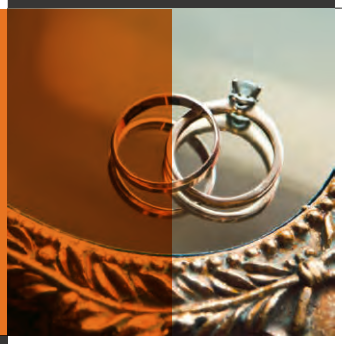
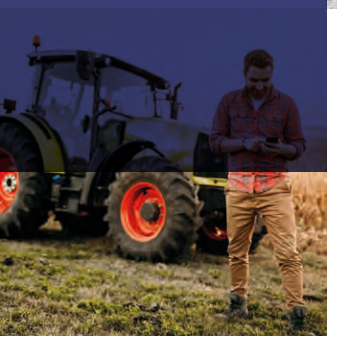
Our Heritage Your Future

H&H GROUP plc



Annual Report & Accounts



Year ending
June 2025

Borderway, Rosehill, Carlisle, Cumbria CA1 2RS
t 01228 406200 | e info@borderway.com

Also operating Marts at:
Kirkby Stephen, Lazonby, Lockerbie,
Middleton-in-Teesdale,
Newtown St Boswells and Wooler

harrisonandhetherington.co.uk

Borderway, Rosehill, Carlisle, Cumbria CA1 2RS
t 01228 406260 | e info@hhlandestates.co.uk

Also at: Durham, Hexham,
Northallerton, Penrith and Staveley

hhlandestates.co.uk

Borderway, Rosehill, Carlisle, Cumbria CA1 2RS
t 01228 406290 | e info@hhib.co.uk

Also at: Durham, Hexham, Kirkby Stephen, Newtown St Boswells, Northallerton and Wigton

hhinsurancebrokers.co.uk

The Auction Centre, Rosehill, Carlisle, Cumbria CA1 2RS
t 01228 406320 | e enquiries@hhauctionrooms.co.uk

A Trading Name of Harrison & Hetherington

hhauctionrooms.co.uk

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The Group operates as a holding company with a number of its companies operating across the auctioneering, property, financial and commercial services

THE BOARD OF DIRECTORS

W B Hamilton
A L Mallinson
T H Mounsey-Heysham
R S Pattinson
R A Rankin
M Johnson (Appointed 1 November 2024)
S Charlton (Appointed 1 October 2025)
J L Ritzema (Appointed 1 October 2025)
C P Bateman (Appointed 1 October 2025)
R M Blake (Appointed 1 July 2025)

LIST OF ADVISORS

INDEPENDENT AUDITOR
Johnston Carmichael LLP
27 Grainger Street
Newcastle
NE1 5JE

BANKERS
Virgin Money
Strategic Finance
30 St Vincent Place
Glasgow
G1 2HL

SOLICITORS
Burnetts Solicitors LLP
Victoria House
Wavell Drive
Rosehill Estate
Carlisle
CA1 2ST

Notice of Meeting

Notice is hereby given that the One Hundred and Thirty Third Annual General Meeting of the Company will be held on 15th January 2026 at 11.00 am at The Auctioneer, Rosehill, Carlisle.

The following resolutions will be considered:

1. To receive and consider the Accounts for the financial year ended 30 June 2025 together with the Directors' and Auditor's reports.
2. To approve the payment of Directors' fees as set out in the Accounts.
3. To declare a final dividend of 20 pence per share to be paid on 15 January 2026.
4. To agree a special resolution as detailed in the Annual Report and Accounts in relation to the issuing of up to 400,000 ordinary shares for future acquisitions.
5. To re-elect A. L. Mallinson as a Director.
6. To re-elect T. Mounsey-Heysham as a Director.
7. To re-elect R. S. Pattinson as a Director.
8. To re-elect C. Bateman as a Director.
9. To re-elect S. Charlton as a Director.
10. To re-elect J. Ritzema as a Director.
11. To re-appoint Johnston Carmichael as Auditors of the Company.

Approved by the Board on 10th October 2025 and signed on its behalf by:

Margaret Irving
Company Secretary

REGISTERED OFFICE
Borderway Mart
Rosehill
Carlisle
CA1 2RS

REGISTERED NUMBER
00036006

NOTES

1. A member of the Company is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him or her. A proxy need not be a member of the Company. To be valid, forms of proxy must be completed, signed and deposited at the registered office of the Company – Borderway Mart, Rosehill, Carlisle – not less than 48 hours before the time appointed for the meeting. Proxy forms are available from the Company Secretary on request.
2. The following information is available for inspection during normal business hours at the registered office of the Company on any weekday from the date of this notice until the date of the Annual General Meeting and for at least 15 minutes before it begins:

Register of interests of Directors in the share capital of the Company;

Copies of contracts of service under which certain Directors of the Company are employed.

Resolution 4

PURPOSE
At the AGM in 2024 an authority was renewed which allowed the Board the flexibility of issuing 400,000 shares for carrying out future acquisitions. The existing authority expired on 28 November 2025, the Shareholders are asked in the item below to renew the authority, on an annual basis to issue 400,000 shares by way of special resolution.

THAT THE FOLLOWING BE PASSED AS A SPECIAL RESOLUTION:
That, in accordance with Section 551 of the Companies Act 2006, the Directors of the Company be generally and unconditionally authorised to allot shares in the Company, or grant rights to subscribe for, or to convert any securities in the Company (Rights) up to an aggregate nominal amount of £400,000.

This authority shall expire on 14 January 2027, unless renewed, varied or revoked by the Company, on or prior to that date, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted, or Rights to be granted, and the Directors may allot shares or grant Rights in pursuance of any such offer or agreement, notwithstanding that the authority conferred by this Resolution has expired.

This authority revokes and replaces all unexercised authorities previously granted to the Directors, but without prejudice to any allotment of shares or grants of Rights already made or offered or agreed to be made pursuant to such authorities.

That, in accordance with Section 570 of the Companies Act 2006, the Directors be generally empowered to allot equity securities (as defined in Section 560 of the Companies Act 2006) pursuant to the authority conferred by this Resolution, up to maximum aggregate nominal amount of £400,000, as if Section 561 of the Companies Act 2006 did not apply to such an allotment, provided that this power:

(a) shall be limited to the allotment of equity securities up to an aggregate nominal amount of £400,000; and

(b) shall expire on 14 January 2027 (unless renewed, varied or revoked by the Company on or prior to that date) save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the Directors may allot equity securities in pursuance of any such offer or agreement, notwithstanding that this power has expired.

H&H GROUP PLC

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 30 JUNE 2025

The financial results for the year show a record profit before tax of £1,720,000 (2024: £422,000). This is an outstanding result. Most of this record profit has come from our livestock trading business Harrison & Hetherington but other parts of the Group have also made positive contributions.

The value of cattle and sheep increased significantly in 2025 which has contributed to a record £293 million throughput, but the Farmstock team have also increased numbers traded and therefore market share. This is an excellent achievement when the national sheep flock and beef herd are reducing. The trading restrictions due to the Bluetongue virus were overcome successfully with little impact on the bottom line in this trading year.

Top line income for Insurance has been maintained year on year, but some restructuring of this business has led to an increase in costs. Coupled with reduced margins across the insurance industry nationally this has meant that HHIB has made a profit that is less than budget.

In HHLE the Land Agency finished the year strongly with an above budget performance. Changes in government policy have challenged the advisory income stream but there has been a good pipeline of development fees. The commercial development has had a particularly good performance.

Public auctions of shares have been suspended as the investment firm that authorised these will no longer do so. In the meantime, we are able to match a limited number of buyers and sellers while we look for an alternative provider. The reduced marketability of shares has led to a fundamental review of the ownership structure being initiated.

This has been a very successful year for the Group, and I would like to record my sincere thanks to all the people whose hard work and dedication have contributed to the result this year.

