DANIEL THWAITES PLC

ESTABLISHED 1807

ANNUAL REPORT & ACCOUNTS 2025

Bull's Head, Earlswood

Contents

Front Cover - Langdale Chase, Windermere.

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 marketplace, 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.

Duke, our latest Shire horse

Financial Highlights

TURNOVER

£120.6m

2024: £115.5m

OPERATING PROFIT
(Before property disposals)

£11.8m

2024: £11.3m

PROFIT BEFORE TAX

£9.8m

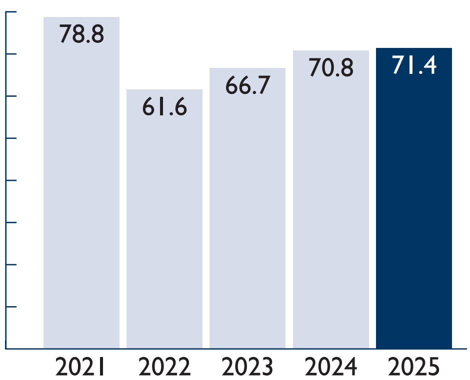
2024: £9.1m

EARNINGS PER SHARE

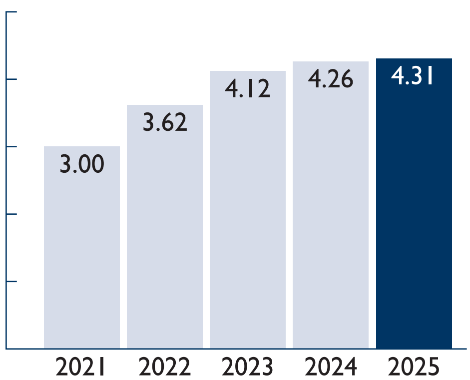
12.9p

2024: 12.4p

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 THWAITES - SMALL DETAILS, BIG DIFFERENCE…

We have been passionate about delivering superb hospitality since Daniel Thwaites 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 modernize them and make them feel characterful and special. We serve home cooked food and interesting specials that place 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 Buck Inn, Malham

Chairman's Statement

The Company has delivered a solid set of results in a year that saw a challenging business environment following on from the general election and tax raising measures put in place in the autumn budget. A full year contribution from the reopening of Langdale Chase in the Lake District has contributed to growth in operating profit.

The first half of the year was affected by customers being cautious with their spending during the general election campaign. Once the new government was in place, the prime minister and chancellor spent months prior to an autumn budget talking the economy down. Whilst the UEFA European Football Championships provided a welcome fillip for a few weeks, the general national mood, played out in the media, inevitably had an impact on how the general public felt about their discretionary spend. Generally, this made for a difficult time in our pubs and hotels, which did well to maintain sales.

In the second half of the year we undertook several major investment schemes, with associated disruption to the trading performance. These investments are now open and I am pleased to say that they look great, customer feedback is good and they are trading well.

In March we were pleased to be able to agree a new long-term supply agreement with Carlsberg Britvic, which secures our logistics for the next decade and is with a partner with whom we have an established and successful relationship. We look forward to continuing to work with Carlsberg Britvic, as well as our other drinks suppliers, in the coming years.


The Royal Oak, Keswick

RESULTS

Turnover for the year to 31 March 2025 grew by 4.4% to £120.6m (2024: £115.5m).

Operating profit before property disposals grew by 4.4% to £11.8m (2024: £11.3m). The earnings per share increased by 4% to 12.9p (2024: 12.4p).

Net Debt on 31 March 2025 was £71.4m (2024: £70.8m), which is an increase of £0.6m due to continuing investment in our properties.

Interest rates fell from 5.25% at the start of the year to 4.5% at the end of March 2025. This reduction is slower than previously forecast and consequently we have seen a gain on our interest rate swaps measured at fair value of £1.2m and our swap liabilities have reduced to £1.7m.

Our historic defined benefit pension scheme continues to show a surplus of £29.7m (2024: £34.9m). A triennial valuation was agreed by the year end, as a result the Company does not expect to be required to contribute to either the scheme or its running costs for the foreseeable future.

The profits retained for the year together with the cumulative impact of these positive factors on our balance sheet provided a net asset value per share on 31 March 2025 of £4.31 (2024: £4.26).

ACQUISITIONS, DEVELOPMENTS AND DISPOSALS

In March 2025 we acquired the Buck Inn in Malham, where we already own and operate the Lister Arms. This acquisition will allow us to provide differentiated propositions in this honeypot location in the Yorkshire Dales.

Capital expenditure of £14.7m (2024: £18.3m) whilst a reduction from last year was still a sizeable investment to improve the quality and offerings in our properties.

During the year we sold three bottom end pubs and two ancillary properties with total proceeds of £2.1m (2024: £3.8m).

DIVIDEND

An interim dividend of 0.9p (2024: 0.85p) was paid in January 2025 and the Board recommends a final dividend of 2.6p (2024: 2.5p). 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 the contribution made to the Company by Susan Woodward, who joined the Company in 1978 and became Company Secretary in 2004. Susan has retired from the Company after 46 years and we wish her well in her retirement.

I am delighted that Kevin Georgel agreed to join the Company as a non-executive director from 1 June 2025. Kevin is currently the Chief Executive of family-owned St Austell Brewery in Cornwall and was previously Chairman of the British Beer and Pub Association and the former CEO of Admiral Taverns.

PEOPLE

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 and it is this that makes Thwaites different and more successful than much of our competition.

We stand out from the crowd because our teams are friendly, welcoming, helpful and prepared to go the extra mile. You hear it time and again whenever you travel across our business. It underpins our reputation and our success.

I would like to thank all of our 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 few years, but the Company is in excellent shape for the future and on a sound financial footing.

OUTLOOK

We have started the year with a sustained period of good weather, which has demonstrated that if you are ready, when the conditions are right, pubs and hotels benefit from being a familiar favourite for the Great British public. Our investments from last year are open and going well, the outdoor investments that we have made over the last few years are doing their job.

After some political uncertainty last year things feel more settled, however we are wary of more tax increases for the sector. It is already under tremendous pressure from last October's increases to National Minimum Wage and National Insurance, as well as increased Business Rates through reduction in reliefs. Pubs and the wider hospitality industry are over-taxed, and we hope the government has got the message that enough is enough.

It seems that businesses are more active than they were last year, and that bodes well for our hotels. Further interest rate reductions are forecast, which should serve to ease the burden on businesses, our customers and the cost of servicing the enormous national debt.

Thwaites has built the most diversified portfolio of hospitality assets in the UK, with a fantastic collection of pubs, inns, hotels and spas and the future is bright as we continue to refine and grow the business and look for new opportunities.

Richard Bailey
Chairman
17 June 2025

Strategic Report

OPERATING REVIEW

OVERVIEW

The Company got off to a strong start in April, with a period of sunny weather helping the pubs and inns to post strong early results. On 22 May 2024 the prime minister unexpectedly announced a general election, sooner than had been anticipated. This had an immediate effect on people's spending habits as uncertainty over the possibility of a new government made people more cautious.

Once the result of the general election on 5 July was known it took the new government until 30 October to present the autumn budget, and the intervening period was filled with gloomy proclamations about the legacy that had been inherited and negativity in the media, none of which helped to restore or build confidence.

The tax rises in the autumn budget were worse than feared, particularly the increase in National Insurance contributions for employers. This has created a headwind that pubs and hospitality could have done without, and businesses have spent much of the time since then working out how to mitigate these increases in employment costs and taxes, which for Thwaites amounts to £2.7m per annum.

Much of the year was very wet, although some good weather coincided with the UEFA European Football Championships in July and when the conditions were right the pubs and inns traded well. The hotels suffered from UK holiday makers travelling overseas and the corporate hotel market was weak throughout the year.

The inflationary environment which has been a problem for the past few years has eased, and as a result interest rates have been falling and are forecast to drop further over the course of this year. As a result, we have renegotiated a number of our key supply contracts and have been able to achieve some savings.

Towards the end of the year, we upgraded our hotel property management system to Opera Cloud, which has been in our development pipeline for some time and is a major move forward. Despite the usual risk associated with major infrastructure changes and unforeseen problems, I am pleased that the upgrade was implemented by the team without any hitches and now future proofs the hotel systems, enabling us to interface with other systems more easily and improves billing automation and our customer journey.

