Wadworth and Company Limited

ANNUAL REPORT & FINANCIAL STATEMENTS

For the period ended 30 December 2023



SINCE 1875
WADWORTH
TRADITIONS WORTH HOLDING ON TO

COMPANY REGISTRATION NO. 00030177 (ENGLAND AND WALES)

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Company Information

Company number:
00030177

Registered office:
Folly Road Brewhouse
Folly Road
Devizes, Wiltshire
SN10 2HT

Independent auditor:
Saffery LLP
St Catherine's Court,
Berkeley Place, Clifton,
Bristol, BS8 1BQ

Strategic Report

- EBITDA of £4.6m
- Operating profit of £2.7m
- Profit before tax £0.8m
- Net assets of £78m
- 19 managed houses, 128 tenanted pubs and a brand new brewery

We took our positive momentum from the end of 2022 into 2023 and consequently have seen an increase in EBITDA by 27% to £4.6m (period ended 31 December 2022 £3.6m). This flowed through to a profit on ordinary activity of £0.8m (period ended 31 December 2022 loss of £5.4m). The improved EBITDA was primarily due to a significant improvement in the performance of our managed house division and a solid performance in the tenanted estate, supplemented by immediate production cost benefits arising in our new brewery. High utility costs hampered the early part of the year but we have now secured much better rates which are locked in until Q4 2025. The Bank of England interest rate rises increased our interest costs by £504k, even with a swap in place to mitigate these rises.

In the financial year, we repaid £1m against one of our revolving credit facilities, which is in line with our strategy of reducing our overall debt gradually over time. There has been a large movement in non-current liabilities (>12 months) to current liabilities (<12 months) on our balance sheet as a large proportion of debt is due for refinancing in September 2024. The discussions with our banking partners have been positive and we are close to extending these facilties. Please see note 1.2 for further details on page 18.

We completed the move to the new brewery site, at Folly Road Brewhouse, in September 2023. It is an enormous credit to the whole Wadworth team to have delivered a project of this magnitude on time and on budget, especially after such a turbulent few years. The forecast cost savings arising from efficient and modern equipment are already coming through and these will be even more apparent in 2024. We are well-placed to launch a number of new, exciting products throughout 2024, to give our pubs a distinctive competitive advantage with which to delight their customers.

We have already seen a high demand across the estate for our first new beer, Evolution, Session IPA. We have a pipeline of new product development underway and will be launching additional new beers to our estate over the months ahead.

The Northgate site planning application is progressing, although the planning approval process has taken far longer than expected. We hope to recognise funds from Backhouse in the second half of 2024 on a successful planning application and we have also exchanged contracts, subject to planning, on the Grade 2 listed part of the site. These are big steps forward to securing the future of the iconic site.

Beer volumes in the tenanted division were broadly similar to the prior year which, given the cost headwinds facing consumers, is a credible performance under the circumstances. However inflationary pressures have also impacted our tenants' profits, especially utility costs, and this led to a number of tenants choosing not to renew their existing agreements with us. Fortunately, the quality of our tenanted pub estate does mean that we have been able to attract some great new operators to join us as tenants in recent years. This is now starting to come through in terms of pub performance, but we are under no illusions as to the time, and investment, required to ensure that our tenanted estate can sustainably grow earnings for both our tenants and ourselves. We have entered 2024 with fewer pubs to let but still a challenging economic environment.

The managed house division saw sales up by 13% on 2022 along with significantly improved food margin across the estate. The majority of this growth was organic with some very impressive turnaround performances in sites with new management teams who have clearly delivered a renewed focus on the customer experience and an increase in the number of larger events held throughout the year.

We are planning to increase capital expenditure across both the managed and tenanted pubs for 2024 and beyond and are excited by the potential for profit improvement that carefully targeted investment will bring.



The sales division increased sales and profitability as a result of its strong relationships with a number of core customers. We anticipate increasing our volume into these channels in 2024, in particular taking advantage of our ability to brew new and exciting beers with which to satisfy customer demand.

We identified four pubs for disposal during the year which did not fit our strategic plan for the estate, and where we had concluded that they were not capable of delivering attractive and sustainable returns compared to their realisable value. I'm pleased to say that these were all sold by the year end and realised their combined net book value. The proceeds of disposal were partly used to repay a proportion of debt, as mentioned above, with the balance being retained to reinvest into the estate. We will continue to review the estate to ensure we are optimising returns from it.

