REGISTERED NUMBER: SC306747 (Scotland)

Group Strategic Report, Report of the Directors and

Consolidated Financial Statements

for the Period 2 October 2022 to 30 September 2023

for

Three Thistles plc

Contents of the Consolidated Financial Statements
for the Period 2 October 2022 to 30 September 2023

Company Information
for the Period 2 October 2022 to 30 September 2023

DIRECTORS:	D J S C Low D C McIntyre
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 2 October 2022 to 30 September 2023

My shareholders' update in November last year referenced the continuing difficult trading environment across central Scotland, provided unaudited headline financial figures for the year and information on progress towards an exit route for all shareholders.

My principal focus in this statement is to provide an update on the sale of the company's heritable assets. I can confirm that outline offers have been received by our sales agent, Shepherd, chartered surveyors for all our outlets. The offers are from more than one party and are currently being assessed by the directors in conjunction with Shepherd. All the offers are subject to contract, and it is anticipated that we shall be in a position to make a more definitive statement on the outcome at the company's AGM on 28 March 2024.

As regards the trading outturn for the year, this is narrated in the Review of Business section of this report within the Group Strategic Report and confirms group turnover of £4.0 million and an operating loss of £115,578 compared with £4.1 million turnover and operating profit of £212,950 in the previous year. The adverse movement can be largely reconciled by increased utility costs and the ending of Covid related government assistance.

We have also incorporated a further impairment of £591,462 in the value of the group's heritable assets which has reduced the net asset value to £3.9 million to reflect current market values.

The ultimate objective of the directors remains to dispose of the group's assets as soon as possible thereby creating a cash shell, to appoint an insolvency practitioner at the earliest opportunity and to distribute capital to shareholders.

David Low
Chairman
29 February 2024

Group Strategic Report
for the Period 2 October 2022 to 30 September 2023

The directors present their strategic report of the company and the group for the period 2 October 2022 to 30 September 2023.

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.

Despite pressure on consumer's disposable income and the ongoing economic uncertainty, like for like turnover improved by 5.43%. The cost base has however suffered from the global economic pressure on energy costs, together with the withdrawal of Government support that was present in the prior year.

The overall group turnover for the period to 30 September 2023 decreased by 1.53% to £4,021,364 (2022: £4,084,069). However, excluding the now managed Westside Tavern, like for like turnover increased by £204,548 in challenging market conditions.

Gross profit of £530,895 decreased by £225,495 on the prior year reflecting the significant increase in energy costs during the period.

The operating loss amounted to £115,578 compared to a profit of £212,950 achieved in the period to 1 October 2022. In addition to the substantial increase in energy costs in the year, the overall decrease of £328,528 results from the absence of Government support in comparison to the £122,773 assistance received in the previous year. To reflect the challenging market conditions, a net fixed asset impairment of £591,462 has been incorporated in the Statement of Comprehensive Income.

The resulting loss for the financial period, after exceptional items, amounted to £751,861 (2022: loss of £974,229).

Following the early repayment of the outstanding CBILS loan in March 2023, the Group net debt on 30 September 2023 stood at £533,979 (2022: £377,718).

The net assets decreased in the year to £3,909,699 (2022: £4,717,251), equating to 8.7 pence per share (2022: 10.5 pence per share).

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 three years has exposed the majority of businesses to the economic impact of a global pandemic. While the threat of a pandemic has dissipated, there remains the possibility that other variants could materialise and restrictions reintroduced.

Mitigating processes:
While mitigating actions will depend on the nature and extent of any pandemic, the portfolio remains resilient given its focus on community led pubs out-with city centres, with recognised food offerings in spacious environments including beer gardens. Government guidelines will also be adhered to at the individual units dependent on advice and restrictions imposed.

2. Economic risks

Risks:
The group's business operations are sensitive to economic conditions and, in particular, to inflationary pressures on pricing and implications to the levels of disposable income and 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 and continue to assess exit strategies for shareholders against this backdrop.

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 and the Deposit Return Scheme, 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.
Given the increase in base rate in the financial period and adequacy of funding, the CIBLS loan was repaid during the year.

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

D C McIntyre - Director

29 February 2024

Report of the Directors
for the Period 2 October 2022 to 30 September 2023

The directors present their report with the financial statements of the company and the group for the period 2 October 2022 to 30 September 2023.

