H&H

Annual Report & Accounts 2018

First in the Field...

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Contents

H&H GROUP plc

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

M L Scott (Non-Executive Chairman)

I C Lancaster
D M Harrison
C Lindsay
A G Houston
A Douglas
R A Rankin
W B Hamilton

List of Advisors

Independent Auditor
UNW LLP
Chartered Accountants
Citygate
St James' Boulevard
Newcastle Upon Tyne
NE1 4JE

Taxation Advisors
Dodd & Co Limited
Fifteen Rosehill
Montgomery Way
Rosehill Estate
Carlisle
CA1 2RW

Bankers
Clydesdale Bank plc
239 Kingstown Road
Kingstown Industrial Estate
Carlisle
CA3 0BQ

Solicitors
Burnetts
Victoria House
Wavell Drive
Rosehill
Carlisle
CA1 2ST

Notice of Meeting

Notice is hereby given that the One Hundred and Twenty Sixth Annual General Meeting of the Company will be held in the Shepherds Inn, Rosehill, Carlisle on 9 November 2018 at 11.00 am for the following purposes:

1. To receive and consider the Accounts for the financial year ended 30 June 2018 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 27 pence per share to be paid on 7 December 2018.
4. Proposal of special resolution - see page 4.
5. To re-elect D M Harrison as a Director.
6. To re-elect W B Hamilton as a Director.
7. To re-appoint UNW LLP as Auditors of the Company to hold office from the conclusion of the meeting at a remuneration to be fixed by the Directors.

Approved by the Board on 5 October 2018 and signed on its behalf by:

M. Irving

Margaret Irving
Company Secretary

Registered Office
Borderway Mart
Rosehill
Carlisle
CA1 2RS

Registered Number
36006

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.

Item 4

Purpose

At the AGM in 2017 the Shareholders renewed an authority which allowed the Board the flexibility of issuing 400,000 shares for carrying out future acquisitions. Although the existing authority expires on 9 November 2019, 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 9 November 2019, 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 9 November 2019 (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.

Chairman's Statement

Dear Shareholder

The Group reports an operating profit of £940,000 (2017: £965,000) on turnover of £14.71m and a profit for the financial year of £310,000 against £540,000 for the previous year.

Brian Richardson stepped down in June this year after 10 successful years with the Group and on behalf of the board I would like to express our thanks to him for all his effort and hard work.

I am pleased to welcome Richard Rankin as our new Chief Executive. Richard comes with a wealth of experience from the financial world and his timely acceptance of the role from 2 July 2018 meant there was no time lapse between his appointment and the departure of the outgoing Chief Executive.

Whilst the operating profit is down on last year, the overall profit (excluding exceptional items of £868,000) for the financial year is up as it includes the sales of land at Harker and a small plot at Wooler.

The Group's development of the Rosehill Car Park site into industrial units, parking and a foodhall for the Pioneer business has fallen behind schedule due to unforeseen construction issues. However I am pleased to report that the contract and 'pay and display' parking is now operational and the rest of the development should be completed and providing income in the next financial period.

Harrison & Hetherington, the Farmstock business has seen another successful year with rising numbers particularly in relation to cattle where numbers have continued to increase year on year. The 'Beast from the East' and a long cold spring could however adversely affect sheep numbers in the autumn.

H&H Reeds Printers continue to work hard and shortly after the end of the financial year completed the amalgamation of their operations at Penrith, thereby closing the Milnthorpe site and taking cost out of the business.

All estate agents are finding it tough at the moment but the H&H estate agents are holding their market share across the four offices. The relocation of the Carlisle office to a more prominent site in the city centre should prove beneficial.

In relation to H&H Land and Property, Brexit seems to have slowed down the number of farms coming onto the market with a consequent effect on the top line. The business remains very busy with advisory work and this should become even more active as Single Farm Payment schemes continue to change. The Durham office has relocated to improved premises at a better location.

Since H&H Insurance Brokers increased their focus on the rural sector, we are looking forward to growing our customer book and gaining ground on our competitors.

I wish to express thanks to our staff for their hard work over the year and to our shareholders and customers for their continued support in retaining the success of the Group.

Michael L Scott
Chairman

5 October 2018

Group Strategic Report

A profit before tax for the year of £636,000 represents a 7% drop in profitability over the previous year.

