REGISTERED NUMBER: SC306747 (Scotland)

Group Strategic Report, Report of the Directors and

Consolidated Financial Statements

for the Period 29 September 2019 to 3 October 2020

for

Three Thistles PLC

Contents of the Consolidated Financial Statements for the Period 29 September 2019 to 3 October 2020

Company Information
for the Period 29 September 2019 to 3 October 2020

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 29 September 2019 to 3 October 2020

Last year's Chairman's Report seems like a lifetime ago. It was released on 20 January 2020 before any of us had heard of Covid-19 and it talked optimistically about the trading outlook for the financial year. We were in a strong financial position; we had achieved an excellent price for the sale of The Wheel Inn, Caledonian Heritable, our estate manager, had completed the reorganisation of our estate and we had returned to operational profitability. The directors also took the difficult decision to impair the carrying value of our estate by £2,036,190 to a more realistic level. In short, we looked to the future with confidence. That confidence was justified and reiterated at our AGM on 5 March.

However, less than two weeks later Covid-19 and its devastating effects to public health, the hospitality sector and the general economy was evident to all. The Scottish Government announced the closure of the hospitality sector on 20 March to be followed by a 'stay at home' Order and financial support measures for the sector.

Our Trading Update of 31 March narrated the issues of the moment, the steps we took to mitigate the financial damage caused by the enforced shut down and we budgeted for a six-month closure for the rest of the financial year. We were permitted to re-open, and we worked with Caledonian Heritable on a measured and selective re-opening process given the ongoing uncertainty throughout the period.

We released another Trading Update on 6 November highlighting the impact on performance due to the period of enforced closure. The audited financial figures which accompany this Report details turnover of £2,135,414 (2019: £4,700,852). The reduction is entirely attributable to the enforced Government lockdown already referred to in the second half of the financial year. This resulted in a gross loss of £102,810 for the year (2019 profit: £820,834) prior to UK and Scottish Government assistance. The loss before tax amounted to £285,099 (2019: £2,012,556). Last year's out turn is largely attributable to the impairment of the value of our heritable assets referred to earlier in this Report.

Our net asset value at the end of financial year amounted to £4,886,686 (2019: £5,111,160). The group's net debt totalled £1,444,484 (2019: £365,913). The movement in cash is mainly attributable to costs associated with the transformational capital expenditure incurred at our Clockwork outlet as well as Bauhaus, our new outlet in the west end of Glasgow, where we also negotiated an extension of the lease to twenty-five years on advantageous terms, formalised the class use and regularised the licensing consents to afford a greater food and beverage offering over longer opening hours. The outlet can also claim to have the largest beer garden in the west end of Glasgow, a status of considerable value in the new post Covid-19 environment which beckons.

Since the end of our financial year, we have reorganised our loan agreements with RBS who remain supportive of our endeavours to emerge from these treacherous market conditions in a solvent position. More details of these arrangements can be found in the Group Strategic Report that accompanies the accounts.

As of the date of this Report the hospitality sector in Scotland is under enforced Government closure. There is little evidence to suggest that the situation is likely to change in the short term. The UK and Scottish Governments are continuing to support the sector via the Coronavirus Job Retention Scheme which is critical to retaining key operational staff. Government grants are being made available and the Scottish Government has recently announced a further annual extension of 100% relief of Non-Domestic Rates. This suggests the sector is going to retain financial support for a prolonged period.

That said, as the vaccine rolls out and spring weather beckons there is increasing optimism within the hospitality sector that we are nearing the end of the coronavirus crisis and that a recommencement of trading is within sight. It is also evident that corporate activity is on the rise.

It is already apparent that when trading recommences customers will value space, distance and an al fresco option. Our outlets can cater for this and we look to the future with measured confidence. However, due to ongoing fixed costs associated with prolonged periods of closure our liquidity has suffered and we are vulnerable to opportunistic predators.