Section 172 Companies Act 2006 Statement

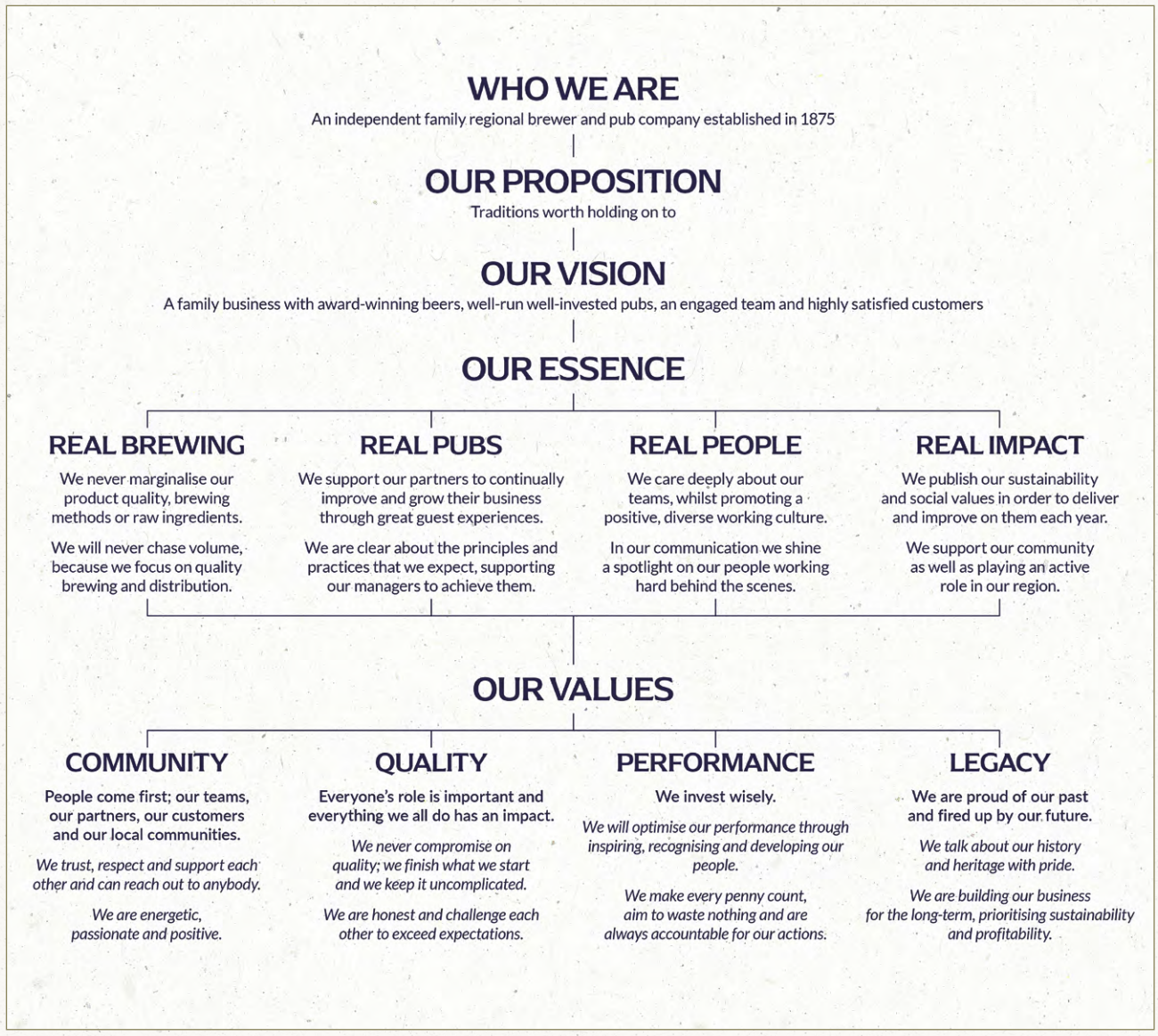
A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, customers and others the impact of the company's operations on the community and the environment
- the desirability of the company maintaining a reputation for high standards of business conduct
- the need to act fairly between members of the company

The following paragraphs summarise how the Wadworth Directors fulfil their duties:

Our People, Community, Suppliers and Environment

The company is committed to being a responsible business and to the following set of values:



Risk Management

It is key that we clearly identify, manage and mitigate the risks the company faces. The risks and uncertainties facing the company are further laid out on page 8 -9.

Shareholders

We are committed to an open and effective dialogue with our shareholders. It is important to us that the shareholders clearly understand the strategy and objectives of the company and have the platform to raise any questions or issues that are then addressed. The Board recognises that it is responsible for creating and delivering shareholder value for the long term.

Summary

2024 is set to be another year of change with the anticipated completion of the planning process at Northgate Brewery triggering a number of subsequent events. The current Brewery Tap & Shop closed at the end of March 2024, and we have secured a new location in the centre of Devizes which we expect to open by the middle of the year. We have also identified a new home for the shire horses and sign writers to be housed adjacent to one of our pubs close to Devizes, albeit this is subject to planning permission being granted.

The financial results of the business are undoubtedly heading in the right direction, and it is essential that we continue to grow our EBITDA and free cashflow generated as a result. Whilst the modest level of profit on ordinary activities delivered in 2023 is a clear improvement on the results of recent years, the environment in which we are operating remains extremely challenging and consumer sentiment is fragile. The board has therefore concluded that it would be imprudent to reinstate a dividend on ordinary shares at this time.

We are clear that we must continue to invest in the estate in order to attract consumers to our pubs and to drive sustainable earnings growth, and we must continue to reduce the level of debt in the business. Both outcomes will deliver returns for shareholders over time.

The last year has undoubtedly been one of enormous change for Wadworth, and it is a privilege for me to become chair at such a momentous time in the company's history. We are looking forward with both ambition and confidence, and I would like to take this opportunity to thank our enormously talented teams, our tenants, our customers and our supplier partners for their loyalty and hard work, and for their continuing commitment to Wadworth.

On behalf of the Board

W Simon Townsend
Chairman

16th April 2024

Registered Company Name: Wadworth and Company Limited
Registered Company Number: 00030177

Registered Office: Folly Road Brewhouse, Folly Road, Devizes, Wiltshire, SN10 2HT



Directors' Report

The Directors present their report and accounts for the financial period ended 30 December 2023.

