000 shares of 10p per share and raising £750,000.

PRINCIPAL RISKS AND UNCERTAINTIES
The following risks and associated mitigation processes represent the key risks and uncertainties which affect the group and how the directors address these. They are not intended to be an exhaustive analysis of all the risks facing the business.

1. COVID-19

Risks:
The last two years has exposed the majority of businesses to the economic impact of a global pandemic. Trading conditions within the UK hospitality and leisure sectors have been particularly challenging over this period, with trading in Scotland in the current financial year effectively limited to five months.

Mitigating processes:
The group has and will take advantage of all available financial support provided by the UK and Scottish Governments. The group has negotiated a Coronavirus Business Interruption Loan from The Royal Bank of Scotland plc and further strengthened our Balance Sheet with the issue of 7,500,000 new shares at 10p per share to raise £750,000.

The group's predominantly freehold portfolio is also well placed to recover from the pandemic given its focus on community led pubs out-with city centres, with a recognised food offering in spacious environments including external beer gardens.

In emerging from lockdown, Government guidelines will also be adhered to at the individual units through compliance on social distancing and track and trace requirements.

2. Economic risks

Risks:
The group's business operations are sensitive to economic conditions and in particular to pricing and any implications from Brexit to levels of consumer spending. Confidence in the economy could affect consumer expenditure and therefore our revenue. There is an ongoing risk to our business of increases in the cost of key products, including food, drink, Sky broadcasting service and utilities. Property values are also impacted by the economic uncertainty.

Mitigation processes:
The board and the manager regularly review the impact of the economic conditions on the group's budget and strategic plans, to ensure that we maintain our competitive position in the market. By prioritising excellent quality, service, value for money and up-to-date product offerings, we aim to broaden our appeal to customers. We try to foster mutually beneficial and long-term relationships with our suppliers whilst at the same time driving down costs in all areas. We have successfully negotiated various contracts, and will continue to do so, to mitigate significant increases in costs where possible and employ a number of other techniques to protect us from price volatility.

We continue to regularly assess the long term value of each of our sites and make decisions on a site by site basis around further improvements, operational focus for poorer performing sites and appropriate impairments where necessary. We have tried to diversify the business in respect of customer groups and geographical location in order to minimise the impact of economic fluctuations.

3. Regulatory risks

Risks:
The last few years have seen an increased governmental focus on alcohol consumption, in regard to both its impact on the health of drinkers and law and order issues. There is a risk of further legislation in these areas, including additional taxation, which may adversely impact our business.

A failure to comply with health and safety legislation, including in relation to food safety or fire safety, could lead to an incident which causes serious illness, injury or even loss of life to one of our customers, employees or other stakeholders, in turn leading to a significant impact on our reputation.

Mitigation processes:
Our strategy continues to address the need to diversify our business, with increasing emphasis on food within our pubs. We are committed to acting as a responsible retailer, recognising our belief that the safest and most responsible place to consume alcohol is in well-managed licensed on-trade premises.

We have a range of policies and procedures in place, including training, improved reporting and regular monitoring, to ensure compliance with existing regulatory requirements. This includes processes and procedures in relation to health and safety, fire safety and food safety. We work closely with licensing authorities across the country to ensure licensing requirements are dealt with whenever appropriate.

4. Supply chain risks

Risks:
On the board's behalf, our manager works with a number of key suppliers (particularly in relation to food, beer, wines and spirits) and third party distributors to supply our pubs. There is therefore a risk of interruption of supply and of failure of such key suppliers or distributors.

Mitigation processes:
Our manager is expected to work closely with our third-party suppliers, producers and supply chain partners to ensure that our relationships with them are positive and constructive at all times. Our manager regularly reviews the financial position of our major suppliers to assess the risk of them ceasing to be able to trade. It is our opinion that due to the non-specialist nature of our products, our manager would be able to source alternative supply arrangements should one of our suppliers cease to trade.

5. Financial risks

Risks:
It is vital to the business that we continue to meet our financial covenants and to ensure that there is sufficient financing to meet our business needs. We are exposed to interest rate risk on the variable rate components of our financing. We are also reliant on maintaining sound systems of internal control and on our information systems and technology to ensure the smooth operation of our business without risk of fraud or material error.

Mitigation processes:
Our manager is expected to constantly monitor our performance against our financial covenants and undertakes detailed stress-testing of our performance against those covenants on a regular basis. Working capital is closely managed and carefully forecast, with regular dialogue with our bankers, The Royal Bank of Scotland plc.