Chairman's Report
for the Period 29 September 2019 to 3 October 2020

As trailed in the November Trading Update, we have a responsibility to ensure we have sufficient funds to recommence trading when permitted to do so. This includes the option of issuing new shares at a subscription price which reflects market conditions at the time. Accordingly, the AGM Notice includes an Ordinary Resolution to subdivide each existing ordinary share of 50 pence into five ordinary shares of 10 pence each. This will provide the company with the flexibility necessary to issue new shares under the authorities that are already in place, at a level that reflects market conditions at the time.

Finally, we are currently engaged with a number of parties and advisors operating in the hospitality sector in respect of forward looking proposals. We shall keep shareholders informed of developments should circumstance dictate.

David Low
Chairman
26 February 2021

Group Strategic Report
for the Period 29 September 2019 to 3 October 2020

The directors present their strategic report of the company and the group for the period 29 September 2019 to 3 October 2020.

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.

Our outlets were effectively in full lockdown from 20 March 2020 through to the middle of July 2020, with variable re-openings thereafter given the restrictions imposed by Government. This resulted in an evaluation of each unit to establish the viability of reopening for trade.

As a result, group turnover for the period to 3 October 2020 reduced by 55% to £2,135,414 (2019: £4,700,852). The resulting gross profit, prior to accounting for Government assistance, decreased by £923,644 to a loss of £102,810.

The group loss before tax amounted to £285,099 (2019: £(2,012,556)).

On 10 January 2020 the company set up a fully owned subsidiary, Three Thistles West Limited, to facilitate the acquisition of a leasehold unit in the West End of Glasgow.

Net assets decreased in the year to £4,886,686 (2019: £5,111,160), equating to 65 pence per share (2019: 68 pence per share). As at 3 October 2020 the group had net debt of £1,444,484 (2019: £365,913).

Immediately following the financial year end, the group agreed an extension and refinancing of the existing secured loan split into a £0.4m capital and interest loan and a £1.3m interest only loan over a 5 year term at a variable rate of 2.66% over Base Rate. In addition, the company arranged a CBILS loan of £0.5m in October 2020, with final repayment in October 2026 and with interest commencing in October 2021 at a variable rate of 4.75% over Base Rate.

PRINCIPAL RISKS AND UNCERTAINTIES
The following risks and associated mitigation processes represent the key risks and uncertainties which affect the company 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 year has exposed the majority of businesses to the economic impact of a global pandemic. The effect has been particularly hard felt in the hospitality and leisure sectors within the UK, with only limited trading from 20 March 2020 to the date of this report, and given the uncertainty that remains.

Mitigating processes:
In addition to reducing costs and pursuing business interruption claims, the Group has and will take advantage of all available financial support provided by the UK and Scottish Governments, including the Coronavirus Job Retention Scheme, reduced VAT rates, business rates relief and grants available through local authorities. In addition, the Group has negotiated a Coronavirus Business Interruption Loan from The Royal Bank of Scotland.

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 to avoid significant increases in costs 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

26 February 2021

Report of the Directors
for the Period 29 September 2019 to 3 October 2020

The directors present their report with the financial statements of the company and the group for the period 29 September 2019 to 3 October 2020.

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 29 September 2019 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	302,325
D C McIntyre	8,333
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
RSM UK Audit LLP resigned as auditors prior to the commencement of the audit. McLay McAlister & McGibbon LLP were appointed as their replacement and have indicated their willingness to remain in office as auditors of the group.

ON BEHALF OF THE BOARD:

D C McIntyre - Director

26 February 2021

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 3 October 2020 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 3 October 2020 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
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 seven, 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.

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

26 February 2021

Consolidated Statement of Comprehensive Income
for the Period 29 September 2019 to 3 October 2020

	Notes	Period 29.9.19 to 3.10.20 £	Period 30.9.18 to 28.9.19 £
TURNOVER	4	2,135,414	4,700,852
Cost of sales		(2,238,224)	(3,880,018)
GROSS (LOSS)/PROFIT		(102,810)	820,834
Administrative expenses		(659,296)	(718,054)
		(762,106)	102,780
Other operating income	5	518,585	-
OPERATING (LOSS)/PROFIT	7	(243,521)	102,780
Impairment losses	8	-	(2,036,190)
Profit/loss on sale of tangible fixed assets	8	-	(30,476)
		(243,521)	(1,963,886)
Interest receivable and similar income		2,125	1,671
		(241,396)	(1,962,215)
Interest payable and similar expenses	9	(43,703)	(50,341)
LOSS BEFORE TAXATION		(285,099)	(2,012,556)
Tax on loss	10	60,625	(13,318)
LOSS FOR THE FINANCIAL PERIOD		(224,474)	(2,025,874)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(224,474)	(2,025,874)
Loss attributable to:			
Owners of the parent		(224,474)	(2,025,874)
Total comprehensive income attributable to:			
Owners of the parent		(224,474)	(2,025,874)