Review of Business

The principal activities of the company are the brewing and packaging of beers, the wholesaling and retailing of beers, ciders, wines, spirits and minerals and the ownership and management of licensed properties. Having assessed the future outlook of the business together with current levels of funding, the directors have concluded that it has sufficient resources to continue as a going concern.

The key financial indicators during the period were as follows:

	30 December 2023 £'000	31 December 2022 £'000
Turnover	**39,154**	**36,319**
EBITDA	4,644	3,644
Reorganisation costs	(105)	(42)
Profit/(Loss) on Ordinary Activities Before Taxation	815	(5,380)
Dividend on Ordinary Share Paid	-	-
Net Asset Value	77,878	76,879

Board of Directors

WS Townsend – appointed 21 April 2023	Chairman
TJ Bartholomew	Managing Director
DJ Webber	Finance Director and Company Secretary
M Fulton	Operations Director
ES Harford	Non-executive Director
JE Beard	Non-executive Director
NC Stenhouse	Non-executive Director
CJE Bartholomew	Non-executive Director

Results

The results for the year are set out on page 12.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests. Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Streamlined Energy & Carbon Report Summary

This financial year, Wadworth consumed 9,385 MWh resulting in the gross carbon emissions of the business amounting to 1,828 tCO2e. These figures correspond to a 15% increase in total energy consumption and a 10% increase in gross carbon emissions compared to the previous year. Normalised gross emissions from the brewery decreased by 7%, from 0.0324 tCO2e/hL to 0.0301 tCO2e/hL of product whilst normalised gross emissions from the managed estates increased by 5% from 0.0595 tCO2e/£k to 0.0622 tCO2e/£k of annual turnover.

In late 2023, the Folly Road Brewhouse was complete and the transition from the Northgate brewery to this purpose-built facility was successful. This new build has given the business a great opportunity to improve the energy efficiency and reduce waste. However, the introduction of the new brewery led to dual production during the commissioning phase leading to the increased consumptions noted above. Some ways we have achieved this include installing PIR LEDs, advanced refrigeration technology and optimised the

Parameter	Units	Current reporting year 01/01/23 – 31/12/23	Comparison calendar year 01/01/22 – 31/12/22
Combustion fuels consumed	kWh	6,279,495	4,917,772
Grid electricity consumed	kWh	3,105,181	3,254,985
Transport fuels consumed	kWh	-	-
Total energy consumption used to calculate emissions	kWh	9,384,675	8,172,757
Total gross carbon emissions	tCO_2e	1,828	1,661
Carbon reduction through green electricity tariff	tCO_2e	(643)	(629)
Total net carbon emissions	tCO_2e	1,185	1,031
Brewery intensity ratio: Total gross emissions / total production	tCO_2e/hL	0.0301	0.0324
Managed estate intensity ratio: Total gross emissions / turnover	tCO_2e/£k	0.0622	0.0595

boil off rate as well as a new roof design to allow greater natural light.

Additionally, the electricity purchased by Wadworth is 100% green and renewable, procured through green tariffs, backed by Renewable Energy Guarantees of Origin Certificates (REGO's). The carbon emissions related to electricity can be deducted from the total gross value, a reduction of 643 tCO2e, resulting in the final net carbon emissions of 1,185 tCO2e, a 15% increase from last year.

Auditor

The auditor, Saffery LLP is deemed to be reappointed under section 487 (2) of the Companies Act 2006.

Statement of Directors' responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 Company will continue in business.

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

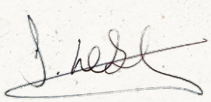
Strategic report

The Company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' report. It has done so in respect of its fair review of the business and its' future developments.

Statement of disclosure to Auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the Board



DJ Webber
Director

16th April 2024

Registered Company Name: Wadworth and Company Limited
Registered Company Number: 00030177
Registered Office: Folly Road Brewhouse, Folly Road, Devizes, Wiltshire, SN10 2HT

Risks and Uncertainties

RISK	MANAGEMENT ACTIONS
Global Events	
Pandemic/disease leading to government enforced closure of pubs leading to significant reduction in trade. The majority of our trade comes from the pub business both managed and tenanted and also from sales into the on trade.	We would continue to work closely with our banking partners alongside reviewing current and future levels of funding to ensure adequate liquidity is in place.
Potential and ongoing global conflicts and the significant impact this has on the profitability of our pubs.	We are hedged against our utility contracts until Q4 2025. We are flexible enough in our own food and drink pricing and choice to react to any global events that may threaten margin.
Operational Risks	
Brewery Site: The new Folly Road site produces all of our beers and a serious accident at the site, or a breakdown of major equipment, would impact on our production capabilities.	The new site has state of the art equipment covered under warranty plus an extensive spares package provided by the manufacturer based in Germany. To ensure the continued supply of our beers we have an agreement with a number of other independent brewers who would produce our beers should the Folly Road site be closed.
Information Technology: The reliance on information systems to manage our brewery operations and operational management of our pubs would be impacted if a significant failure of these systems took place.	All of our business systems are documented and we have a disaster recovery plan to ensure that the business critical operations could be quickly restored in a controlled manner. All systems are now based in the cloud with no reliance on local servers. Out of hours support is available to our managed houses should issues arise.
Legislative Risks	
Statutory Legislation/Voluntary Code: The government has introduced a statutory code for pub companies with over 500 pubs. A voluntary code is in place for companies with less than 500 pubs. The threshold of 500 pubs could be lowered which would result in a free of tie option to be offered in certain circumstances.	Our Tenanted business has fully signed up to the voluntary code and is complying with all elements ensuring a transparent way of working with our Tenants. If the threshold changed, we would review the business model to accommodate the change to our commercial operations.
Health & Safety: The safety of our customers, employees and all stakeholders is a high priority for the directors. The business must comply with all Health & Safety Regulations that apply to our industry.	Our Health and Safety Committee oversees all related matters and we have a Health and Safety platform to facilitate the management and reporting of risk across the whole business. All relevant staff are trained at the right levels consistent with legislation. Managed house staff have access to all compliance training on our online training portal. In our Tenanted estate we operate the Management Services Agreement which manages the compliance certification required.
Alcohol Duty Reform: Government reviews alcohol duty rates annually as part of the budget process, which could lead to increased duty being payable.	Government has confirmed in the March 2024 budget that ADR would freeze until February 2025. Duty rates are under constant review and future beers and alcohol content are part of the strategy for new Folly Road beer reviews going forward.

