



DANIEL THWAITES PLC

ESTABLISHED 1807

ANNUAL REPORT & ACCOUNTS 2024

Our new keg pale ale Paradise N°3.



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About Us

Daniel Thwaites PLC is one of the UK's longest established family brewers with a strong regional presence in the North of England.

We have an estate of approximately 300 freehold properties, comprising pubs, inns, hotels & spas and our craft brewery. Our strong family connections shape the way we do business with an eye for quality and a generous blend of innovation, craftsmanship and warm hospitality.

We look for our properties to be the best in their local market place, and to drive value for our shareholders and customers who put their trust in us to deliver superb hospitality in outstanding properties in great locations and of course, brew some fabulous beers along the way.

Regal wins Turnout Champion at the National Shire Horse Show.



Financial Highlights

TURNOVER

£115.5m

2023: £108.8m

OPERATING PROFIT (Before property disposals)

£11.3m

2023: £10.9m

PROFIT BEFORE TAX

£9.1m

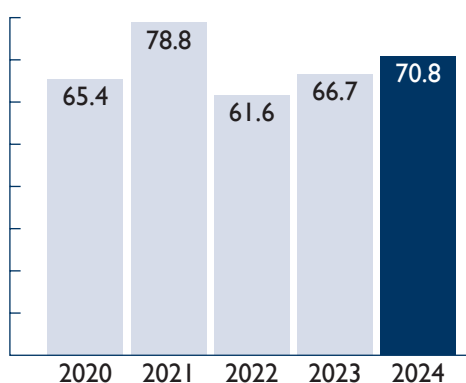
2023: £15.1m

EARNINGS PER SHARE

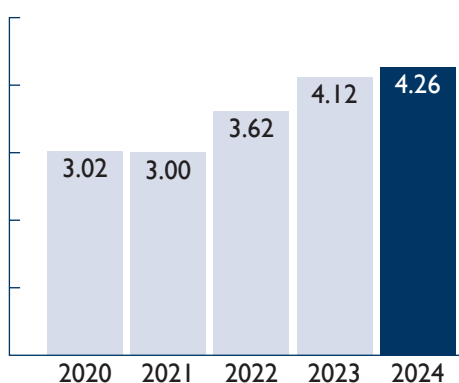
12.4p

2023: 21.9p

NET DEBT £m



NET ASSETS PER SHARE £



Strategy

Daniel Thwaites is a deliberately diversified regional hospitality and leisure business operating in the pub and hotel market predominantly in England. The business has been built up with an eye for quality, a premium offer and differentiation.

OUR PURPOSE – WHY WE EXIST

Our purpose is to make people feel at ease. We do that through our real hospitality, delivered in a socially responsible way, by friendly faces in our outstanding properties in great locations.

OUR STRATEGY - HOW WE DRIVE DIFFERENTIATION AND CREATE VALUE

Our strategic framework of performance drivers guides continuous improvement, innovation and change within the business so that it does not stand still and is agile in developing for the future.

REAL HOSPITALITY

In each of our properties we challenge ourselves to understand and continue to adapt and improve our high standards of service time and again to bring a premium experience to our customers, making it easy for them to decide to return or to visit us in one of our other properties.

We take special care in crafting the offering in each of our properties to provide thoughtful and delightful touches and small details that make a big difference. Our properties are all unique and our attention to detail brings out their individuality.

FRIENDLY FACES

Our business would be nothing without our incredible people and teams. We seek to attract and retain energetic people who have a natural desire and ability to make people feel at ease.

CULTURE

As a result of the diversification of our business across a number of differing markets we have a valuable insight into how different things work in different settings. We have a culture of collaboration, sharing and learning across the business, working as one single organisation to adopt best practice.

SOCIAL RESPONSIBILITY

We are socially responsible throughout our business and do what we believe to be the right thing. In particular we offer the highest quality, sustainable products. Wherever possible we source our products and services locally and it is always our preference to buy British if possible.

OUTSTANDING PROPERTIES IN GREAT LOCATIONS

We expect our properties to be the best in their area and this requires us to continually improve the quality of the estate and the returns we make. We review our properties regularly to recycle capital where we believe a property cannot meet the returns available to us elsewhere.

We recognise the importance of regular investment in our freehold assets, keeping them in good order. When we do invest, we create high quality design driven schemes that enhance the customer experience.

OUR BUSINESSES

We believe that the diversification of the business provides some resilience throughout the normal course of the business cycle. We also believe that in the long term the freehold ownership of our portfolio is preferable to operating leasehold properties and adds long term value and protection.

THWAITES PUBS

Over time we have assembled an estate of pubs that represents the best of the Great British Pub – friendly locals, serving lovely beers and offering wonderful home cooked food at the heart of their community.

OUR TENANTED PUBS

We own an estate of well invested tenanted pubs that has been built up over two centuries and can count amongst it some of the best pubs in the country. The tenancies are run in partnership with entrepreneurial operators where both parties' interests are aligned in building and running a successful pub, and our teams are on hand to provide business support and help solve day to day issues. The shared income model of a tenanted pub provides a robust model that is cash generative. Our tenanted pubs also support our brewery providing a vital route to market for our beers.

OUR MANAGED PUBS

We own a small number of managed pubs, which either by virtue of their size or because in due course they will be converted to tenancies, we run under direct management. These are pubs that have a long-term sustainable future within the business, where we can take advantage of our central infrastructure running our other managed properties to trade them profitably.

THWAITES BREWERY.... CRAFT BREWERS SINCE 1807

Brewing is in our blood, it's what we do day in, day out. It's not just a job, it's a way of life and has been for over 200 years.

Since Daniel Thwaites first set out from his family farm in the Lake District and started his brewery in 1807, our brewers have continued to create beautifully balanced, delicious beers. We believe that the heritage of our brewery brings a rich equity to the rest of our business. We are proud of the quality of the beers we brew and only sell our beers in our own properties; we think that makes them that little bit more special and provides another reason to visit.

STAYING WITH DANIEL THWAITES..... SMALL DETAILS, BIG DIFFERENCE

We have been passionate about delivering superb hospitality since Daniel opened his first pub over 200 years ago. Be it a trip away for business or leisure, we know how important it is to be comfortable, well looked after and feel welcome. Immense care and attention has been taken in putting together a collection of hotels, spas and inns with an eye to quality and beautiful and thoughtful touches which appeal to a discerning customer base.

OUR INNS - MANAGED PUBS WITH BEDROOMS:

We own and run a portfolio of larger pubs, or inns, with typically between 20-40 bedrooms, where the income split is broadly equal between the rooms, food and drink.

Our inns are typically old and historic buildings that ooze charm. We build on this through investment in thoughtfully designed schemes to modernise them and make them feel characterful and special. We serve home cooked food and interesting specials that places them above normal pub grub.

OUR HOTELS AND SPA HOTELS:

We own and operate a family of ten hotels and spas with a strong local following that stand out from the mass market chains. We enrich the customer offer by creating different experiences throughout our hotels and are unwavering in ensuring that the products and services that we provide throughout our properties are of good quality and the design is interesting.

We invest thoughtfully in the physical environment throughout our hotels to make them feel different and help our customers feel at ease. We actively want to stand out from the international chains by providing a more enjoyable environment, characterised by interesting design, friendly service, home cooked food and attention to detail.

The Golden Lion, Settle.



Chairman's Statement

The Company has grown and turned in a robust performance during a period of high cost inflation and economic uncertainty. The market positioning of its managed properties towards more premium segments and the resilience of its tenanted community pubs, together with its freehold property model has prevailed.

The first half of the year was level with the previous year and a stronger Christmas period allowed growth in both turnover and profits year on year, although conversion was a challenge due to higher costs. The winter period saw a succession of storms batter the UK and was one of the wettest on record.

Easter fell early, but coincided with another wet and cold period and so did not kick start the spring season as it would usually do. That has not happened until the middle of May, with the arrival of some warmer and more settled weather.

The previously announced development of Langdale Chase Hotel in the Lake District is complete and the hotel is open and trading profitably. This is the largest investment the Company has made in the past 15 years and it has made quite an impact on the Lake District hotel market with favourable press reviews and strong customer feedback.

The Pendle Inn, Barley.



RESULTS

Turnover for the year to 31 March 2024 grew by 6% to £115.5m (2023: £108.8m).

Operating profit before property disposals grew by 4% to £11.3m (2023: £10.9m). The earnings per share was 12.4p (2023: 21.9p).

Net Debt at 31 March 2024 was £70.8m (2023: £66.7m), which is an increase of £4.1m as a result of a larger than normal investment programme.

The Bank of England has continued to respond to higher inflation by raising interest rates to 5.25% from 4.25% at the end of March 2023. This increase in interest rates impacts the discount rate used to value the Company's pension scheme and interest rate swap liabilities. As a result, we have seen a decrease of £1.3m in our swap liabilities to £2.6m and an increase in our pension scheme surplus of £2.7m to £34.9m.

The profits retained for the year together with these positive impacts on our balance sheet provided a net asset value per share at 31 March 2024 of £4.26 (2023: £4.12).

ACQUISITIONS, DEVELOPMENTS AND DISPOSALS

During the year we have not acquired any trading assets, although we have evaluated a number of opportunities. Valuations remain uncertain in the current economic climate and prices for high quality assets have not adjusted much from the past few years despite increases in interest rates.

We invested £18.3m (2023: £15.6m) to improve the quality and offering in our existing properties including the completion of the full refurbishment of Langdale Chase, which was a significant spend.

The Company has sold eleven bottom end pubs and two ancillary properties with total proceeds of £3.8m (2023: £3.1m).

DIVIDEND

An interim dividend of 0.85p (2023: 0.75p) was paid in January 2024 and the Board recommends a final dividend of 2.5p (2023: 2.4p). The Board will keep the level of dividend under review, continuing to assess the level of future dividend in the light of Company performance.

BOARD

I would like to recognise and celebrate the contribution made to the Company by Ann Yerburch, who joined the Board in March 1974. Over 50 years she has been a long standing director, inspiring chairman and a wonderful champion of the business. I would like to thank her for her ongoing support and wise counsel.

PEOPLE

Daniel Thwaites is unbeatable when it harnesses the immense power of a family of teams working together; collectively we are more than the sum of our parts.

We have continued to celebrate the outstanding efforts made by individuals and teams across the Company at our Pride of Daniel Thwaites Awards. This year the event was held in Manchester and was a tremendous success with over 230 attendees. Over 1,000 nominations were received from across the business with our team members calling each other out for the amazing contributions being made by their colleagues. It is a very positive event and serves well to highlight both the individual and team performances that help us to be such a successful business.

Fortunately, the challenges of inflation that have been a problem for us all over the past two years appear, for the moment, to be receding. Wages are currently growing faster than inflation and that will help the pressure to ease. I would like to thank all of the Company's employees for their hard work over the past year to help the Company deliver a robust performance.

I would also like to thank our shareholders, your support has helped us to come through a rocky period, but the Company is in excellent shape for the future.

OUTLOOK

Factors that have been against us for the last few years, including inflation, a difficult employment market and the cost of living crisis are now abating and we are hopeful that the coming year will present a more stable trading environment.

The UEFA European football championships present a good opportunity for pubs this summer; the inns continue to increase market share locally, our hotels are benefitting from a stronger corporate market and we have high hopes for the first full year of trading at Langdale Chase.

This last year has been one of confident investment across every area of the Company and that places us in a very strong position to move our performance forward in this current financial year. We have high expectations that, all things being equal, this coming year will be a good one.

R A J Bailey
Chairman

18 June 2024



Pride of Daniel Thwaites Awards held at the Albert Hall Manchester on 28 April 2024.



Strategic Report

OPERATING REVIEW

OVERVIEW

The Company got off to a strong start this financial year, with a fine period of weather early in the year helping the pubs and inns to post excellent early results. The summer was largely a wash-out, but September and October were good months and Christmas held up to expectations, before a prolonged period of storms and wet weather took hold until the spring.

The employment market now seems to have stabilised such that we have largely been able to fully staff our properties, which has been a challenge in the last few years. This has been aided by the staff accommodation that we have invested in over the last two years and we are in as good a position to capitalise on our opportunities when they present themselves as we have been for a while.

The level of investment in our properties and teams has paid off, with improving Net Promoter Scores and customer reviews across both our inns and hotels both of which will help drive return visits and increased profitability.

FINANCIAL RESULTS

Turnover for the year was £115.5m, (2023: £108.8m), an increase of 6%. The operating profit for the year was £11.5m, (2023: £12.3m). The profit before tax, which benefited from a mark to market gain on interest rate swaps was £9.1m (2023: £15.1m). Net debt increased to £70.8m, (2023: £66.7m) an increase of £4.1m. At the year end the company had banking facilities of £82m, giving headroom to its debt facilities of £11.2m.

The tenanted pubs continued to benefit from the 2023/24 Retail, Hospitality and Leisure Business Rates Relief (RHL) scheme which provides eligible, occupied, retail, hospitality, and leisure properties with a 50% relief, up to a cash cap limit of £110,000 per business from 1 April 2023 to 31 March 2024. We received £110,000 in total for our managed business.

PUBS AND INNS

	2024	2023	2022
Turnover £m	63.0	57.7	52.1
EBITDA* £m	17.1	17.6	18.8
Operating profit £m	13.9	14.4	15.6
Average number of pubs and inns	218	225	233

*EBITDA is operating profit before depreciation and is reconciled to operating profit in the Financial Review on page 14.