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 2 October 2022 to the date of this report.

D J S C Low
D C McIntyre

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

D J S C Low	2,337,595
D C McIntyre	166,915

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

29 February 2024

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 30 September 2023 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 30 September 2023 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.

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

29 February 2024

Consolidated Statement of Comprehensive Income
for the Period 2 October 2022 to 30 September 2023

	Notes	Period 2.10.22 to 30.9.23 £	Period 3.10.21 to 1.10.22 £
TURNOVER	4	4,021,364	4,084,069
Cost of sales		(3,490,469)	(3,327,679)
GROSS PROFIT		530,895	756,390
Administrative expenses		(646,473)	(666,213)
		(115,578)	90,177
Other operating income	5	-	122,773
OPERATING (LOSS)/PROFIT	7	(115,578)	212,950
Interest receivable and similar income		11,373	980
		(104,205)	213,930
Gain/loss on revaluation of tangible assets		(535,771)	(1,119,866)
		(639,976)	(905,936)
Interest payable and similar expenses	8	(111,885)	(68,293)
LOSS BEFORE TAXATION		(751,861)	(974,229)
Tax on loss	9	-	-
LOSS FOR THE FINANCIAL PERIOD		(751,861)	(974,229)
OTHER COMPREHENSIVE INCOME			
Revaluation of properties		(55,691)	82,965
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX		(55,691)	82,965
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(807,552)	(891,264)
Loss attributable to:			
Owners of the parent		(751,861)	(974,229)
Total comprehensive income attributable to:			
Owners of the parent		(807,552)	(891,264)

The notes form part of these financial statements

Consolidated Balance Sheet
30 September 2023

	Notes	30.9.23 £	1.10.22 £
FIXED ASSETS			
Tangible assets	11	4,774,995	5,440,000
Investments	12	-	-
		4,774,995	5,440,000
CURRENT ASSETS			
Stocks	13	79,404	90,508
Debtors	14	63,517	52,233
Cash at bank		905,112	1,565,535
		1,048,033	1,708,276
CREDITORS			
Amounts falling due within one year	15	(560,778)	(671,958)
NET CURRENT ASSETS		487,255	1,036,318
TOTAL ASSETS LESS CURRENT LIABILITIES		5,262,250	6,476,318
CREDITORS			
Amounts falling due after more than one year	16	(1,352,551)	(1,759,067)
NET ASSETS		3,909,699	4,717,251
CAPITAL AND RESERVES			
Called up share capital	20	4,500,000	4,500,000
Share premium	21	3,191,825	3,191,825
Revaluation reserve	21	27,274	82,965
Retained earnings	21	(3,809,400)	(3,057,539)
SHAREHOLDERS' FUNDS		3,909,699	4,717,251

The financial statements were approved by the Board of Directors and authorised for issue on 29 February 2024 and were signed on its behalf by:

D C McIntyre - Director

Three Thistles plc (Registered number: SC306747)

Company Balance Sheet
30 September 2023

	Notes	30.9.23 £	1.10.22 £
FIXED ASSETS			
Tangible assets	11	4,774,995	5,350,000
Investments	12	1	1
		4,774,996	5,350,001
CURRENT ASSETS			
Stocks	13	79,404	83,738
Debtors	14	304,005	385,662
Cash at bank		905,035	1,548,266
		1,288,444	2,017,666
CREDITORS			
Amounts falling due within one year	15	(552,265)	(642,424)
NET CURRENT ASSETS		736,179	1,375,242
TOTAL ASSETS LESS CURRENT LIABILITIES		5,511,175	6,725,243
CREDITORS			
Amounts falling due after more than one year	16	(1,352,551)	(1,759,067)
NET ASSETS		4,158,624	4,966,176
CAPITAL AND RESERVES			
Called up share capital	20	4,500,000	4,500,000
Share premium	21	3,191,825	3,191,825
Revaluation reserve	21	27,274	82,965
Retained earnings	21	(3,560,475)	(2,808,614)
SHAREHOLDERS' FUNDS		4,158,624	4,966,176
Company's loss for the financial year		(751,861)	(763,628)

The financial statements were approved by the Board of Directors and authorised for issue on 29 February 2024 and were signed on its behalf by:

D. C. McIntyre

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 2 October 2022 to 30 September 2023