RISK	MANAGEMENT ACTIONS
Legislative Risks - continued	
Business Rates: Retail, hospitality and leisure (RHL) relief extended and increased to 75% from April 2024 (for one year) but with an overall cap for businesses (£110,000) limited for managed pubs. Risk to our business partners in April 2025 as 75% reduction is currently being removed.	Management team to ensure all BP's are aware of increased timeline and have taken necessary actions to prepare.
National Living Wage: A National Living Wage was introduced by the UK Government on 1st April 2016. The control of minimum salaries is now centrally governed and therefore may have an impact on operational costs for our managed houses.	The current salary structure is in line with the National Living Wage and in some cases above. If the National Living Wage rises disproportionately, we will manage resourcing to balance this against increased costs.
Drink Driving England & Wales: Scotland has a drink driving limit of 50mg limit (just under 1 pint of beer) versus an 80mg limit in England and Wales. Whilst the UK Government has stated that there is to be no review of drink driving limits in England & Wales, groups continue to lobby for a change.	We continue to monitor this situation and believe that the current drink driving limits which are some of the most rigid in Europe should be maintained. At Christmas time we ensure that designated drivers are provided with free refills of soft drinks.
Pensions: The company has a defined pension scheme. The scheme is closed to new members and future accrual, which is in a surplus position. With such a scheme, a change in market conditions, life expectancy and future assumptions on inflation and yields can have a material effect on the levels of funding required from the business.	The company works closely with the trustees of the pensions scheme to ensure that we comply with the legislation on deficit funding. The scheme is currently in a surplus position.
Economic & Market Conditions	
Consumer Trends: Social and demographic changes are driving the eating out and drinking habits of our customers in both our pubs and retailers.	Demographic data and ongoing customer feedback enable us to be responsive to changing trends and customer needs. Our beer portfolio has a core audience and we have invested in consumer insight heavily this year to understand beer consumption trends. This insight has enabled us to develop new beer flavours that meet new customer demands and tastes and include new products that are relevant in our portfolio. This remains under constant review
Economic Climate: The Wadworth business, as with all other businesses in our sector, is sensitive to economic conditions creating a downturn and subsequent consumer confidence and disposable income.	The company reviews the conditions and builds the impact into the budget. The company maintains a high quality estate of public houses and we constantly review the operational costs at our pubs to ensure that a competitive, quality offering is in place.
Financial Risks	
Interest Rate Risks: The Wadworth business is exposed to interest rate changes on its borrowings.	The debt and interest rate levels are continually monitored and a refinancing is ongoing ahead of the September 2024 renewal.
Internal Financial Controls: A lack of control could result in errors in our financial statements or financial fraud or theft.	Wadworth has a robust internal control environment which is constantly under review. Our external auditors provide assurance that our controls are adequate.

Independent Auditor's Report

To the members of Wadworth and Company Limited

Opinion

We have audited the financial statements of Wadworth and Company Limited (the 'company') for the period ended 30 December 2023 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 December 2023 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial period 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.

Matters on which we are required to report by exception

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

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and by updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006 and UK Tax legislation.

Audit response to risks identified
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery LLP

David Sedgwick
Senior Statutory Auditor

16th April 2024

For and on behalf of
Saffery LLP - Chartered Accountants Statutory Auditors
St Catherine's Court, Berkeley Place, Clifton, Bristol, BS8 1BQ

Income statement

For the period ended 30 December 2023

	Notes	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Turnover	3	**39,154**	**36,319**
Cost of sales		(13,629)	(14,394)
Gross profit		**25,525**	**21,925**
Distribution costs		(18,731)	(18,147)
Administrative expenses		(4,097)	(3,942)
Other operating income	3	108	196
Exceptional items	4	(105)	(42)
Operating profit/(loss)	**5**	**2,700**	**(10)**
Other interest payable and similar expenses	9	(2,365)	(1,941)
Other gains and losses	10	(204)	567
Revaluation of fixed assets	12	684	(3,996)
Profit/(loss) before taxation		**815**	**(5,380)**
Tax on profit/(loss)	11	(505)	1,537
Profit/(loss) for the financial period		**310**	**(3,843)**

The income statement has been prepared on the basis that all operations are continuing operations.