UNDERSTANDING OUR PUBS

Our freehold estate of tenanted pubs numbers approximately 200 properties. We continue to recycle capital into new, more attractive tenanted and managed pub opportunities, where there is the potential to invest and add value and so we continue to dispose of pubs that we do not believe have a long-term future with us.

Our pub estate encompasses community locals to destination food led pubs in both rural and town centre locations, ranging geographically from Cumbria to the Midlands, and from North Wales to Yorkshire.

We have been operating tenanted pubs for a long time, and we have a strong reputation for our well-established approach. We strongly value our reputation as a partner of choice, acting with integrity, and focusing on investing alongside proven operators to expand and improve the premises with a focus on establishing good quality food offerings. Where the property has the scope, and we believe the demand exists, we support the development of letting bedrooms. We have an estate of high quality, sustainable businesses with multiple income streams that have the ability to generate attractive cashflows.

Our tenanted pubs are a mature business, looking to deliver returns at least in line with inflation. They tend to be heavily influenced by weather and so are subject to the vagaries of the British summer.

Strategic Report continued

PUBS PERFORMANCE

The turnover of our tenanted pubs increased year on year by 8%, with EBITDA and operating profit increasing by 4%.

The pub market continues to be a very challenging environment in which to trade, and we have continued to see a churn in our pub customers in our tenanted estate, albeit at a lower level than in the previous year. As a result, disruption in the tenanted estate continues to be at a higher level than we have historically experienced.

The number of pubs that needed to be re-let started the year at 21, with nine closed pubs and finished the year at 20, with eleven closed pubs – eight of which were under offer to new tenanted customers, which was encouraging. Enquiries from parties looking to run their own business in one of our pubs are high and we continue to see high quality candidates coming forward.

In addition, we have continued to run pubs on our WayInn Franchise Agreement, which helps to keep pubs open when an operator leaves and we do not have an operator ready to take the pub on with a traditional brewery tenancy, these have increased to 16 pubs at the year end, up by one pub year on year. Several of these pubs have become multi-year WayInn franchises as some operators prefer this lower risk approach to running a pub.

Beer volumes increased by 1% year on year with wines and spirits down by 2% and soft drinks 1% ahead. Tenanted pub sales increased by 5% and gross margin fell by 0.4%, as we chose to support pubs through discounts. Machine income continued a good run, up strongly year on year as digital machines and changes in the market provided attractive conditions.

The costs of running a pub have increased substantially over the past few years, and in particular utilities and wage costs are testing pubs to the limit. From 1 April 2024 the national minimum wage increased by 9.8%, substantially ahead of inflation, creating additional pressure on the profitability of pubs. Utility bills have started to ease and the business rate relief provided by the government to smaller pubs is welcome, but due to expire in April 2025. We continue to lobby the government to extend it, it is an investment in local communities and employment and it would be short sighted to abandon it.

We had a very busy year of investment into the tenanted pubs with 6 major schemes and a further 44 schemes of up to £100,000. In total a quarter of our pubs received investment of one sort or another. Transformational schemes were delivered at The Duke, Blackpool, The Buck, Clitheroe, The Victoria and The Grey Horse, both in Accrington.

BREWERY

Our award winning craft brewery continues to go from strength to strength. This year we launched a new Pale Ale in keg, Paradise No. 3, at an ABV of 4.3% it plays to an attractive segment of the market with a strong design and stand out on the bar, the initial feedback has been most encouraging.

UNDERSTANDING OUR INNS

We own and manage a growing portfolio of inns and we will continue to look to expand this segment of our business in the future through the acquisition of high quality properties in outstanding locations.

Our Inns are positioned at the premium end of the market, they have a busy bar at their core, a home cooked food offering and high quality, comfortable accommodation – they focus on providing outstanding hospitality and offer an attractive and more personal alternative to the mid-market hotel chains.

This segment of the market has performed strongly over the past few years and is positioned for continued growth as customers look for something special that is authentic and honest, delivered by operators who can provide a quality experience consistently.

INNS PERFORMANCE

Our strategy this year was to moderate price increases in the Inns in the face of general pressures on the disposable income of our customers to protect the volume of sales. This helped the inns to increase sales by 11% on the previous year, and it was most encouraging to see strong growth in our drink sales. Last year we hoped for a rebound in the profitability of the inns this year and so it was encouraging to record that EBITDA increased by 15% overall, a strong performance.

The market for our inns is an attractive one, and when the conditions are right, they trade very well. The biggest scheme of the year was an upgrade of eleven bedrooms at the Manor House at The Red Lion, Burnsall, which was delivered at the start of April. We are in the process of delivering schemes at The Golden Lion, Settle and The Fleece, Cirencester which will put those two properties in a strong position to trade well this summer.

The government sponsorship scheme to attract workers from overseas has played an important role over the past few years in bolstering our teams both in our kitchens and front of house, for roles that we could not fill from within the United Kingdom. It was disappointing therefore that the government increased the threshold for skilled worker roles from £26,200 to £38,700 from April 2024.

We received planning permission to convert Lendal House in York, which we acquired in October 2021, into 7 bedrooms to complement The Judge's Lodging and when the York accommodation market strengthens we look forward to delivering that project.

UNDERSTANDING OUR HOTELS & SPAS

	2024	2023	2022
Turnover £m	52.5	51.1	43.9
EBITDA* £m	9.1	9.3	10.1
Operating profit(loss) £m	6.2	6.2	7.0
Average number of hotels	10	10	10

*EBITDA is operating profit before depreciation and is reconciled to operating profit in the Financial Review on page 14.

We own and operate ten hotels which are spread across England. Our hotels are positioned towards the premium end of the market and most have leisure and spa facilities. In recent years we have invested in them to amplify the individual character of each hotel in its local area, supported by a great food and drink offering with local nuances. Our vision, similar to our inns, is to create a collection of interesting, characterful contemporary hotels, that are the best in their local area.

HOTELS & SPAS PERFORMANCE

Turnover increased by 3%, driven wholly by an increase in occupancy, as we found it difficult to increase the average room rate during the year. Overall rooms yield also increased by 3%, our spas continued to be a positive influence on the overall sales mix, and their sales were up by 15% year on year. The increase in turnover was sufficient to cover the increase in our costs and profits were flat year on year.

In September 2022 we closed Langdale Chase for a major refurbishment which was scheduled to reopen in November 2023. The project was delivered on time and largely to budget and has reopened to strong reviews and coverage in the press. We were pleased that it was placed third in the Times Top 100 Hotels in the UK, and the best hotel in the North.

During the year we invested in bedrooms and meeting rooms at Aztec Hotel & Spa and in solar panels on the roofs of Aztec Hotel & Spa, Kettering Hotel & Spa and Solent Hotel & Spa. Investment in energy saving is at the heart of our investment programme where it makes sense and we can deliver a reasonable return on capital, the initial signs from these schemes are positive and they are delivering mid-teens returns on capital employed.

SUMMARY AND FUTURE DEVELOPMENTS

The Company has delivered top line growth of 6% in the past year, which has converted to operating profit (before property disposals) growth of 4%. This has been delivered against a backdrop of large swings in our costs, particularly utility costs, embedded inflation and pressure on people's discretionary spend.

A lot of focus this year has been directed towards the development of Langdale Chase, which was shut for the key trading period and was a drag to performance this year. However, we are pleased with the development that we have undertaken and it is now open, trading profitably and contributing to our overall results. We look forward to it making a meaningful contribution in the coming years.

The pubs are trading well and whilst we have more closed than we would like, our disposal programme has slowed considerably, and we are positive about their future prospects. We have prospective operators identified and signed up to continue reopening many of our closures over the next few months. Our investments in the pubs are working and making us good returns, ahead of our hurdle rates. Our customers continue to look for more premium products and our drinks range, food offering and pubs, inns and hotels cater to that trend.

We have a strong development pipeline right across the business, but are not looking to significantly increase our debt levels. If anything we would like to reduce them slightly so that when opportunities arise to make acquisitions we are in a strong position to do so.

There is plenty of opportunity within the business to grow our profitability without acquisitions and we are wholly focused on delivering that this coming year.

Financial Review

RESULTS

Turnover for the year ended 31 March 2024 increased by 6% to £115.5m (2023: £108.8m), whilst operating profit was 7% lower at £11.5m (2023: £12.3m), due to lower profits on disposal of properties.

The measurement of the interest rate swaps at fair value resulted in a gain in the profit and loss account of £1.3m (2023: £6.6m).

Profit before taxation for the year was £9.1m (2023: £15.1m).

BUSINESS REVIEW

The key issues facing the Group are covered in the Chairman's Statement and Strategic Report. The KPIs used by the Group to monitor its overall financial position can be summarised as follows:

	2024	2023
Group		
	£m	£m
Turnover	115.5	108.8
EBITDA	18.0	19.1
Depreciation	6.5	6.8
Operating profit	11.5	12.3
Profit before tax	9.1	15.1
Net debt	70.8	66.7
Earnings per share (pence)	12.4	21.9
Pubs and Inns		
	£m	£m
Turnover	63.0	57.7
EBITDA	17.1	17.6
Depreciation	3.2	3.2
Operating profit (before Group central charges)	13.9	14.4
Average number		
Tenanted	204	211
Managed	14	14
Hotels & Spas		
	£m	£m
Turnover	52.5	51.1
EBITDA	9.1	9.3
Depreciation	2.9	3.1
Operating profit (before Group central charges)	6.2	6.2
Average number	10	10

The principal non-financial indicators monitored by management are:

PUBS AND INNS

Utility consumption, health and safety incidents, beer volumes, customer ratings and tenant recruitment.

HOTELS

Utility consumption, room occupancy rates, customer ratings, health and safety incidents, spa memberships and wedding and event numbers.

INTEREST RATE SWAPS MEASURED AT FAIR VALUE

The Group holds derivative liabilities in the form of interest rate swaps for £45m which are recognised as a financial liability. The movement in the fair value of these interest rate swaps during the year resulted in a gain in the profit and loss account for the year ended 31 March 2024 of £1.3m (2023: £6.6m). See note 18 to the financial statements for further details.

INTEREST PAYABLE

Net interest payable increased to £5.2m (2023: £4.1m) due to higher debts levels and higher interest rates.

TAXATION

There is a tax charge of £1.8m on the profit for the year, an effective rate of 19.8%.

EARNINGS PER SHARE

Earnings per share of 12.4p (2023: 21.9p).

DIVIDEND

An interim dividend of 0.85p has been paid and the Board recommends a final dividend of 2.5p per share, which will make a total of 3.35p for 2024 (2023: 3.15p).

CASH FLOW AND FINANCING

The Group's net borrowing increased by £4.1m, from £66.7m at 31 March 2023 to £70.8m at 31 March 2024 due to capital expenditure.

The Group has £45m of long-term debt, £29m of bank loans and cash balances of £3.2m at 31 March 2024. The Group has three-year revolving credit bank facilities which were renewed in the first quarter of 2023.

PENSIONS

On 31 December 2023 the Daniel Thwaites Supplementary Pension Scheme was merged into the Daniel Thwaites 1959 Pension Scheme, in order to simplify the calculation of benefits and reduce future costs. At the 31 March 2024 the scheme had a surplus, before tax, of £34.9m which was an increase of £2.7m from the combined surplus of £32.2m, before tax, at 31 March 2023.

The Group did not pay any contributions into the scheme in the year and the scheme paid all its administration costs.

PROPERTY

During the year we sold eleven pubs and two ancillary properties for a total of £3.8m generating a profit against book value, after disposal costs, of £0.2m.

In line with our accounting policy, 20% of our properties were subject to a formal revaluation, and additionally an impairment review was carried out on the rest of our property estate. This resulted in an increase in the total value of our property portfolio of £2.0m, of which £2.2m was added to the revaluation reserve and £0.2m deducted from cost and charged to the profit and loss account.

TREASURY POLICY AND FINANCIAL RISK MANAGEMENT

Treasury policies are subject to Board approval. All borrowings are in sterling and comprise a mixture of fixed interest loans and facilities carrying SONIA related floating rates. The Group has interest rate swaps for £45m where it is committed to pay the difference between SONIA and fixed interest rates. At 31 March 2024 a financial liability of £2.6m has been recognised in respect of these interest rate swap contracts.

GOING CONCERN

At 31 March 2024 the Company had total borrowing facilities of £82m, which were made up of the long-term loan of £45m, revolving credit facilities of £35m, and overdraft facilities of £2m. When compared to net debt of £70.8m at 31 March 2024, this gave headroom of £11.2m.

The Company has generated positive operating cashflows over the period, such that it has invested £18.3m in capital expenditure during the year and has comfortably met all of its banking covenants. Its financial modelling shows that it is expected to be cash generative and meet its banking covenants for at least the next twelve months from the date of signing the financial statements.

The directors therefore have a reasonable expectation that the Group has sufficient resources to continue in operational existence, and meet its liabilities as they fall due, for the period of at least 12 months from the approval of these financial statements. Accordingly, the directors continue to adopt a going concern basis of preparation of these financial statements.

Kevin Wood
Finance Director

18 June 2024

Thorpe Park Hotel & Spa.