These results have put us firmly on track to be fit for the future.

.....
W B Hamilton
Chairman

Date: .....

H&H GROUP PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2025

The directors present the strategic report for the year ended 30 June 2025.

Financial Overview

The financial statements for the year ended 30 June 2024 have been restated in respect of the Harrison & Hetherington Limited Senior Staff Pension and Assurance Scheme. The scheme went into a surplus in the 2020 financial year and at that point the surplus was recognised as an asset on balance sheet. Following review it was identified that this scheme and surplus does not meet the asset recognition criteria under current accounting standards and as such the 2024 balance sheet has been restated to remove this asset. The amendments also impact on interest within the profit and loss account, deferred tax and pensions movements within the Statement of Comprehensive Income. Note 33 to the financial statements details the adjustments made.

The Group reported a profit before tax of £1,720,000 compared to £422,000 in the previous year.

On turnover of £19,867,000 (2024: £19,498,000) operating profit is £2,977,000 (2024: £1,328,000) producing a profit before tax of £1,720,000 (2024: £422,000).

Earnings per share are 87p (2024:18p) with the board pleased to recommend a final dividend of 20p per share in addition to the interim dividend of 8p per share announced in December. This makes a total dividend for the year of 28p per share (2024: 5p).

The average share price during the year was £18.40 (2024: £19.56).

Total shareholders' funds are £22,211,000 (2024: £21,554,000).

H&H Reeds was sold to its management team in the first half of the year with assistance given to set it off on the right foot. The loss recognised in the year was £607,000. It is pleasing to see this business continue to be successful under it's new owners. And the restructuring of Estate Agency was completed with it now delivering a solid performance to the Group.

During the year we received proceeds from the sale of fixed assets, including overage on land. This resulted in a profit of £987,000 (2024: £82,000) being recognised in the year.

Principal Activities and Business Model

The Group has focused on our key expertise in Auctioneering, Land and Property, Estate Agency and Insurance Broking, after disposal of our Reeds business, ensuring we are dedicated to our mission of adding value to and helping protect our rural communities.

The principal activities of the Group during the year were as follows:

H&H Group plc – holding company and investment properties.
Harrison & Hetherington – farmstock auctioneers, brokers and valuers.
H&H Land and Estates – chartered surveyors, land agents, valuers, environment & forestry, quota brokers, residential sales and letting agents.
H&H Insurance Brokers – insurance brokers, asset finance and wealth management

We look to achieve our mission through continuing to be a group of dynamic, exciting and progressive companies, striving to be the very best in our field, built on the foundation of the Number One livestock marketing business in the UK based on throughput. To realise this mission, the Groups strategy embraces a number of business objectives:

- to deliver quality, innovative and value for money products and services to our customers in the rural sector
- to achieve consistent and profitable growth
- to maximise operational effectiveness
- to exceed the expectations of our customers
- to provide challenging and rewarding employment for our people
- to secure a healthy and safe working environment

Principal risks and uncertainties

As with any business the Group is not immune to risks and uncertainties; whilst few risks can be eliminated in their entirety, the executive meets regularly with the individual businesses to maintain and review a full set of management procedures aimed at minimising the probability and the severity of specific risks which could impact upon our operating companies.

General Economy

The change of government last year and upcoming budget in November present risks in the form of uncertainties around both economic and rural priorities.

Investment property valuations are based on underlying leases which are inherently linked to the general economic environment.

In response the directors are continually reviewing working practices, ensuring they are both efficient and effective whilst taking account of the cost pressures approaching. Whilst our relationship with our bankers remains strong and our cash position has improved remarkably; we are always exploring ways to reduce our working capital position and therefore exposure to further interest rate hikes.

Trading

Across the Group one of the principal risks would be a decrease in the number of customers using our services and buying our products which, in turn, would have an adverse effect upon turnover and profitability. However, as part of our risk management procedures, there are measures in place designed to ensure that existing customers are retained, and new customers gained, alongside clear objectives and actions, reviewed on a quarterly basis.

Health & Safety

We appointed a Health, Safety & Welfare Manager in 2023 to ensure compliance and provision of a safe and secure working environment for all staff and customers remains a high priority. Working in conjunction with our senior people, safe working practices are identified and implemented to reduce the risks associated with running a business of this nature. Evidenced by recent significant investment within our marts to ensure the highest standards of safety are followed wherever possible.

Other

Other risks which can be singled out are bad debt within our Farmstock business where credit control and procedures are continually reviewed and tightened, the possibility of an outbreak of a virulent animal disease and the resultant consequences upon our farmstock business, and the failure of IT systems generally. FCA rules also continue to place a heavy requirement upon our insurance brokerage operation, however, we work diligently to remain compliant and also use third party consultancy support.

Development and performance
There can be no doubt this year has been a good year for H&H. Following on the back of a difficult year in 2024 we have taken the corrective action required and the results speak for themselves.

Reeds was sold to its management team in the first half of the year with assistance given to set it off on the right foot. It is pleasing to see this business continue to be successful under it's new owners. And the restructuring of Estate Agency was completed with it now delivering a solid performance to the Group.

Group
Purely in the context of the parent company, the Group receives income by way of both external and internal rent and Group Service charges. In respect of expenditure, Group carries a number of costs, such as insurance and pension contributions, which are not readily attributable to a specific company as well as overseeing the HR, management and accounting functions of the individual businesses in addition to the safety and welfare of our people and their continued development.

Harrison & Hetherington
Once again, this team has demonstrated why not only are we the biggest in the UK but live up to that mantle.

Against a challenging climate and a national decline in herd and flock numbers our farmstock team have held their numbers, thereby increasing our market share.

Our results, alongside all others in this sector, have been positively affected by the larger than anticipated price rises, particularly on the cattle side, contributing to our record profits.

Through improved working capital management and the increased profits generated we have been able to accelerate much needed upgrades and repairs to all our premises, in particular Borderway. Where old, leaky, asbestos roofs will all be replaced within the coming months.

H&H Insurance Brokers
For the first year in many, this business has not further increased its operating profits, it has in fact posted losses due to the accelerated goodwill write off. However, it has continued to grow its total combined revenue and other income and invested into its internal infrastructure and market positioning. Both of these investments, whilst impacting short term profits, will look to yield longer term growth and profitability.

Towards the end of the year, the decision was taken to pull out of the North Wales market to focus on our heartland of North England and South Scotland and look to further solidify our established base at these locations.

H&H Land & Estates
Whilst our government are now firmly established, clarity around rural priorities and food security are not. With the cessation of SFI earlier in the year the landscape continues to prove challenging, both literally and economically.

That being said and despite facing leadership challenges, the team have delivered everything that could have been expected of them. Resulting in a year end result they should be proud of.

Recognition needs to go to our then MD of Land & Estates for the difficult restructuring work undertaken throughout 2024 with our Estate Agency teams. This has resulted in a streamlined, agile but highly effective business.

This will now look to further integrate with our Lettings and Land Agency teams, as the combined business will aim to benefit from each other's strengths as it builds on its position in the marketplace.

Future developments

Our People
We continue to invest in and develop our people across the Group with bespoke training and development opportunities for all our senior staff. As well as recruitment of experienced staff, the Group has a reputation for developing young staff through apprenticeships and we continue to build on this across all the businesses. It is particularly pleasing to see the apprentices move into more responsible positions within the operating companies.

The values and behaviours model developed over the past few years is now embedded into the business with our people being managed and held accountable to its ethos. This creates the right culture within the business as we continue to strengthen and grow our H&H family.

Succession is always a key risk, however, with the above-mentioned investment, continual mentoring and key strategic hires, this is in hand with plans regularly revisited and updated.

General

The board always looks at opportunities to develop, enhance and grow the H&H brand.

We will continue to invest and grow both organically and through future acquisitions where they add value to the Group.