Statement of comprehensive income

For the period ended 30 December 2023

SINCE 1875
WADWORTH
TRADITIONS WORTH HOLDING ON TO

	Notes	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Profit/(loss) for the period		**310**	**(3,843)**
Other comprehensive income			
Revaluation of tangible fixed assets	12	660	(10,560)
Actuarial gain on defined benefit pension schemes	21	-	3,014
Tax relating to other comprehensive income		29	1,870
Other comprehensive income for the period		**689**	**(5,676)**
Total comprehensive income for the period		**999**	**(9,519)**

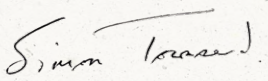
Statement of financial position

As at 30 December 2023

SINCE 1875
WADWORTH
TRADITIONS WORTH HOLDING ON TO

	Notes	Period ended 30 December 2023 £'000	£'000	Period ended 31 December 2022 £'000	£'000
Fixed assets					
Tangible assets	12		115,234		113,730
Investment property	13		575		575
			115,809		114,305
Current assets					
Stocks	15	1,068		1,218	
Debtors	16	9,924		9,343	
Cash at bank and in hand		1,210		2,636	
		12,202		13,197	
Creditors: amounts falling due within one year	17	**(33,827)**		**(8,420)**	
Net current (liabilities)/assets			**(21,625)**		**4,777**
Total assets less current liabilities			**94,184**		**119,082**
Creditors: amounts falling due after more than one year	18		**(9,866)**		**(36,514)**
Provisions for liabilities					
Deferred tax liability	20	6,440		5,689	
			(6,440)		(5,689)
Net assets excluding pension liability			77,878		76,879
Defined benefit pension liability	21		-		-
Net assets			**77,878**		**76,879**
Capital and reserves					
Called up share capital	22		7,594		7,594
Revaluation reserve			26,946		26,749
Profit and loss reserves			43,338		42,536
Total equity			**77,878**		**76,879**

The financial statements were approved by the board of directors and authorised for issue on 16th April 2024 and are signed on its behalf by:



W Simon Townsend
Chairman

Registered Company Number: No. 00030177 (England and Wales)

Statement of changes in equity

For the period ended 30 December 2023

SINCE 1875 WADWORTH TRADITIONS WORTH HOLDING ON TO	Notes	Share capital £'000	Revaluation reserve £'000	Profit & loss reserves £'000	Total £'000
Balance at 2 January 2022:		**7,594**	**35,787**	**43,017**	**86,398**
Balance at 31 December 2022					
Loss for the period		-	-	(3,843)	(3,843)
Other comprehensive income:					
Revaluation of tangible fixed assets		-	(10,560)	-	(10,560)
Actuarial gains on defined benefit plans		-	-	3,014	3,014
Tax relating to other comprehensive income		-	1,870	-	1,870
Total comprehensive income for the period		-	(8,690)	(829)	(9,519)
Transfers		-	(348)	348	-
Balance at 31 December 2022		**7,594**	**26,749**	**42,536**	**76,879**
Period ended 30 December 2023:					
Profit for the period		-	-	310	310
Other comprehensive income:					
Revaluation of tangible fixed assets		-	660	-	660
Tax relating to other comprehensive income		-	29	-	29
Total comprehensive income for the period		-	689	310	999
Transfers		-	(492)	492	-
Balance at 30 December 2023		**7,594**	**26,946**	**43,338**	**77,878**

Statement of cash flows

For the period ended 30 December 2023

SINCE 1875
WADWORTH
TRADITIONS WORTH HOLDING ON TO

	Notes	Period ended 30 December 2023 £'000	£'000	Period ended 31 December 2022 £'000	£'000
Cash flows from operating activities					
Cash generated from operations	27		4,820		4,241
Interest paid			(2,365)		(1,861)
Income taxes refunded			-		386
Net cash inflow from operating activities			**2,455**		**2,766**
Investing activities					
Purchase of tangible fixed assets		(3,900)		(7,347)	
Proceeds on disposal of tangible fixed assets		1,824		176	
Net cash used in investing activities			**(2,076)**		**(7,171)**
Financing activities					
Proceeds of new bank loans and overdrafts		-		221	
Repayment of bank loans and overdrafts		(1,805)		-	
Net cash (used in)/generated from financing activities			**(1,805)**		**221**
Net decrease in cash and cash equivalents			**(1,426)**		**(4,184)**
Cash and cash equivalents at beginning of period			2,636		6,820
Cash and cash equivalents at end of period			**1,210**		**2,636**


WADW
TRADITIONS WOR

Notes to the financial statements

For the period ended 30 December 2023

1. Accounting policies

Company information

Wadworth and Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is Folly Road Brewhouse, Folly Road, Roundway, Devizes, SN10 2HT.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold and long leasehold properties and to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The continued support of our banking partners alongside reviewing current and future levels of funding provide assurances over the capability of the business. Having assessed the short and long-term cash flow requirements of the business funded by EBITDA growth forecast for 2024 and beyond, the directors have concluded that it has sufficient resources to continue as a going concern. An agreement in principle has been reached with both our banking partners to continue their funding to the business, which is due for renewal in September 2024.

1.3 Reporting period

The period end date has changed to be in line with the company policy to fall on a Saturday. The prior period figures still remain comparable year on year.

1.4 Turnover

Turnover represents the amounts derived from the provision of goods and services during the year, after the deduction of trade discounts and value added tax. Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. The following criteria must also be met before revenue is recognised:

Sale of goods: revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods or at the point of sale at our retail outlets, and the amount of the revenue can be measured reliably.