We continue to look at ways in which technology can enable the business to work more efficiently and are keeping a close eye on the development of artificial intelligence to enhance sales and save costs, particularly labour. Over the summer we implemented Trybe which assists online sales in our leisure clubs and spas.

In the new year we adopted Reputation, which measures the quality of our service in our managed properties. We believe that this will bring a step change in helping us to understand and benchmark our guest experience and engagement.

We continued to invest in the business and are seeing the returns flowing from those investments. During the year the hotels suffered from disruption from a major scheme at the Solent Hotel & Spa and towards the end of the year we shut both the Bulls Head, Earlswood and Royal Oak, Keswick for full refurbishments.

FINANCIAL RESULTS

Turnover for the year was £120.6m, (2024: £115.5m), an increase of 4.4%. The operating profit for the year was £12.2m, (2024: £11.5m). The profit before tax, which benefited from a mark to market gain on interest rate swaps was £9.8m (2024: £9.1m). Net debt increased to £71.4m, (2024: £70.8m) an increase of £0.6m. At the year end the company had banking facilities of £82m, giving headroom to its debt facilities of £10.6m.

PUBS AND INNS

	2025	2024	2023
Turnover £m	63.6	63.0	57.7
EBITDA* £m	17.8	17.1	17.6
Operating profit £m	14.6	13.9	14.4
Average number of pubs and inns	211	218	225

*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 the weather and so are subject to the vagaries of the British summer.

PUBS PERFORMANCE

The turnover of our tenanted pubs decreased year on year by 1%, with EBITDA and operating profit both flat on the previous year.

The pub market continues to be extremely tough, although a number of pubs that had been closed at the end of last year were reopened during the year and we have been successful in reletting pubs when they become vacant.

The number of pubs that needed to be re-let started the year at 20, with eleven closed pubs. We ended the financial year with 15 vacancies, 25% less than the previous year end and 40% less than the end of 2023. At the time of writing the number of pubs to be re-let has continued to fall and stands at ten, with two pubs under offer. As a result, we have reverted much closer to our traditional vacancy rate of around 6%. Our talent bank of prospective tenants is very strong and 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.

We have developed our WayInn franchise agreement, which initially we used to keep pubs open when an operator leaves and we do not have another party ready to take the pub on with a traditional brewery tenancy. This has now become a core agreement, and we have nine pubs on a long term agreement, and three on a transitional basis. The WayInn agreement has become popular with larger pub companies, and it provides us with flexibility and options as the pub market continues to change.

Beer volumes decreased by 2% year on year with wines and spirits down by 3% and soft drinks 1% down. Tenanted pub sales decreased by 1% and gross margin fell by 2%, largely as a result of the strength of Guinness sales, which has become very popular over the past few years. Gaming machine income continued a good run, up strongly year on year as digital machines and changes in the market provided attractive conditions.

We had a very busy year of investment into the tenanted pubs with seven major schemes. Transformational schemes were delivered at The Duke, Blackpool; Red Lion, Stockton Heath; Ye Olde Fighting Cocks, Arnside; Harts Head, Giggleswick; Garlands, Blackpool; Old Horns, Higher Bradfield and Hare and Hounds, Foulridge.

In April 2025 the government reduced business rate relief to smaller pubs from 75% to 40%, which in real terms is a cost increase. This at a time when minimum wage increases are being imposed at above inflation rates and National Insurance for employers is being raised. The direction of travel on taxation for pubs is unsustainable, is inflationary and is in danger of making a trip to the local pub a luxury. The government has been warned of this but appears either to be deaf to it or does not care.

To add insult to injury, ill thought through reforms to packaging legislation and the extended producer charge mean that from 1 April 2025 pubs will be charged for their waste, which is really a domestic tax, and which effectively means they are paying twice.

There is an opportunity to provide relief via the reform that has been promised of business rates in 2026, and it is critical that this is not some ham-fisted fudge and a new rates multiplier is set at a level that delivers real terms savings and provides pubs with some respite.

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

The inns have had another good year of growth with sales increasing by 4% on the previous year, and once more we delivered strong growth in our drink sales. We planned for a rebound in the profitability of the inns this year and so it was encouraging to record that EBITDA increased by 19% overall, a strong performance.

The market for our inns is an attractive one, and when the conditions are right, they trade very well as we have seen when the suns shines. The biggest scheme of the year was delivered in refurbishing the bedrooms at the Golden Lion, Settle and The Fleece, Cirencester. In March 2025 we shut both the Bulls Head, Earlswood and Royal Oak, Keswick for full refurbishments. These two properties have now reopened and are trading strongly.

Strategic Report continued

During the year we changed the way that we deliver food innovation and consistency by restructuring our management of the kitchens. The early signs from this change are extremely positive and are demonstrating higher attention to detail, quality and on plate delivery, which in turn will improve food margins.

UNDERSTANDING OUR HOTELS & SPAS

	2025	2024	2023
Turnover £m	57.0	52.5	51.1
EBITDA* £m	10.5	9.1	9.3
Operating profit £m	7.4	6.2	6.2
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 8%, largely because of the contribution that Langdale Chase made this year. The rates that we are achieving in the Lake District have made an impact on the overall rooms yield, however our revenue management system also played its part and as a result rooms yield increased year on year by 11%.

Spa treatment sales have had a strong run but declined in the year as our customers tightened their purse strings. Our spas continue to be a key driver of performance and reason for customers to visit us. The closure of the Solent Hotel pool hall for refurbishment in the autumn not only had an impact on spa sales but had a significant impact on the occupancy of the hotel over this period.

We are pleased with the progress made at Langdale Chase following reopening after refurbishment in 2023. For the second year running it has been listed in the Times Top 100 Hotels in the UK and is shortlisted in the 2025 Cateys Awards as best new hotel. The reviews and customer feedback continue to be positive, and its reputation is growing all the time. Whilst there was no sustained period of good weather in the Lake District last year, which meant that the National Park had a poor summer, the recent period of good weather and growing awareness has seen some extremely strong results

During the year we invested in bedrooms at the North Lakes Hotel & Spa and Cottons Hotel & Spa and in solar panels on the roof of Thorpe Park Hotel & Spa, the largest scheme that we have undertaken to date with over 600 panels.

The refurbished pool hall at the Solent Hotel & Spa has delivered a transformational offering that has enabled us to increase club membership by 16% since reopening. The gym at Kettering Park Hotel & Spa also saw a refurbishment to our latest design, which was warmly welcomed by members.

SUMMARY AND FUTURE DEVELOPMENTS

The Company has delivered both top line growth and growth in operating profit of 4.4% in the past year. This has been delivered against a backdrop of political uncertainty and fragile consumer confidence.

We have undertaken several significant capital investments to continue to improve the quality of our assets, and the financial results have been delivered despite the disruption that this has inevitably caused.

We get asked a lot about how we are getting on with Langdale Chase, and we are pleased with the way that it is going but it has more to give as it continues to establish itself as the best hotel in the north of England.

The inns are trading well and whilst the pubs have had a tricky year, largely as a result of poor weather, we have more open this year than last and they have traded very well when the conditions have been in their favour.

We completed on the acquisition of the Buck Inn, Malham in March 2025 which we were pleased to be able to secure, and which will trade as one of our Inns.

The general trading environment feels more settled than it has done for some time, although we are extremely nervous of additional tax increases in the Autumn. Furthermore, we would like to see increases to National Minimum Wage over the next few years more closely aligned to inflation.

The new financial year has got off to a good start due to sunny and hot weather in April and May. We look forward to making further good progress.


BULL'S
HEAD

Financial Review

RESULTS

Turnover for the year ended 31 March 2025 increased by 4% to £120.6m (2024: £115.5m), whilst operating profit was 6% higher at £12.2m (2024: £11.5m).

The measurement of the interest rate swaps at fair value resulted in a gain in the profit and loss account of £1.2m (2024: £1.3m).

Profit before taxation for the year was £9.8m (2024: £9.1m).