Promoting the success of our Company - S172 (I) Statement

OUR APPROACH

As you will see elsewhere in this report, our approach to the running of the business, which we believe underpins its long-term success, is governed by a strong set of principles which create a cultural thread throughout the Company – the culture exists through our teams, but its direction is set by the way the Board behaves and operates.

The success of the Company, in no small part, relies on the partnerships and relationships that we form at all levels, be it with our employees, our customers, our suppliers or any of the other groups that we interact with – and so it has been for all of our 217 year history.

As a Board we have a duty to run the business in such a way that balances the interests and considerations of all of our stakeholders and to promote the business for the benefit of our members.

In governing and directing the business with the interests of our members in mind, we must however consider the interests of our employees, how we manage the ongoing success of our relations and dealings with customers and suppliers, ensure that we have an eye to our communities and the impact that our business has on the environment. An overriding concern is also of course understanding how we maintain, protect and grow our reputation that has been so carefully built up over more than two centuries.

These stakeholder considerations are intrinsically woven through every decision we make. Often these decisions are easy, governed by our principles and just who we are as a family business; they come naturally as a result of our strong heritage, history and desire to run the business with its long terms interests at our core. Sometimes we have to take decisions that seem at the time to be to the detriment of one of more of these groups – when this is the case, we always look to be honest and open, we will be fair and reasonable so that when history judges those decisions with the benefit of hindsight, we have the confidence to stand behind them.

In balancing our approach to running the business, we know that we are successful when we find that our stakeholders want to be associated with Daniel Thwaites.

OUR EMPLOYEES

Board Considerations

Our employees and teams are our biggest asset, their hard work, dedication and commitment is the cornerstone of our success and intrinsic to our future. Within the business we are

privileged to attract some truly talented individuals, as well as benefiting from the experience, stability and support of many families who have worked with and for Thwaites for decades and through different generations of the same family.

The Board places health, wellbeing and safety at the heart of its decision making. The Company offers the majority of its permanent employees, access to a private healthcare scheme and external support with mental health counselling, where that is needed. Over the past few years, the Board had developed the remuneration structure so that it exceeded the National Living Wage, and this remains its medium-term objective, although in the current environment there are challenges to this.

Employee Communications

Keeping our teams abreast of developments has historically been done through management briefings, annual results briefings and a Company newsletter.

We operate new starters and leavers surveys together with regular reviews that have improved our employee retention rates.

In addition, we operate a companywide open-forum social network which has a high level of take up and has proved very popular.

Diversity and inclusion

Our preference wherever possible is to create development pathways within the business to allow for development of an individual's career; which also has the advantage of identifying individuals who have a strong cultural fit with the business. The Company advertises vacancies both internally and externally, with the objective of filling vacancies with the best candidate for the role based upon attitude, skills, experience and knowledge.

The Company operates an equal opportunities policy that looks to promote fairness and not to discriminate in any way. It is our policy to give equal opportunity to disabled persons where they have the ability to fulfil a role and where we are able to provide a role, we will support them as part of our family.

Training and development

From the moment that someone joins our family business it is our responsibility to ensure that they feel welcome and enabled to do their role to the best of their ability. We recruit people who we believe will fit well within our business and have a mixture of both on the job training, internal and external training to ensure that they have the right tools for the job.

New starters receive an induction into the business and onboarding into their role. We have internal review and development process called ELMA, which is a quite simply a conversation - designed to give our managers an opportunity to talk to their team members about the difference that they make to the Company, how things are going and what personal goals we can set to help them to enjoy their job more and make more of a difference to the success of our business.

OUR SHAREHOLDERS

Board Considerations

All Board decisions are made with the long-term success of the business in mind, which ultimately is in the best long-term interests of the members.

This requires a balance between returns today, in the form of dividends, and returns in the future through investment that will help to grow the profits and pay dividends in years to come. Where these conflict, investment today to protect the strength of the business in the future will prevail.

Shareholder Communications

The company responds to shareholder letters and queries promptly as they arise, it consults with the family representative on key strategic decisions.

Annual General Meeting (AGM)

The Board encourages shareholders to attend in order to meet the directors and ask questions. When this is not possible the Board encourages all shareholders to exercise their voting preferences by using the proxy cards that are included in the notice of meeting.

The Company website is regularly updated and provides additional information.

OUR COMMUNITIES

Board Considerations

Charitable Giving

Our business is linked into local communities across the whole of the north-west of England as well as further afield through our network of properties. We have a long history of charitable giving and we continue to support local charities both around our head office and also around our pubs and hotels the length and breadth of England.

The Board sets aside a charitable fund as part of the budgeting process each year, based upon affordability, on top of which initiatives across the business raise additional charitable donations each year.

Energy Usage and Carbon Footprint

The Company has for a long time been a believer in investing to reduce its energy consumption and carbon footprint both because it is the right thing to do for the environment and because judicious investment can provide sensible financial returns. Where investment is made to reduce the Company's

environmental impact the Board applies a slightly reduced hurdle rate to its investment returns.

Waste

One of the largest areas of waste in the hospitality industry is food waste. The Board monitors food waste and has set objectives to reduce this.

OUR SUPPLIERS

Board Considerations

Our business model depends on strong partnerships with our suppliers in order to be able to fulfil the needs and requirements of our customers. The Board promotes the use of local family firms where possible in order to support local communities and other family businesses. Wherever possible the Board directs that the Company should buy British, in order to support British businesses and minimise logistics and food miles. The Company agrees terms with our suppliers and as a matter of principle pays them to those terms insofar as there is no dispute. Where possible the Board approves multi-year contracts in order to secure certainty of supply of goods and services for a known period at a known price.

PENSIONERS

Board Considerations

The Company now administers one defined benefit pension scheme, the Daniel Thwaites 1959 Pension Scheme, after the assets and liabilities of the Daniel Thwaites Supplementary Scheme were transferred into it on 31 December 2023. The scheme was closed to new members and future accrual many years ago. The Board is wholly committed to meeting the obligations of this scheme over time and to funding any deficits over periods agreed with the Pension Trustees.

The Board supervises the funding position of these schemes and works with the Trustees on investment policy, tactical projects to strengthen the funding position and recovery plans with the objective of managing the wind down of these schemes in such a way that contributions from the Company are balanced with risks taken within the schemes whilst not jeopardizing the long-term sustainable growth of the business which ultimately underpins the Company's covenant to the schemes.

KEY DECISIONS

The key decisions that were made during the year included the following:

- Selling price increases to recover cost inflation whilst minimising the impact on customer volumes and spend
- Timing and duration of utilities contracts
- Working with the pension fund trustees on investment strategy in an uncertain environment
- Planning the reopening of Langdale Chase
- Proceeding with planning applications for future developments, including Lendal House adjacent to the Judges Lodging, York
- The disposal of eleven bottom end pubs and the decision to put further properties on the market

Principal Risks and Uncertainties

RISK	IMPACT	MITIGATION
Economic		
PANDEMIC OR OTHER MAJOR WORLD EVENT	A major world event could have a significant impact on the business. The Covid-19 pandemic had a significant impact on the hospitality industry. The Company had never previously envisaged the closure of the total business for long periods of time under directive of the UK Government. The closure had a severe detrimental impact on turnover, profitability and cash flow. Subsequently, the war in Ukraine has added additional pressure due to substantial increases in energy and food prices.	The Company demonstrated during the pandemic that it could take prompt and decisive action to immediately reduce costs, minimise cash burn and focus on ensuring the Company had sufficient banking facilities to ensure it could navigate its way through the crisis. Selling prices have been increased where possible to partially mitigate the impact of price increases, whilst not deterring customers due to the cost of living crisis.
CONSUMER CONFIDENCE	The Company's business operations are sensitive to economic conditions and in particular to consumer spending. Changes in economic conditions could affect consumer spending and therefore our revenue.	Our business encompasses pubs, hotels and inns, with offers targeted at different consumer groups giving a degree of diversification.
COST INFLATION	There is an on-going risk of increases in costs. In particular employment costs, including above inflation increases in the national living wage, utilities and food costs.	All costs are reviewed on a monthly basis, and our purchasing team negotiates to protect against significant cost increases on major inputs.
PROPERTY VALUES	Property values are impacted by changes to economic conditions, along with our ability to make disposals at appropriate values.	The long-term value of our properties is regularly assessed. Decisions around investment and disposal are made on an individual site basis.
INTEREST RATES	The company has £45m of fixed interest rate swaps on which it is committed to paying the difference between SONIA and the fixed rates. The cost of servicing the swaps is therefore dependent on SONIA.	The SONIA rate is monitored on an on-going basis, along with the buy- out cost of the swaps. Swaps are paid off when the Board considers it to be in the best interests of the Company based upon expectations of future interest rates and the financial position of the Company.
PENSION SCHEMES	The company operates a defined benefit pension scheme which has been closed to new entrants for many years. Recent changes to gilt yields have resulted in a surplus on the balance sheet. However, changes to the investment strategy and the assumptions used to calculate the liabilities can have a large impact on the assessment of the pension scheme funding levels	Management closely monitor any developments in relation to pension scheme funding, and work with the Trustees to ensure that appropriate decisions are made on a timely basis.

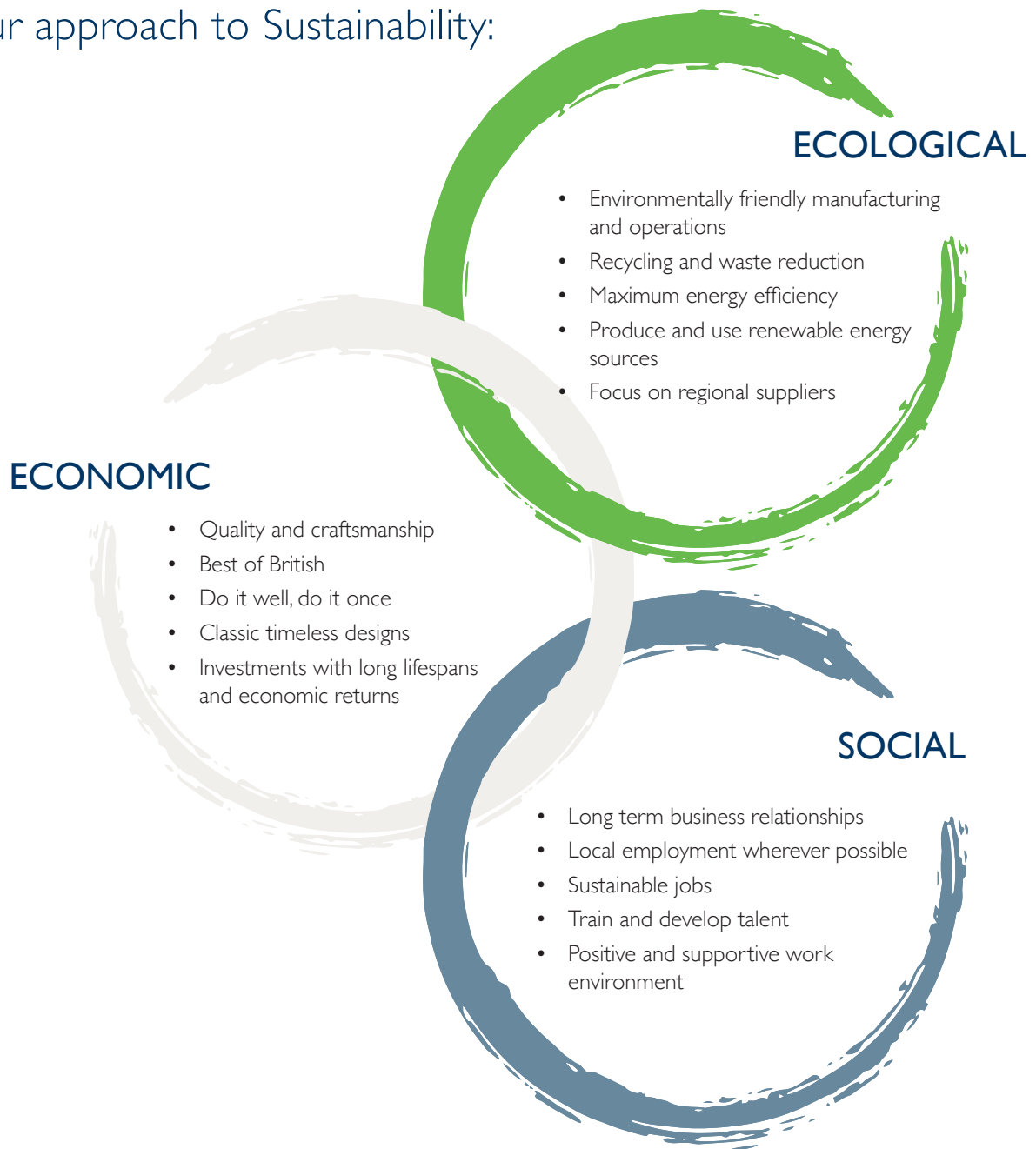
RISK	IMPACT	MITIGATION
Regulatory		
ALCOHOL CONSUMPTION	In recent years the government has increased its focus on alcohol consumption as public concern over alcohol related social problems and the associated health issues has increased. There is a risk that further legislation, including additional tax, may adversely affect the business.	We are committed to acting responsibly and promote safe drinking campaigns in our marketing. We have diversified our business to focus on other income streams, which include accommodation, food and spas.
THE TIED PUB MODEL	The beer tie has been the target of ongoing government scrutiny. In addition, the government is currently reviewing legislation on the Pubs Code for larger tenanted pub companies. The nature of this legislation could negatively impact our tenanted pub business.	Our tenanted code of practice has improved the transparency and openness of our tied agreements. We actively monitor proposed legislation and engage with the government directly and through trade bodies.
HEALTH AND SAFETY	A failure to comply with health and safety legislation (including food safety, allergens and fire legislation) could lead to injury, illness or the loss of life of our customers, employees or tenants, with a resulting reputational and financial impact.	We have a range of policies and procedures in place to ensure compliance with regulatory requirements in relation to health and safety. Independent risk assessments and audits are carried out, and recommendations acted upon. We record, investigate and report on all incidents.
GDPR (GENERAL DATA PROTECTION REGULATION)	A breach of confidential data could have a significant reputational and financial impact.	We have a Data Governance and Compliance Group that meets on a regular basis to ensure the appropriate processes and procedures are in place and adhered to in the business. Training is given to all appropriate staff and updated on an annual basis.
Operational		
SUPPLY CHAIN	Business operations could be adversely affected by any lengthy interruption in supply or large cost increases from suppliers which cannot be passed on to customers.	We review the financial position of our major suppliers to assess the risk of them ceasing to be able to trade. We also have multiple suppliers where possible to ensure limited dependence on an individual supplier.
PEOPLE	Our business is highly reliant on the people we employ. Labour or skill shortages, including the impact of Brexit, high employee turnover or failure to recruit and retain the best employees and tenants may impact our ability to deliver our operational and strategic objectives.	We aim to recruit the best people with the right skills and offer training and development opportunities to ensure that we retain them. We have a sponsorship licence to bring skilled labour from abroad.
IT SYSTEMS	Our business is increasingly dependent on information systems and technology in order to operate effectively. A prolonged failure could severely impact on the profitability of the business	We have appropriate back-up systems and disaster recovery plans in place. Our key business systems are all hosted in off-site, secure data centres.
CYBER ATTACK	A cyber attack could paralyse our operational systems, preventing the business from operating. Ransomware attacks could result in significant financial impact.	We have a range of monitoring and control tools in place in our systems. We perform annual penetration tests by an external consultancy to identify any areas of vulnerability.
INTERNAL CONTROLS	We are reliant on maintaining sound systems of internal control to prevent the risk of fraud or material error in the financial statements.	We perform a regular review of our internal control systems to ensure that they remain appropriate and sustainable.