6. People risks

Risks:
We recognise the importance of attracting, retaining, developing and motivating the best people to help take our business forward and to ensure that we can deliver our operational and strategic objectives. Failure to attract these individuals could impact our ability to achieve our operational and strategic objectives.

Mitigation processes:
Our manager is tasked with aiming to recruit the best people with the right skills and offer training and development programmes to ensure that we retain them. Staff contracts and turnover trends are reviewed and benchmarked to highlight any potential issues.

ON BEHALF OF THE BOARD:

D C McIntyre - Director

31 January 2022

Report of the Directors
for the Period 4 October 2020 to 2 October 2021

The directors present their report with the financial statements of the company and the group for the period 4 October 2020 to 2 October 2021.

PRINCIPAL ACTIVITY
The principal activity of the group in the period under review was that of the owner and operator of public houses across Scotland.

DIVIDENDS
No ordinary dividends were paid during the year. The directors do not recommend a dividend in the coming year.

EVENTS SINCE THE END OF THE PERIOD
Information relating to events since the end of the period is given in the notes to the financial statements.

DIRECTORS
The directors shown below have held office during the whole of the period from 4 October 2020 to the date of this report.

D J S C Low
D C McIntyre
K H McGown

The directors have the following shareholdings in the company at the year end:

D J S C Low	2,065,470
D C McIntyre	66,915
K H McGown	Nil

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS
The auditors, McLay McAlister & McGibbon LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

D C McIntyre - Director

31 January 2022

Report of the Independent Auditors to the Members of
Three Thistles plc

Opinion
We have audited the financial statements of Three Thistles plc (the 'parent company') and its subsidiaries (the 'group') for the period ended 2 October 2021 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the group's and of the parent company affairs as at 2 October 2021 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information
The directors are responsible for the other information. The other information comprises the information in the Annual Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- results of our enquiries of management about their own identification and assessment of the risks and irregularities;
- any matters we identified having reviewed the Group's internal controls established to mitigate risks of fraud or non- compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

We obtained an understanding of the legal and regulatory framework that the Group operates in. The key laws and regulations we considered included the UK Companies Act and tax legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. In addition we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate. These included food safety, health and safety, GDPR and employment laws. Auditing standards limit the required audit procedures to identify non - compliance with these laws and regulations to enquiry of the directors, inspection of regulatory and legal correspondence, if any, and review of minutes of meetings. These limited procedures did not identify actual or suspected non-compliance.

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

Report of the Independent Auditors to the Members of
Three Thistles plc

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

Fiona Russell

Fiona Russell (Senior Statutory Auditor)
for and on behalf of McLay McAlister & McGibbon LLP
Chartered Accountants and Statutory Auditors
145 St Vincent Street
Glasgow
G2 5JF

Date: 31 January 2022

Consolidated Statement of Comprehensive Income
for the Period 4 October 2020 to 2 October 2021

	Notes	Period 4.10.20 to 2.10.21 £	Period 29.9.19 to 3.10.20 £
TURNOVER	4	1,739,045	2,135,414
Cost of sales		(2,045,026)	(2,238,224)
GROSS LOSS		(305,981)	(102,810)
Administrative expenses		(633,369)	(659,297)
		(939,350)	(762,107)
Other operating income	5	945,808	518,585
OPERATING PROFIT/(LOSS)	7	6,458	(243,522)
Interest receivable and similar income		43	2,125
		6,501	(241,397)
Interest payable and similar expenses	8	(45,572)	(43,703)
LOSS BEFORE TAXATION		(39,071)	(285,100)
Tax on loss	9	10,900	60,625
LOSS FOR THE FINANCIAL PERIOD		(28,171)	(224,475)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(28,171)	(224,475)
Loss attributable to: Owners of the parent		(28,171)	(224,475)
Total comprehensive income attributable to: Owners of the parent		(28,171)	(224,475)