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:

Group	2025	2024
	£m	£m
Turnover	120.6	115.5
EBITDA	18.9	18.0
Depreciation	6.7	6.5
Operating profit	12.2	11.5
Profit before tax	9.8	9.1
Net debt	71.4	70.8
Earnings per share (pence)	12.9	12.4
Pubs and Inns		
	£m	£m
Turnover	63.6	63.0
EBITDA	17.8	17.1
Depreciation	3.2	3.2
Operating profit (before Group central charges)	14.6	13.9
Average number		
Tenanted	197	204
Managed	14	14
Hotels & Spas		
	£m	£m
Turnover	57.0	52.5
EBITDA	10.5	9.1
Depreciation	3.1	2.9
Operating profit (before Group central charges)	7.4	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 2025 of £1.2m (2024: £1.3m). See note 18 to the financial statements for further details.

INTEREST PAYABLE

Net interest payable increased to £5.3m (2024: £5.2m) due to slightly higher debt levels and higher interest rates.

TAXATION

There is a tax charge of £2.2m on the profit for the year, an effective rate of 22.4%.

EARNINGS PER SHARE

Earnings per share of 12.9p (2024: 12.4p).

DIVIDEND

An interim dividend of 0.9p has been paid and the Board recommends a final dividend of 2.6p per share, which will make a total of 3.5p for 2025 (2024: 3.35p).

CASH FLOW AND FINANCING

The Group's net borrowing increased by £0.6m, from £70.8m on 31 March 2024 to £71.4m on 31 March 2025 due to capital expenditure.

The Group has £45m of long-term debt, £29m of bank loans and cash balances of £2.6m on 31 March 2025. The Group has three-year revolving credit bank facilities which are due to be renewed in the first quarter of 2026, which is less than twelve months from the date of approval of the balance sheet. Consequently, bank loans are shown within current liabilities on 31 March 2025.

In addition, the first amortisation of the £45m of long terms debt, of £4.5m, is due to be paid in December 2025, which is less than twelve months from the date of approval of the balance sheet and therefore also shown within current liabilities on 31 March 2025.

PENSIONS

The defined benefit pension scheme had a surplus, before tax, of £29.7m on 31 March 2025 which was a decrease of £5.2m from the surplus of £34.9m, before tax, on 31 March 2024.

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 three pubs and two ancillary properties for a total of £2.1m generating a profit against book value, after disposal costs, of £0.4m.

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 £1.4m, of which £2.2m was added to the revaluation reserve and £0.8m 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. On 31 March 2025 a financial liability of £1.7m has been recognised in respect of these interest rate swap contracts.

GOING CONCERN

On 31 March 2025 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 £71.4m on 31 March 2025, this gave headroom of £10.6m.

The Company has generated positive operating cashflows over the period, which has allowed it to invest £14.7m in capital projects during the year, whilst comfortably meeting 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 revolving credit facilities are due to be renewed in the first quarter of 2026 and the directors believe that this process will have a satisfactory outcome.

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
17 June 2025


Lister Arms, Malham

Promoting the success of our Company - S172 (1) 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 218 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 is 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 administers a defined benefit pension scheme, the Daniel Thwaites 1959 Pension Scheme. 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 the scheme 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 the scheme in such a way that contributions from the Company are balanced with risks taken within the scheme whilst not jeopardizing the long-term sustainable growth of the business which ultimately underpins the Company's covenant to the scheme.

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
- Renewed long term contracts for the supply of drinks to all our properties.
- Changing operating processes in the hotels to reduce headcount to partially mitigate the increase in National Insurance contributions.
- Capital investment of £14.7m, including major refurbishment schemes at the Royal Oak in Keswick, Bulls Head in Solihull and the Spa facilities at the Solent Hotel & Spa.
- The disposal of three 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 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 high cost of living.
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 monthly, 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 monitors 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.

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.
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.

Sustainability

Our approach to Sustainability:

ECOLOGICAL

- Environmentally friendly manufacturing and operations
- Recycling and waste reduction
- Maximum energy efficiency
- Produce and use renewable energy sources
- Focus on regional suppliers

ECONOMIC

- Quality and craftsmanship
- Best of British
- Do it well, do it once
- Classic timeless designs
- Investments with long lifespans and economic returns

SOCIAL

- Long term business relationships
- Local employment wherever possible
- Sustainable jobs
- Train and develop talent
- Positive and supportive work environment

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.

Sustainability continued

STREAMLINED ENERGY AND CARBON REPORT

The Group has followed the 2019 HM Government Environment Reporting Guidelines, Greenhouse Gas Protocol and GHG Protocol and has used the Government Emissions Factor Database 2024.

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.

Consumption (kWh)	2025	2024
Gaseous and other fuels (scope 1)	23,553,065	21,751,206
Grid-supplied Electricity (scope 2)	14,627,295	13,942,534
Transportation (scope 1)	530,347	582,183
Total	**38,710,707**	**36,275,923**
Emissions (tCo_2e)		
Gaseous and other fuels (scope 1)	4,275	4,014
Grid-supplied Electricity (scope 2)	3,029	2,887
Transportation (scope 1)	117	132
Total	**7,421**	**7,033**

Note

Scope 1: consumption and emissions relate to direct combustion of natural gas, and fuels utilised for company vehicle fleets.

Scope 2: consumption and emissions relate to indirect emissions relating to the consumption of purchased electricity in daily business operations.

Intensity Metrics	2025	2024
tCO_2e/£m Turnover	61.6	60.9
tCO_2e/FTE	6.3	6.3

We have continued to take action to reduce our environmental impact, with a focus on renewable energy generation, monitoring consumption and reducing our carbon emissions.

We have solar panels installed at three of our hotels and at the brewery, which generated 170,000 kWh of electricity last year. We have recently completed the installation of a 600-panel array at Thorpe Park Hotel & Spa in Leeds which is the largest array we have done so far and should generate at least 20% of the site's requirements. We are planning to do further solar installations during the next financial year.

Whilst our overall gas and electricity consumption has increased by 8% and 5% respectively compared to the previous year, this has been due to several changes in the business:

1. A full year of trading at Langdale Chase which was closed for a large part of the previous year for refurbishment.

2. An increase in the number of pubs on the WayInn franchise model where we take responsibility for utilities, whereas in a tenancy model it is the responsibility of the tenant.

3. A 34% increase in electricity being sold through the car chargers at our hotels.

On a like for like basis our consumption of gas dropped by about 2% and electricity was flat year on year.

Measuring and monitoring our water consumption has been a big focus this year. We have installed automatic water meters in all our larger properties to provide hourly consumption data to see when we are consuming most water, identify potential leaks during periods when consumption is expected to be minimal and compare relative usage across properties of similar size and activity level.

We continue to monitor and focus on reducing our food waste in our properties, with the total waste per cover dropping by a further 15% compared to the previous year. Since we started working closely with WRAP and Guardians of Grub in 2021 to report and reduce our food waste, our overall food waste per cover has dropped by 59%.

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 has now achieved our objective of being made up of fully electric and hybrid cars only.

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 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.

Kevin Georgel

Kevin Georgel was appointed as an independent non-executive director on 1 June 2025. He is currently the Chief Executive of family-owned St Austell Brewery in Cornwall and was previously Chairman of the British Beer and Pub Association and the former CEO of Admiral Taverns.

COMPANY SECRETARY

Jayne Kirkham, BA, ACA

Jayne joined the company in 2006, was appointed Company Secretary on 1 April 2025, and is a qualified Chartered Accountant.


Thorpe Park Hotel & Spa

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 2025.

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 2.6p to be paid on 1 August 2025 to shareholders on the register at close of business on 4 July 2025. This makes a total dividend for the year of 3.5p.

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*
†Kevin Georgel* (appointed 1 June 2025)

*Member of the Remuneration Committee
†Independent Non-Executive Director

In accordance with the Company's Articles of Association, Andrew Stothert and Mark Fisher retire by rotation, and being eligible, offer themselves for re-election.

Kevin Georgel having been appointed as a director since the last Annual general Meeting also retires, and being eligible, offers himself 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% on 31 March 2025:

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

The auditor, MHA, previously traded through the legal entity MacIntyre Hudson LLP. In response to regulatory changes, MacIntyre Hudson LLP ceased to hold an audit registration with the engagement transitioning to MHA Audit Services LLP. 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

Jayne Kirkham
Company Secretary
17 June 2025

Solent Hotel & Spa

Corporate Governance

THE BOARD AND COMMITTEES

The Board meets regularly throughout the year and is responsible for strategy, performance, approval of major projects and general treasury and risk management policies. The Board is also responsible for maintaining a framework for Corporate Governance and internal controls which it believes is appropriate to the Company.