The notes form part of these financial statements

Consolidated Balance Sheet
3 October 2020

	Notes	3.10.20 £	28.9.19 £
FIXED ASSETS			
Tangible assets	13	6,488,122	5,942,908
Investments	14	-	-
		6,488,122	5,942,908
CURRENT ASSETS			
Stocks	15	74,350	88,328
Debtors	16	65,603	108,343
Cash at bank		286,215	1,384,943
		426,168	1,581,614
CREDITORS			
Amounts falling due within one year	17	(346,962)	(798,025)
NET CURRENT ASSETS		79,206	783,589
TOTAL ASSETS LESS CURRENT LIABILITIES		6,567,328	6,726,497
CREDITORS			
Amounts falling due after more than one year	18	(1,669,742)	(1,570,856)
PROVISIONS FOR LIABILITIES	22	(10,900)	(44,481)
NET ASSETS		4,886,686	5,111,160
CAPITAL AND RESERVES			
Called up share capital	23	3,750,000	3,750,000
Share premium	24	3,191,825	3,191,825
Retained earnings	24	(2,055,139)	(1,830,665)
SHAREHOLDERS' FUNDS		4,886,686	5,111,160

The financial statements were approved by the Board of Directors and authorised for issue on 26 February 2021 and were signed on its behalf by:

D C McIntyre - Director

Company Balance Sheet
3 October 2020

	Notes	3.10.20 £	28.9.19 £
FIXED ASSETS			
Tangible assets	13	6,321,380	5,942,908
Investments	14	1	-
		6,321,381	5,942,908
CURRENT ASSETS			
Stocks	15	71,870	88,328
Debtors	16	268,830	108,343
Cash at bank		245,682	1,384,943
		586,382	1,581,614
CREDITORS			
Amounts falling due within one year	17	(324,633)	(798,025)
NET CURRENT ASSETS		261,749	783,589
TOTAL ASSETS LESS CURRENT LIABILITIES		6,583,130	6,726,497
CREDITORS			
Amounts falling due after more than one year	18	(1,626,896)	(1,570,856)
PROVISIONS FOR LIABILITIES	22	(10,900)	(44,481)
NET ASSETS		4,945,334	5,111,160
CAPITAL AND RESERVES			
Called up share capital	23	3,750,000	3,750,000
Share premium	24	3,191,825	3,191,825
Retained earnings	24	(1,996,491)	(1,830,665)
SHAREHOLDERS' FUNDS		4,945,334	5,111,160
Company's loss for the financial year		(165,826)	(2,025,874)

The financial statements were approved by the Board of Directors and authorised for issue on 26 February 2021 and were signed on its behalf by:

D C McIntyre - Director

Consolidated Statement of Changes in Equity
for the Period 29 September 2019 to 3 October 2020

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 30 September 2018	3,750,000	195,209	3,191,825	7,137,034
Changes in equity				
Total comprehensive income	-	(2,025,874)	-	(2,025,874)
Balance at 28 September 2019	3,750,000	(1,830,665)	3,191,825	5,111,160
Changes in equity				
Total comprehensive income	-	(224,474)	-	(224,474)
Balance at 3 October 2020	3,750,000	(2,055,139)	3,191,825	4,886,686

The notes form part of these financial statements

Company Statement of Changes in Equity
for the Period 29 September 2019 to 3 October 2020

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 30 September 2018	3,750,000	195,209	3,191,825	7,137,034
Changes in equity				
Total comprehensive income	-	(2,025,874)	-	(2,025,874)
Balance at 28 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