The notes form part of these financial statements

Consolidated Balance Sheet
2 October 2021

	Notes	2.10.21 £	3.10.20 £
FIXED ASSETS			
Tangible assets	11	6,438,720	6,488,122
Investments	12	-	-
		6,438,720	6,488,122
CURRENT ASSETS			
Stocks	13	82,672	74,350
Debtors	14	70,263	65,603
Cash at bank		799,323	286,215
		952,258	426,168
CREDITORS			
Amounts falling due within one year	15	(587,923)	(346,962)
NET CURRENT ASSETS		364,335	79,206
TOTAL ASSETS LESS CURRENT LIABILITIES		6,803,055	6,567,328
CREDITORS			
Amounts falling due after more than one year	16	(1,944,540)	(1,669,742)
PROVISIONS FOR LIABILITIES	20	-	(10,900)
NET ASSETS		4,858,515	4,886,686
CAPITAL AND RESERVES			
Called up share capital	21	3,750,000	3,750,000
Share premium	22	3,191,825	3,191,825
Retained earnings	22	(2,083,310)	(2,055,139)
SHAREHOLDERS' FUNDS		4,858,515	4,886,686

The financial statements were approved by the Board of Directors and authorised for issue on 31 January 2022 and were signed on its behalf by:

D C McIntyre - Director

The notes form part of these financial statements

Company Balance Sheet
2 October 2021

	Notes	2.10.21 £	3.10.20 £
FIXED ASSETS			
Tangible assets	11	6,236,370	6,321,380
Investments	12	1	1
		6,236,371	6,321,381
CURRENT ASSETS			
Stocks	13	68,754	71,870
Debtors	14	359,724	268,830
Cash at bank		706,471	245,682
		1,134,949	586,382
CREDITORS			
Amounts falling due within one year	15	(529,941)	(324,633)
NET CURRENT ASSETS		605,008	261,749
TOTAL ASSETS LESS CURRENT LIABILITIES		6,841,379	6,583,130
CREDITORS			
Amounts falling due after more than one year	16	(1,944,540)	(1,626,896)
PROVISIONS FOR LIABILITIES	20	-	(10,900)
NET ASSETS		4,896,839	4,945,334
CAPITAL AND RESERVES			
Called up share capital	21	3,750,000	3,750,000
Share premium	22	3,191,825	3,191,825
Retained earnings	22	(2,044,986)	(1,996,491)
SHAREHOLDERS' FUNDS		4,896,839	4,945,334
Company's loss for the financial year		(48,495)	(165,826)

The financial statements were approved by the Board of Directors and authorised for issue on 31 January 2022 and were signed on its behalf by:

D C McIntyre - Director

The notes form part of these financial statements

Three Thistles plc (Registered number: SC306747)

Consolidated Statement of Changes in Equity for the Period 4 October 2020 to 2 October 2021

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 29 September 2019	3,750,000	(1,830,664)	3,191,825	5,111,161
Changes in equity				
Total comprehensive income	-	(224,475)	-	(224,475)
Balance at 3 October 2020	3,750,000	(2,055,139)	3,191,825	4,886,686
Changes in equity				
Total comprehensive income	-	(28,171)	-	(28,171)
Balance at 2 October 2021	3,750,000	(2,083,310)	3,191,825	4,858,515

The notes form part of these financial statements

Three Thistles plc (Registered number: SC306747)

Company Statement of Changes in Equity
for the Period 4 October 2020 to 2 October 2021

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 29 September 2019	3,750,000	(1,830,665)	3,191,825	5,111,160
Changes in equity				
Total comprehensive income	-	(165,826)	-	(165,826)
Balance at 3 October 2020	3,750,000	(1,996,491)	3,191,825	4,945,334
Changes in equity				
Total comprehensive income	-	(48,495)	-	(48,495)
Balance at 2 October 2021	3,750,000	(2,044,986)	3,191,825	4,896,839

The notes form part of these financial statements

Consolidated Cash Flow Statement
for the Period 4 October 2020 to 2 October 2021

	Notes	Period 4.10.20 to 2.10.21 £	Period 29.9.19 to 3.10.20 £
Cash flows from operating activities			
Cash generated from operations	1	232,190	(360,648)
Interest paid		(45,572)	(43,703)
Tax paid		-	(25,614)
Net cash from operating activities		186,618	(429,965)
Cash flows from investing activities			
Purchase of tangible fixed assets		(69,030)	(650,731)
Interest received		43	2,125
Net cash from investing activities		(68,987)	(648,606)
Cash flows from financing activities			
New loans in year		2,184,199	46,500
Loan repayments in year		(1,788,722)	(66,657)
Net cash from financing activities		395,477	(20,157)
Increase/(decrease) in cash and cash equivalents		513,108	(1,098,728)
Cash and cash equivalents at beginning of period	2	286,215	1,384,943
Cash and cash equivalents at end of period	2	799,323	286,215