The Board includes two executive and five non-executive directors. All appointments to the Board are for a specified term. Directors are subject to re-election by rotation, with one third of their number re-elected each year by shareholder approval at the Annual General Meeting. 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.

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 roles. 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 directors to present and agree the audit strategy prior to the commencement of the audit and then presents the results of the audit at the Board meeting following completion.

All Board appointments are formally considered by the Board, and therefore there is no requirement for a separate Nominations Committee.

DIRECTORS ATTENDANCE RECORD

The following table shows the attendance record of individual directors at scheduled meetings of the Board and Remuneration Committee during the year ended 31 March 2025.

Director	Board attended	Remuneration Committee attended
Richard Bailey	5/5	N/A
Kevin Wood	5/5	N/A
Ann Yerburgh	5/5	1/1
Roseanna McKinley	4/5	N/A
Andrew Stothert	5/5	1/1
Mark Fisher	5/5	1/1

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 AND RISK MANAGEMENT

The Board is responsible for overseeing and maintaining the Company's system of internal financial control and risk management and places a high level of importance on maintaining a strong control environment.

In establishing these systems, the directors have considered the nature of the Company'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 following key features of the system, which have remained unchanged during the year, are:

- A five year strategic plan is updated on an annual basis and approved by the Board
- A comprehensive annual budget is prepared and approved by the Board
- Monthly results are reported against budget and variances closely monitored by the Board
- Cash flow forecasting on a rolling basis to ensure covenant compliance
- All major capital expenditure projects are presented to the Board with detailed feasibility reports which are followed up with regular post completion performance reviews
- Business continuity plans and IT security measures are regularly reviewed
- An annual risk management review is undertaken

THE QUOTED COMPANIES ALLIANCE CORPORATE GOVERNANCE CODE

The Quoted Companies Alliance Corporate Governance Code (The QCA Code) is constructed around ten broad principles. Set out below is a summary of how the Company currently complies with each key principle of this code.

Principle 1: Establish a purpose, strategy and business model which promote long-term value for shareholders

HOW WE APPLIED	WHERE TO FIND FURTHER INFORMATION IN THE ACCOUNTS
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. The Company strategy is to operate as a diversified regional hospitality and leisure business operating in the pub and hotel markets, predominantly in England. Our business model is to invest in freehold properties to create long term sustainable and profitable assets. We constantly seek new properties to add to our portfolio that increase the overall quality, whilst disposing of those that no longer give acceptable returns. The Board reviews the strategy of the Company on an annual basis.	Strategy (pages 6 – 7) Principle Risk and Uncertainties (pages 18 – 20)

Principle 2: Promote a corporate culture that is based on ethical values and behaviours

HOW WE APPLIED	WHERE TO FIND FURTHER INFORMATION IN THE ACCOUNTS
Our strong family connections shape the way we do business through our guiding principles of: • Quality • Innovation • Craftsmanship, and • Hospitality Our objective is to create a culture that is focussed on the long-term sustainable success of the business. The Board operates a policy of collective responsibility with regard to all decision making, with the Chairman being responsible for the smooth functioning of its activities. The business is run in such a way that balances the interest and considerations of all its stakeholders and to promote the business for the benefit of its members. This involves considering the interest of employees, how it manages the on-going success of its relations and dealings with customers and suppliers. We are aware of the impact we have on the communities in which we operate and the impact on the environment and are taking positive steps to improve.	Sustainability (pages 21 – 22) Corporate governance (pages 26 – 27) Promoting the success of our Company Statement (pages 16 – 17)

Principle 3: Seek to understand and meet shareholder needs and expectations

HOW WE APPLIED	WHERE TO FIND FURTHER INFORMATION IN THE ACCOUNTS
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. The Board uses the Annual General Meeting to communicate with shareholders and welcomes their participation. The Directors are available to answer any questions from shareholders The Company is principally a family business, with the Yerburgh family (direct descendants of Daniel Thwaites) controlling a majority of the shares whilst the remainder are held by private individuals. The Yerburgh family appoints a non-executive to the Board and part of their role is to communicate with other family shareholders about Company developments.	Corporate Governance (pages 26 – 27) Report of Directors (page 24)

Corporate Governance continued

Principle 4: Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success

HOW WE APPLIED	WHERE TO FIND FURTHER INFORMATION IN THE ACCOUNTS
The success of the Company relies on the partnerships and relationships that we form at all levels, be it with our employees, our customers, our suppliers or any other groups that we interact with. We take seriously our 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 interest of our members in mind, we take into consideration the interest 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. We actively encourage and review feedback from customers, via on line and other review mechanisms. We regularly conduct engagement surveys to get feedback from staff, together with regular staff conversations through our ELMA process. Suppliers feedback through regular meetings and reviews.	Promoting the success of our Company (pages 16 – 17)

Principle 5: Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

HOW WE APPLIED	WHERE TO FIND FURTHER INFORMATION IN THE ACCOUNTS
The Board meets regularly throughout the year and is responsible for strategy, performance, approval of major projects and general treasury and risk management policies. The Board is also responsible for establishing and maintaining a system of internal risk management, with particular focus on health and safety, a strong financial control environment and sustainability. The principal risks and uncertainties are monitored by the Board. The Board considers risks to the business on a regular basis and updates the risk register, which identifies the principal risks and any mitigating actions in place to protect against those risks.	Principle Risks and Uncertainties (pages 18 – 20)

Principle 6: Establish and maintain the board as a well-functioning, balanced team led by the chair

HOW WE APPLIED	WHERE TO FIND FURTHER INFORMATION IN THE ACCOUNTS
The Company is led by the Board of Directors. The Executive Chairman is responsible for the constitution and running of the Board and is responsible for assembling a talented team of executives, running the Group's business and implementing Group strategy. Any significant commitment or role outside the business or potential conflict of interest is declared by the Director concerned and reviewed and approved by the Executive Chairman. The Company does not have a separate Chairman and Chief Executive. The role of Executive Chairman was created in consultation with the Family Shareholders, whose preference is that the Board is led by a family member and are wholly supportive of the role. Each of the operating businesses has its own operations director and the Family Shareholders believe that the autonomy of the operating businesses and the strategic development of them benefits from this segregation of duties. The Company has a Remuneration Committee, which is led by a different person to the Executive Chairman to avoid a conflict of interest. The Board includes five non-executive directors (three of which are independent) and two executive directors. Due to the size and structure of the Company and the make-up of the Board, the Directors do not consider it necessary to appoint a senior independent director at this point but will keep the matter under regular review. All appointments to the Board are for a specified term. All directors are subject to re-election at the Annual General meeting. 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 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 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. The Auditor also has the opportunity to meet directly with the Non-Executive Directors.	Strategic Report (pages 10 – 13) Corporate Governance (pages 26 – 27) Report of the Directors (pages 24 – 25)

Principle 7: Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities

HOW WE APPLIED	WHERE TO FIND FURTHER INFORMATION IN THE ACCOUNTS
The Board is satisfied that it has the appropriate balances of skills and experience. The Executive Directors have considerable expertise and experience in their roles as well as professional qualifications. The Non-Executive Directors possess a range of industry, business, financial and commercial expertise to bring both balance, insight and relevance to the Board. Where new Board appointments are considered, the search for candidates is conducted with the help of agents and recommendations and appointments are made, on merit, against objective criteria and with due regard for the benefits of diversity on the Board. 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. There are procedures in place whereby the Directors, in furtherance of their duties, may take independent professional advice at the expense of the Company.	Corporate Governance (pages 26 – 27) Board of Directors (page 23)

Principle 8: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

HOW WE APPLIED	WHERE TO FIND FURTHER INFORMATION IN THE ACCOUNTS
The Remuneration Committee annually reviews and evaluates the performance of the Directors and the executive management team. Every three years each Director retires by rotation and is proposed for re-election to the Board at the Annual General Meeting. Following each Annual General Meeting, the Executive Chairman is proposed for re-election by the Board. An external Board effectiveness review is scheduled to take place during the year ended 31 March 2026. In previous years the review of Board effectiveness has been carried out internally on an informal basis.	Corporate Governance (page 26)