We are also looking to increase our investment into reducing our carbon footprint as we review recent carbon audits across the group and investigate greener energy solutions, additional solar panels being an example of this.

It is with huge relief that, after years of frustration, we have now agreed and signed a section 75 agreement with Scottish Borders Council for the site at Newtown St Boswells. However, before any excitement of developing plans can begin, it should be noted that they have imposed significant conditions around development that may present future challenges. That being said, we have started conversations with potential interested parties to gauge interest in the site and working with us.

Key performance indicators

Measurement of performance against strategy and the achievement of business objectives are by means of key performance indicators. Actual performance against key performance indicators for the twelve months to June 2025 is shown below, together with that for 2024 for comparative purposes:

	2025	2024
• Turnover growth	**1.9%**	2.8%
• Return on sales	**15.1%**	6.8%
• Earnings per share	**87p**	18p
• Return on capital employed	**13.4%**	6.2%
• Gross interest cover	**3.8x**	1.6x
• Gearing	**40%**	46%

Investment Property

Dempsey Way at Rosehill continues to perform well, delivering returns into the group after servicing of its debt albeit reduced as a result of higher interest rates.

We have now added to this with the completion of the Ford Commercial Vehicle garage, situated at the top of what was our overflow car park. This has immediately started yielding returns for the Group. And with a twenty year, no break lease, on an increasing rent, will soon become a significant financial contributor to the success of H&H.

With respect to Riccarton, we have now sold the smaller slice of the land to the developer we were in discussions with last year. This was sold at an enhanced agricultural value but with the condition that if planning is obtained, we revert back to our original price of £1.7million.

Net loss on fair value of £153,000 (2024: £289,000) as a result of offsetting gains and losses on valuation across group.

Statement by the Directors' relating to their statutory duties under section 172 (1) of the Companies Act
The directors act in the way they consider, in good faith, would be most likely to promote the success of the group for the long term benefit of its stakeholders and in doing so have regard to the:

- Likely consequences of any decisions in the long term;
- Interests of the group's employees;
- Need to foster the group's business relationships with suppliers, customers and others;
- Impact of the group's operations on the community and environment;
- Desirability of the group maintaining a reputation for high standards of business conduct; and
- Need to act fairly between members of the group.

Employees
The overriding objective set by the group is to secure the longevity of the business for the benefit of the employees. In addition, the health, safety, wellbeing and development of our employees are prime considerations in the way we operate, and we have training, processes and support packages to assist in this regard. Information on business performance, recent developments and prospects is regularly communicated via company bulletins and regular team meetings.

It is the group's policy that there should be no discrimination when considering applications for employments, including those from disabled persons.

Employee involvement

The group is committed to the development of employee consultation and thereby to the greater involvement of employees in the Group's operations. Consultation is achieved both on a formal basis in conjunction with works committees and through informal briefing sessions with groups of employees.

Business relationships
The group has strong, longstanding customer and client relationships, based upon the quality of delivery, and providing expertise at every stage of the transaction.

Environment
The board believes that sustainability is an essential business practice. Our environmental policy has been updated and is being implemented throughout the Group Companies. The Group's energy use and associated carbon emissions during the year were as follows:

- The annual quantity of emissions, in tonnes of carbon dioxide, resulting from activities involving the combustion of gas or the consumption of fuel for the purposes of transport was 193 tonnes (2024: 296 tonnes).
- The annual quantity of emissions, in tonnes of carbon dioxide, resulting from the purchase of electricity by the group for its own use, including for the purpose of transport was 197 tonnes (2024 185 tonnes). In addition the group saves 5 tonnes (2024: 7 tonnes) due to electricity generated by solar panels.
- The annual amount of energy consumed from activities for which the group is responsible involving the combustion of gas, the consumption of fuel for the purposes of transport and the annual quantity of energy consumed resulting from the purchase of electricity was 2,251,639kWh (2024: 2,562,203kWh).
- The intensity ration tonnes CO2e per employee was 1.25 (2024: 1.38).

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and having used the 2025 UK Government Conversion factors for Company Reporting.

On behalf of the board

.....

Date: .....

H&H GROUP PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

The directors present their annual report and financial statements for the year ended 30 June 2025.

Principal activities

The principal activity of the group continued to be that of farmstock auctioneering, land and property brokers and valuation services, estate agents and insurance brokers.

Results and dividends

The results for the year are set out on page 18.

Ordinary dividends were paid amounting to £141,072. This comprises a final dividend of 5p per share in respect of the previous year ended 30 June 2024 and an interim dividend of 8p per share. The directors have proposed a final dividend of 20p per share which is not included within these financial results as this was approved subsequent to the year end.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

W B Hamilton	
J M Leveson	(Resigned 9 October 2025)
A L Mallinson	
T H Mounsey-Heysham	
C J Norman	(Resigned 31 August 2025)
R S Pattinson	
R A Rankin	
M Johnson	(Appointed 1 November 2024)
S Charlton	(Appointed 1 October 2025)
J L Ritzema	(Appointed 1 October 2025)
C P Bateman	(Appointed 1 October 2025)
R M Blake	(Appointed 1 July 2025)

Ordinary shares of £1 each in H&H Group plc

	At 30 June 2025	At 30 June 2024
W B Hamilton	2,480	2,480
J M Leveson (retired 9 October 2025)	250	250
A L Mallinson	300	300
T H Mounsey-Heysham	850	850
C J Norman (resigned 31 August 2025)	250	250
R S Pattinson	258	258
R A Rankin	800	800
Trustee shareholdings	220,528	220,528

Trustee shareholdings

In accordance with the Articles of Association and being eligible, the following directors offer themselves for re election: A L Mallinson, T Mounsey-Heysham, R S Pattinson, C P Bateman, J L Ritzema, and S Charlton.

According to the register of directors' interests, no right to subscribe for shares in or debentures of Group companies was granted to any of the directors or their immediate families, or exercised by them, during the financial year.

Employee Trust Fund

L Mallinson and R S Pattinson were trustees of the Employees Trust Fund throughout the year.

Board Committees

1. The members of the Audit Committee are A L Mallinson, R S Pattinson, J L Ritzema, and S Charlton. All members are non executive directors. Their terms of reference include the review of the Annual and Interim Report and Accounts issued to shareholders, the accounting policies of the Group, compliance with Financial Reporting Standards, internal controls and the planning, scope and conclusions of the external auditor's programme.

2. The Remuneration Committee is chaired by T Mounsey-Heysham . The remaining members of the Committee are W B Hamilton and C P Bateman. All members are non executive directors. Their duties are to review and recommend the basic salary, benefits in kind, terms and conditions of employment including performance related payments and pension benefits of executive directors and senior executives.

3. Due to the size of the board, the Nomination Committee comprises the entire board.

Auditor

Johnston Carmichael LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Strategic Report

The Group has chosen in accordance with Companies Act 2006, s.414C(11) to set out in the Group'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 future developments and financial risk management objectives and policies.

As noted within the Strategic Report, section 172 requirements including engagements with employees, suppliers, customers, and others, have been disclosed on a Group basis. As such this information is not reported here although this note serves as a cross-reference to the Strategic Report.

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 auditor of the company 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 auditor of the company is aware of that information.

Corporate governance

Although not obligatory the group operates within the spirit of the Code of Best Practice set out in the UK Corporate Governance Code. The board remains committed to the principles of good corporate governance and to achieving high standards of business integrity and professionalism across the group. Compliance with the Code has also taken into account the needs and resources of the group.

The board and directors

At the date of this report the board had ten members: the non executive chairman, six non executive directors, the chief executive, the chief operating officer and the financial director. No individual or group of individuals dominates the board's decision making and collectively, the non executive directors bring a wide range of experience and expertise as they all currently occupy substantive positions in commercial and public life.