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Period 4 October 2020 to 2 October 2021

1. **RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	Period 4.10.20 to 2.10.21	Period 29.9.19 to 3.10.20
	£	£
Loss before taxation	(39,071)	(285,100)
Depreciation charges	118,432	105,517
Finance costs	45,572	43,703
Finance income	(43)	(2,125)
	124,890	(138,005)
(Increase)/decrease in stocks	(8,322)	13,978
(Increase)/decrease in trade and other debtors	(4,660)	69,774
Increase/(decrease) in trade and other creditors	120,282	(306,395)
Cash generated from operations	232,190	(360,648)

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 2 October 2021

	2.10.21	4.10.20
	£	£
Cash and cash equivalents	799,323	286,215

Period ended 3 October 2020

	3.10.20	29.9.19
	£	£
Cash and cash equivalents	286,215	1,384,943

3. **ANALYSIS OF CHANGES IN NET DEBT**

	At 4.10.20	Cash flow	At 2.10.21
	£	£	£
Net cash			
Cash at bank	286,215	513,108	799,323
	286,215	513,108	799,323
Debt			
Debts falling due within 1 year	(60,957)	(120,679)	(181,636)
Debts falling due after 1 year	(1,669,742)	(274,798)	(1,944,540)
	(1,730,699)	(395,477)	(2,126,176)
Total	(1,444,484)	117,631	(1,326,853)

The notes form part of these financial statements

1. STATUTORY INFORMATION

Three Thistles plc is a public limited company, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Following the COVID-19 pandemic, the directors have undertaken a review of the trading forecasts and cashflows of the group taking account of the strong working capital position, support of the bank and business support measures provided by the UK government. After making enquiries, the directors believe that the group has adequate resources to continue in operational existence for the foreseeable future being at least 12 months from the date of signing of these financial statements. Accordingly the accounts continue to be prepared on the going concern basis.

During the period to 2 October 2021, the COVID-19 pandemic had an impact on the group's operations and uncertainty regarding COVID-19 remains. There is likely to be a continuing impact during the year to September 2022, however it is not possible for this to be fully quantified at this stage.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT and other sales related taxes.

continued...

2. **ACCOUNTING POLICIES - continued**

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Heritable property	-	2% straight line, land is not depreciated.
Long leasehold	-	depreciated over the term of the lease
Fixtures and fittings	-	25% on reducing balance

The group's policy is to review the remaining useful economic lives and residual value of all tangible fixed assets on an on-going basis and to adjust the depreciation charge to reflect the remaining useful economic life and residual value.

Fully depreciated assets are retained in cost and related accumulated depreciation until they are removed from service. In the case of disposals, assets and related depreciation are removed from the financial statements and the net amount, less proceeds from disposal, is charged or credited to the income statement.

Impairment of fixed assets
At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

Government grants
Grants of a revenue nature are credited to the profit and loss account in the period in which the expenditure is incurred.

Stocks
Stocks are stated at the lower of cost and estimated selling price less cost to complete and sell.

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

continued...

2. ACCOUNTING POLICIES - continued

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

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Trade and other debtors
Trade and other debtors are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cashflows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but the control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Cash
Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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

Trade and other creditors
Trade and other creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transactions, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest.

Derecognition of financial liabilities
Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

continued...

2. ACCOUNTING POLICIES - continued

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

Taxation
Taxation for the period comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits
The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

continued...

3. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

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

Heritable property
The critical estimate in preparing these financial statements relates to the carrying value of the heritable property, which is stated at cost less impairment as valued by the directors and third parties.

4. **TURNOVER**

The turnover and loss before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	Period 4.10.20 to 2.10.21	Period 29.9.19 to 3.10.20
	£	£
Liquor sales	973,980	1,052,355
Food sales	603,630	898,366
Other income	159,531	168,189
Gaming income	1,904	16,504
	1,739,045	2,135,414

5. **OTHER OPERATING INCOME**

	Period 4.10.20 to 2.10.21	Period 29.9.19 to 3.10.20
	£	£
Job retention scheme receipts	517,838	382,220
Rates holiday and grants	427,970	107,346
Other government assistance	-	29,019
	945,808	518,585

6. **EMPLOYEES AND DIRECTORS**

	Period 4.10.20 to 2.10.21	Period 29.9.19 to 3.10.20
	£	£
Wages and salaries	1,277,076	1,230,636
Social security costs	52,710	63,579
Other pension costs	16,070	25,597
	1,345,856	1,319,812

continued...

6. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the period was as follows:

	Period 4.10.20 to 2.10.21	Period 29.9.19 to 3.10.20
Directors	3	3
Employees	97	102
	100	105

The average number of employees by undertakings that were proportionately consolidated during the period was 100 (2020 - 105).

	Period 4.10.20 to 2.10.21 £	Period 29.9.19 to 3.10.20 £
Directors' remuneration	117,959	122,130

7. OPERATING PROFIT/(LOSS)

The operating profit (2020 - operating loss) is stated after charging:

	Period 4.10.20 to 2.10.21 £	Period 29.9.19 to 3.10.20 £
Other operating leases	9,804	12,968
Depreciation - owned assets	118,432	105,517
Auditors' remuneration	11,000	10,000
All other non-audit services	3,000	3,000
Costs of stocks recognised as an expense	492,368	690,925

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 4.10.20 to 2.10.21 £	Period 29.9.19 to 3.10.20 £
Bank interest	45,572	43,703

continued...

9. **TAXATION**

Analysis of the tax credit
The tax credit on the loss for the period was as follows:

	Period 4.10.20 to 2.10.21 £	Period 29.9.19 to 3.10.20 £
Current tax:		
UK corporation tax	-	(27,044)
Deferred tax	(10,900)	(33,581)
Tax on loss	(10,900)	(60,625)

UK corporation tax has been charged at 19% (2020 - 19%).

Reconciliation of total tax credit included in profit and loss
The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 4.10.20 to 2.10.21 £	Period 29.9.19 to 3.10.20 £
Loss before tax	(39,071)	(285,100)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(7,423)	(54,169)
Effects of:		
Expenses not deductible for tax purposes	-	1,882
Capital allowances in excess of depreciation	-	(32,253)
Depreciation in excess of capital allowances	9,628	-
Utilisation of tax losses	(2,205)	-
Adjustments to tax charge in respect of previous periods	-	(10)
Deferred tax adjustment	(10,900)	(33,581)
Losses carried forward	-	57,506
Total tax credit	(10,900)	(60,625)

10. **INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME**

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

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11. **TANGIBLE FIXED ASSETS**

Group

	Heritable property £	Long leasehold £	Fixtures and fittings £	Totals £
COST				
At 4 October 2020	9,191,902	134,229	461,130	9,787,261
Additions	2,820	32,585	33,625	69,030
At 2 October 2021	9,194,722	166,814	494,755	9,856,291
DEPRECIATION				
At 4 October 2020	3,110,015	2,545	186,579	3,299,139
Charge for period	39,306	6,288	72,838	118,432
At 2 October 2021	3,149,321	8,833	259,417	3,417,571
NET BOOK VALUE				
At 2 October 2021	6,045,401	157,981	235,338	6,438,720
At 3 October 2020	6,081,887	131,684	274,551	6,488,122

Company

	Heritable property £	Fixtures and fittings £	Totals £
COST			
At 4 October 2020	9,191,902	424,394	9,616,296
Additions	2,820	14,724	17,544
At 2 October 2021	9,194,722	439,118	9,633,840
DEPRECIATION			
At 4 October 2020	3,110,015	184,901	3,294,916
Charge for period	39,306	63,248	102,554
At 2 October 2021	3,149,321	248,149	3,397,470
NET BOOK VALUE			
At 2 October 2021	6,045,401	190,969	6,236,370
At 3 October 2020	6,081,887	239,493	6,321,380

Following a desktop valuation of the Three Thistles plc portfolio by CDLH Surveyors Limited on 6 June 2019, the Directors decided to reflect an impairment of £2.0m to the carrying value of the assets of the company in the financial statements for the period to 28 September 2019. Due to a lack of trading performance since March 2020, the Directors are of the opinion that any revaluation would be both hard to establish and potentially misleading. Trading performance and transactions within a contracting sector in 2022 should provide greater clarity.