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 3 October 2021	3,750,000	(2,083,310)	3,191,825	-	4,858,515
Changes in equity					
Issue of share capital	750,000	-	-	-	750,000
Total comprehensive income	-	(974,229)	-	82,965	(891,264)
Balance at 1 October 2022	4,500,000	(3,057,539)	3,191,825	82,965	4,717,251
Changes in equity					
Total comprehensive income	-	(751,861)	-	(55,691)	(807,552)
Balance at 30 September 2023	4,500,000	(3,809,400)	3,191,825	27,274	3,909,699

The notes form part of these financial statements

Company Statement of Changes in Equity
for the Period 2 October 2022 to 30 September 2023

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 3 October 2021	3,750,000	(2,044,986)	3,191,825	-	4,896,839
Changes in equity					
Issue of share capital	750,000	-	-	-	750,000
Total comprehensive income	-	(763,628)	-	82,965	(680,663)
Balance at 1 October 2022	4,500,000	(2,808,614)	3,191,825	82,965	4,966,176
Changes in equity					
Total comprehensive income	-	(751,861)	-	(55,691)	(807,552)
Balance at 30 September 2023	4,500,000	(3,560,475)	3,191,825	27,274	4,158,624

Consolidated Cash Flow Statement
for the Period 2 October 2022 to 30 September 2023

	Notes	Period 2.10.22 to 30.9.23 £	Period 3.10.21 to 1.10.22 £
Cash flows from operating activities			
Cash generated from operations	1	15,029	403,722
Interest paid		(111,885)	(68,293)
Tax paid		-	27,034
Net cash from operating activities		(96,856)	362,463
Cash flows from investing activities			
Purchase of tangible fixed assets		(70,778)	(164,308)
Interest received		11,373	980
Net cash from investing activities		(59,405)	(163,328)
Cash flows from financing activities			
Loan repayments in year		(504,162)	(182,923)
Share issue		-	750,000
Net cash from financing activities		(504,162)	567,077
(Decrease)/increase in cash and cash equivalents		(660,423)	766,212
Cash and cash equivalents at beginning of period	2	1,565,535	799,323
Cash and cash equivalents at end of period	2	905,112	1,565,535

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Period 2 October 2022 to 30 September 2023

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

	Period 2.10.22 to 30.9.23	Period 3.10.21 to 1.10.22
	£	£
Loss before taxation	(751,861)	(974,229)
Depreciation charges	144,321	126,127
Loss on revaluation of fixed assets	535,771	1,119,866
Finance costs	111,885	68,293
Finance income	(11,373)	(980)
	28,743	339,077
Decrease/(increase) in stocks	11,104	(7,836)
Increase in trade and other debtors	(11,284)	(9,004)
(Decrease)/increase in trade and other creditors	(13,534)	81,485
Cash generated from operations	15,029	403,722

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 30 September 2023

	30.9.23	2.10.22
	£	£
Cash and cash equivalents	905,112	1,565,535

Period ended 1 October 2022

	1.10.22	3.10.21
	£	£
Cash and cash equivalents	1,565,535	799,323

3. ANALYSIS OF CHANGES IN NET DEBT

	At 2.10.22	Cash flow	At 30.9.23
	£	£	£
Net cash			
Cash at bank	1,565,535	(660,423)	905,112
	1,565,535	(660,423)	905,112
Debt			
Debts falling due within 1 year	(184,186)	97,646	(86,540)
Debts falling due after 1 year	(1,759,067)	406,516	(1,352,551)
	(1,943,253)	504,162	(1,439,091)
Total	(377,718)	(156,261)	(533,979)

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 as modified by the revaluation of certain assets.

The directors have undertaken a review of the trading forecasts and cashflows of the group taking account of the strong working capital position and continued support of the bank. 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, and accordingly have prepared the accounts on the going concern basis. The directors however remain committed in pursuing an exit strategy for shareholders.

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.

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.

continued...

2. **ACCOUNTING POLICIES - continued**

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.

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...

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.

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 2.10.22 to 30.9.23	Period 3.10.21 to 1.10.22
	£	£
Liquor sales	2,175,875	2,371,720
Food sales	1,537,186	1,436,631
Other income	297,600	266,958
Gaming income	10,703	8,760
	4,021,364	4,084,069

5. OTHER OPERATING INCOME

	Period 2.10.22 to 30.9.23	Period 3.10.21 to 1.10.22
	£	£
Rates holiday and grants	-	122,773

continued...