The roles of the chairman, chief executive, chief operations officer and finance director are clearly defined; the chairman is responsible for ensuring that the board fulfils its responsibilities to develop the strategy and direction of the business and for providing overall leadership, he is also responsible for chairing the board meetings, the annual general meeting and the nomination committee. The chief executive is responsible for the day to day running of the operations, and with the support of the group executive management team, for implementing the board's strategy.

The board met seven times during the year, it has a formal schedule of matters specifically reserved to it for decision, including corporate strategy, approval of budgets and ongoing financial results, new board appointments, proposal for dividend payments and capital expenditure projects. Directors are sent a pack of board papers prior to each board meeting and with access to the chief executive and company secretary are therefore provided with full and timely access to all relevant information ensuring effective leadership and control of the group for the benefit of shareholders, customers and staff.

The Articles of Association of the group require that non executive directors present themselves for re election at intervals of no more than three years.

Internal control

The directors acknowledge their responsibility for the system of internal control and the management of all forms of business risk which continues to be an important factor in the protection of value for our shareholders. Any system can only be designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against failing to achieve objectives or material misstatement or loss.

The board delegates risk assessment and the identification of mitigating action to the individual operating company management teams with the assistance of the group accountant. A wide range of corporate policies deal, amongst other things, with corporate governance, management accounting, financial reporting, environment and social responsibility, health and safety, information technology, and risk management generally. In addition, the individual operating company boards provide monthly reports on performance and engage in regular dialogue with the chief executive on progress.

Key business risks are identified and evaluated and the effectiveness of financial controls and processes is monitored. Any changes in the status and control of risks are notified to the board.

The audit committee reviews the adequacy of internal financial controls and deals with matters raised by external auditors and reports to the board accordingly. The external auditors have the opportunity for direct access to the committee without the executive directors being present.

The health and safety of our staff, customers and visitors remain of utmost importance and our appointed safety, fire and first aid officers, are provided with training, access to appropriate equipment and opportunities to discuss their roles beyond legislative requirements.

Compliance with the requirements of the Financial Conduct Authority, the Department for Business Innovation and Skills and various other professional and regulatory bodies complements the existing internal control systems across the group.

Relations with shareholders

The board values the opinions of shareholders and as such, encourages the occasion of the Annual General Meeting as an opportunity for individual shareholders to share their views.

This report was approved by the board on 10th October 2025 and signed on its behalf by:

On behalf of the board

.....
M Irving
Secretary

Date: .....

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2025

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF H&H GROUP PLC

Opinion

We have audited the financial statements of H&H Group plc and its subsidiaries (the 'group') for the year ended 30 June 2025 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group 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 group's and the parent company's affairs as at 30 June 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Matters on which we are required to report by exception

In the light of our 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 and 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the 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 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. 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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the group, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- UK Generally Accepted Accounting Practice;
- Companies Act 2006
- Corporation Tax legislation
- VAT legislation

We gained an understanding of how the group and the parent company are complying with these laws and regulations by making enquiries of management and those charged with governance, including management and those charged with governance of component entities where necessary. We corroborated these enquiries through our review of submitted returns, relevant correspondence with regulatory bodies and board meeting minutes.

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk. We identified a heightened risk of fraud in relation to:

- Management override of controls;
- Revenue recognition.

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance for reference to: breaches of laws and regulation or for any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- Reviewing the level of and reasoning behind the group's procurement of legal and professional services;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- Performing audit work procedures over the occurrence and cut-off of commission based revenue including reconciling sales to evidence of cash received and the sales ledger as well as performing appropriate sales cut-off procedures and recalculation of commission earned;
- Completion of appropriate checklists and use of our experience to assess the group's compliance with the Companies Act 2006; and
- Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that 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 intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF H&H GROUP PLC

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.

Paul Shields (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP Date: .....

Statutory Auditor
Newcastle, United Kingdom

H&H GROUP PLC

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 £000	2024 as restated £000
Turnover	**3**	19,867	19,498
Administrative expenses		(18,482)	(18,335)
Other operating income		605	83
Profit on sale of fixed assets	**3**	987	82
Operating profit	**4**	2,977	1,328
Interest receivable and similar income	**8**	288	192
Interest payable and similar expenses	**9**	(785)	(809)
Loss on sale of subsidiary		(607)	-
Fair value gains and losses on investment properties	**14**	(153)	(289)
Profit before taxation		1,720	422
Tax on profit	**10**	(779)	(228)
Profit for the financial year	**26**	941	194

Profit for the financial year is all attributable to the owners of the parent company.

The notes on pages 26 to 55 form part of these financial statements.

H&H GROUP PLC

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2025

	2025 £000	2024 as restated £000
Profit for the year	941	194
Other comprehensive (expenditure)/income		
Revaluation of tangible fixed assets	(161)	341
Actuarial loss on defined benefit pension schemes	(119)	(154)
Tax relating to other comprehensive income	137	(44)
Other comprehensive (expenditure)/income for the year	(143)	143
Total comprehensive income for the year	798	337

Total comprehensive income for the year is all attributable to the owners of the parent company.

The notes on pages 26 to 52 form part of these financial statements.

H&H GROUP PLC

GROUP BALANCE SHEET

AS AT 30 JUNE 2025

	Notes	2025 £000	2025 £000	2024 as restated £000	2024 £000
Fixed assets					
Goodwill	**12**		167		545
Other intangible assets	**12**		49		69
Total intangible assets			216		614
Tangible assets	**13**		15,600		14,788
Investment properties	**14**		14,055		11,423
Investments	**15**		5		5
			29,876		26,830
Current assets					
Stocks	**17**	8		309	
Debtors	**18**	14,783		16,939	
		14,791		17,248	
Creditors: amounts falling due within one year	**19**	(16,726)		(16,880)	
Net current (liabilities)/assets			(1,935)		368
Total assets less current liabilities			27,941		27,198
Creditors: amounts falling due after more than one year	**20**		(4,294)		(4,296)
Provisions for liabilities					
Deferred tax liability	**23**	1,248		1,090	
			(1,248)		(1,090)
Net assets excluding pension liability			22,399		21,812
Defined benefit pension liability	**24**		(188)		(258)
Net assets			22,211		21,554
Capital and reserves					
Called up share capital	**25**		1,085		1,085
Revaluation reserve	**26**		4,254		4,467
Other reserves	**26**		990		990
Profit and loss reserves	**26**		15,882		15,012
Total equity			22,211		21,554

The notes on pages 26 to 55 form part of these financial statements.

GROUP BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2025

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

.....	.....
W B Hamilton	R A Rankin
Chairman	**Chief Executive**

H&H GROUP PLC

COMPANY BALANCE SHEET

AS AT 30 JUNE 2025

	Notes	2025 £000	2025 £000	2024 as restated £000	2024 as restated £000
Fixed assets					
Intangible assets	**12**		36		19
Tangible assets	**13**		11,913		10,798
Investment properties	**14**		11,514		7,653
Investments	**15**		9,961		9,961
			33,424		28,431
Current assets					
Stocks	**17**	7		7	
Debtors	**18**	3,221		5,924	
Cash at bank and in hand		3		-	
		3,231		5,931	
Creditors: amounts falling due within one year	**19**	(22,338)		(21,632)	
Net current liabilities			(19,107)		(15,701)
Total assets less current liabilities			14,317		12,730
Creditors: amounts falling due after more than one year	**20**		(4,294)		(4,296)
Provisions for liabilities					
Deferred tax liability	**23**	730		289	
			(730)		(289)
Net assets excluding pension liability			9,293		8,145
Defined benefit pension liability	**24**		(188)		(258)
Net assets			9,105		7,887
Capital and reserves					
Called up share capital	**25**		1,085		1,085
Revaluation reserve	**26**		1,209		1,261
Other reserves	**26**		990		990
Profit and loss reserves	**26**		5,821		4,551
Total equity			9,105		7,887

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,423,000 (2024: £3,818,000 restated loss).

The notes on pages 26 to 55 form part of these financial statements.