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12. FIXED ASSET INVESTMENTS

Company

	Unlisted investments £
COST	
At 4 October 2020 and 2 October 2021	1
NET BOOK VALUE	
At 2 October 2021	1
At 3 October 2020	1

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Three Thistles West Limited
Registered office: 163 Bath Street, Glasgow, Scotland, G2 4SQ
Nature of business: Public house operator

Class of shares:	% holding
Ordinary	100.00

13. STOCKS

	Group		Company	
	2.10.21	3.10.20	2.10.21	3.10.20
	£	£	£	£
Stocks	82,672	74,350	68,754	71,870

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2.10.21	3.10.20	2.10.21	3.10.20
	£	£	£	£
Trade debtors	5,329	12,517	2,601	12,517
Amounts owed by group undertakings	-	-	293,999	204,999
Other debtors	37,900	26,052	36,090	24,280
Tax	27,034	27,034	27,034	27,034
	70,263	65,603	359,724	268,830

continued...

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2.10.21	3.10.20	2.10.21	3.10.20
	£	£	£	£
Bank loans and overdrafts (see note 17)	181,636	60,957	181,636	57,303
Trade creditors	181,677	171,215	164,981	156,046
Social security and other taxes	73,912	10,836	55,135	19,974
Other creditors	29,473	24,712	29,473	24,712
Accruals and deferred income	121,225	79,242	98,716	66,598
	587,923	346,962	529,941	324,633

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2.10.21	3.10.20	2.10.21	3.10.20
	£	£	£	£
Bank loans (see note 17)	1,944,540	1,669,742	1,944,540	1,626,896

17. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2.10.21	3.10.20	2.10.21	3.10.20
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	181,636	60,957	181,636	57,303
Amounts falling due between one and two years:				
Bank loans - 1-2 years	183,918	90,570	183,918	81,636
Amounts falling due between two and five years:				
Bank loans - 2-5 years	497,473	287,035	497,473	258,855
Amounts falling due in more than five years:				
Repayable otherwise than by instalments				
Bank loans more than 5 years	1,263,149	1,263,149	1,263,149	1,263,149
Repayable by instalments				
Bank loans more than 5 years	-	28,988	-	23,256

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

continued...

Group

	Non-cancellable operating leases	
	2.10.21	3.10.20
	£	£
Within one year	20,890	20,890
Between one and five years	83,558	83,558
In more than five years	384,717	405,606
	489,165	510,054

19. **SECURED DEBTS**

The following secured debts are included within creditors:

	Group		Company	
	2.10.21	3.10.20	2.10.21	3.10.20
	£	£	£	£
Bank loans	2,126,176	1,730,699	2,126,176	1,684,199

The long-term loans are secured by fixed charges over the group's freehold property assets and a bond and floating charge over the group's assets in favour of The Royal Bank of Scotland plc. Interest is charged at 2.66% over base rate on £1.7m commencing on 13 October 2020 and at 4.75% over base rate on a CBILS loan of £0.5m commencing on 8 October 2021. The term of the loans are to October 2025 and October 2026, respectively.

20. **PROVISIONS FOR LIABILITIES**

	Group		Company	
	2.10.21	3.10.20	2.10.21	3.10.20
	£	£	£	£
Deferred tax	-	10,900	-	10,900

Group

	Deferred tax
	£
Balance at 4 October 2020	10,900
Credit to Statement of Comprehensive Income during period	(10,900)
Balance at 2 October 2021	-

Company

	Deferred tax
	£
Balance at 4 October 2020	10,900
Credit to Statement of Comprehensive Income during period	(10,900)
Balance at 2 October 2021	-

continued...

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2.10.21 £	3.10.20 £
37,500,000	Ordinary	10p	3,750,000	3,750,000

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

During the year, the Company subdivided its shares on 21 March 2021 into 37,500,000 shares with a nominal value of 10p per share. These were previously 7,500,000 shares with a nominal value of 50p per share.

Since the year end, 7,500,000 shares at 10p per share were allotted, increasing the total shares allotted to 45,000,000.

22. RESERVES

Group

	Retained earnings £	Share premium £	Totals £
At 4 October 2020	(2,055,139)	3,191,825	1,136,686
Deficit for the period	(28,171)		(28,171)
At 2 October 2021	(2,083,310)	3,191,825	1,108,515

Company

	Retained earnings £	Share premium £	Totals £
At 4 October 2020	(1,996,491)	3,191,825	1,195,334
Deficit for the period	(48,495)		(48,495)
At 2 October 2021	(2,044,986)	3,191,825	1,146,839

23. RELATED PARTY DISCLOSURES

The total remuneration of directors who are considered to be the key management personnel of the group was £117,959 (2020: £122,130).

24. POST BALANCE SHEET EVENTS

7,500,000 shares at 10p per share were allotted on 27 October 2021, increasing the total shares allotted to 45,000,000.