The notes form part of these financial statements

Consolidated Cash Flow Statement
for the Period 29 September 2019 to 3 October 2020

	Notes	Period 29.9.19 to 3.10.20 £	Period 30.9.18 to 28.9.19 £
Cash flows from operating activities			
Cash generated from operations	1	(360,648)	312,515
Interest paid		(43,703)	(50,341)
Tax paid		(25,614)	-
Net cash from operating activities		(429,965)	262,174
Cash flows from investing activities			
Purchase of tangible fixed assets		(650,731)	(71,044)
Sale of tangible fixed assets		-	804,452
Interest received		2,125	1,671
Net cash from investing activities		(648,606)	735,079
Cash flows from financing activities			
New loans in year		46,500	-
Loan repayments in year		(66,657)	(128,575)
Net cash from financing activities		(20,157)	(128,575)
(Decrease)/increase in cash and cash equivalents		(1,098,728)	868,678
Cash and cash equivalents at beginning of period	2	1,384,943	516,265
Cash and cash equivalents at end of period	2	286,215	1,384,943

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Period 29 September 2019 to 3 October 2020

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

	Period 29.9.19 to 3.10.20 £	Period 30.9.18 to 28.9.19 £
Loss before taxation	(285,099)	(2,012,556)
Depreciation charges	105,517	152,395
Loss on disposal of fixed assets	-	30,476
Loss on revaluation of fixed assets	-	2,036,190
Finance costs	43,703	50,341
Finance income	(2,125)	(1,671)
	(138,004)	255,175
Decrease in stocks	13,978	10,141
Decrease/(increase) in trade and other debtors	69,774	(74,094)
(Decrease)/increase in trade and other creditors	(306,396)	121,293
Cash generated from operations	(360,648)	312,515

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 3 October 2020

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

Period ended 28 September 2019

	28.9.19 £	30.9.18 £
Cash and cash equivalents	1,384,943	516,265

3. ANALYSIS OF CHANGES IN NET DEBT

	At 29.9.19 £	Cash flow £	At 3.10.20 £
Net cash			
Cash at bank	1,384,943	(1,098,728)	286,215
	1,384,943	(1,098,728)	286,215
Debt			
Debts falling due within 1 year	(180,000)	119,043	(60,957)
Debts falling due after 1 year	(1,570,856)	(98,886)	(1,669,742)
	(1,750,856)	20,157	(1,730,699)
Total	(365,913)	(1,078,571)	(1,444,484)

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 3 October 2020, the COVID-19 pandemic had an impact on the group's operations. Activity levels remain affected by the restrictions on the industry and uncertainty regarding COVID-19 remains. There is likely to be a continuing impact during the year to September 2021. This represents a non-adjusting event 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.

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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.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

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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.

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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.

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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 29.9.19 to 3.10.20 £	Period 30.9.18 to 28.9.19 £
Liquor sales	1,052,355	2,749,465
Food sales	898,366	1,682,488
Other income	168,189	224,499
Gaming income	16,504	44,400
	2,135,414	4,700,852

5. OTHER OPERATING INCOME

	Period 29.9.19 to 3.10.20 £	Period 30.9.18 to 28.9.19 £
Job retention scheme receipts	382,220	-
Rates holiday and grants	107,346	-
Other government assistance	29,019	-
	518,585	-

6. EMPLOYEES AND DIRECTORS

	Period 29.9.19 to 3.10.20 £	Period 30.9.18 to 28.9.19 £
Wages and salaries	1,230,636	1,671,005
Social security costs	63,579	84,492
Other pension costs	25,597	18,446
	1,319,812	1,773,943

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6. EMPLOYEES AND DIRECTORS - continued

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

	Period 29.9.19 to 3.10.20	Period 30.9.18 to 28.9.19
Directors	3	3
Employees	102	134
	105	137

The average number of employees by undertakings that were proportionately consolidated during the period was 105 (2019 - 137).