Corporate Governance continued

Principle 8: (continued)

HOW WE APPLIED	WHERE TO FIND FURTHER INFORMATION IN THE ACCOUNTS
Succession planning is given due consideration by the Executive Chairman and the Board. The family shareholders review their representation on the Board on an annual basis. Independent non-executive directors typically serve on the Board for periods between six and nine years, but this is reviewed when they retire by rotation and are re-elected every three years. On 1 June 2025, Kevin Georgel was appointed as an independent non-executive director to facilitate future rotational changes. Succession plans for Executive directors are considered with reference to practicality and the size of the Board and company.	Corporate Governance (page 26)

Principle 9: Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose, strategy and culture

HOW WE APPLIED	WHERE TO FIND FURTHER INFORMATION IN THE ACCOUNTS
The Remuneration Committee exists to provide governance to the Board and is made up of a minimum of three Non-Executive Directors. 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 the executive management team. 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 specific sectors and businesses with which the Company competes and is also sensitive to salary levels in the wider community. The Company operates performance related reward policies, designed to provide the correct balance between fixed and variable, and short and longer term, remuneration.	Corporate Governance (pages 26 – 27)

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders

HOW WE APPLIED	WHERE TO FIND FURTHER INFORMATION IN THE ACCOUNTS
The Board uses the Annual General Meeting to communicate with shareholders and welcomes their views and answers their questions. The Company is quoted on the Aquis Exchange where all regulatory news is displayed, all of which is also displayed on the Company's website. Constitutional and governance information can also be found on the Company's website.	Corporate Governance (pages 26 – 27)

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 FRS102 The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS102").

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;
- state whether applicable UK Accounting Standards, including FRS102 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.

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

Jayne Kirkham
Company Secretary
17 June 2025

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 33 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 Parent 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 2025.

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 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 2025 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor 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	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. 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.		
MATERIALITY	**2025**	**2024**	
GROUP	£3,000,000	£3,000,000	1% (2024: 1%) of total assets
COMPANY	£2,999,000	£2,999,000	1% (2024: 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	Land and properties include properties revalued both internally by the groups own professional staff and externally by external valuation experts, with a percentage of the properties valued each year externally on a rational 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. The relevant accounting policy is discussed on page 42 along with the significant estimates and judgements. The revaluations during the year are in Note 11.
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, assessing the qualifications of the valuers and the relevance of the data in the reports and using this to set our own expectations of valuation ranges. Using this, we 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. • 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	We did not identify any material misstatements in relation to the valuation of the properties.

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 (2024: £3,000,000) and in respect of the Parent Company was set at £2,999,000 (2024: £2,999,000) which was determined on the basis of 1% (2024: 1%) of the Group's total assets and 1% (2024: 1%) of the Parent Company's total assets. Parent Company materiality was restricted to be below that of Group materiality. 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 (2024: £2,100,000) and for the Parent Company was set at £2,099,000 (2024: £2,099,000) which represents 70% (2024: 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 £150,000 (2024: £100,000) 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.

CLIMATE-RELATED RISKS

In planning our audit and gaining an understanding of the Group and Parent Company, we considered the potential impact of climate-related risks on the business and its financial statements. We obtained management's climate-related risk assessment and held discussions with management to understand their process for identifying and assessing those risks. We then engaged internal specialists to assess, amongst other factors, the nature of the Group's business activities, its processes and the geographic distribution of its activities

We have agreed with managements' assessment that climate-related risks are not material to these financial statements.

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.
- We enquired of the directors and 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. We determined that the principal risks were related to manipulation of internal metrics to influence management remuneration, posting inappropriate journals to increase profits to comply with covenants and management bias in accounting estimates, particularly in respect of fixed asset valuation.

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 correspondence with regulatory and tax authorities.
- 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
17 June 2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

Financial Statements

Group Profit and Loss Account

for the year ended 31 March 2025

	Note	2025 £m	2024 £m
Turnover	1	**120.6**	115.5
Cost of sales		**(93.9)**	(90.1)
Gross profit		**26.7**	25.4
Distribution costs		**(5.1)**	(5.4)
Administrative expenses		**(9.9)**	(8.8)
Other operating income	3	**0.1**	0.1
Operating profit before property disposals	2	**11.8**	11.3
Property disposals		**0.4**	0.2
Operating profit		**12.2**	11.5
Net interest payable	5	**(5.3)**	(5.2)
Gain on interest rate swaps measured at fair value	16	**1.2**	1.3
Net finance income on pension asset	10	**1.7**	1.5
Profit on ordinary activities before taxation	1	**9.8**	9.1
Taxation on profit for the year	6	**(2.2)**	(1.8)
Profit on ordinary activities after taxation		**7.6**	7.3
Basic and diluted earnings per share	8	**12.9p**	12.4p

Group Statement of Comprehensive Income

for the year ended 31 March 2025

	2025 £m	2024 £m
Profit on ordinary activities after taxation	**7.6**	7.3
Surplus on revaluation of land and properties	**2.2**	2.2
Movement on deferred tax relating to revaluation of properties	**(0.5)**	-
Recognised actuarial (loss)gain on pension scheme	**(6.3)**	1.6
Movement on deferred tax relating to pension scheme	**1.6**	(0.4)
Total comprehensive income for the year	**4.6**	10.7

Group Balance Sheet

as at 31 March 2025

	Note	2025 £m	2024 £m
Fixed Assets			
Tangible assets	11	**319.9**	312.2
Investments	12	**0.8**	0.8
		320.7	313.0
Current Assets			
Stocks	14	**0.9**	0.9
Trade and other debtors	15	**7.3**	6.7
Cash at bank and in hand		**2.6**	3.2
		10.8	10.8
Creditors due within one year			
Trade and other creditors	16	**(20.8)**	(20.7)
Loan capital and bank overdraft	17	**(33.5)**	-
		(54.3)	(20.7)
Net current liabilities		**(43.5)**	(9.9)
Total assets less current liabilities		**277.2**	303.1
Creditors due after one year	16	**(42.2)**	(76.6)
Deferred tax	19	**(11.3)**	(10.6)
Net assets excluding pension asset		**223.7**	215.9
Pension scheme asset	10	**29.7**	34.9
Net assets including pension asset		**253.4**	250.8
Capital and reserves			
Called up share capital	20	**14.7**	14.7
Capital redemption reserve	21	**1.1**	1.1
Revaluation reserve	21	**80.1**	78.6
Profit and loss account		**157.5**	156.4
Equity shareholders' funds		**253.4**	250.8

The accounts on pages 37 to 59 were approved by the Board of Directors and authorised for issue on 17 June 2025 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 2025

	Called-up share capital £m	Capital redemption reserve £m	Revaluation reserve £m	Profit and loss account £m	£m
Group					
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**
Profit for the year	-	-	-	7.6	**7.6**
Recognised actuarial loss on pension schemes	-	-	-	(6.3)	**(6.3)**
Movement on deferred tax relating to actuarial loss	-	-	-	1.6	**1.6**
Surplus on property revaluation	-	-	2.2	-	**2.2**
Movement on deferred tax relating to revalued assets	-	-	(0.5)	-	**(0.5)**
Total comprehensive income	-	-	1.7	2.9	**4.6**
Dividends paid	-	-	-	(2.0)	**(2.0)**
Revaluation element of depreciation charge	-	-	(0.1)	0.1	**-**
Transfer on disposal of properties	-	-	(0.1)	0.1	**-**
At 31 March 2025	14.7	1.1	80.1	157.5	**253.4**

	Called-up share capital £m	Capital redemption reserve £m	Revaluation reserve £m	Profit and loss account £m	£m
Parent					
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**
Profit for the year	-	-	-	7.6	**7.6**
Recognised actuarial loss on pension schemes	-	-	-	(6.3)	**(6.3)**
Movement on deferred tax relating to actuarial loss	-	-	-	1.6	**1.6**
Surplus on property revaluation	-	-	2.2	-	**2.2**
Movement on deferred tax relating to revalued assets	-	-	(0.5)	-	**(0.5)**
Total comprehensive income	-	-	1.7	2.9	**4.6**
Dividends paid	-	-	-	(2.0)	**(2.0)**
Revaluation element of depreciation charge			(0.1)	0.1	**-**
Transfer on disposal of properties	-	-	(0.1)	0.1	**-**
At 31 March 2025	14.7	1.1	56.8	179.7	**252.3**