COMPANY BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2025

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

.....	.....
W B Hamilton	R A Rankin
Chairman	**Chief Executive**

Company Registration No. 00036006

H&H GROUP PLC

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Share capital £000	Revaluation reserve £000	Other reserves £000	Profit and loss reserves £000	Total £000
As restated for the period ended 30 June 2024:						
Balance at 1 July 2023		1,082	4,126	928	16,397	22,533
Effect of restatement associated with defined benefit surplus	**33**	-	-	-	(1,176)	(1,176)
As restated		1,082	4,126	928	15,221	21,357
Year ended 30 June 2024:						
Profit for the year		-	-	-	194	194
Other comprehensive income:						
Revaluation of tangible fixed assets		-	341	-	-	341
Actuarial losses on defined benefit plans		-	-	-	(154)	(154)
Tax relating to other comprehensive income		-	-	-	(44)	(44)
Total comprehensive income for the year		-	341	-	(4)	337
Dividends	**11**	-	-	-	(205)	(205)
Shares issued during the year	**25**	3	-	62	-	65
Balance at 30 June 2024		1,085	4,467	990	15,012	21,554
Year ended 30 June 2025:						
Profit for the year		-	-	-	941	941
Other comprehensive income:						
Revaluation of tangible fixed assets		-	(161)	-	-	(161)
Actuarial losses on defined benefit plans		-	-	-	(119)	(119)
Tax relating to other comprehensive income		-	-	-	137	137
Total comprehensive income for the year		-	(161)	-	959	798
Dividends	**11**	-	-	-	(141)	(141)
Transfers		-	(52)	-	52	-
Balance at 30 June 2025		1,085	4,254	990	15,882	22,211

H&H GROUP PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Share capital £000	Revaluation reserve £000	Other reserves £000	Profit and loss reserves £000	Total £000
As restated for the period ended 30 June 2024:						
Balance at 1 July 2023		1,082	796	928	9,948	12,754
Effect of restatement associated with defined benefit surplus	**33**	-	-	-	(1,176)	(1,176)
As restated		1,082	796	928	8,772	11,578
Year ended 30 June 2024:						
Loss for the year		-	-	-	(3,818)	(3,818)
Other comprehensive income:						
Revaluation of tangible fixed assets		-	465	-	-	465
Actuarial gains on defined benefit plans		-	-	-	(154)	(154)
Tax relating to other comprehensive income		-	-	-	(44)	(44)
Total comprehensive income for the year		-	465	-	(4,016)	(3,551)
Dividends	**11**	-	-	-	(205)	(205)
Transfers		-	-	62	-	62
Other movements		3	-	-	-	3
Balance at 30 June 2024		1,085	1,261	990	4,551	7,887
Year ended 30 June 2025:						
Profit for the year		-	-	-	1,423	1,423
Other comprehensive income:						
Actuarial gains on defined benefit plans		-	-	-	(119)	(119)
Tax relating to other comprehensive income		-	-	-	55	55
Total comprehensive income for the year		-	-	-	1,359	1,359
Dividends	**11**	-	-	-	(141)	(141)
Transfers		-	(52)	-	52	-
Balance at 30 June 2025		1,085	1,209	990	5,821	9,105

H&H GROUP PLC

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 £000	2025 £000	2024 £000	2024 £000
Cash flows from operating activities					
Cash generated from operations	**31**		5,225		3,334
Interest paid			(785)		(818)
Income taxes paid			(149)		(140)
Net cash inflow from operating activities			4,291		2,376
Investing activities					
Purchase of intangible assets		(31)		(51)	
Purchase of tangible fixed assets		(1,870)		(879)	
Proceeds on disposal of tangible fixed assets		1,473		157	
Purchase of investment property		(2,946)		(637)	
Proceeds on disposal of subsidiaries		41		-	
Interest received		288		281	
Net cash used in investing activities			(3,045)		(1,129)
Financing activities					
Proceeds from borrowings		3,716		-	
Repayment of borrowings		(179)		(316)	
Payment of finance leases obligations		(90)		(15)	
Dividends paid to equity shareholders		(141)		(205)	
Net cash generated from/(used in) financing activities			3,306		(536)
Net increase in cash and cash equivalents			4,552		711
Cash and cash equivalents at beginning of year			(6,133)		(6,844)
Cash and cash equivalents at end of year			(1,581)		(6,133)
Relating to:					
Bank overdrafts included in creditors payable within one year			(1,581)		(6,133)

1 Accounting policies

Company information

H&H Group plc ("the company") is a public company limited by shares domiciled and incorporated in England and Wales. The registered office is Borderway Mart, Rosehill Estate, Carlisle, United Kingdom, CA1 2RS.

The group consists of H&H Group plc and all of its subsidiaries.

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 £000.

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

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company H&H Group plc together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 June 2025. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1 Accounting policies **(Continued)**

1.4 Going concern

The group meets its day to day working capital requirements through an overdraft facility and various bank facilities. These bank facilities, as set out in note 21, were renewed in September 2025 and having reviewed these facilities and the group's forecasts and projections, which take account of reasonably possible changes in trading performance, at the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for at least 12 months from the signing of these financial statements. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. Where the group acts as sales agent (for example in the marts, auction rooms and estate agency businesses) turnover represents the commission earned only. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Computer Software	5 years straight line
Patents & licences	10 years straight line
Brand	10 years straight line

1.8 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.

1 Accounting policies **(Continued)**

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	50 years straight line / life of lease on leasehold
Fixtures and fittings	15% reducing balance on fixtures / 3-5 years on equipment
Motor vehicles	4 years straight line

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 recognised in the profit and loss account.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in profit or loss.

1.9 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.

1.10 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.11 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1 Accounting policies **(Continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.12 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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.

1.13 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.

1.14 Financial instruments

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

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 and cash and bank balances, 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.

1 Accounting policies **(Continued)**

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 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.

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 group 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.

Derecognition of financial liabilities

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

1 Accounting policies **(Continued)**

1.15 Equity instruments

Equity instruments issued by the group 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 group.

1.16 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 profit and loss account 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 group'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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is 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.

1.17 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.

1.18 Retirement benefits

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

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

1 Accounting policies **(Continued)**

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.

1.19 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 leased asset are consumed.

1.20 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.

1.21 Prior period adjustment

A prior year adjustment has been posted to exclude the pension surplus for the H&H Scheme which was recognised as an asset. The surplus does not meet the recognition criteria under section 28 of FRS 102. The pension asset has been removed in the comparative period along with the associated deferred tax, and interest movement, which was previously credited to the profit and loss account as set out in more detail in note 33.

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Recoverability of trade debtors

An assessment as to the ability of the group to recover trade debtors is made at each financial period end. A provision is made for any amounts that are not considered to be recoverable. Due to the nature of this provision, an estimate is made as to the amounts that will be recoverable which involves judgement based on knowledge of the customer and the level of uncertainty as to whether he customer has sufficient funds to pay these amounts.

Valuation of WIP

An assessment as to the ability of the group to recover the value of WIP held is made at each financial period end. The provision levels are considered and adjusted as necessary to account for any amounts that are not considered to be recoverable. Due to the nature of this provision, an estimate is made as to the amounts that will be recoverable, which involves judgement based on knowledge of the WIP held and relationship with the client.

Valuation and classification of land & buildings

The valuation and classification of land and buildings was assessed by an independent valuation expert and is based on the condition/ market value of assets as at 30 June 2025. These valuations include significant estimates on the likelihood of favourable outcomes on planning applications alongside other market data.

3 Turnover and other revenue

	2025 £000	2024 £000
Turnover analysed by class of business		
Sale of goods	922	2,420
Rendering of services	18,945	17,078
	19,867	19,498

	2025 £000	2024 £000
Other significant revenue		
Interest income	288	192
Other operating income	-	83
Profit on sale of Fixed Assets	987	82

All turnover is generated from operations in the United Kingdom.