Financial Overview

On turnover of £14,718,000 (2017: £15,146,000) operating profit is £940,000 (2017: £965,000) producing a profit before tax of £636,000 (2017: £682,000).

Earnings per share are 29p (2017: 50p), and with a recommended final dividend of 27p per share alongside the interim dividend paid of 8p per share, there will be a total dividend for the year of 35p per share (2017: 35p per share).

The average share price during the period was £29.38 (2017: £27.45).

Total shareholders' funds have increased to £18,335,000 (2017: £17,753,000).

Principal Activities and Business Model

The Group remains focused on our key expertise in Auctioneering, Land and Property, Insurance and Printing with a focus on the farming and rural economy.

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

H&H Group plc - holding Company.

Harrison & Hetherington - farmstock auctioneers, brokers and valuers.

H&H Land and Property - chartered surveyors, land agents, valuers and quota brokers.

H&H Insurance Brokers - insurance brokers.

H&H Estate Agents - residential sales and letting agents.

H&H Reeds Printers - printers.

Our mission is to be profitable, sustainable and progressive in all our business endeavours for the mutual benefit of our shareholders, customers and staff; and to realise this mission, the Group's strategy embraces a number of business objectives:

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

Business Review and Results

Group

Purely in the context of the parent company, the Group receives income by way of internal rent and Group Service charges and in respect of expenditure, 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 management of the individual businesses and their development.

A decision has been taken at the end of this year, on the basis of financial performance both past and anticipated future, to impair the carrying value of goodwill linked to H&H Reeds Printers Limited ("HHRP"), effectively writing off any remaining goodwill and matching the value of this investment in Group's accounts to the net assets of HHRP. This is both a prudent approach to undertake and gives a more accurate picture of our financial strength on the balance sheet. Moving forwards this will result in a clearer representation of the true profits and hence performance of HHRP.

Auctioneering

Harrison & Hetherington
This business performed well with strong numbers at Kirkby Stephen and exceptional throughput in Carlisle, driven by increasing prices to offset the marginally falling numbers. Newtown St Boswells and Wooler have been integrated within the one focused auctioneering team. Throughput at Newtown St Boswells and Wooler has not met expectations which is primarily down to lower sheep numbers. There is renewed focus by the team on recouping this.

In addition to the focus on the above marts we have continued to develop and build on growing our numbers direct from farm-to-farm and farm-to-abattoir.

Debtors are continually monitored and we maintain our debtor policy to mitigate the risk of financial failures. Linked to this the Scotbeef scheme is now fully up and running and assisting numerous farmers with their cash flow.

In other sales machinery has continued to perform well at both Carlisle and Newtown St Boswells. The general saleroom has been developing its specialist sales further and enjoyed success with these.

Development of our marts remains a high priority, specifically Newtown St Boswells and Wooler with significant planned inroads to be made during the course of this financial year.

Property

H&H Land and Property
During the year, our Carlisle office relocated into refurbished offices at Borderway and Durham moved into offices more suited to their ongoing development. The sites at Newtown St Boswells and Thornhill continue to grow new business from a standing start but with plenty of scope for further development.

There have been some challenges within the teams which has led to change and an unsettled period. More recently the departure of our Managing Director, James Murphy, has led to the development of a new plan with Colin Tomlinson, who formerly led the estate agency teams, stepping up to the Managing Director position.

The market has continued to see a slowdown with persistent price pressures, which have resulted in lower revenue for the team. However, our advisory piece remains strong and will continue to be so as Brexit approaches and we position ourselves to support and advise our customers through these changes.

H&H King / Michael CL Hodgson
Despite the economic climate, this business enjoyed a strong start to the year; however, this tailed off markedly as the year progressed. As this slowdown was reflected in national statistics each location has managed to maintain its market share in the face of increasing competition from the online market. Reacting to this trend a cost reduction exercise was undertaken to ensure each office was as efficient as possible.

Our lettings business remains the exception with a strong performance throughout the year.

We are currently developing our strategy for the future which will include bringing all the brands / names together.

Financial

H&H Insurance Brokers
This year has seen the culmination of a number of positive changes, being the focus on the agriculture and rural sectors, an emphasis on customer service and a development of our marketing strategy. All three have contributed to an improvement in sales which has been translated to the bottom line.