Group Statement of Cash Flows

for the year ended 31 March 2025

	Note	2025 £m	2024 £m
Cash flow from operating activities			
Operating profit before property disposals		11.8	11.3
Non cash items			
- Depreciation		6.7	6.5
- Pension scheme administration expenses		0.6	0.4
- Impairment of tangible fixed assets		0.8	0.2
Defined benefit pension contributions		-	-
Movement in working capital			
- Stocks		-	-
- Debtors		0.5	(0.8)
- Creditors		0.3	0.8
Cash flow from operating activities		20.7	18.4
Tax paid		(1.7)	(1.3)
Net cash flow from operating activities		19.0	17.1
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(14.7)	(18.3)
Receipts from disposal of tangible fixed assets		2.1	3.8
Trade loans advanced	12	(0.6)	(0.3)
Trade loans repaid	12	0.6	0.3
Net cash flow used in investing activities		(12.6)	(14.5)
Cash flow from financing activities			
Interest paid on loans and overdrafts		(5.3)	(5.1)
Interest received on interest rate swaps		0.3	0.3
Drawdown of bank loans		-	7.0
Equity dividends paid		(2.0)	(1.9)
Net cash flow (used in) generated from financing activities		(7.0)	0.3
Net (decrease) increase in cash and cash equivalents		(0.6)	2.9
Cash and cash equivalents at beginning of year		3.2	0.3
Cash and cash equivalents at end of year		2.6	3.2

Notes to the Group Statement of Cash Flows

	2025	2024
Cash and cash equivalents consist of:		
Cash at bank and in hand	2.6	3.2
Bank overdraft	-	-
Cash and cash equivalents	2.6	3.2
Loan capital	(74.0)	(74.0)
Net debt	(71.4)	(70.8)
Reconciliation of net cash flow to movement in net debt		
(Decrease) increase in cash	(0.6)	2.9
Cash flow from decrease in debt	-	(7.0)
	(0.6)	(4.1)
Net debt at beginning of year	(70.8)	(66.7)
Net debt at end of year	(71.4)	(70.8)

Parent Balance Sheet

as at 31 March 2025

	Note	2025 £m	2024 £m
Fixed Assets			
Tangible assets	11	**319.9**	312.2
Investments	12	**0.8**	0.8
Investment in subsidiary undertakings	13	**11.5**	11.5
		332.2	324.5
Current Assets			
Stocks	14	**0.9**	0.9
Trade and other debtors	15	**7.3**	6.7
Cash at bank and in hand		**2.6**	3.2
		10.8	10.8
Creditors due within one year			
Trade and other creditors	16	**(33.4)**	(33.3)
Loan capital and bank overdraft	17	**(33.5)**	-
		(66.9)	(33.3)
Net current liabilities		**(56.1)**	(22.5)
Total assets less current liabilities		**276.1**	302.0
Creditors due after one year	16	**(42.2)**	(76.6)
Deferred tax	19	**(11.3)**	(10.6)
Net assets excluding pension asset		**222.6**	214.8
Pension scheme asset	10	**29.7**	34.9
Net assets including pension asset		**252.3**	249.7
Capital and reserves			
Called up share capital	20	**14.7**	14.7
Capital redemption reserve	21	**1.1**	1.1
Revaluation reserve	21	**56.8**	55.3
Profit and loss account		**179.7**	178.6
Equity shareholders' funds		**252.3**	249.7

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 £7.6m (2024 £7.3m)

The accounts on pages 37 to 59 were approved by the Board of Directors and authorised for issue on 17 June 2025 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 62 for registered office address.

These Group and parent company financial statements have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"("FRS102") 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

On 31 March 2025, the Group had net debt of £71.4m and available bank facilities of £82m, giving headroom of £10.6m. The bank facilities include the long-term loan of £45m, revolving credit facilities of £35m 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 Group will need to renew its existing revolving credit bank facilities of £35m by March 2026, and the directors believe that this process will have a satisfactory outcome.

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).

The Trust Deed and Rules provides an unconditional right for the Company to recover a surplus through refunds from the scheme, so accordingly the defined benefit pension asset has been recognised in the financial statements.

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 2025. 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.

Land and properties (except those separately classified as non-trading) are carried under the revaluation model and all other fixed asset categories are carried under the historical cost model.

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:

- 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 Groups policy to value 20% of its properties by external valuers each year, so that all properties are externally valued over a five-year period. The remaining properties are subject to valuation by the Group's own professionally qualified staff each year.

The head office and brewery site are stated at cost, less provision for depreciation and impairment. This has been designated as a separate class of fixed assets, land and properties non-trading.

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 FRS102 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

Accounting Policies continued

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

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.

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 some 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 LEASE

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 is it 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

1. 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	
	2025 £m	2024 £m	**2025 £m**	2024 £m	**2025 £m**	2024 £m
Segmental analysis						
Turnover (all from UK trade), profit before tax and net assets:						
Pubs and Inns	**63.6**	63.0	**14.6**	13.9	**159.4**	155.4
Hotels	**57.0**	52.5	**7.4**	6.2	**137.4**	133.9
Group central charges	**-**	-	**(9.8)**	(8.6)	**-**	-
Net interest payable	**-**	-	**(3.6)**	(3.7)	**-**	-
Gain on interest rate swaps measured at fair value	**-**	-	**1.2**	1.3	**-**	-
	120.6	115.5	**9.8**	9.1	**296.8**	289.3
Net pension asset	**-**	-	**-**	-	**29.7**	34.9
Financial liability for interest rate swaps	**-**	-	**-**	-	**(1.7)**	(2.6)
Net debt	**-**	-	**-**	-	**(71.4)**	(70.8)
	120.6	115.5	**9.8**	9.1	**253.4**	250.8

2. OPERATING PROFIT

	2025 £m	2024 £m
Operating profit is stated after charging:		
Depreciation	**6.7**	6.5
Operating leases - plant and equipment	**0.5**	0.4
Operating leases - property	**0.1**	0.1
Pension schemes - defined benefit	**0.6**	0.4
Pension schemes - defined contribution	**1.0**	0.9

3. OTHER OPERATING INCOME

	2025 £m	2024 £m
Business Rates relief	**0.1**	0.1

4. AUDITOR'S REMUNERATION

	2025 £'000	2024 £'000
Fees payable:		
Statutory audit fees (for the parent and the group)	**63.4**	59.8

5. NET INTEREST PAYABLE

	2025 £m	2024 £m
Interest payable:		
On variable rate loans and overdrafts	**2.2**	2.1
On fixed rate loans	**3.2**	3.2
	5.4	5.3
Interest receivable and similar income	**(0.1)**	(0.1)
	5.3	5.2

6. TAXATION

	2025 £m	2024 £m
The tax charge comprises:		
Current tax		
UK corporation tax at 25%	**1.4**	1.3
Adjustments in respect of prior years	**(1.0)**	(0.2)
	0.4	1.1
Deferred tax		
Origination and reversal of timing differences (note 19)	**0.6**	0.6
Pension cost relief in excess of pension cost charge	**0.3**	0.2
Adjustments in respect of prior years	**0.9**	(0.1)
	1.8	0.7
Tax on profit on ordinary activities	**2.2**	1.8

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

	2025 £m	2024 £m
Profit for the year	**7.6**	7.3
Total tax expense	**2.2**	1.8
Profit on ordinary activities before tax	**9.8**	9.1
Tax on profit on ordinary activities at standard rate of corporation tax	**2.5**	2.3
Disallowed expenses	**(0.2)**	(0.2)
Adjustments in respect of prior years	**(0.1)**	(0.3)
Tax on profit on ordinary activities	**2.2**	1.8

7. DIVIDENDS PAID

	2025 £m	2024 £m
2024 final	1.5	1.4
2025 interim	0.5	0.5
	2.0	1.9

The 2024 final dividend of 2.5p per share was paid on 5 August 2024 to shareholders on the register on 5 July 2024. The 2025 interim dividend of 0.9p per share was paid on 10 January 2025 to shareholders on the register on 13 December 2024.