	Period 29.9.19 to 3.10.20 £	Period 30.9.18 to 28.9.19 £
Directors' remuneration	122,130	105,645

7. OPERATING (LOSS)/PROFIT

The operating loss (2019 - operating profit) is stated after charging:

	Period 29.9.19 to 3.10.20 £	Period 30.9.18 to 28.9.19 £
Other operating leases	12,968	-
Depreciation - owned assets	105,517	152,395
Auditors' remuneration	10,000	12,740
All other non-audit services	3,000	5,290
Costs of stocks recognised as an expense	690,925	1,518,363

8. EXCEPTIONAL ITEMS

	Period 29.9.19 to 3.10.20 £	Period 30.9.18 to 28.9.19 £
Impairment losses	-	(2,036,190)
Profit/loss on sale of tangible fixed assets	-	(30,476)
	-	(2,066,666)

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9. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 29.9.19 to 3.10.20 £	Period 30.9.18 to 28.9.19 £
Bank interest	43,703	50,341

10. TAXATION

Analysis of the tax (credit)/charge
The tax (credit)/charge on the loss for the period was as follows:

	Period 29.9.19 to 3.10.20 £	Period 30.9.18 to 28.9.19 £
Current tax:		
UK corporation tax	(27,044)	27,034
Adjustment re previous year	-	(1,410)
Total current tax	(27,044)	25,624
Deferred tax	(33,581)	(12,306)
Tax on loss	(60,625)	13,318

UK corporation tax has been charged at 19%.

Reconciliation of total tax (credit)/charge 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 29.9.19 to 3.10.20 £	Period 30.9.18 to 28.9.19 £
Loss before tax	(285,099)	(2,012,556)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(54,169)	(382,386)
Effects of:		
Expenses not deductible for tax purposes	1,882	4,038
Capital allowances in excess of depreciation	(32,253)	-
Depreciation in excess of capital allowances	-	390,254
Adjustments to tax charge in respect of previous periods	(10)	(1,410)
Deferred tax adjustment	(33,581)	1,229
Other tax adjustments	-	1,593
Losses carried forward	57,506	-
Total tax (credit)/charge	(60,625)	13,318

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11. 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.

12. IMPAIRMENTS

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in the Statement of Comprehensive Income:

	Period 29.9.19 to 3.10.20 £	Period 30.9.18 to 28.9.19 £
In respect of:		
Properties	-	2,036,190
Impairment losses	-	2,036,190

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 group 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 2021 should provide greater clarity.

13. TANGIBLE FIXED ASSETS

Group

	Heritable property £	Long leasehold £	Fixtures and fittings £	Totals £
COST				
At 29 September 2019	8,880,897	-	1,841,388	10,722,285
Additions	311,005	134,229	205,497	650,731
Assets no longer in use	-	-	(1,585,755)	(1,585,755)
At 3 October 2020	9,191,902	134,229	461,130	9,787,261
DEPRECIATION				
At 29 September 2019	3,243,098	-	1,536,279	4,779,377
Charge for period	36,477	2,545	66,495	105,517
Assets no longer in use	-	-	(1,585,755)	(1,585,755)
Reclassification	(169,560)	-	169,560	-
At 3 October 2020	3,110,015	2,545	186,579	3,299,139
NET BOOK VALUE				
At 3 October 2020	6,081,887	131,684	274,551	6,488,122
At 28 September 2019	5,637,799	-	305,109	5,942,908

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13. TANGIBLE FIXED ASSETS - continued

Company

	Heritable property £	Fixtures and fittings £	Totals £
COST			
At 29 September 2019	8,880,897	1,841,388	10,722,285
Additions	311,005	168,761	479,766
Assets no longer in use	-	(1,585,755)	(1,585,755)
At 3 October 2020	9,191,902	424,394	9,616,296
DEPRECIATION			
At 29 September 2019	3,243,098	1,536,279	4,779,377
Charge for period	36,477	64,817	101,294
Assets no longer in use	-	(1,585,755)	(1,585,755)
Reclassification	(169,560)	169,560	-
At 3 October 2020	3,110,015	184,901	3,294,916
NET BOOK VALUE			
At 3 October 2020	6,081,887	239,493	6,321,380
At 28 September 2019	5,637,799	305,109	5,942,908