6. EMPLOYEES AND DIRECTORS

	Period 2.10.22 to 30.9.23	Period 3.10.21 to 1.10.22
	£	£
Wages and salaries	1,373,891	1,528,090
Social security costs	79,700	78,300
Other pension costs	21,262	21,063
	1,474,853	1,627,453

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

	Period 2.10.22 to 30.9.23	Period 3.10.21 to 1.10.22
Directors	2	3
Employees	91	101
	93	104

	Period 2.10.22 to 30.9.23	Period 3.10.21 to 1.10.22
	£	£
Directors' remuneration	80,639	107,695

7. OPERATING LOSS

The operating profit is stated after charging:

	Period 2.10.22 to 30.09.23	Period 3.10.21 to 1.10.22
	£	£
Other operating leases	24,893	21,184
Depreciation - owned assets	144,321	126,127
Auditors remuneration	10,000	11,700
All other non-audit services	3,000	3,000
Cost of stocks recognised as an expense	1,239,182	1,244,659

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 2.10.22 to 30.9.23	Period 3.10.21 to 1.10.22
	£	£
Bank interest	111,885	68,293

continued...

9. TAXATION

Analysis of the tax charge
No liability to UK corporation tax arose for the period ended 30 September 2023 nor for the period ended 1 October 2022.

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

	Period 2.10.22 to 30.9.23 £	Period 3.10.21 to 1.10.22 £
Loss before tax	(751,861)	(974,229)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	(142,854)	(185,104)
Effects of:		
Expenses not deductible for tax purposes	-	1,082
Depreciation in excess of capital allowances	9,108	2,816
Utilisation of tax losses	-	(31,569)
Loss on revaluation not deductible for tax purposes	101,795	212,775
Losses carried forward	31,951	-
Total tax charge	-	-

Tax effects relating to effects of other comprehensive income

	2.10.22 to 30.9.23		
	Gross £	Tax £	Net £
Revaluation of properties	(55,691)	-	(55,691)

	3.10.21 to 1.10.22		
	Gross £	Tax £	Net £
Revaluation of properties	82,965	-	82,965

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.

continued...

11. **TANGIBLE FIXED ASSETS**

Group

	Heritable property £	Long leasehold £	Fixtures and fittings £	Totals £
COST OR VALUATION				
At 2 October 2022	5,064,245	53,283	662,103	5,779,631
Additions	-	-	70,778	70,778
Revaluations	(658,879)	19,893	-	(638,986)
At 30 September 2023	4,405,366	73,176	732,881	5,211,423
DEPRECIATION				
At 2 October 2022	-	-	339,631	339,631
Charge for period	39,046	8,478	96,797	144,321
Revaluation adjustments	(39,046)	(8,478)	-	(47,524)
At 30 September 2023	-	-	436,428	436,428
NET BOOK VALUE				
At 30 September 2023	4,405,366	73,176	296,453	4,774,995
At 1 October 2022	5,064,245	53,283	322,472	5,440,000

Cost or valuation at 30 September 2023 is represented by:

	Heritable property £	Long leasehold £	Fixtures and fittings £	Totals £
Valuation in 2022	(4,127,437)	(113,531)	-	(4,240,968)
Valuation in 2023	(658,879)	19,893	-	(638,986)
Cost	9,191,682	166,814	732,881	10,091,377
	4,405,366	73,176	732,881	5,211,423

In November 2023, the Directors instructed Shepherds Chartered Surveyors to market the Three Thistles plc portfolio. Their valuations have been used to assist with compliance with Financial Reporting Standard 102 ("FRS 102") in disclosing assets at their fair value.

continued...

11. TANGIBLE FIXED ASSETS - continued

Company

	Heritable property £	Long leasehold £	Fixtures and fittings £	Totals £
COST OR VALUATION				
At 2 October 2022	5,064,245	-	603,395	5,667,640
Additions	-	-	70,778	70,778
Revaluations	(658,879)	19,893	-	(638,986)
Reclassification/transfer	-	53,283	58,708	111,991
At 30 September 2023	4,405,366	73,176	732,881	5,211,423
DEPRECIATION				
At 2 October 2022	-	-	317,640	317,640
Charge for period	39,046	8,478	96,797	144,321
Revaluation adjustments	(39,046)	(8,478)	-	(47,524)
Reclassification/transfer	-	-	21,991	21,991
At 30 September 2023	-	-	436,428	436,428
NET BOOK VALUE				
At 30 September 2023	4,405,366	73,176	296,453	4,774,995
At 1 October 2022	5,064,245	-	285,755	5,350,000