Profit on sale of fixed assets relates to overage receipts on a historic sale.

4 Operating profit

	2025 £000	2024 £000
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	579	587
Depreciation of tangible fixed assets held under finance leases	28	10
Gain on disposal of fixed assets	(987)	-
Loss on disposal of subsidiary	607	-
Amortisation of intangible assets	246	212
Impairment on intangibles assets	183	-
Operating lease charges	152	185

Loss on disposal of subsidiary in relation to disposal of H&H Reeds as noted on page 2.

5 Auditor's remuneration

Fees payable to the company's auditor and associates:	2025 £000	2024 £000
For audit services		
Audit of the financial statements of the group and company	8	8
Audit of the financial statements of the company's subsidiaries	41	35
	49	43

6 Employees

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

	Group 2025 Number	2024 Number
Management	7	10
Professional	20	29
Sales	56	60
Administration	77	73
Operations	62	60
Total	222	232

In addition 81 (2024: 115) part time staff were employed.

Their aggregate remuneration comprised:

	Group 2025 £000	2024 £000
Wages and salaries	8,032	8,996
Social security costs	806	875
Pension costs	686	728
	9,524	10,599

7 Directors' remuneration

	2025 £000	2024 £000
Remuneration for qualifying services	219	164
Company pension contributions to defined contribution schemes	25	33
Amounts paid for non executive directors' services	89	82
	333	279

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

	2025 £000	2024 £000
Remuneration for qualifying services	219	164
Company pension contributions to defined contribution schemes	25	33

8 Interest receivable and similar income

	2025 £000	2024 £000
Interest income		
Interest on overdue debts	288	192

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	288	192

9 Interest payable and similar expenses

	2025 £000	2024 £000
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	765	797
Other finance costs:		
Interest on finance leases and hire purchase contracts	13	4
Net interest on the net defined benefit liability	7	8
Total finance costs	785	809

10 Taxation

	2025 £000	2024 £000
Current tax		
UK corporation tax on profits for the current period	414	2
Adjustments in respect of prior periods	70	18
Total current tax	484	20
Deferred tax		
Origination and reversal of timing differences	295	208
Total tax charge	779	228

10 Taxation (Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2025 £000	2024 as restated £000
Profit before taxation	1,720	422
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2024: 25.00%)	430	106
Tax effect of expenses that are not deductible in determining taxable profit	94	73
Adjustments in respect of prior years	70	18
Other non-reversing timing differences	33	31
Loss on sale of subsidiary disposal	152	-
Taxation charge	779	228

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2025 £000	2024 as restated £000
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	(137)	44

11 Dividends

Recognised as distributions to equity holders:	2025 £000	2024 £000
Final paid	141	205

12 Intangible fixed assets

Group	Goodwill	Computer Software	Patents & licences	Brand	Total
	£000	£000	£000	£000	£000
Cost					
At 1 July 2024	7,212	459	5	63	7,739
Additions	4	27	-	-	31
Disposals	-	(140)	-	-	(140)
At 30 June 2025	7,216	346	5	63	7,630
Amortisation and impairment					
At 1 July 2024	6,667	401	5	52	7,125
Amortisation charged for the year	199	41	-	6	246
Disposals	-	(140)	-	-	(140)
Impairment	183	-	-	-	183
At 30 June 2025	7,049	302	5	58	7,414
Carrying amount					
At 30 June 2025	167	44	-	5	216
At 30 June 2024	545	58	-	11	614

Company	Goodwill	Computer Software	Total
	£000	£000	£000
Cost			
At 1 July 2024	109	81	190
Additions	-	27	27
At 30 June 2025	109	108	217
Amortisation and impairment			
At 1 July 2024	109	62	171
Amortisation charged for the year	-	10	10
At 30 June 2025	109	72	181
Carrying amount			
At 30 June 2025	-	36	36
At 30 June 2024	-	19	19

Goodwill impairment in the year in relation to goodwill on the acquisition on Tynedale Insurance Services Limited.

13 Tangible fixed assets

Group	Freehold property	Fixtures and fittings	Motor vehicles	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 July 2024	12,748	4,607	1,532	18,887
Additions	1,238	320	314	1,872
Disposals	(100)	(508)	(165)	(773)
At 30 June 2025	13,886	4,419	1,681	19,986
Depreciation and impairment				
At 1 July 2024	247	3,153	699	4,099
Depreciation charged in the year	73	279	255	607
Eliminated in respect of disposals	(53)	(102)	(165)	(320)
At 30 June 2025	267	3,330	789	4,386
Carrying amount				
At 30 June 2025	13,619	1,089	892	15,600
At 30 June 2024	12,501	1,454	833	14,788

At 30 June 2025, the freehold land and buildings were valued by external valuers Walton Goodland. The historical cost net book value is £9,608,000 (2024: £8,423,000).

Company	Freehold property	Plant and equipment	Motor vehicles	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 July 2024	10,573	1,155	99	11,827
Additions	1,188	11	95	1,294
Disposals	(59)	(61)	-	(120)
At 30 June 2025	11,702	1,105	194	13,001
Depreciation and impairment				
At 1 July 2024	12	983	34	1,029
Depreciation charged in the year	49	58	25	132
Eliminated in respect of disposals	(12)	(61)	-	(73)
At 30 June 2025	49	980	59	1,088
Carrying amount				
At 30 June 2025	11,653	125	135	11,913
At 30 June 2024	10,561	172	65	10,798

13 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Motor vehicles	223	226	78	40

14 Investment property

	Group	Group	Company	Company
	2025	2024	2025	2024
	£000	£000	£000	£000
Fair value				
At 1 July 2024	11,423	10,186	7,653	6,416
Additions	2,946	637	2,947	637
Disposals	(161)	-	-	-
Net gains or losses through fair value adjustments	(153)	98	914	98
Transfer from tangible fixed assets	-	502	-	502
At 30 June 2025	14,055	11,423	11,514	7,653

A number of assets were included within the 2024 and 2025 valuations made by Walton Goodland, on an open market value for existing use basis.

Of the remaining assets, an assessment of the valuation based on market conditions and the condition of the assets has been undertaken by the directors at 30 June 2025 with no changes in valuation deemed required.

15 Fixed asset investments

		Group		Company	
		2025	2024	2025	2024
	Notes	£000	£000	£000	£000
Investments in subsidiaries	16	-	-	9,956	9,956
Investments in associates		5	5	5	5
		5	5	9,961	9,961

15 Fixed asset investments (Continued)

Movements in fixed asset investments
Group

	Shares in associates £000
Cost or valuation	
At 1 July 2024 and 30 June 2025	5
Carrying amount	
At 30 June 2025	5
At 30 June 2024	5

Movements in fixed asset investments
Company

	Shares in subsidiaries and associates £000
Cost or valuation	
At 1 July 2024 and 30 June 2025	12,624
Impairment	
At 1 July 2024 and 30 June 2025	2,663
Carrying amount	
At 30 June 2025	9,961
At 30 June 2024	9,961

16 Subsidiaries

Details of the company's subsidiaries at 30 June 2025 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Harrison & Hetherington Limited	3	Auctioneering	Ordinary	100.00	-
H&H Finance Limited	3	Dormant	Ordinary	100.00	-
H&H Land and Estates Limited	3	Estate and land agency	Ordinary	100.00	-
Harrison & Hetherington (Scotland) Limited	1	Dormant	Ordinary	100.00	-
H&H Borderway Limited	3	Dormant	Ordinary	100.00	-
H&H Insurance Brokers Limited	3	Insurance broker	Ordinary	100.00	-
John Swan & Sons Limited	2	Investment properties	Ordinary	-	100.00
H&H Dotcom limited	3	Dormant	Ordinary	100.00	-
Tynedale Insurance Services Limited	3	Dormant	Ordinary	-	100.00
John Swan Limited	2	Dormant	Ordinary	100.00	-

16 Subsidiaries (Continued)

Registered office addresses (all UK unless otherwise indicated):

1 Sydney Place Mart, Lockerbie, Dumfriesshire , DG11 2JA
2 Auction Mart, Newtown St Boswells, Melrose, Roxburghshire, TD6 0PP
3 Borderway, Rosehill, Cumbria, CA1 2RS

17 Stocks

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Raw materials and consumables	8	309	7	7

18 Debtors

	Group		Company	
	2025	2024	2025	2024
Amounts falling due within one year:	£000	£000	£000	£000
Trade debtors	12,462	15,014	253	94
Gross amounts owed by contract customers	603	564	-	-
Corporation tax recoverable	-	-	16	-
Amounts owed by group undertakings	-	-	2,587	5,491
Other debtors	130	-	233	185
Prepayments and accrued income	1,330	1,361	132	154
	14,525	16,939	3,221	5,924
Amounts falling due after more than one year:				
Other debtors	258	-	-	-
Total debtors	14,783	16,939	3,221	5,924

Group trade debtors are states after provisions for impairment of £1,821,000 (2024: £1,859,000).