Rendering of services: revenue from the supply of accommodation is recognised at the point services are provided. Rental income is recognised on a straight line basis over the term. Net takings from machine income are recognised as earned.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property improvements	10% straight line
Leasehold land and buildings	Period of the lease
Plant and equipment	11% to 33% reducing balance
Fixtures and fittings	10% straight line
Motor vehicles	30% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.7 Stocks

Stocks are stated at the lower of cost and net realisable value. The cost of stocks produced by the Company comprises materials and directly attributable production costs; stocks of bought-in goods are valued at their purchase costs with no further overhead additions.

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

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

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

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

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

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

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company 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.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

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

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

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

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The Company closed its defined benefit (final salary) pension scheme to new members and future service accrual on 30 November 2006. The assets of the Scheme are held separately from those of the Company and the funds continue to be administered by the Trustees and are independent of the Company's finances. Contributions are paid in accordance with the recommendations of an independent actuary.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The costs are recognised as an expense in measuring profit or loss in the period.
The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.17 Exceptional items

Material items which fall outside of the ongoing activities of the company are separately disclosed in the statement of comprehensive income where they are relevant to understanding the true and fair view of the financial performance of the company for the period reported.

2. Critical accounting judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Fixed assets

Freehold, long leasehold property and investment property are held at fair value. This value has been derived from a combination of an independent valuation expert and the directors of the company. This is reviewed on an annual basis by the Company's directors.

For all other asset classes, regular consideration is given to possible impairment.

Defined benefit pension scheme

This is a closed scheme and the figures stated in the accounts are prepared by the scheme's actuary and set out in note 21.

Fair value of interest rate swap arrangements

The accounts, as prepared under FRS 102, disclose a valuation of the asset or liability. The values are subject to change on a daily basis, which are impacted by political and economic conditions. The valuations have been provided by the Company's bankers and supported by an independent third party.

3. Turnover and other revenue

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Turnover analysed by class of business		
Goods income	32,557	30,017
Service income	6,597	6,302
	39,154	36,319

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Other significant revenue		
Grants received	108	196

4. Exceptional items

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Reorganisation costs	105	42

5. Operating profit/(loss)

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Operating profit/(loss) for the period is stated after charging/(crediting):		
Government grants	(108)	(196)
Depreciation of owned tangible fixed assets	1,944	3,654
Loss on disposal of tangible fixed assets	1	70
Operating lease charges	840	791

6. Auditor's remuneration

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	72	69
For other services		
Taxation compliance services	12	11
All other non-audit services	16	14
	28	25

7. Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Administrative	64	64
Sales and distribution - Retail premises	458	410
Total	522	474

Their aggregate remuneration comprised:

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Wages and salaries	9,877	9,066
Social security costs	716	723
Pension costs	576	642
	11,169	10,431

8. Directors' remuneration

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Remuneration for qualifying services	626	682
Company pension contributions to defined contribution schemes	37	82
	663	764

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (Period ended 31 December 2022 - 4).

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 1 (Period ended 31 December 2022 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Remuneration for qualifying services	185	174
Company pension contributions to defined contribution schemes	18	17

9. Interest payable and similar expenses

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	1,895	1,391
Dividends on redeemable preference shares not classified as equity	470	470
	2,365	1,861
Other finance costs:		
Unwinding of discount on pension obligation	-	80
	2,365	1,941

10. Other gains and losses

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Fair value (losses)/gains on financial instruments		
Changes in the fair value of derivatives	(204)	567

11. Taxation

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Deferred tax		
Origination and reversal of timing differences	505	(1,537)

The actual charge/(credit) for the period can be reconciled to the expected charge/(credit) for the period based on the profit or loss and the standard rate of tax as follows:

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Profit/(loss) before taxation	815	(5,380)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 23.52% (Period ended 31 December 2022: 19.00%)	192	(1,022)
Tax effect of expenses that are not deductible in determining taxable profit	211	936
Tax effect of income not taxable in determining taxable profit	-	(108)
Effect of change in corporation tax rate	29	8
Permanent capital allowances in excess of depreciation	43	(228)
Adjustment to brought forward values	(51)	219
Change in deferred tax with respect to revaluations	(131)	(1,760)
Chargeable gains	212	418
Taxation charge/(credit) for the period	505	(1,537)

12. Tangible fixed assets

	Freehold property & improvements	Leasehold land and buildings	Assets under construction	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 1 January 2023	98,538	8,121	6,257	14,553	10,900	154	138,523
Additions	157	-	2,973	189	580	1	3,900
Disposals	(1,719)	-	(15)	-	(192)	(4)	(1,930)
Revaluation	1,617	(273)	-	-	-	-	1,344
Transfers	2,821	-	(8,050)	4,109	1,120	-	-
At 30 December 2023	101,414	7,848	1,165	18,851	12,408	151	141,837
Depreciation and impairment							
At 1 January 2023	574	3,110	-	14,089	6,958	62	24,793
Depreciation charged in the period	213	306	-	455	942	28	1,944
Eliminated in respect of disposals	(10)	-	-	-	(120)	(4)	(134)
At 30 December 2023	777	3,416	-	14,544	7,780	86	26,603
Carrying amount							
At 30 December 2023	100,637	4,432	1,165	4,307	4,628	65	115,234
At 31 December 2022	97,964	5,011	6,257	464	3,942	92	113,730

The carrying value of land and buildings comprises:

	Period ended 30 December 2023	Period ended 31 December 2022
	£'000	£'000
Freehold	100,637	97,964
Long leasehold	3,453	4,071
Short leasehold	979	940
	105,069	102,975

The fair value of the freehold and long leasehold property portfolio has been arrived at on the basis of a rolling valuation as at 30 December 2023, over 25% of the portfolio, by Savills plc, independent valuers not connected with the company. The valuation was made on an open market value basis by reference to recent market transactions for similar properties.