Cost or valuation at 30 September 2023 is represented by:

	Heritable property £	Long leasehold £	Fixtures and fittings £	Totals £
Valuation in 2022	(4,127,437)	-	-	(4,127,437)
Valuation in 2023	(658,879)	19,893	-	(638,986)
Cost	9,191,682	53,283	732,881	9,977,846
	4,405,366	73,176	732,881	5,211,423

In November 2023, the Directors instructed Shepherds Chartered Surveyors to market the Three Thistles plc portfolio. Their valuations have been used to assist with compliance with Financial Reporting Standard 102 ("FRS 102") in disclosing assets at their fair value.

continued...

12. FIXED ASSET INVESTMENTS

Company

	Unlisted investments £
COST	
At 2 October 2022 and 30 September 2023	1
NET BOOK VALUE	
At 30 September 2023	1
At 1 October 2022	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	
	30.9.23	1.10.22	30.9.23	1.10.22
	£	£	£	£
Stocks	79,404	90,508	79,404	83,738

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.9.23	1.10.22	30.9.23	1.10.22
	£	£	£	£
Trade debtors	11,932	7,745	11,932	5,830
Amounts owed by group undertakings	-	-	248,527	337,329
Other debtors	43,546	44,488	43,546	42,503
VAT	8,039	-	-	-
	63,517	52,233	304,005	385,662

continued...

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.9.23	1.10.22	30.9.23	1.10.22
	£	£	£	£
Bank loans and overdrafts (see note 17)	86,540	184,186	86,540	184,186
Trade creditors	211,631	200,120	211,158	197,267
Social security and other taxes	109,998	124,962	101,959	114,517
Other creditors	27,109	31,861	27,108	31,861
Accruals and deferred income	125,500	130,829	125,500	114,593
	560,778	671,958	552,265	642,424

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

	Group		Company	
	30.9.23	1.10.22	30.9.23	1.10.22
	£	£	£	£
Bank loans (see note 17)	1,352,551	1,759,067	1,352,551	1,759,067

17. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	30.9.23	1.10.22	30.9.23	1.10.22
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	86,540	184,186	86,540	184,186
Amounts falling due between one and two years:				
Bank loans - 1-2 years	88,959	186,540	88,959	186,540
Amounts falling due between two and five years:				
Bank loans - 2-5 years	443	309,378	443	309,378
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

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

continued...

Group

	Non-cancellable operating leases	
	30.9.23	1.10.22
	£	£
Within one year	22,162	21,516
Between one and five years	88,648	86,064
In more than five years	349,991	374,737
	460,801	482,317

19. **SECURED DEBTS**

The following secured debts are included within creditors:

	Group		Company	
	30.9.23	1.10.22	30.9.23	1.10.22
	£	£	£	£
Bank loans	1,439,091	1,943,253	1,439,091	1,943,253

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. The term of the loan is to October 2025.

20. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.9.23	1.10.22
			£	£
45,000,000	Ordinary	10p	4,500,000	4,500,000

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.

21. **RESERVES**

Group

	Retained earnings	Share premium	Revaluation reserve	Totals
	£	£	£	£
At 2 October 2022	(3,057,539)	3,191,825	82,965	217,251
Deficit for the period	(751,861)			(751,861)
Revaluation	-	-	(55,691)	(55,691)
At 30 September 2023	(3,809,400)	3,191,825	27,274	(590,301)

continued...

21. **RESERVES - continued**

Company

	Retained earnings £	Share premium £	Revaluation reserve £	Totals £
At 2 October 2022	(2,808,614)	3,191,825	82,965	466,176
Deficit for the period	(751,861)			(751,861)
Revaluation	-	-	(55,691)	(55,691)
At 30 September 2023	(3,560,475)	3,191,825	27,274	(341,376)

22. **RELATED PARTY DISCLOSURES**

The total remuneration of directors who are considered to be the key management personnel of the group was £80,639 (2022: £107,695).

23. **POST BALANCE SHEET EVENTS**

In November 2023, the Board appointed Shepherd Chartered Surveyors to market the whole of the estate for sale.

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