Other debtors due in more than one year relate to consideration on sale of H&H Reeds Limited which is repayable in monthly instalments of £8,000.

19 Creditors: amounts falling due within one year

	Notes	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Bank loans and overdrafts	**21**	5,259	6,322	4,457	3,114
Obligations under finance leases	**22**	176	72	176	72
Trade creditors		8,541	8,158	1,467	590
Amounts owed to group undertakings		-	-	15,806	17,252
Corporation tax payable		443	108	-	-
Other taxation and social security		797	692	-	-
Other creditors		-	-	-	49
Accruals and deferred income		1,510	1,528	432	555
		16,726	16,880	22,338	21,632

At 30 June 2025 the company was holding £1,244,000 (2024: £1,466,000) on behalf of clients. This cash balance has been excluded from the cash at bank and in hand balance and offset against the associated creditor balance.

20 Creditors: amounts falling due after more than one year

	Notes	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Bank loans and overdrafts	**21**	3,588	3,540	3,588	3,540
Obligations under finance leases	**22**	165	144	165	144
Accruals and deferred income		541	612	541	612
		4,294	4,296	4,294	4,296

21 Loans and overdrafts

	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Bank loans	7,266	3,729	7,266	3,729
Bank overdrafts	1,581	6,133	779	2,925
	8,847	9,862	8,045	6,654
Payable within one year	5,259	6,322	4,457	3,114
Payable after one year	3,588	3,540	3,588	3,540

The bank overdraft and bank loan are secured by gross guarantees and debentures and charges over certain freehold property and finance assets owned by the group.

21 Loans and overdrafts **(Continued)**

Bank loans comprise a £4.9m term loan with £3.6m outstanding repayable in quarterly instalments over 5 years to November 2025 which is subject to interest at 2.85% over the Bank of England base rate.

Bank loans also includes a £2.7m term loan with £2.7m outstanding repayable in quarterly instalments over 5 years to November 2029 which is subject to interest at 2.85% over the Bank of England base rate.

Finally bank loans also includes a £1m overdraft facility with £1m outstanding due for Review in September 2025 which is subject to interest at 2.85% over the Bank of England base rate.

The loans are secured by fixed and floating charges over the assets of the company and group companies through cross guarantees.

22 Finance lease obligations

	Group		Company	
	2025	**2024**	**2025**	**2024**
	£000	**£000**	**£000**	**£000**
Future minimum lease payments due under finance leases:				
Within one year	192	80	192	80
In two to five years	181	160	181	160
	373	240	373	240
Less: future finance charges	(32)	(24)	(32)	(24)
	341	216	341	216

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

23 Deferred taxation

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

	Liabilities	Liabilities
	2025	**2024**
		as restated
Group	**£000**	**£000**
Accelerated capital allowances	460	349
Tax losses	(42)	(42)
Capital gains rolled over	830	783
	1,248	1,090

23 Deferred taxation (Continued)

Company	Liabilities 2025 £000	Liabilities 2024 as restated £000
Accelerated capital allowances	206	36
Tax losses	-	(15)
Revaluations	212	-
Capital gains rolled over	312	268
	730	289

Movements in the year:	Group 2025 £000	Company 2025 £000
Liability at 1 July 2024	1,090	289
Charge to profit or loss	295	496
Credit to other comprehensive income	(137)	(55)
Liability at 30 June 2025	1,248	730

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

24 Retirement benefit schemes

Defined contribution schemes	2025 £000	2024 £000
Charge to profit or loss in respect of defined contribution schemes	686	728

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Defined benefit scheme - group and company

The group and parent company operates two defined benefit pension schemes providing benefits based on final pensionable pay.

The Harrison & Hetherington Limited Senior Staff Pension and Assurance Scheme which became fully paid up with effect from 28 February 2001, i.e. members are earning no further benefits and no further members are being admitted. The last full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 30 June 2024.

The amounts recognised in the balance sheet are as follows:

24 Retirement benefit schemes **(Continued)**

Key assumptions	2025 %	2024 %
Discount rate	5.45	5.10
Expected rate of increase of pensions in payment	2.90	2.95
Expected rate of salary increases	2.35	2.35

Mortality assumptions	2025	2024
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	21.3	21.5
- Females	24.5	23.5
Retiring in 20 years		
- Males	22.4	22.8
- Females	25.8	25.0

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

Group and company	2025 £000	2024 as restated £000
Fair value of plan assets	14,404	14,892
Present value of defined benefit obligations	(12,991)	(13,507)
Surplus in scheme	1,413	1,385
Restriction on scheme assets	(1,413)	(1,385)
Total asset recognised	-	-

Group and company *Amounts taken to other comprehensive income*	2025 £000	2024 as restated £000
Actual return on scheme assets	(161)	(673)
Less: calculated interest element	743	748
Return on scheme assets excluding interest income	582	75
Actuarial changes related to obligations	(539)	187
Effect of changes in the amount of surplus that is not recoverable	28	(182)
Restriction on net interest income credited to the income statement	(71)	(80)
Total costs	-	-

24 Retirement benefit schemes (Continued)

Group and company *Movements in the present value of defined benefit obligations*	**2025** **£000**	**2024** **£000**
Liabilities at 1 July 2024	13,507	13,549
Benefits paid	(649)	(897)
Actuarial gains and losses	(539)	187
Interest cost	672	668
At 30 June 2025	12,991	13,507

Group and company *The defined benefit obligations arise from plans funded as follows:*	**2025** **£000**	**2024** **£000**
Wholly unfunded obligations	-	-
Wholly or partly funded obligations	12,991	13,507
	12,991	13,507

Group and company *Movements in the fair value of plan assets*	**2025** **£000**	**2024** **£000**
Fair value of assets at 1 July 2024	14,892	15,116
Interest income	743	748
Return on plan assets (excluding amounts included in net interest)	(582)	(75)
Benefits paid	(649)	(897)
At 30 June 2025	14,404	14,892

The actual return on plan assets was £743,000 (2024: £748,000).