The directors have recommended a dividend in respect of 2025 of 2.6p 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 1 August 2025 to shareholders on the register on 4 July 2025.

8. EARNINGS PER SHARE

	2025 £m	2024 £m
Profit attributable to ordinary shareholders	7.6	7.3
Gain on interest rate swaps measured at fair value	(1.2)	(1.3)
Underlying profit attributable to ordinary shareholders	6.4	6.0
	Number '000	Number '000
Weighted average number of ordinary shares in issue during the year	58,828	58,828
Earnings per share	12.9p	12.4p
Underlying earnings per share	10.9p	10.2p

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

	2025 £m	2024 £m
Group and parent		
Wages and salaries	36.4	34.3
Social security costs	3.0	2.6
Other pension costs	1.0	0.9
	40.4	37.8

	Full time		Part time	
	2025 No.	2024 No.	2025 No.	2024 No.
The average number of persons employed by the Group and Company was:				
Pubs and Inns	290	271	313	328
Hotels	497	518	510	544
Group central services	68	73	7	8
	855	862	830	880

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 £1.0m (2024: £0.9m).

Defined benefit

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

The last full triennial review took place on 1 January 2024, and the Company engages the Actuary to prepare the FRS102 valuation for the Group,including at 31 March 2025.

The main assumptions used by the Actuary were:

	2025	2024
Rate of increase in pensions payment	3.35%	3.30%
Discount rate	5.75%	4.85%
Price inflation (RPI)	3.35%	3.35%
Price inflation (CPI)	2.95%	2.95%
Cash commutation (proportion taken on retirement)	60%	60%
Mortality - males	97% SAPS S4 CMI 2023 1.5%	111% SAPS S3 CMI 2022 1.5%
Mortality - females	99% SAPS S4 CMI 2023 1.5%	111% SAPS S3 CMI 2022 1.5%

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

	2025 Years	2024 Years
Current pensioners (at 65) - males	87	86
Current pensioners (at 65) - females	89	88
Pensioners retiring in 20 years (at 65) - males	88	88
Pensioners retiring in 20 years (at 65) - females	91	90

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 3.2%
Price inflation (RPI and CPI)	increase 0.25%	increase 0.6%
Cash commutation (proportion taken on retirement)	decrease 10%	increase 0.2%
Rate of mortality (change to life expectancy)	decrease LTIR 0.25%	decrease 0.6%

	Value	
	2025 £m	2024 £m
Bonds	**30.6**	29.9
Gilts	**99.3**	111.7
Other	**2.1**	2.0
Fair value of scheme assets	**132.0**	143.6
Present value of scheme liabilities	**(102.3)**	(108.7)
Surplus in schemes	**29.7**	34.9
Related deferred tax liability	**(7.4)**	(8.7)
Net pension asset	**22.3**	26.2

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 2026, the group does not expect to pay contributions to its defined benefit pension scheme.

	Scheme assets		Scheme liabilities		Net surplus	
	2025 £m	2024 £m	**2025 £m**	2024 £m	**2025 £m**	2024 £m
Movement in surplus in the year						
At the beginning of the year	**143.6**	144.8	**(108.7)**	(112.6)	**34.9**	32.2
Current service cost	**-**	-	**-**	-	**-**	-
Administration costs	**(0.6)**	(0.4)	**-**	-	**(0.6)**	(0.4)
Net finance income on pension asset	**6.8**	6.7	**(5.1)**	(5.2)	**1.7**	1.5
Benefits paid	**(5.8)**	(5.6)	**5.8**	5.6	**-**	-
Actuarial (loss) gain	**(12.0)**	(1.9)	**5.7**	3.5	**(6.3)**	1.6
At the end of the year	**132.0**	143.6	**(102.3)**	(108.7)	**29.7**	34.9

10. PENSION SCHEMES continued

	2025 £m	2024 £m
Group Profit and Loss Account		
Pension costs charged against operating profit:		
Administration expenses	**(0.6)**	(0.4)
Charge in respect of defined contribution scheme	**(1.0)**	(0.9)
	(1.6)	(1.3)
Net interest on pension asset	**1.7**	1.5
Total charge	**0.1**	0.2
Actual return on scheme assets	**(5.2)**	4.8
Amounts recognised in the statement of comprehensive income		
Actuarial (loss) gain	**(6.3)**	1.6
Deferred tax	**1.6**	(0.4)
Recognised actuarial (loss) gain on pension schemes less related tax	**(4.7)**	1.2

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 scheme are required to act in the best interests of the scheme's beneficiaries. The appointment of trustees to the scheme is determined by the scheme's trust documentation. The Group is responsible for the appointment and removal of the trustees except for the two member nominated trustees of the 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 scheme

The most recently completed triennial actuarial valuation of the Group's defined benefit scheme was performed by an independent actuary for the trustees of the scheme and was carried out as at 1 January 2024. Due to the significant surplus in the Scheme, it was agreed that no further contributions would be payable and the Scheme would pay the PPF levy and the expenses of the Scheme.

The next triennial valuation of the Scheme is due to be completed as at 1 January 2027. 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	Land and properties-non trading	Plant and machinery	Fixtures and fittings	**Total**
	£m	£m	£m	£m	**£m**
Group					
Cost or valuation:					
At 31 March 2024	275.4	6.7	5.1	134.8	**422.0**
Additions	4.2	-	0.6	9.9	**14.7**
Disposals	(1.3)	-	-	(1.6)	**(2.9)**
Revaluation	1.4	-	-	-	**1.4**
At 31 March 2025	279.7	6.7	5.7	143.1	**435.2**
Depreciation:					
At 31 March 2024	2.3	-	2.9	104.6	**109.8**
Charge for the year	0.2	-	0.2	6.3	**6.7**
Disposals	-	-	-	(1.2)	**(1.2)**
Revaluation	-	-	-	-	**-**
At 31 March 2025	2.5	-	3.1	109.7	**115.3**
Net book value 31 March 2025	**277.2**	**6.7**	**2.6**	**33.4**	**319.9**
Net book value 31 March 2024	273.1	6.7	2.2	30.2	**312.2**

As at 31 March 2025, in accordance with Group policy, 20% of the pub estate and two inns were revalued by external valuers, 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 two hotels were revalued by external valuers, Colliers. The properties were valued on the basis of Existing Use Value as fully operational individual hotel units 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.

	2025	2024
	£m	£m
Land and properties at cost or valuation:		
Freehold	**258.7**	254.6
Long leasehold	**27.7**	27.5
	286.4	282.1
Cost or valuation of land and properties:		
As valued 2025	**59.5**	-
As valued 2024	**49.8**	52.6
As valued 2023 and prior	**138.5**	184.6
At cost*	**38.6**	44.9
	286.4	282.1
The historical cost of land and properties as shown above:		
Cost	**205.5**	203.2
Accumulated depreciation	**(2.2)**	(2.0)
Net book value	**203.3**	201.2

* 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	Land and properties-non trading £m	Plant and machinery £m	Fixtures and fittings £m	Total £m
Parent					
Cost or valuation:					
At 31 March 2024	275.4	6.7	5.1	134.8	**422.0**
Additions	4.2	-	0.6	9.9	**14.7**
Disposals	(1.3)	-	-	(1.6)	**(2.9)**
Revaluation	1.4	-	-	-	**1.4**
At 31 March 2025	279.7	6.7	5.7	143.1	**435.2**
Depreciation:					
At 31 March 2024	2.3	-	2.9	104.6	**109.8**
Charge for the year	0.2	-	0.2	6.3	**6.7**
Disposals	-	-	-	(1.2)	**(1.2)**
Revaluation	-	-	-	-	**-**
At 31 March 2025	2.5	-	3.1	109.7	**115.3**
Net book value 31 March 2025	**277.2**	**6.7**	**2.6**	**33.4**	**319.9**
Net book value 31 March 2024	273.1	6.7	2.2	30.2	**312.2**

	2025 £m	2024 £m
Land and properties at cost or valuation:		
Freehold	**258.7**	254.6
Long leasehold	**27.7**	27.5
	286.4	282.1
Cost or valuation of land and properties:		
As valued 2025	**59.5**	-
As valued 2024	**49.8**	52.6
As valued 2023 and prior	**138.5**	184.6
At cost*	**38.6**	44.9
	286.4	282.1
The historical cost of land and properties as shown above:		
Cost	**228.8**	226.5
Accumulated depreciation	**(2.2)**	(2.0)
Net book value	**226.6**	224.5

* 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.