The fair value of the remaining 75% of the property portfolio has been arrived at on the basis of a valuation carried out at 30 December 2023 by the Directors of the company. They have carried this out by applying relevant benchmarks used in the Savills valuation and reviewing market data.

Freehold and leasehold land and buildings are carried at valuation. If freehold and leasehold land and buildings were measured using the cost model, the carrying amounts would have been approximately £77,757,000 (Period ended 31 December 2022 - £79,834,000), being cost £81,949,000 (Period ended 31 December 2022 - £83,433,000) and depreciation £4,192,000 (Period ended 31 December 2022 - £3,599,000).

13. Investment property

	Period ended 30 December 2023 £'000
Fair value	
At 1 January 2023 and 30 December 2023	575

Investment property comprises residential properties. The fair value of the investment property has been arrived at on the basis of a valuation carried out by the Directors by reference to market evidence of transaction prices for similar properties.

14. Financial instruments

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	213	416

15. Stocks

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Brewing materials, bottled alcohol, minerals and consumables	789	952
Stocks at retail premises	279	266
	1,068	1,218

16. Debtors

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Amounts falling due within one year:		
Trade debtors	1,810	1,512
Prepayments and accrued income	2,886	2,675
	4,696	4,187
Amounts falling due after more than one year:		
Derivative financial instruments	213	416
Deferred tax asset (note 20)	5,015	4,740
	5,228	5,156
Total debtors	**9,924**	**9,343**

17. Creditors: amounts falling due within one year

		Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Bank loans and overdrafts	19	27,251	2,408
Trade creditors		2,114	2,367
Business Partner deposits		935	889
Taxation and social security		1,318	793
Other creditors		2,209	1,963
		33,827	8,420

18. Creditors: amounts falling due after more than one year

	Notes	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Bank loans and overdrafts	19	5,000	31,648
Preference shares	19	4,866	4,866
		9,866	36,514

The preference share liabilities are made up of £923,000 10.25% cumulative £1 preference shares and £3,943,000 9.5% cumulative £1 preference shares.

The Company has a swap arrangement for £9,000,000 and fixes the rate to the end of the loan facility in September 2024.

19. Loans and overdrafts

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Bank loans	32,251	34,056
Preference shares	4,866	4,866
	37,117	38,922
Payable within one year	27,251	2,408
Payable after one year	9,866	36,514

The long-term loans are secured by floating charges over all property, rights and assets both present and future.

The Company has five secured, interest only loans which fall due within one to two years from 30 December 2023. Four of these carry variable interest rates of between 2.1% and 2.3% above the Bank of England base rate, and one carries a fixed interest rate of 5.67%.

20. Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities Period ended 30 December 2023 £'000	Liabilities Period ended 31 December 2022 £'000	Assets Period ended 30 December 2023 £'000	Assets Period ended 31 December 2022 £'000
Balances:				
Accelerated capital allowances	2,953	2,377	-	-
Tax losses	-	-	5,015	4,740
Revaluations	2,289	2,063	-	-
Derivatives	53	104	-	-
Rolled over gains	1,145	1,145	-	-
	6,440	**5,689**	**5,015**	**4,740**

	Period ended 30 December 2023 £'000
Movements in the period:	
Liability at 1 January 2023	949
Credit to profit or loss	505
Credit to other comprehensive income	(29)
Liability at 30 December 2023	**1,425**

The deferred tax liability set out above in relation to accelerated capital allowances is expected to reverse in stages over the lives of the assets. It cannot be said with any certainty as to what this period will be given any disposal will result in an earlier reversal of the liability.

The deferred tax liability set out above in relation to the revaluation of freehold and long leasehold properties will be reversed on sale or fall in market value of these properties. It therefore cannot be said with any certainty as to when this liability will reverse however it is not expected to be within the next 12 months.

Finance Bill 2021 increased the rate of corporation tax from 19% to 25% as of 1 April 2023. As this is the substantively enacted rate at the year end, deferred tax has been recorded at 25%.

21. Retirement benefit schemes

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	576	642

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Defined benefit schemes

The company operates a defined benefit scheme for qualifying employees. The assets of the Scheme are held in a separate trustee administered fund. The Scheme closed to future accrual on 30 November 2006. A schedule of contributions is agreed between the Company and the trustees after each comprehensive actuarial valuation.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out as at 31 December 2021 by XPS Pensions Consulting Limited, Fellow of the Institute of Actuaries. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

Following the period end, XPS noted that an error had been included in the presentation of the scheme liabilities of £1,910,000 as at 31 December 2022. As such, the present value of defined benefit obligations has been revised by this amount as has the restriction on the overall surplus of the scheme.