Principal Risks and Uncertainties continued

RISK	IMPACT	MITIGATION
Financial		
BANKING FACILITIES	We need to ensure that sufficient and appropriate bank facilities are in place to meet the ongoing funding requirements of the business.	Business decisions are taken with regard to their impact on banking arrangements. We meet regularly with our bankers and provide them with appropriate information on the performance of the business. A significant proportion of our debt is long term, by way of debentures with the Prudential Assurance Company Limited.
BANKING COVENANTS	The Company has a set of covenants with its lenders which are tested on a regular basis. Failure to achieve these covenants would lead to a default of the loan agreements.	The Board regularly reviews the forecast profitability and cash flows of the business to ensure that it comfortably complies with its covenant requirements. The Company has very long-term relationships with its funders and communicates on a very regular basis, so that any issues that may arise are identified early and appropriate mitigating actions put in place.

Sustainability

Our approach to Sustainability:



Socially responsible, we look to do the right thing.

We keep a close eye on environmental and energy innovations, we look to follow closely where others lead on a sensible path.

We seek to minimise transportation and wherever possible source and employ locally.

Our investments look to minimise their environmental impact, be sustainable and make economic sense.

We value all stakeholders in the business and their interests shape our actions.

STREAMLINED ENERGY AND CARBON REPORT

The Group has followed the 2019 HM Government Environmental Reporting Guidelines, Greenhouse Gas Protocol and GHG Protocol and has used the Government Emissions Factor Database 2023.

The data below includes the brewery, head office and managed sites. Tenanted pub sites are not included as the company is not responsible for, and does not have visibility of, their consumption.

	2024	2023
Consumption (kWh)		
Grid-supplied Electricity (scope 1)	13,942,534	14,451,997
Gaseous and other fuels (scope 2)	21,751,206	22,310,183
Transportation	582,183	791,934
Total	36,275,923	37,554,114
Emissions (tCO₂e)		
Grid-supplied Electricity (scope 1)	2,887.14	2,794.73
Gaseous and other fuels (scope 2)	4,013.89	4,073.20
Transportation	131.81	179.91
Total	7,032.84	7,047.84

Note

Scope 1: consumption and emissions relate to indirect emissions relating to the consumption of purchased electricity in daily business operations.

Scope 2: consumption and emissions relate to direct combustion of natural gas, and fuels utilised for company vehicle fleets.

	2024	2023
Intensity Metrics		
tCO ₂ e/£m Turnover (managed properties)	60.89	64.78
tCO ₂ e/FTE	6.28	6.16

At Daniel Thwaites we want to take action to reduce our environmental impact. We have continued to work hard over the last year to continue to reduce our carbon emissions, focusing on reducing energy consumption and renewable generation.

Solar panels have been installed at Kettering Park Hotel and The Solent Hotel, alongside the previously installed panels at The Aztec Hotel and at the Brewery. We also ensure any additional energy is purchased from renewable sources.

A new role of Sustainability and Energy Manager was appointed in February 2024, who will lead and manage all sustainability and energy saving projects, along with developing relevant strategies and to continue to drive down the carbon emissions associated with Daniel Thwaites. They will also work with the sustainability champions in each of our managed properties,

to identify opportunities to reduce consumption and then to ensure that any initiatives are complied with. Our tenanted pub operators have been provided with guides to optimise their energy performance.

Circuit level monitoring has been introduced at two of our hotels to track the consumption of plant and equipment instantly identifying energy savings. There are projects underway to increase the level of metering and monitoring across the estate to identify more energy savings.

Within the inns and pub estate there has been a continued push on installing PIR lights in corridors, cellars and low traffic areas. Voltage optimisation has been rolled out across our managed properties to improve our energy efficiency. Within the pubs we invested in more energy efficient boilers, upgrading windows to double glazing, additional Cellar free-air systems and improving insulation.

Sustainable practices are also used during refurbishment projects. At the Golden Lion in Settle, we used climate positive paints, reclaimed floorboards for panelling, carpet made from 100% British wool and carpet backing which is made from recycled plastic bottles. We have also rolled out the use of refillable shampoo and shower gel in all of our guest bathrooms.

We continue to monitor and reduce our food waste from our properties, with the total waste per cover dropping by 3.7% compared to the previous year. Over 1.2 million covers were recorded this year. We work closely with WRAP and Guardians of Grub to report and reduce our food waste further.

We work very closely with our suppliers to offer the highest quality sustainable products and wherever possible we source local products and services. We also buy British wherever possible.

The company car fleet is now 98% either fully electric or hybrid vehicles, with the target of 100% next year.

Board of Directors

EXECUTIVE DIRECTORS

Richard Bailey, BA,ACA - Executive Chairman

Richard Bailey joined the Board as a non-executive director in November 2002. He joined the Company as Business Development and Strategy Director in November 2009. He was appointed Chief Executive in March 2011 and then Executive Chairman in March 2019. He qualified as a Chartered Accountant with KPMG and has a BA in Economics from Durham University.

Kevin Wood, MEng,ACA - Finance Director

Kevin Wood joined the Board as Finance Director in March 2010. He qualified as a Chartered Accountant with PwC, and has an MEng in Chemical Engineering from Nottingham University.

NON-EXECUTIVE DIRECTORS

Ann Yerburgh

Ann Yerburgh was appointed to the Board in March 1974, was Chairman from August 2000 until March 2019 and chairs the remuneration committee.

Andrew Stothert

Andrew Stothert was appointed as an independent non-executive director on 1 January 2019. Until April 2023 he was the Chief Executive of Brand Vista and one of its founding partners.

Roseanna McKinley

Roseanna McKinley was appointed to the Board on 1 June 2022, and represents the wider ownership interests of the Yerburgh family.

Mark Fisher BA

Mark Fisher was appointed as an independent non-executive director on 1 June 2019. He was previously the Chief Development Officer for Merlin Entertainments plc, responsible for their business development, creative and brands organisation.

COMPANY SECRETARY

Susan Woodward, ACIS

Susan Woodward joined the Company in 1978, was appointed Company Secretary in December 2004 and is a qualified Chartered Secretary.

Garlands, Blackpool.



Report of the Directors

The directors of Daniel Thwaites PLC submit their annual report and audited financial statements for the financial year ended 31 March 2024.

ACTIVITIES

The Group's principal activity is the operation of pubs, inns and hotels.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

This report should be read in conjunction with the Chairman's Statement and the Strategic Report, which are incorporated in this report by reference and, which provide further details of the Group's activities during the year, likely future developments and the risk management objectives and policies.

DIVIDENDS

The directors have recommended a final dividend of 2.5p to be paid on 5 August 2024 to shareholders on the register at close of business on 5 July 2024. This makes a total dividend for the year of 3.35p.

DIRECTORS

The directors who held office during the year are set out below:

Richard Bailey, BA, ACA (Executive Chairman)

Kevin Wood, MEng, ACA (Finance Director)

Ann Yerburgh*

Roseanna McKinley

†Andrew Stothert*

†Mark Fisher, BA*

*Member of the Remuneration Committee

†Independent Non-Executive Director

In accordance with the Company's Articles of Association, Richard Bailey and Ann Yerburgh retire by rotation and, being eligible, offer themselves for re-election.

None of the directors had any material interest during the year in any contract of significance in relation to the Group's business.

DIRECTORS' INDEMNITY

The directors have the benefit of the indemnity provision contained in the Company's Articles of Association. This provision, which is a qualifying third-party indemnity provision, was in force throughout the current financial year and remains in force at the date of this report.

EMPLOYEE INVOLVEMENT

It is the policy of the Group to keep employees regularly informed on matters of importance and interest. The directors also give attention to all aspects of health and safety within the Group as well as giving disabled persons full and fair consideration in respect of employment, training, career development and promotion. There are also opportunities for employees who become disabled to continue in their employment or to be retained for other positions within the Group. Further information can be found in the Section 172(1) Statement on pages 16 to 17.

ENGAGEMENT WITH KEY STAKEHOLDERS

In accordance with the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), the Companies Statement is contained within the Section 172(1) Statement on pages 16 to 17.

CHARITABLE AND POLITICAL CONTRIBUTIONS

The Group made charitable donations of £35,000. The Group made no political contributions.

SIGNIFICANT SHAREHOLDINGS

So far as the Company is aware the following shareholders held legal or beneficial interests in ordinary shares of the company exceeding 3% at 31 March 2024:

Mrs A Yerburgh	6.3%
Yerburgh Family Settlement Trusts	34.2%
Albany Trustees	14.8%

CLOSE COMPANY PROVISIONS

In the opinion of the directors the Company is a close company within the definition of the Corporation Tax Act 2010.

DIRECTORS' RESPONSIBILITIES IN RELATION TO THE COMPANY'S AUDITOR

The directors who held office at the date of approval of this Directors' Report confirm that:

- so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each director has taken all the steps that he or she ought to have taken as a director (i) to make himself or herself aware of any relevant audit information and (ii) to establish that the Company's auditor is aware of that information.

AUDITOR

MHA Moore & Smalley were appointed as Auditor to the Company during the year. Following the merger of MHA Moore & Smalley with MHA, the Company's independent Auditor has now become MHA. In accordance with section 489 of the Companies Act 2006, a resolution for the re-appointment of MHA is to be proposed at the Annual General Meeting.

By order of the Board

Mrs S I Woodward
Secretary

18 June 2024

Ye Olde Fighting Cocks, Arnside



Corporate Governance

The Board has put in place a framework for Corporate Governance which it believes is appropriate to the Company. The Board is committed to maintaining the highest standards, but is not required to comply with all aspects of the principles of good governance set out in the Combined Code on Corporate Governance.

QUOTED COMPANIES ALLIANCE

The Company's shares are listed on the Apex segment of the Aquis Stock Exchange (AQSE). The Company complies, where possible, with the Quoted Companies Alliance Corporate Governance Code.

The following statement describes how the Board has applied the principles of Corporate Governance.

THE BOARD AND COMMITTEES

The Board includes two executive and four non-executive directors. All appointments to the Board are for a specified term. All directors are subject to re-election by rotation, one third of their number each year and their re-election is subject to shareholder approval. All newly appointed directors stand for re-election at the Annual General Meeting following their appointment. All the directors of the Company are resident in the UK and bring a wide range of skills and experience to the Board. The Board meets regularly throughout the year and has matters referred to it for approval including strategy, annual budgets, the rolling five year financial plan, general treasury and risk management policies.

Major capital acquisitions and disposals are authorised by the Board which also monitors the post investment performance.

There is an established procedure whereby directors, in furtherance of their duties, may take independent professional advice at the expense of the Company. The Board ensures that all directors continually update the skills and knowledge required to fulfil their role both on the Board and on board committees. All directors have access to the advice and services of the Company Secretary.