Group and company *Fair value of plan assets at the reporting period end*	**2025** **£000**	**2024** **£000**
Equity instruments	1,019	1,144
Cash	133	102
Annuities	13,252	13,646
	14,404	14,892

24 Retirement benefit schemes

The John Swan Limited Retirement Benefit Scheme is close to new members and to future accrual for existing members as of 30 April 2012. The last full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 30 June 2024. The amounts recognised in the balance sheet are as follows:

Key assumptions	**2025 %**	**2024 %**
Discount rate	5.45	5.10
Expected rate of increase of pensions in payment	2.90	2.95
Expected rate of salary increases	2.35	2.35

Mortality assumptions	**2025**	**2024**
Assumed life expectations on retirement at age 65:	**Years**	**Years**
Retiring today		
- Males	20.2	21.5
- Females	24.5	23.5
Retiring in 20 years		
- Males	22.4	22.8
- Females	25.8	25.0

The amounts included in the balance sheet arising from obligations in respect of defined benefit plans are as follows:

Group	**2025 £000**	**2024 £000**
Present value of defined benefit obligations	(4,954)	(5,287)
Fair value of plan assets	4,766	5,029
Deficit in scheme	(188)	(258)
Total liability recognised	(188)	(258)

Group and company	**2025**	**2024**
Amounts recognised in the profit and loss account	**£000**	**£000**
Net interest on net defined benefit liability/(asset)	7	8
Total costs	7	8

24 Retirement benefit schemes **(Continued)**

Group and company Amounts taken to other comprehensive income	**2025** **£000**	**2024** **£000**
Actual return on scheme assets	145	(181)
Less: calculated interest element	254	252
Return on scheme assets excluding interest income	399	71
Actuarial changes related to obligations	(280)	99
Total costs	119	170

Group and company Movements in the present value of defined benefit obligations	**2025** **£000**	**2024** **£000**
Liabilities at 1 July 2024	5,287	5,267
Benefits paid	(314)	(339)
Actuarial gains and losses	(280)	99
Interest cost	261	260
At 30 June 2025	4,954	5,287

Group and company *The defined benefit obligations arise from plans funded as follows:*	**2025** **£000**	**2024** **£000**
Wholly unfunded obligations	-	-
Wholly or partly funded obligations	4,954	5,287
	4,954	5,287

The defined benefit obligations arise from plans which are wholly or partly funded.

Group and company *Movements in the fair value of plan assets*	**2025** **£000**	**2024** **£000**
Fair value of assets at 1 July 2024	5,029	5,023
Interest income	254	252
Return on plan assets (excluding amounts included in net interest)	(399)	(71)
Contributions by employer	196	164
Benefits paid	(314)	(339)
At 30 June 2025	4,766	5,029

The actual return on plan assets was £254,000 (2024: £252,000).

24 Retirement benefit schemes (Continued)

Group *Fair value of plan assets at the reporting period end*	**2025** **£000**	**2024** **£000**
Equity instruments	4,766	5,029
	4,766	5,029

Company *Fair value of plan assets at the reporting period end*	**2025** **£000**	**2024** **£000**
Equity instruments	4,396	4,648
Cash	55	41
Annuities	315	340
	4,766	5,029

25 Share capital

Group and company **Ordinary share capital**	**2025** **Number**	**2024** **Number**	**2025** **£000**	**2024** **£000**
Issued and fully paid				
Ordinary Shares of £1 each	1,085,169	1,085,169	1,085	1,085

26 Reserves

Profit and loss reserves
The profit and loss reserve represents cumulative profits and losses, net if dividends paid and other adjustments.

Other reserves
This is a share premium account which includes any premium on the issued share capital. Any transaction costs associated with the issue of share capital are reduced from this reserve.

Revaluation reserve
The revaluation reserve the gain on the revaluation of freehold land and buildings. The gain arising year on year, net of the associate deferred tax position, has been transferred to this separate reserve. Excess depreciation, net of movements in the associated deferred tax provision, are transferred to/from the revaluation reserve and the profit and loss reserve in the statement of changes in equity.

27 Financial commitments, guarantees and contingent liabilities

At 30 June 2025 the group and parent company was party to unlimited cross guarantees with its subsidiary entities.
The parent company has given an indemnity for personal guarantees made by the directors of the wholly owned subsidiary H&H Insurance Brokers Limited to insurance companies under certain agency agreements.

28 Operating lease commitments

Lessee

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

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Within one year	139	145	-	-
Between two and five years	191	178	-	-
In over five years	23	63	-	-
	353	386	-	-

29 Related party transactions

Transactions with related parties

The group and parent company has taken advantage of the exemption within FRS 102 section 33 paragraph 33.1A from the requirement to disclose transactions with other wholly owned companies in the same group.

Total compensation of key management personnel (including the directors) in the year amounted to £1,292,000 (2024: £1,261,000).

30 Controlling party

In the opinion of the directors there is no controlling party.

31 Cash generated from group operations

	2025	2024 as restated
	£000	£000
Profit for the year after tax	941	194
Adjustments for:		
Taxation charged	779	228
Finance costs	785	809
Investment income	(288)	(192)
Gain on disposal of tangible fixed assets	(987)	(81)
Fair value loss on investment properties	153	191
Amortisation and impairment of intangible assets	246	220
Depreciation and impairment of tangible fixed assets	607	597
Impairment of intangible assets	183	-
Loss on sale of investments	607	-
Contributions to defined benefit pension schemes	(196)	(164)
Movements in working capital:		
Decrease/(increase) in stocks	301	(83)
Decrease/(increase) in debtors	1,822	(874)
Increase in creditors	272	2,489
Cash generated from operations	5,225	3,334

32 Analysis of changes in net debt - group

	1 July 2024	Cash flows	New finance leases	30 June 2025
	£000	£000	£000	£000
Bank overdrafts	(6,133)	4,552	-	(1,581)
Borrowings excluding overdrafts	(3,729)	(3,537)	-	(7,266)
Obligations under finance leases	(216)	90	(215)	(341)
	(10,078)	1,105	(215)	(9,188)

33 Prior period adjustment

Changes to the balance sheet - group

Effect of removal of defined benefit pension surplus recognised as an asset

The financial statements for the year ended 30 June 2024 have been restated to exclude the pension surplus for the H&H Scheme which was recognised as an asset. The surplus does not meet the recognition criteria under section 28 of FRS 102. The pension asset has been removed in the comparative period along with the associated deferred tax, and interest movement, which was previously credited to the profit and loss account.

	As previously reported	Adjustment	As restated at 30 Jun 2024
	£000	£000	£000
Provisions for liabilities			
Deferred tax	(1,372)	282	(1,090)
Defined benefit pension surplus	1,127	(1,385)	(258)
Net assets	22,657	(1,103)	21,554
Capital and reserves			
Profit and loss reserves	16,115	(1,103)	15,012

The impact on the brought forward profit and loss reserve at 1 July 2023 was a reduction of £1,176,000 from the previously reported total of £22,533,000 to £21,357,000.

Changes to the profit and loss account - group

Period ended 30 June 2024	As previously reported £000	Adjustment £000	As restated £000
Interest receivable and similar income	281	(89)	192
Interest payable and similar expenses	(818)	9	(809)
Profit after taxation	274	(80)	194
Other comprehensive income	(10)	153	143

Changes to the balance sheet - company

	As previously reported	Adjustment	As restated at 30 Jun 2024
	£000	£000	£000
Provisions for liabilities			
Deferred tax	(571)	282	(289)
Defined benefit pension surplus	1,127	(1,385)	(258)
Net assets	8,990	(1,103)	7,887
Capital and reserves			
Profit and loss reserves	5,654	(1,103)	4,551

The impact on the brought forward profit and loss reserve at 1 July 2023 was a reduction of £1,176,000 from the previously reported total of £12,754,000 to £11,578,000.

33 Prior period adjustment **(Continued)**

Changes to the profit and loss account - company

Period ended 30 June 2024	**As previously reported £000**	**Adjustment £000**	**As restated £000**
Loss after taxation	(3,738)	(80)	(3,818)
Other comprehensive income	114	153	267

The Board of Directors

The Board of Directors
(left to right)

Lynne Mallinson (Non Executive Director)

Steve Pattinson (Non Executive Director)

Margaret Irving (Company Secretary)

Colin Bateman (Non Executive Director)

Will Hamilton (Chairman)

Jo Ritzema (Non Executive Director)

Richard Rankin (Chief Executive)

Toby Mounsey-Heysham (Non Executive Director)

Roger Blake (Group Finance Director)

Mark Johnson (Chief Operating Officer)

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