14. FIXED ASSET INVESTMENTS

Company

	Unlisted investments £
COST	
Additions	1
At 3 October 2020	1
NET BOOK VALUE	
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

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15. STOCKS

	Group		Company	
	3.10.20	28.9.19	3.10.20	28.9.19
	£	£	£	£
Stocks	74,350	88,328	71,870	88,328

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	3.10.20	28.9.19	3.10.20	28.9.19
	£	£	£	£
Trade debtors	12,517	46,504	12,517	46,504
Amounts owed by group undertakings	-	-	204,999	-
Other debtors	26,052	61,839	24,280	61,839
Tax	27,034	-	27,034	-
	65,603	108,343	268,830	108,343

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	3.10.20	28.9.19	3.10.20	28.9.19
	£	£	£	£
Bank loans and overdrafts (see note 19)	60,957	180,000	57,303	180,000
Trade creditors	171,215	353,889	156,046	353,889
Tax	-	25,624	-	25,624
Social security and other taxes	10,836	117,441	19,974	117,441
Other creditors	24,712	18,636	24,712	18,636
Accruals and deferred income	79,242	102,435	66,598	102,435
	346,962	798,025	324,633	798,025

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

	Group		Company	
	3.10.20	28.9.19	3.10.20	28.9.19
	£	£	£	£
Bank loans (see note 19)	1,669,742	1,570,856	1,626,896	1,570,856

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19. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	3.10.20	28.9.19	3.10.20	28.9.19
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	60,957	180,000	57,303	180,000
Amounts falling due between one and two years:				
Bank loans - 1-2 years	90,570	78,543	81,636	78,543
Amounts falling due between two and five years:				
Bank loans - 2-5 years	287,035	251,337	258,855	251,337
Amounts falling due in more than five years:				
Repayable otherwise than by instalments				
Bank loans more than 5 years	1,263,149	1,240,976	1,263,149	1,240,976
Repayable by instalments				
Bank loans more than 5 years	28,988	-	23,256	-

20. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	3.10.20	28.9.19
	£	£
Within one year	20,890	-
Between one and five years	83,558	-
In more than five years	405,606	-
	510,054	-

21. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	3.10.20	28.9.19	3.10.20	28.9.19
	£	£	£	£
Bank loans	1,730,699	1,750,856	1,684,199	1,750,856

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.

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22. PROVISIONS FOR LIABILITIES

	Group		Company	
	3.10.20	28.9.19	3.10.20	28.9.19
	£	£	£	£
Deferred tax	10,900	44,481	10,900	44,481

Group

	Deferred tax
	£
Balance at 29 September 2019	44,481
Credit to Statement of Comprehensive Income during period	(33,581)
Balance at 3 October 2020	10,900

Company

	Deferred tax
	£
Balance at 29 September 2019	44,481
Credit to Statement of Comprehensive Income during period	(33,581)
Balance at 3 October 2020	10,900

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	3.10.20	28.9.19
			£	£
7,500,000	Ordinary	50p	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.

24. RESERVES

Group

	Retained earnings	Share premium	Totals
	£	£	£
At 29 September 2019	(1,830,665)	3,191,825	1,361,160
Deficit for the period	(224,474)		(224,474)
At 3 October 2020	(2,055,139)	3,191,825	1,136,686

continued...

24. RESERVES - continued

Company

	Retained earnings £	Share premium £	Totals £
At 29 September 2019	(1,830,665)	3,191,825	1,361,160
Deficit for the period	(165,826)		(165,826)
At 3 October 2020	(1,996,491)	3,191,825	1,195,334

25. RELATED PARTY DISCLOSURES

The total remuneration of directors who are considered to be the key management personnel of the group was £122,130 (2019: £105,645).

26. POST BALANCE SHEET EVENTS

On 13 October 2020 the group agreed an extension and refinancing of the existing secured loan split into a £0.4m capital and interest loan and a £1.3m interest only loan over a 5 year term at a variable rate of 2.66% over Base Rate. In addition, the group arranged a CBILS loan of £0.5m in October 2020, with final repayment in October 2026 and with interest commencing in October 2021 at a variable rate of 4.75% over Base Rate.

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