The Board has not established an Audit Committee as the directors consider that the current arrangements with the external Auditor are effective. The Board regularly monitors and reviews the Auditor's independence, objectivity and effectiveness. The Auditor meets with the non-executive directors prior to the commencement of the audit and attends the board meeting at which the annual accounts are approved. The Board gives full consideration to all reports received from the Auditor.

As all Board appointments are formally considered by the Board, there is no need for a Nominations Committee.

REMUNERATION REPORT

The Remuneration Committee meets regularly and, having taken the relevant advice, determines on behalf of the Board the remuneration package of the executive directors and other senior executives. The Remuneration Committee aims to ensure that remuneration packages are competitive and designed to attract, retain and motivate directors and executives of the right calibre.

In particular, the Committee has regard to the levels of remuneration in the Group and in specific sectors and businesses with which Group companies compete and is also sensitive to salary levels in the wider community. The Group operates performance related reward policies, designed to provide the correct balance between fixed and variable remuneration.

INTERNAL CONTROL

The Board acknowledges its ultimate responsibility for all aspects of the system of internal control and risk management and for reviewing its effectiveness. During the year both the internal control and risk management systems have been reviewed by the Board.

In establishing these systems, the directors have considered the nature of the Group's business with regard to the risks to which the business is exposed, the likelihood of such risks occurring and the costs of protecting against them. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The primary responsibility for the day to day operation of the systems of internal control and the identified primary risks facing the Group is delegated to the Executive Directors.

The following key features of the system, which have remained unchanged during the year, are:

- reports to the Board from operating divisions on a regular basis
- comprehensive annual budgeting with results reported monthly against budget
- forecasts regularly updated and reported to the Board
- cash flow forecasting on a rolling five-year basis
- capital expenditure feasibility reports with post completion appraisals

- physical and computer security issues and contingency planning
- well-structured financial and administration functions reporting regularly to the Board
- risk management review and monitoring of those risks
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

INVESTOR RELATIONS

Communications with shareholders are given a high priority with information provided regularly in interim and annual financial statements and any issues of concern can be addressed to the Board by any shareholder. All shareholders are encouraged to attend the Annual General Meeting where they are given an opportunity to question the Chairman and the Board.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report, Strategic Report, the Directors' 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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 102 The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102").

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE ANNUAL FINANCIAL REPORT

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board

Susan Woodward
Company Secretary
 18 June 2024

Independent Auditor's Report

For the purpose of this report, the terms “we” and “our” denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Daniel Thwaites PLC. For the purposes of the table on page 29 that sets out the key audit matters and how our audit addressed the key audit matters, the terms “we” and “our” refer to MHA. The Group financial statements, as defined below, consolidate the accounts of Daniel Thwaites PLC and its subsidiaries (the “Group”). The “Parent Company” is defined as Daniel Thwaites PLC, as an individual entity. The relevant legislation governing the Company is the United Kingdom Companies Act 2006 (“Companies Act 2006”).

OPINION

We have audited the financial statements of Daniel Thwaites PLC for the year ended 31 March 2024.

The financial statements that we have audited comprise:

- the Group Profit and Loss Account
- the Group Statement of Comprehensive Income
- the Group Balance Sheet
- the Group and Parent Company Statement of Changes in Equity
- the Group Statement of Cash Flows
- the Parent Company Balance Sheet and
- Notes 1 to 24 to the financial statements, including significant accounting policies

The financial reporting framework that has been applied in the preparation of the Group and Parent Company's financial statements is applicable law and UK 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's affairs as at 31 March 2024 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Board.

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 Auditor's 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 as applied to listed entities, and we have fulfilled our ethical responsibilities in accordance with those 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.

Our evaluation of the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's assessment of going concern and challenging the key assumptions made;
- Considering the inherent risks to the Group's and the Parent Company's operations and specifically their business model;
- Evaluating how those risks might impact on the available financial resources;
- A review of the post year end management accounts and forecasts covering at least 12 months following approval of the financial statements;
- Evaluating the banking facilities and covenants in place and assessing the risk of any covenants being breached and facilities being withdrawn;
- Performing sensitivity analysis to identify the point at which covenants would be breached and assessing the likelihood of this happening; and
- Viability assessments at Group and Parent Company levels, including consideration of reserve levels and business plans.

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 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.

OVERVIEW OF OUR AUDIT APPROACH

SCOPE	<p>Our audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.</p> <p>The parent company, Daniel Thwaites PLC, is the only trading company in the Group with all subsidiary companies being dormant throughout the year. As such, we have completed an audit on the Group as a single aggregated set of financial statements. Our audit was risk based and was scoped by obtaining an understanding of the Group and assessing the risks of material misstatement in the financial statements at Group level.</p>
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MATERIALITY	2024	2024	
GROUP	£3,000,000	£3,000,000	1% (2023: 1%) of total assets
COMPANY	£2,999,000	£3,000,000	1% (2023: 1%) of total assets

KEY AUDIT MATTERS

RECURRING • Valuation of properties

KEY AUDIT MATTERS

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

VALUATION OF PROPERTIES

KEY AUDIT MATTER DESCRIPTION The relevant accounting policy is discussed on page 38 along with the significant estimates and judgements. The revaluations during the year are in Note 11.

Land and properties include properties revalued both internally by the Group's own professional staff and externally by external valuation experts, with a percentage of the properties valued each year externally on a rotational basis. Given the size of the valuation of these properties on the Group's balance sheet and the judgemental nature of valuations, a small change in the assumptions and estimates used in this valuation could lead to a significant and material impact on the Group's total assets, and we have therefore determined this to be a key audit matter, along with the associated disclosures.

HOW THE SCOPE OF OUR AUDIT RESPONDED TO THE KEY AUDIT MATTER

We undertook the following procedures:

- We selected a sample of properties, using a risk based approach.
- We have obtained assurance over the valuation by obtaining the valuation reports for the properties that were externally valued during the year, and performed a review of the property values for any valued by management, by reviewing the methodology used for internally valued properties, including setting our own expectations using third party valuation evidence.
- We investigated further any instances where the properties are either not valued as per the external valuation report or where there are deviations from the expectations if the properties are internally valued.
- For any external valuation reports, we assessed the qualifications of the valuers.
- We reviewed the disclosures in the financial statements with respect to the revaluation amounts, qualifications of the valuers and the valuation methodology and considered if these are in line with the requirements of the accounting standards.

KEY OBSERVATIONS COMMUNICATED TO THE GROUP'S BOARD Based on the procedures performed we are satisfied that the valuation of properties are reasonable, recognised in line with FRS 102 accounting standards and we have highlighted this to the Board in our findings report.

OUR APPLICATION OF MATERIALITY

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Independent Auditor's Report continued

Materiality in respect of the Group was set at £3,000,000 (2023: £3,000,000) and in respect of the Parent Company was set at £2,999,000 (2023: £3,000,000) which was determined on the basis of 1% (2023: 1%) of the Group's total assets. Total assets was deemed to be the appropriate benchmark for the calculation of materiality as this is a key area of the financial statements, given the property portfolio held, and is believed to be of most interest for the users of the financial statements as it shows the strength of the balance sheet.

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Performance materiality for the Group was set at £2,100,000 (2023: £2,100,000) and for the Parent Company was set at £2,099,000 (2023: £2,100,000) which represents 70% (2023: 70%) of the above materiality levels.

The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.

We agreed to report any corrected or uncorrected adjustments exceeding £100,000 (2023: £90,000) in respect of the Group and Parent Company to the Board as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

OVERVIEW OF THE SCOPE OF THE GROUP AND PARENT COMPANY AUDITS

Our assessment of audit risk, evaluation of materiality and our determination of performance materiality sets our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. This assessment takes into account the size, risk profile, organisation / distribution and effectiveness of group-wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each component.

In assessing the status of the Group companies, all are dormant apart from the Parent Company. Therefore, the only company in the scope of audit is the Parent Company itself.

THE CONTROL ENVIRONMENT

We evaluated the design and implementation of those internal controls of the Group, including the Parent Company, which are relevant to our audit, such as those relating to the financial reporting cycle.

We discussed the environment with our internal IT audit specialists to get an understanding of the general IT environment.

REPORTING ON OTHER INFORMATION

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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.

STRATEGIC REPORT AND DIRECTORS REPORT

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which 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 by 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 directors' responsibilities statement, 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 is 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 Parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR 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 an auditor's report 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 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 financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

IDENTIFYING AND ASSESSING POTENTIAL RISKS ARISING FROM IRREGULARITIES, INCLUDING FRAUD

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector, the control environment, business performance including remuneration policies and the Group's, including the Parent Company's, own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Group focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, UK tax legislation or those that had a fundamental effect on the operations of the Group.
- Enquiries of management concerning the Group's and the Parent Company's policies and procedures relating to:
 - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls.

Independent Auditor's Report continued

AUDIT RESPONSE TO RISKS IDENTIFIED

In respect of the above procedures:

- We corroborated the results of our enquiries through our review of the minutes of the Group's and the Parent Company's board meetings and inspection of the correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations.
- Audit procedures performed by the engagement team in connection with the risks identified included:
 - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements;
 - testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations;
 - evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
 - auditing the risk of fraud in revenue, including through the testing of income cut off at the period end and through sales transaction testing to provide comfort over revenue occurrence in the financial statements;
 - reviewing legal and professional expenditure to identify any evidence of ongoing litigation or non-compliance with relevant regulations;
 - enquiry of management around actual and potential litigation and claims; and
 - challenging the assumptions and judgements made by management in its significant accounting estimates, in particular those relating to the determination of the valuation of properties as reported in the key audit matter section of our report, particularly where management, rather than external valuers, have performed the valuations at the year end date.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

USE OF OUR REPORT

This report is made solely to the Parent 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 Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Spencer BSc(Hons) FCA
(Senior Statutory Auditor)
for and on behalf of MHA, Statutory Auditor
Preston, United Kingdom
18 June 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

Financial Statements

Group Profit and Loss Account

for the year ended 31 March 2024

	Note	2024 £m	2023 £m
Turnover	1	115.5	108.8
Cost of sales		(90.1)	(85.2)
Gross profit		25.4	23.6
Distribution costs		(5.4)	(4.4)
Administrative expenses		(8.8)	(8.4)
Other operating income	3	0.1	0.1
Operating profit before property disposals	2	11.3	10.9
Property disposals		0.2	1.4
Operating profit		11.5	12.3
Net interest payable	5	(5.2)	(4.1)
Gain on interest rate swaps measured at fair value	16	1.3	6.6
Net finance income on pension asset	10	1.5	0.3
Profit on ordinary activities before taxation	1	9.1	15.1
Taxation on profit for the year	6	(1.8)	(2.2)
Profit on ordinary activities after taxation		7.3	12.9
Basic and diluted earnings per share	8	12.4p	21.9p

Statement of Comprehensive Income

for the year ended 31 March 2024

	2024 £m	2023 £m
Profit on ordinary activities after taxation	7.3	12.9
Surplus on revaluation of land and properties	2.2	2.4
Recognised actuarial gain on pension scheme	1.6	21.1
Movement on deferred tax relating to pension scheme	(0.4)	(5.3)
Total comprehensive income for the year	10.7	31.1

Group Balance Sheet

as at 31 March 2024

	Note	2024 £m	2023 £m
Fixed Assets			
Tangible assets	11	312.2	302.0
Investments	12	0.8	0.8
		313.0	302.8
Current Assets			
Stocks	14	0.9	0.9
Trade and other debtors	15	6.7	5.9
Cash at bank and in hand		3.2	2.0
		10.8	8.8
Creditors due within one year			
Trade and other creditors	16	(20.7)	(20.0)
Loan capital and bank overdraft	17	-	(1.7)
		(20.7)	(21.7)
Net current liabilities			
		(9.9)	(12.9)
Total assets less current liabilities			
		303.1	289.9
Creditors due after one year			
Deferred tax	19	(10.6)	(9.5)
		(10.6)	(9.5)
Net assets excluding pension asset			
		215.9	209.8
Pension scheme asset	10	34.9	32.2
Net assets including pension asset			
		250.8	242.0
Capital and reserves			
Called up share capital	20	14.7	14.7
Capital redemption reserve	21	1.1	1.1
Revaluation reserve	21	78.6	77.2
Profit and loss account		156.4	149.0
Equity shareholders' funds			
		250.8	242.0

The accounts on pages 33 to 55 were approved by the Board of Directors and authorised for issue on 18 June 2024 and signed on its behalf by:

Richard Bailey
Chairman

Kevin Wood
Finance Director

Company Registered No. 51702

Group and Parent Statement of Changes in Equity

for the year ended 31 March 2024

	Called-up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	£m
	£m	£m	£m	£m	£m
Group					
At 31 March 2022	14.7	1.1	75.1	121.7	212.6
Profit for the year	-	-	-	12.9	12.9
Recognised actuarial gain on pension schemes	-	-	-	21.1	21.1
Movement on deferred tax relating to actuarial gain	-	-	-	(5.3)	(5.3)
Surplus on property revaluation	-	-	2.4	-	2.4
Total comprehensive income	-	-	2.4	28.7	31.1
Dividends paid	-	-	-	(1.7)	(1.7)
Transfer on disposal of properties	-	-	(0.3)	0.3	-
At 31 March 2023	14.7	1.1	77.2	149.0	242.0
Profit for the year	-	-	-	7.3	7.3
Recognised actuarial gain on pension schemes	-	-	-	1.6	1.6
Movement on deferred tax relating to actuarial gain	-	-	-	(0.4)	(0.4)
Surplus on property revaluation	-	-	2.2	-	2.2
Total comprehensive income	-	-	2.2	8.5	10.7
Dividends paid	-	-	-	(1.9)	(1.9)
Transfer on disposal of properties	-	-	(0.8)	0.8	-
At 31 March 2024	14.7	1.1	78.6	156.4	250.8