	Period ended 30 December 2023 %	Period ended 31 December 2022 %
Key assumptions		
Discount rate	4.70	4.95
Expected rate of increase of pensions in payment	3.10	3.15
RPI assumption	3.20	3.25
CPI assumption	2.40	2.45

	Period ended 30 December 2023 Years	Period ended 31 December 2022 Years
Mortality assumptions		
Assumed life expectations on retirement at age 65:		
Current pensioners		
Males	21.5	21.7
Females	23.1	24.1
Future pensioners (now aged 45):		
Males	23.0	23.3
Females	25.0	25.5

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Amounts recognised in the income statement		
Net interest on defined benefit liability/(asset)	-	63
Administration expenses	-	17
Total costs	-	80

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Amounts taken to other comprehensive income		
Actual return on scheme assets	(859)	1,572
Less: calculated interest element	622	357
Return on scheme assets excluding interest income	(237)	1,929
Actuarial changes related to obligations	202	(8,218)
Effect of changes in the amount of surplus that is not recoverable	35	3,275
Total costs/(income)	-	(3,014)

The amounts included in the statement of financial position arising from the company's obligations in respect of defined benefit plans are as follows:

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Present value of defined benefit obligations	13,051	12,911
Fair value of plan assets	(16,361)	(16,186)
Surplus in scheme	(3,310)	(3,275)
Restriction on scheme assets	3,310	3,275
Total liability recognised	-	-

	Period ended 30 December 2023 £'000
Movements in the present value of defined benefit obligations	
Liabilities at 1 January 2023 (as restated)	12,911
Benefits paid	(684)
Actuarial gains and losses	202
Interest cost	622
At 30 December 2023	**13,051**

	Period ended 30 December 2023 £'000
The defined benefit obligations arise from plans funded as follows:	
Wholly unfunded obligations	-
Wholly or partly funded obligations	(13,051)
	13,051

	Period ended 30 December 2023 £'000
Movements in the fair value of plan assets	
Fair value of assets at 1 January 2023	16,186
Interest income	784
Return on plan assets (excluding amounts included in net interest)	75
Benefits paid	(684)
At 30 December 2023	16,361

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Fair value of plan assets at the reporting period end		
Equity instruments	255	12,712
Debt instruments	15,186	2,395
Property	900	1,009
Cash and other	20	70
	16,361	16,186

22. Share capital

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

Ordinary share capital Issued and fully paid	Period ended 30 December 2023 Number	Period ended 31 December 2022 Number	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Ordinary shares of £1 each	2,091,852	2,091,852	2,092	2,092
'A' Ordinary shares of £1 each	5,502,034	5,502,034	5,502	5,502
	7,593,886	**7,593,886**	**7,594**	**7,594**

Each Ordinary share has one vote per every £1 of Ordinary share capital.

Each 'A' Ordinary share has one vote per every £4 of 'A' Ordinary share capital.

There are no restrictions on the distribution of capital on wind up.

23. Capital commitments

Amounts contracted for but not provided in the financial statements:

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Acquisition of tangible fixed assets	116	599

24. Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Within one year	725	712
Between two and five years	2,761	2,636
In over five years	4,402	4,829
	7,888	8,177

Lessor

The operating leases represent leases of tenanted pubs to third parties. The leases are negotiated over terms of 1 - 10 years and rentals are fixed for the same period. The below sets out the contractual arrangements in place however lease terms are typically renewed after each termination date resulting in the Company having a consistent inflow of rental income in each financial year.

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Within one year	3,363	3,319
Between two and five years	7,700	5,174
In over five years	18	81
	11,081	8,574

25. Related party transactions

There were no transactions with the directors during the year other than the payment of their emoluments and incidental purchases of goods from the Company. The directors receive a modest discount in line with that given to other staff.

There were related party transactions within the year with a director's close family member of £nil (period ended 31 December 2022: £2,288).

The Wadworth and Company Limited Pension Scheme, of which C J E Bartholomew and D J Webber are Trustees, is a related party to the Company. Contributions to the scheme paid in the period ended 30 December 2023 were £57,000 (period ended 31 December 2022: £392,000). At the period ended 30 December 2023, the Scheme owed the Company £115,000 (period ended 31 December 2022: £142,000).

26. Ultimate controlling party

The Company does not have an ultimate controlling party.

27. Cash generated from operations

	Period ended 30 December 2023 £'000	Period ended 31 December 2022 £'000
Profit/(loss) for the period after tax	310	(3,843)
Adjustments for:		
Taxation charged/(credited)	505	(1,537)
Finance costs	2,365	1,941
Loss on disposal of tangible fixed assets	1	70
Depreciation and impairment of tangible fixed assets	1,944	3,654
Other gains and losses	(480)	3,429
Pension scheme non-cash movement	-	(311)
Decrease in provisions	-	(80)
Movements in working capital:		
Decrease/(increase) in stocks	150	(124)
(Increase)/decrease in debtors	(509)	536
Increase in creditors	534	506
Cash generated from operations	**4,820**	**4,241**

28. Analysis of changes in net debt

	1 January 2023 £'000	Cash flows £'000	Market value movements £'000	30 December 2023 £'000
Cash at bank and in hand	2,636	(1,426)	-	1,210
Borrowings excluding overdrafts	(38,922)	2,009	(204)	(37,117)
	(36,286)	583	(204)	(35,907)


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Treble House


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WADWORTH


DOGGY BAR








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WADWORTH
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1875


FOLLY ROAD
BREWHOUSE
Van: 2
Route: 2
Pub: White Hart





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