12. INVESTMENTS

	Trade loans £m
Group and Parent	
Cost:	
At 31 March 2024	0.9
Additions	0.6
Disposals and repayments	(0.6)
At 31 March 2025	0.9
Provision for impairment	
At 31 March 2024	0.1
Decrease in the year	-
At 31 March 2025	0.1
Net book value 31 March 2025	**0.8**
Net book value 31 March 2024	0.8

13. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	Shares in subsidiaries £m	Loans to subsidiaries £m
Parent		
Cost less amounts written off:		
At 31 March 2024	11.5	(12.6)
Movements	-	-
At 31 March 2025	**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, Yerburgh 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 62.

14. STOCKS

	2025 £m	2024 £m
Group and Parent		
Finished goods and goods for resale	**0.9**	0.9

15. DEBTORS

	Group		Parent	
	2025	2024	**2025**	2024
	£m	£m	**£m**	£m
Due within one year				
Trade debtors	**3.5**	4.1	**3.5**	4.1
Other debtors	**1.0**	0.9	**1.0**	0.9
Prepayments and accrued income	**1.7**	1.7	**1.7**	1.7
Corporation tax	**1.1**	-	**1.1**	-
	7.3	6.7	**7.3**	6.7

16. CREDITORS

	Group		Parent	
	2025	2024	**2025**	2024
	£m	£m	**£m**	£m
Group and Parent				
Due within one year				
Trade creditors	**9.7**	8.9	**9.7**	8.9
Other taxation and social security	**2.9**	2.9	**2.9**	2.9
Other creditors	**3.3**	3.4	**3.3**	3.4
Corporation tax	**-**	0.2	**-**	0.2
Accruals and deferred income	**4.9**	5.3	**4.9**	5.3
Loans from subsidiaries (note 13)	**-**	-	**12.6**	12.6
	20.8	20.7	**33.4**	33.3

	Group		Parent	
	2025	2024	**2025**	2024
	£m	£m	**£m**	£m
Due after one year				
Loan capital (note 17)	**40.5**	74.0	**40.5**	74.0
Interest rate swaps	**1.7**	2.6	**1.7**	2.6
	42.2	76.6	**42.2**	76.6

Group and Parent	**Total**
	£m
Interest rate swaps	
At 31 March 2024	**2.6**
Interest income arising from financial liabilities	**0.3**
Movement in fair value	**(1.2)**
At 31 March 2025	**1.7**

17. LOAN CAPITAL AND OTHER BORROWINGS

	2025 £m	2024 £m
Group and Parent		
Bank loans - revolving credit facilities	**29.0**	29.0
Overdrafts	**-**	-
Term loan	**45.0**	45.0
	74.0	74.0

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 2025, the Group has complied with the terms of those financial covenants.

Borrowings are repayable as follows:

	2025 £m	2024 £m
After five years	**22.5**	27.0
Between two and five years	**13.5**	13.5
Between one and two years	**4.5**	33.5
	40.5	74.0
On demand or within one year	**33.5**	-
	74.0	74.0

Borrowing facilities:

	2025 £m	2024 £m
The group has the following undrawn committed borrowing facilities available:		
Expiring within one year	**8.0**	2.0
Expiring between one and two years	**-**	6.0

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 2025	**45.0**	**29.0**	**7.02%**	**4**
At 31 March 2024	45.0	29.0	7.02%	5

As at 31 March 2025, 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	
	2025 £m	2024 £m
Financial instruments that are debt instruments measured at amortised cost		
Trade loans	**0.8**	0.8
Cash	**2.6**	3.2
Trade debtors	**3.5**	4.1
Other debtors	**1.0**	0.9
Financial liabilities measured at amortised cost		
Loan capital	**(74.0)**	(74.0)
Trade creditors	**(9.7)**	(8.9)
Bank overdraft	**-**	-
Other creditors	**(3.3)**	(3.4)
Accruals	**(4.9)**	(5.3)
Financial liabilities measured at fair value through the profit and loss account		
Interest rate swaps	**(1.7)**	(2.6)

19. DEFERRED TAXATION

Deferred taxation is provided in the accounts at 25%

The elements of deferred tax are as follows:

	2025 £m	2024 £m
Accelerated capital allowances	3.4	1.9
Deferred tax on revaluation of properties	0.5	-
Deferred tax excluding that relating to pension asset	3.9	1.9
Deferred tax on pension scheme surplus (note 10)	7.4	8.7
Total deferred tax liability	11.3	10.6
Movement in the provision		
At 31 March 2024	1.9	
Deferred tax charged to the profit and loss account	1.5	
Deferred tax on revaluation of properties	0.5	
At 31 March 2025	3.9	
Deferred tax relating to pension surplus		
At 31 March 2024	8.7	
Deferred tax charged to the profit and loss account	0.3	
Deferred tax charged in the statement of comprehensive income	(1.6)	
At 31 March 2025	7.4	

The Group has recognised a deferred tax liability in respect of capital gain of £0.5m (2024 : asset of £0.3m). In previous years the asset was not recognised due to uncertainty regarding the asset being realised in the future.

20. CALLED UP SHARE CAPITAL

	Allotted and Fully Paid Up	
	2025 £m	2024 £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	
	2025 £m	2024 £m	2025 £m	2024 £m
Contracted for but not provided	1.0	-	1.0	-

23. LEASE COMMITMENTS

	Plant and equipment		Property	
	2025	2024	**2025**	2024
	£m	£m	**£m**	£m
Non-cancellable operating lease rentals are payable as follows:				
Within one year	**0.5**	0.4	**0.1**	0.1
One to five years	**0.7**	0.6	**0.2**	0.2
Over five years	**-**	-	**0.1**	0.1
	1.2	1.0	**0.4**	0.4

24. DIRECTORS' REMUNERATION

	2025	2024
	£'000	£'000
Aggregate amount:		
Directors' emoluments	**782.7**	1,015.8
Company pension contributions to money purchase schemes	**41.4**	38.5
	824.1	1,054.3
Highest paid director:		
Directors' emoluments	**383.2**	549.7
Company pension contributions to money purchase schemes	**26.0**	25.0
	409.2	574.7

Retirement benefits are accruing to two directors under the Group's defined contribution pension scheme (2024: two) and are payable to one director under the Group's defined benefit pension scheme (2024: one).

There is no further compensation of key management personnel other than that disclosed above (2024 : none).

Annual General Meeting

Notice of Meeting

Notice is hereby given that the Annual General Meeting of the Company will be held at The Fleece, Market Place, Cirencester, GL7 2NZ on Friday, 25 July 2025 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 2025 and the reports of the directors and the auditor, and to approve and declare a final dividend for the year ended 31 March 2025

2. To re-elect Andrew Stothert as a director

3. To re-elect Mark Fisher as a director

4. To re-elect Kevin Georgel as a director

5. To approve and confirm the remuneration of the directors for the year ended 31 March 2025

6. 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 7 and 9 will be proposed as ordinary resolutions and resolution 8 as a special resolution.

7. 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.

8. THAT, subject to the passing of resolution 7 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 8.1) of equity securities for cash up to an aggregate nominal amount of £735,343.

   The power conferred by this resolution 8 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 7 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.

9. 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 7 – 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 2025. 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 8 – 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 7. The directors consider this power desirable due to the flexibility afforded by it.

Resolution 9 - Authority to make market purchases of shares

Resolution 9 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 9 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 2025.

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

Jayne Kirkham
Company Secretary
17 June 2025

Shareholder Information

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FINANCIAL CALENDAR

Annual General Meeting
Friday 25 July 2025
12.00 noon at The Fleece, Market Place, Cirencester, GL7 2NZ

Announcement of Interim Results
November 2025

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


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thwaites.co.uk