	Called-up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	£m
	£m	£m	£m	£m	£m
Parent					
At 31 March 2022	14.7	1.1	51.8	143.9	211.5
Profit for the year	-	-	-	12.9	12.9
Recognised actuarial gain on pension schemes	-	-	-	21.1	21.1
Movement on deferred tax relating to actuarial gain	-	-	-	(5.3)	(5.3)
Surplus on property revaluation	-	-	2.4	-	2.4
Total comprehensive income	-	-	2.4	28.7	31.1
Dividends paid	-	-	-	(1.7)	(1.7)
Transfer on disposal of properties	-	-	(0.3)	0.3	-
At 31 March 2023	14.7	1.1	53.9	171.2	240.9
Profit for the year	-	-	-	7.3	7.3
Recognised actuarial gain on pension schemes	-	-	-	1.6	1.6
Movement on deferred tax relating to actuarial gain	-	-	-	(0.4)	(0.4)
Surplus on property revaluation	-	-	2.2	-	2.2
Total comprehensive income	-	-	2.2	8.5	10.7
Dividends paid	-	-	-	(1.9)	(1.9)
Transfer on disposal of properties	-	-	(0.8)	0.8	-
At 31 March 2024	14.7	1.1	55.3	178.6	249.7

Group Statement of Cash Flows

for the year ended 31 March 2024

	Note	2024 £m	2023 £m
Cash flow from operating activities			
Operating profit before property disposals		11.3	10.9
Non cash items			
- Depreciation		6.5	6.8
- Pension scheme administration expenses		0.4	0.1
- Impairment of tangible fixed assets		0.2	0.4
Defined benefit pension contributions		-	(0.8)
Movement in working capital			
- Stocks		-	(0.2)
- Debtors		(0.8)	(0.4)
- Creditors		0.8	-
Cash flow from operating activities		18.4	16.8
Tax paid		(1.3)	(2.0)
Net cash flow from operating activities		17.1	14.8
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(18.3)	(15.6)
Receipts from disposal of tangible fixed assets		3.8	3.1
Trade loans advanced	12	(0.3)	(0.5)
Trade loans repaid	12	0.3	0.3
Net cash flow used in investing activities		(14.5)	(12.7)
Cash flow from financing activities			
Interest paid on loans and overdrafts		(5.1)	(4.2)
Interest paid on interest rate swaps		0.3	(1.3)
Drawdown of bank loans		7.0	-
Equity dividends paid		(1.9)	(1.7)
Net cash flow generated from (used in) financing activities		0.3	(7.2)
Net increase (decrease) in cash and cash equivalents		2.9	(5.1)
Cash and cash equivalents at beginning of year		0.3	5.4
Cash and cash equivalents at end of year		3.2	0.3
Cash and cash equivalents consist of:			
Cash at bank and in hand		3.2	2.0
Bank overdraft		-	(1.7)
Cash and cash equivalents		3.2	0.3
Loan capital		(74.0)	(67.0)
Net debt		(70.8)	(66.7)
Reconciliation of net cash flow to movement in net debt			
Increase (decrease) in cash		2.9	(5.1)
Cash flow from decrease in debt		(7.0)	-
		(4.1)	(5.1)
Net debt at beginning of year		(66.7)	(61.6)
Net debt at end of year		(70.8)	(66.7)

Parent Balance Sheet

as at 31 March 2024

	Note	2024 £m	2023 £m
Fixed Assets			
Tangible assets	11	312.2	302.0
Investments	12	0.8	0.8
Investment in subsidiary undertakings	13	11.5	11.5
		324.5	314.3
Current Assets			
Stocks	14	0.9	0.9
Trade and other debtors	15	6.7	5.9
Cash at bank and in hand		3.2	2.0
		10.8	8.8
Creditors due within one year			
Trade and other creditors	16	(33.3)	(32.6)
Loan capital and bank overdraft	17	-	(1.7)
		(33.3)	(34.3)
Net current liabilities			
		(22.5)	(25.5)
Total assets less current liabilities			
		302.0	288.8
Creditors due after one year			
Deferred tax	19	(10.6)	(9.5)
		(10.6)	(9.5)
Net assets excluding pension asset			
		214.8	208.7
Pension scheme asset	10	34.9	32.2
		34.9	32.2
Net assets including pension asset			
		249.7	240.9
Capital and reserves			
Called up share capital	20	14.7	14.7
Capital redemption reserve	21	1.1	1.1
Revaluation reserve	21	55.3	53.9
Profit and loss account		178.6	171.2
		178.6	171.2
Equity shareholders' funds			
		249.7	240.9

Under Section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account.

The parent company made a profit after tax of £7.3m (2023 £12.9m)

The accounts on pages 33 to 55 were approved by the Board of Directors and authorised for issue on 18 June 2024 and signed on its behalf by:

Richard Bailey
Chairman

Kevin Wood
Finance Director

Company Registered No. 51702

Accounting Policies

BASIS OF PREPARATION

Daniel Thwaites PLC is a public company limited by shares, incorporated and domiciled in the UK. See page 57 for Registered office address.

These Group and parent company financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Operating Review and the Risks and Uncertainties section of the Strategic Report. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Financial Review section of the Strategic Report. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully.

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified at fair value through the profit or loss, tangible fixed assets measured in accordance with the revaluation model.

GOING CONCERN

At 31 March 2024, the Group had net debt of £70.8m and available bank facilities of £82m, giving headroom of £11.2m. The bank facilities include the long-term loan of £45m, revolving credit facilities of £35m which were renewed shortly before 31 March 2023 and overdraft facilities of £2m.

A financial model has been prepared, and stress tested, which shows that the Group meets its banking covenants for at least the next 12 months.

The Directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for this reason they continue to adopt the going concern basis in preparing the annual financial statements.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

The key area of judgement and estimates is the assessment of valuation of the Group's properties. The directors review the book value of each individual property on an annual basis taking into account current and prospective levels of trade and industry published trading multiples based on the location, mix of business and sustainability of that business. It

is difficult to apply a sensitivity to this assessment of valuation as trading multiples vary by business type, mix of business and location. In addition, alternative use and development options for properties are also taken into account when assessing potential valuations.

The surpluses on the defined benefit pension schemes are determined using actuarial assumptions. Due to the long-term nature of the liabilities, the assumptions around life expectancy and discount rates are subject to a degree of estimation (see note 10).

Whilst judgements and estimates have been made in assessing asset values and provisions, the directors consider the risk of material adjustment in the next year to be low.

BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2024. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

Under FRS 102 (Sections 1.8 and 1.12) the Company is exempt from the requirement to present its own statement of cash flows.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

FIXED ASSETS

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Buildings: periods up to 50 years
- plant and equipment: periods between 3 and 25 years
- fixtures and fittings: periods between 5 and 15 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Residual value is based on prices prevailing at the date of acquisition or subsequent valuation. Where, because of high estimated residual value, depreciation is immaterial, no depreciation is charged but an annual review for impairment is performed. Both residual values and useful lives are reviewed and adjusted, if appropriate, at each financial year end.

The profit or loss on disposal of properties is the difference between the net amount realised and book value. Valuation differences realised on disposal are transferred from the revaluation reserve to the profit and loss account reserve.

It is the Group's policy to value 20% of its properties by external valuers each year, so that all properties are externally valued over a 5 year period.

Land and properties include properties revalued by external valuers and the Group's own professionally qualified staff.

The head office and brewery site is stated at cost, less provision for depreciation and impairment.

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

A revaluation loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Revaluation losses are recognised in the profit and loss account unless it arises on a previously revalued fixed asset. A revaluation loss on a revalued fixed asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits. Otherwise, revaluations are recognised in the statement of comprehensive income until the carrying amount reaches the

asset's depreciated historic cost. Thereafter, revaluation losses are recognised in the profit and loss account unless it can be demonstrated that the recoverable amount of the asset is greater than its revalued amount, in which case the loss is recognised in the statement of comprehensive income to the extent that the recoverable amount of the asset is greater than its revalued amount.

Revaluation gains are recognised in the profit and loss account only to the extent (after adjusting for subsequent depreciation) that they reverse revaluation losses on the same asset that were previously recognised in the profit and loss account. All other revaluation gains are recognised in the statement of comprehensive income.

INVESTMENTS

The Group's long-term trade loans are recognised as investments within fixed assets and are stated at cost less amounts provided for impairment losses.

In the Company's financial statements, investments in subsidiary undertakings are stated at cost less amounts written off as impairment losses.

STOCKS

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

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 in the Group's balance sheet 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 liabilities simultaneously.

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Accounting Policies continued

Derivative financial instruments

Derivative financial instruments in the form of interest rate swaps are recognised at fair value. The gain or loss on re-measurement is recognised immediately in the profit and loss account. Hedge accounting is not carried out.

Interest-bearing borrowings

Interest-bearing borrowings are recognised at transaction price adjusted for transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Derecognition of financial assets and liabilities

Financial assets are derecognised only when the contractual rights to the cash flows 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 significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

TRADE AND OTHER DEBTORS / CREDITORS

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Impairment of financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss. 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.

LOANS TO AND FROM SUBSIDIARIES

Loans to and from subsidiaries are non-interest bearing and have no fixed repayment dates, and are therefore disclosed as current assets or liabilities in the parent balance sheet.

PENSIONS

Defined contribution plans

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

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The entity's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The entity determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability (asset) taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the

entity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The entity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Re-measurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

TURNOVER

Turnover represents amounts recognised by the Group in respect of goods and services supplied, exclusive of Value added Tax and trade discounts. Revenue principally consists of food, drink and accommodation sales, which are recognised at the point at which goods or services are provided.

OPERATING LEASES

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

INTEREST RECEIVABLE AND INTEREST PAYABLE

Interest payable and similar charges include interest payable on loans, revolving credit facilities and overdrafts.

Other interest receivable and similar income include interest receivable on funds invested.

Interest receivable and interest payable are recognised in profit and loss as they accrue, using the effective interest method.

TAXATION

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

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

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For non-depreciable assets that are measured using the revaluation model, or investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property. Deferred tax balances are not discounted.

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.

Deferred tax is recognised on asset revaluations and rolled over taxable gains to the extent that the taxable gains are not offset by carried forward and future taxable losses.

Notes to the Accounts

I. TURNOVER AND SEGMENTAL ANALYSIS

The accounting policy for identifying segments is based on internal management reporting information that is regularly reviewed by the Chief Operating Decision Maker (CODM). The CODM is the Executive Chairman. The Group has two operating segments, which are largely managed separately according to the nature of the operations:

- Pubs and Inns - which comprises both tenanted and managed pubs
- Hotels - which are all operated on a managed basis

	Turnover		Profit before tax		Net assets	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Segmental analysis						
Turnover (all from UK trade), profit before tax and net assets:						
Pubs and Inns	63.0	57.7	13.9	14.4	155.4	156.1
Hotels	52.5	51.1	6.2	6.2	133.9	124.0
Group Central Charges	-	-	(8.6)	(8.3)	-	-
Net interest payable	-	-	(3.7)	(3.8)	-	-
Gain on interest rate swaps measured at fair value	-	-	1.3	6.6	-	-
	115.5	108.8	9.1	15.1	289.3	280.1
Net pension asset	-	-	-	-	34.9	32.2
Financial liability for interest rate swaps	-	-	-	-	(2.6)	(3.6)
Net debt	-	-	-	-	(70.8)	(66.7)
	115.5	108.8	9.1	15.1	250.8	242.0

2. OPERATING PROFIT

	2024 £m	2023 £m
Operating profit is stated after charging:		
Depreciation	6.5	6.8
Operating leases - plant and equipment	0.4	0.3
Operating leases - property	0.1	0.1
Pension schemes - defined benefit	0.4	0.7
Pension schemes - defined contribution	0.9	0.8

3. OTHER OPERATING INCOME

	2024 £m	2023 £m
Business Rates relief	0.1	0.1

4. AUDITOR'S REMUNERATION

	2024 £'000	2023 £'000
Fees payable:		
Statutory audit fees (for the parent and the group)	59.8	59.9

5. NET INTEREST PAYABLE

	2024 £m	2023 £m
Interest payable:		
On variable rate loans and overdrafts	2.1	0.9
On fixed rate loans	3.2	3.2
	5.3	4.1
Interest receivable and similar income	(0.1)	-
	5.2	4.1

6. TAXATION

	2024 £m	2023 £m
The tax charge comprises:		
Current tax		
UK corporation tax at 25% (2023 19%)	1.3	1.7
Adjustments in respect of prior years	(0.2)	(0.1)
	1.1	1.6
Deferred tax		
Origination and reversal of timing differences (note 19)	0.6	0.1
Pension cost relief in excess of pension cost charge including effect of rate changes (note 19)	0.2	0.3
Adjustments in respect of prior years	(0.1)	0.2
	0.7	0.6
Tax on profit on ordinary activities	1.8	2.2

The difference between the total tax charge and the amount calculated at the standard rate of corporation tax in the UK of 25% (2023 19%) is explained below:

	2024 £m	2023 £m
Profit for the year	7.3	12.9
Total tax expense	1.8	2.2
Profit on ordinary activities before tax	9.1	15.1
Tax on profit on ordinary activities at standard rate of corporation tax	2.3	2.9
Disallowed expenses	(0.2)	(0.8)
Adjustments in respect of prior years	(0.3)	0.1
Tax on profit on ordinary activities	1.8	2.2

6. TAXATION continued

Factors that may affect future tax charges:

An increase in the future main corporation tax rate to 25% from 1 April 2023, from the previously enacted 19%, was announced at the budget on 3 March 2021, and substantively enacted on 24 May 2021. The deferred tax asset at 31 March 2024 has been calculated based on these rates.

7. DIVIDENDS PAID

	2024 £m	2023 £m
2023 final	1.4	1.3
2024 interim	0.5	0.4
	1.9	1.7

The 2023 final dividend of 2.4p per share was paid on 9 August 2023 to shareholders on the register on 13 July 2023. The 2024 interim dividend of 0.85p per share was paid on 9 January 2024 to shareholders on the register on 8 December 2023.

The directors have recommended a dividend in respect of 2024 of 2.5p per share for approval at the Annual General Meeting. This amounts to £1.5m but has not been reflected in the financial statements. The dividend is payable on 5 August 2024 to shareholders on the register on 5 July 2024.

8. EARNINGS PER SHARE

	2024 £m	2023 £m
Profit attributable to ordinary shareholders	7.3	12.9
Gain on interest rate swaps measured at fair value	(1.3)	(6.6)
Underlying profit attributable to ordinary shareholders	6.0	6.3
	Number '000	Number '000
Weighted average number of ordinary shares in issue during the year	58,828	58,828
Earnings per share	12.4p	21.9p
Underlying earnings per share	10.2p	10.7p

The gain on interest rate swaps measured at fair value is adjusted in calculating underlying EPS, as it is a volatile, non-cash movement linked to changing predictions of future interest rates. A diluted EPS is not presented as there are no dilutive financial investments.

9. STAFF COSTS

	2024 £m	2023 £m
Group and Parent		
Wages and salaries	34.3	31.5
Social security costs	2.6	2.5
Other pension costs	0.9	0.8
	37.8	34.8

9. STAFF COSTS continued

	Full time		Part time	
	2024 No.	2023 No.	2024 No.	2023 No.
The average number of persons employed by the Group and Company was:				
Pubs and Inns	271	286	328	283
Hotels	518	551	544	459
Group central services	73	75	8	9
	862	912	880	751

10. PENSION SCHEMES

Defined contribution

Eligible employees are able to join the group's defined contribution scheme, the assets of which are held separately from those of the group in an independently administered fund. The pension charge to the profit and loss account represents contributions payable by the group and amounts to £0.9m (2023: £0.8m).

Defined benefit

The group operates two defined benefit schemes (the Daniel Thwaites 1959 Pension Scheme and the Daniel Thwaites Supplementary Scheme) which have been closed to new entrants since 1 April 2001 and closed to future accrual with effect from 31 August 2009. The schemes are funded by contributions from the Group and, prior to closure, also from the employees. The assets of the schemes are held separately from the assets of the Group in trustee administered funds.

On 31 December 2023 the assets and liabilities of the Supplementary Pension Scheme were transferred to the 1959 Pension Scheme. The Supplementary Scheme is in the process of being wound up.

The last full financial review took place on 1 January 2021, and the company engages the Actuary to prepare the FRS 102 valuation for the Group, including at 31 March 2024.

The main assumptions used by the Actuary were:

	2024	2023
Rate of increase in pensions payment	3.30%	3.35%
Discount rate	4.85%	4.75%
Price inflation (RPI)	3.35%	3.45%
Price inflation (CPI)	2.95%	3.05%
Cash commutation (proportion taken on retirement)	60%	60%
Mortality (1959 scheme)	111% SAPS S3 CMI 2022 1.5%	111% SAPS S3 CMI 2021 1.5%
Mortality (Supplementary scheme)	95% SAPS S3 L CMI 2022 1.5%	95% SAPS S3 L CMI 2021 1.5%

Life expectancies under the 1959 scheme mortality assumptions are shown below:

	2024 Years	2023 Years
Current pensioners (at 65) - males	86	86
Current pensioners (at 65) - females	88	89
Pensioners retiring in 20 years (at 65) - males	88	88
Pensioners retiring in 20 years (at 65) - females	90	91

10. PENSION SCHEMES continued

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	Change in assumption	Impact on scheme liabilities
Discount rate	decrease 0.25%	increase 3.3%
Price inflation (RPI and CPI)	increase 0.25%	increase 0.8%
Cash commutation (proportion taken on retirement)	decrease 10%	increase 1.1%
Rate of mortality (change to life expectancy)	decrease LTIR 0.25%	decrease 0.7%

	Value	
	2024 £m	2023 £m
Equities	-	44.2
Bonds	29.9	29.2
Multi asset credit	-	32.0
LDI	-	18.2
Gilts	111.7	-
Other	2.0	21.2
Fair value of scheme assets	143.6	144.8
Present value of scheme liabilities	(108.7)	(112.6)
Surplus in schemes	34.9	32.2
Related deferred tax liability	(8.7)	(8.1)
Net pension asset	26.2	24.1

The difference between assets and liabilities is extremely volatile; it can alter very significantly depending on the date at which the measurements were carried out.

In the year to 31 March 2025, the group does not expect to pay contributions to its defined benefit pension scheme.

	Scheme assets		Scheme liabilities		Net surplus	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Movement in surplus in the year						
At the beginning of the year	144.8	159.6	(112.6)	(149.5)	32.2	10.1
Current service cost	-	-	-	-	-	-
Administration costs	(0.4)	(0.1)	-	-	(0.4)	(0.1)
Contributions by employer	-	0.8	-	-	-	0.8
Net finance income on pension asset	6.7	4.5	(5.2)	(4.2)	1.5	0.3
Benefits paid	(5.6)	(7.3)	5.6	7.3	-	-
Actuarial gain (loss)	(1.9)	(12.7)	3.5	33.8	1.6	21.1
At the end of the year	143.6	144.8	(108.7)	(112.6)	34.9	32.2

10. PENSION SCHEMES continued

	2024 £m	2023 £m
Group Profit and Loss Account		
Pension costs charged against operating profit:		
Administration expenses	(0.4)	(0.6)
Charge in respect of defined contribution scheme	(0.9)	(0.8)
	(1.3)	(1.4)
Net interest on pension asset	1.5	0.3
Total charge	0.2	(1.1)
Actual return on scheme assets	4.8	(8.2)
Amounts recognised in the statement of comprehensive income		
Actuarial gain	1.6	21.1
Deferred tax	(0.4)	(5.3)
Recognised actuarial gain on pension schemes less related tax	1.2	15.8

Pensions schemes

The Company operates the Daniel Thwaites 1959 Pension Scheme and the Daniel Thwaites Supplementary Pension Scheme. On 31 December 2023 the assets and liabilities of the Supplementary Scheme were transferred into the 1959 Scheme in order to simplify benefits calculations and reduce future administration costs. Therefore at 31 March 2024 the Supplementary Scheme had no assets or liabilities and is in the process of being wound up.

Relationship between the reporting entity and the trustees (managers) of the defined benefit scheme

The pension assets are held in separate trustee administered schemes to meet long term pension liabilities to past and present employees. The trustees of the schemes are required to act in the best interests of the schemes' beneficiaries. The appointment of trustees to the schemes is determined by the schemes' trust documentation. The Group is responsible for the appointment and removal of the trustees except for the two member nominated trustees of each Scheme who are elected by the membership and can only be removed with the consent of all the trustees.

Future funding obligations in relation to defined benefit schemes

The most recently completed triennial actuarial valuation of the Group's defined benefit schemes was performed by an independent actuary for the trustees of the schemes and was carried out as at 1 January 2021. Following the valuation, the Group agreed to contribute £0.9m per annum, payable monthly, to the Daniel Thwaites 1959 Pension Scheme and £0.2m per annum to the Daniel thwaites Supplementary Pension Scheme from 1 April 2022. The Group also agreed to pay the amount of the PPF levy as requested and any expenses of the schemes.

Following the significant improvement in the funding position of the schemes, the Group agreed with the trustees to suspend contributions to the Schemes from 1 December 2022 until 1 January 2025, and during this period the Schemes would also pay the PPF levy and the expenses of the schemes.

The next triennial valuation of the 1959 Scheme is due to be completed as at 1 January 2024. There will be no further valuations of the Supplementary Scheme. The 1959 scheme provides death-in-service benefits which are insured and the Group pays these insurance premiums directly as requested.

11. TANGIBLE FIXED ASSETS

	Land and properties £m	Plant and machinery £m	Fixtures and fittings £m	Total £m
Group				
Cost or valuation:				
At 31 March 2023	273.0	4.9	130.1	408.0
Additions	10.6	0.2	7.5	18.3
Disposals	(3.4)	-	(2.8)	(6.2)
Revaluation	1.9	-	-	1.9
At 31 March 2024	282.1	5.1	134.8	422.0
Depreciation:				
At 31 March 2023	2.3	2.6	101.1	106.0
Charge for the year	0.2	0.3	6.0	6.5
Disposals	(0.1)	-	(2.5)	(2.6)
Revaluation	(0.1)	-	-	(0.1)
At 31 March 2024	2.3	2.9	104.6	109.8
Net book value 31 March 2024	279.8	2.2	30.2	312.2
Net book value 31 March 2023	270.7	2.3	29.0	302.0

As at 31 March 2024, in accordance with Group policy, 20% of the pub estate and two inns were revalued by external valuers, Messrs. Fleurets, Chartered Surveyors. The valuation was on the basis of Existing Use Value in respect of these properties in accordance with the RICS Valuation Standards, Sixth Edition.

At the same date one hotel was revalued by external valuers, Christie & Co., Surveyors, Valuers and Agents. The property was valued on the basis of Existing Use Value as a fully operational individual hotel unit in accordance with the RICS Valuation Standards, Sixth Edition.

In addition, a valuation review was carried out on the remainder of the estate, by the Company's own professionally qualified staff. Valuations are carried out with reference to the fair maintainable trade of the property and appropriate multipliers.

	2024 £m	2023 £m
Land and properties at cost or valuation:		
Freehold	254.6	245.7
Long leasehold	27.5	27.3
	282.1	273.0
Cost or valuation of land and properties:		
As valued 2024	52.6	-
As valued 2023	50.9	53.8
As valued 2022 and prior	133.7	181.3
At cost*	44.9	37.9
	282.1	273.0
The historical cost of land and properties as shown above:		
Cost	203.2	195.5
Accumulated depreciation	(2.0)	(2.0)
Net book value	201.2	193.5

* Due to the timing of purchase of these assets they have yet to be formally valued. The purchase price is deemed to be a reasonable approximation of the asset's market value.

11. TANGIBLE FIXED ASSETS continued

	Land and properties £m	Plant and machinery £m	Fixtures and fittings £m	Total £m
Parent				
Cost or valuation:				
At 31 March 2023	273.0	4.9	130.1	408.0
Additions	10.6	0.2	7.5	18.3
Disposals	(3.4)	-	(2.8)	(6.2)
Revaluation	1.9	-	-	1.9
At 31 March 2024	282.1	5.1	134.8	422.0
Depreciation:				
At 31 March 2023	2.3	2.6	101.1	106.0
Charge for the year	0.2	0.3	6.0	6.5
Disposals	(0.1)	-	(2.5)	(2.6)
Revaluation	(0.1)	-	-	(0.1)
At 31 March 2024	2.3	2.9	104.6	109.8
Net book value 31 March 2024	279.8	2.2	30.2	312.2
Net book value 31 March 2023	270.7	2.3	29.0	302.0

	2024 £m	2023 £m
Land and properties at cost or valuation:		
Freehold	254.6	245.7
Long leasehold	27.5	27.3
	282.1	273.0
Cost or valuation of land and properties:		
As valued 2024	52.6	-
As valued 2023	50.9	53.8
As valued 2022 and prior	133.7	181.3
At cost*	44.9	37.9
	282.1	273.0
The historical cost of land and properties as shown above:		
Cost	226.5	218.8
Accumulated depreciation	(2.0)	(2.0)
Net book value	224.5	216.8

* Due to the timing of purchase of these assets they have yet to be formally valued. The purchase price is deemed to be a reasonable approximation of the asset's market value.

12. INVESTMENTS

	Trade loans £m
Group and Parent	
Cost:	
At 31 March 2023	0.9
Additions	0.3
Disposals and repayments	(0.3)
At 31 March 2024	0.9
Provision for impairment	
At 31 March 2023	0.1
Decrease in the year	-
At 31 March 2024	0.1
Net book value 31 March 2024	0.8
Net book value 31 March 2023	0.8

13. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	Shares in subsidiaries £m	Loans to subsidiaries £m
Parent		
Cost less amounts written off:		
At 31 March 2023	11.5	(12.6)
Movements	-	-
At 31 March 2024	11.5	(12.6)

Loans from subsidiaries are non-interest bearing and have no fixed repayment date.

The company had the following 100% owned subsidiary undertakings all of which were dormant throughout the year:

Shire Hotels Limited, Shire Inns Limited, Lodge on the Park Limited, Park Hotels Limited, Thwaites Inns Limited, Yerburch Estates Limited, Rosewood Limited, Wirral Inns Limited, Royal Oak Limited, Yates and Jackson Limited, Star Lager Brewing Limited, Preston Breweries Limited, Bury Brewery Limited, Daniel Thwaites (Trustee) Limited, Langdale Chase Hotel Limited, Langdale Chase Limited, Lady Anne Middleton's Hotel Limited.

The registered address is the same for all companies and is given on page 58.

14. STOCKS

	2024 £m	2023 £m
Group and Parent		
Finished goods and goods for resale	0.9	0.9

15. DEBTORS

	Group		Parent	
	2024 £m	2023 £m	2024 £m	2023 £m
Due within one year				
Trade debtors	4.1	3.6	4.1	3.6
Other debtors	0.9	0.8	0.9	0.8
Prepayments and accrued income	1.7	1.5	1.7	1.5
Corporation tax	-	-	-	-
	6.7	5.9	6.7	5.9

16. CREDITORS

	Group		Parent	
	2024 £m	2023 £m	2024 £m	2023 £m
Group and Parent				
Due within one year				
Trade creditors	8.9	9.7	8.9	9.7
Other taxation and social security	2.9	1.8	2.9	1.8
Other creditors	3.4	3.0	3.4	3.0
Corporation tax	0.2	0.3	0.2	0.3
Accruals and deferred income	5.3	5.2	5.3	5.2
Loans from subsidiaries (note 13)	-	-	12.6	12.6
	20.7	20.0	33.3	32.6

	Group		Parent	
	2024 £m	2023 £m	2024 £m	2023 £m
Due after one year				
Loan capital (note 17)	74.0	67.0	74.0	67.0
Interest rate swaps	2.6	3.6	2.6	3.6
	76.6	70.6	76.6	70.6

Group and Parent	Total £m
Interest rate swaps	
At 31 March 2023	3.6
Interest income arising from financial liabilities	0.3
Movement in fair value	(1.3)
At 31 March 2024	2.6

17. LOAN CAPITAL AND OTHER BORROWINGS

	2024 £m	2023 £m
Group and Parent		
Bank loans - revolving credit facilities	29.0	22.0
Overdrafts	-	1.7
Term loan	45.0	45.0
	74.0	68.7

The term loan is secured by a first floating charge over all of the assets of the parent company and bears interest at an average fixed rate of 7.02% per annum. The term loan is repayable by ten equal annual instalments commencing on 16 December 2025.

The revolving credit facilities are for a term of three years, with interest rates linked to Bank of England base rate, and are repayable in March 2026.

In accordance with the terms of the borrowing facilities, the Group is required to comply with certain financial covenants. As at, and for the year ended 31 March 2024, the Group has complied with the terms of those financial covenants.

Borrowings are repayable as follows:

	2024 £m	2023 £m
After five years	27.0	31.5
Between two and five years	13.5	35.5
Between one and two years	33.5	-
	74.0	67.0
On demand or within one year	-	1.7
	74.0	68.7

Borrowing facilities:

	2024 £m	2023 £m
The group has the following undrawn committed borrowing facilities available:		
Expiring within one year	2.0	1.3
Expiring between one and two years	6.0	-
Expiring between two and five years	-	13.0

18. FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. All financial assets and liabilities are denominated in sterling.

The Financial Review section within the Strategic Report provides an explanation of the group's funding, liquidity and interest rate management policies.

The interest rate profile of the group's borrowings was as follows:

	Fixed rate borrowings £m	Floating rate borrowings £m	Weighted average of fixed borrowings Rate (%)	Weighted average of fixed borrowings Period (years)
At 31 March 2024	45.0	29.0	7.02%	5
At 31 March 2023	45.0	22.0	7.02%	6

As at 31 March 2024, the group has interest rate swap contracts with a notional value of £45m. At the year end none of these swap contracts are hedged against current variable rate borrowings.

The primary financial instruments are as follows:

	Carrying value	
	2024 £m	2023 £m
Financial instruments that are debt instruments measured at amortised cost		
Trade loans	0.8	0.8
Cash	3.2	2.0
Trade debtors	4.1	3.6
Other debtors	0.9	0.8
Financial liabilities measured at amortised cost		
Loan capital	(74.0)	(67.0)
Trade creditors	(8.9)	(9.7)
Bank overdraft	-	(1.7)
Other creditors	(3.4)	(3.0)
Accruals	(5.3)	(5.2)
Financial liabilities measured at fair value through the profit and loss account		
Interest rate swaps	(2.6)	(3.6)

19. DEFERRED TAXATION

Deferred taxation is provided in the accounts at 25%

The elements of deferred tax are as follows:

	2024 £m	2023 £m
Accelerated capital allowances	1.9	1.4
Deferred tax excluding that relating to pension asset	1.9	1.4
Deferred tax on pension scheme surplus (note 10)	8.7	8.1
Total deferred tax liability	10.6	9.5
Movement in the provision		
At 31 March 2023	1.4	
Deferred tax charged to the profit and loss account (current year movement at 25%)	0.5	
At 31 March 2024	1.9	
Deferred tax relating to pension surplus		
At 31 March 2023	8.1	
Deferred tax charged to the profit and loss account	0.2	
Deferred tax charged in the statement of comprehensive income	0.4	
At 31 March 2024	8.7	

In addition to the deferred tax liability recognised above, the group has an unrecognised deferred tax asset in respect of capital losses of £0.3m (2023 : £0.3m). This asset has not been recognised due to uncertainty regarding the asset being realised in the future.

20. CALLED UP SHARE CAPITAL

	Allotted and Fully Paid Up	
	2024 £m	2023 £m
58,827,500 Ordinary shares of 25p each	14.7	14.7

21. RESERVES

Revaluation reserve - where property, plant and equipment is revalued, the cumulative increase in the fair value of the property at the date of reclassification in excess of any previous impairment losses is included in the revaluation reserve.

Capital redemption reserve - a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares.

22. FUTURE CAPITAL EXPENDITURE

	Group		Parent	
	2024 £m	2023 £m	2024 £m	2023 £m
Contracted for but not provided	-	5.0	-	5.0

23. LEASE COMMITMENTS

	Plant and equipment		Property	
	2024 £m	2023 £m	2024 £m	2023 £m
Non-cancellable operating lease rentals are payable as follows:				
Within one year	0.4	0.3	0.1	0.1
One to five years	0.6	0.3	0.2	0.2
Over five years	-	-	0.1	0.1
	1.0	0.6	0.4	0.4

24. DIRECTORS' REMUNERATION

	2024 £'000	2023 £'000
Aggregate amount:		
Directors' emoluments	1,015.8	958.6
Company pension contributions to money purchase schemes	38.5	23.8
	1,054.3	982.4
Highest paid director:		
Directors' emoluments	549.7	493.4
Company pension contributions to money purchase schemes	25.0	23.8
	574.7	517.2

Retirement benefits are accruing to two directors under the Group's defined contribution pension scheme (2023: one) and are payable to one director under the Group's defined benefit pension scheme (2023: one).

There is no further compensation of key management personnel other than that disclosed above (2023: none).

Annual General Meeting

Notice of Meeting

Notice is hereby given that the Annual General Meeting of the Company will be held at the Red Lion, Burnsall, Skipton, BD23 6BU on Tuesday, 30 July 2024 at 12.00 noon for the transaction of the following business:

ORDINARY BUSINESS

To consider, and if thought fit, pass the following resolutions which will be proposed as ordinary resolutions.

1. To receive and adopt the accounts for the year ended 31 March 2024 and the reports of the directors and the auditor; and to approve and declare a final dividend for the year ended 31 March 2024
2. To re-elect Richard Bailey as a director
3. To re-elect Ann Yerburch as a director
4. To approve and confirm the remuneration of the directors for the year ended 31 March 2024
5. To reappoint MHA as auditor and authorise the directors to determine their remuneration

SPECIAL BUSINESS

To consider, and if thought fit, pass the following resolutions of which resolutions 6 and 8 will be proposed as ordinary resolutions and resolution 7 as a special resolution.

6. THAT, for the purposes of section 551 of the Companies Act 2006 (the Act) the directors of the Company be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot equity securities (within the meaning of section 560 of the Act) up to an amount equal to the aggregate nominal amount of the authorised but unissued share capital of the Company provided that this authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the next annual general meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors of the Company may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

This authority is in substitution for any and all authorities previously conferred upon the directors for the purposes of section 551 of the Act, without prejudice to any allotments made pursuant to the terms of such authorities.

7. THAT, subject to the passing of resolution 6 above, the directors of the Company be and are hereby empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) pursuant to the authority conferred by resolution 6 above as if section 561 of the Act did not apply to any such allotment provided that the power conferred by this resolution shall be limited to:
 - i. the allotment of equity securities for cash in connection with an issue or offer of equity securities (including, without limitation, under a rights issue, open offer or similar arrangement) to holders of equity securities in proportion (as nearly as may be practicable) to their respective holdings of equity securities subject only to such exclusions or other arrangements as the directors of the Company may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange in any territory; and
 - ii. the allotment (otherwise than pursuant to resolution 7.1) of equity securities for cash up to an aggregate nominal amount of £735,343.

The power conferred by this resolution 7 shall expire (unless previously renewed, revoked or varied by the Company in general meeting), at such time as the general authority conferred on the directors of the Company by resolution 6 above expires, except that the Company may at any time before such expiry make any offer or agreement which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

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8. To authorise the Company generally and unconditionally to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of ordinary shares of 25 pence each in the capital of the Company provided that:
- i. the maximum aggregate number of ordinary shares that may be purchased is 5,882,750. Representing 10% of the issued share capital of the Company;
 - ii. the minimum price (excluding expenses) which may be paid for each ordinary share is 25 pence.
 - iii. the maximum price (excluding expenses) which may be paid for each ordinary share is an amount equal to 105 per cent of the average of the middle market quotations for an ordinary share of the Company (as derived from the AQUIS Exchange website) for the five business days immediately preceding the day on which the purchase is made; and
 - iv. unless previously renewed, varied or revoked, the authority conferred by this resolution shall expire at the earlier of the conclusion of the Company's next Annual General Meeting and the date which is six months from the end of the Company's next financial year save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase ordinary shares which will or may be executed wholly or partly after the expiry of such authority.

NOTES

Resolution 6 – Authority to allot relevant securities

The Company requires the flexibility to allot shares from time to time. The directors are limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Companies Act 2006 (the Act).

Accordingly, resolution 7 would grant this authority (until the next Annual General Meeting or unless such authority is revoked or renewed prior to such time) by authorising the directors (pursuant to section 551 of the Act) to allot relevant securities up to an amount equal to the aggregate nominal amount of the authorised but unissued share capital of the Company at 31 March 2024. The directors believe it to be in the interests of the Company for the Board to be granted this authority, to enable the Board to take advantage of appropriate opportunities which may arise in the future.

Resolution 7 – Disapplication of statutory pre-emption rights

This resolution seeks to disapply the pre-emption rights provisions of section 561 of the Act in respect of the allotment of equity securities for cash pursuant to rights issues and other pre-emptive issues, and in respect of other issues of equity securities for cash up to an aggregate nominal value of £735,343, being an amount equal to approximately 5 per cent of the current issued share capital of the Company. If given, this power will expire at the same time as the authority referred to in resolution 6. The directors consider this power desirable due to the flexibility afforded by it.

Resolution 8 - Authority to make market purchases of shares

Resolution 8 seeks authority for the Company to make market purchases of its own ordinary shares. If passed, the resolution gives authority for the Company to purchase up to 5,882,750 of its ordinary shares, representing 10 per cent of the Company's issued ordinary share capital.

Resolution 8 specifies the minimum and maximum prices which may be paid for any ordinary shares purchased under this authority. The authority will expire at the conclusion of the Company's next Annual General Meeting in 2025 or, if earlier, the date which is six months from the end of the Company's financial year which commenced on 1 April 2024.

Any shares purchased under this authority will be cancelled.

As a member of the Company entitled to attend and vote at the meeting convened by this notice you are entitled to appoint another person as your proxy to exercise all or any of your rights to attend and to speak and vote in your place at the meeting. Your proxy need not be a member of the Company.

You may appoint more than one proxy in relation to the meeting convened by this notice provided that each proxy is appointed to exercise the rights attached to a different share or shares held by you. You may not appoint more than one proxy to exercise rights attached to any one share.

By order of the Board Susan Woodward, A.C.I.S.

Secretary
18 June 2024

Shareholder Information

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FINANCIAL CALENDAR

Annual General Meeting
Tuesday 30 July 2024
12.00 noon at the Red Lion, Burnsall, Skipton, BD23 6BU

Announcement of Interim Results
November 2024

REGISTERED NUMBER

51702

SHARE PRICE INFORMATION

The Company's share price is quoted daily in the Financial Times under the AQUIS (AQSE) section.

Further information about the Company is available on our website:

www.thwaites.co.uk