The business has also very recently been recognised nationally by winning the UK Broker award for Marketing and Customer Engagement, a fitting tribute to the efforts of the team. In addition to that it has achieved Gold status for customer satisfaction on the independent feedback website Feefo.

The team are looking to build on this, both in terms of recognition with two more nominations in place but also in overall performance and market share.

The business north of the M8 in Scotland was successfully transferred to another broker to enable us to focus on our core geographical areas.

It is pleasing to see and be recognised for the marketing emphasis in creating a clear identify which, backed up by excellent customer service, firmly puts us as a credible alternative to the dominant player.

More recently we have engaged Authorised Representatives to expand our coverage and will continue to build on this but only with the right propositions.

All of the above, together with the newly appointed Managing Director, Paul Graham, who has already made a difference, put this team and this business in a strong place.

H&H Finance
It is now over 4 years since the transfer of the motor finance lending book to the Cumberland Building Society. They, on our behalf, have continued to collect in the historic loans and this has returned £380k in cash to H&H in the last 12 months as the customer loans are repaid. There is now £56,000 to be collected from this operation.

Printing

H&H Reeds Printers
This business has continued to perform in a challenging and increasingly competitive market and delivered a profit similar to prior years but on a reduced turnover level. This is testament to the efficiency reviews undertaken to take out excess costs whilst maintaining quality and turnaround times.

The KTP (Knowledge Transfer Partnership) project mentioned last year is ongoing, this has switched to Salford University and continues to drive innovation and develop our web proposition.

In addition to the challenging print market, the business has been hit with paper price increases linked to currency movements, not all of which can be passed on to the customer. The general trend in the industry of using less print based marketing has driven the team to upskill into the value end of the market and develop additional services to replace the lower order volumes.

Recently the two operations have been amalgamated onto the existing site at Penrith, this will give the business further operational efficiencies and future development opportunities.

Future Developments

General
The board continues to look at opportunities to develop our existing businesses and develop further profitable turnover. The H&H brand continues to build its reputation, particularly in the farming and rural sector, and is an important asset for the Group to build on.

Investment Property
The car park redevelopment at Rosehill nears completion with the commercial units fully completed and with our first tenants now in and the car park itself open for business.

The Pioneer building is to be handed over in the near future whereby they will fit it out and be open for business early 2019.

During the year the Group disposed of the remaining land at Harker plus a small parcel of land at Wooler, this had no detrimental effect on the carrying value of the residual land there.

The land at Riccarton is split into two uneven parcels, with the smaller site available for student accommodation and the larger site for housing. The student accommodation is in the process of being sold to a suitable provider and should complete later this year. The housing scheme has been through planning and was initially rejected, we are now in the appeal process.

We are continuing to pursue our plans for the potential redevelopment of the Newtown St Boswells site which will include housing, retail, commercial premises and providing a much improved auction mart. We're looking to lodge outline planning on this shortly and we are looking forward to dialogue with government agencies and the local community to buy in to the benefit such a development could have on the wider area.

Group Strategic Report *(continued)*

Our People

The Group employs just over 208 full time staff with an additional 105 part time staff.

We continue to develop good HR processes across the Group which include an appraisal system and training and development opportunities for all 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 now move into more responsible positions within the operating companies.

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 2018 is shown below, together with that for 2017 for comparative purposes:

	2018	2017
• Turnover growth	-2.8%	5.3%
• Return on sales	6%	6%
• Earnings per share	29p	50p
• Return on capital employed	5%	5%
• Gross interest cover	3.1x	3.6x
• Gearing	69%	51%

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.

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.

The ongoing negotiations of how the UK exits the EU will have short, medium and long term implications for the business, particularly with the inevitable changes to the Common Agricultural Policy. The announcement of continued Government funding at present levels to the sector until 2021 does provide some breathing space and a chance to start planning for the inevitable changes however, the proposed new agricultural bill brings further challenges and we need to understand the impact this might have on our customers.

Other risks which can be singled out are bad debt within our Farmstock business (where there is credit insurance in place for some primestock buyers), the possibility of an outbreak of a virulent animal disease and the 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 and our remaining motor finance book and we work diligently to remain compliant and also use third party consultancy support.

In addition, the Group's Health and Safety Committee has continued to meet throughout the year (with the security of our customers and our staff remaining the highest priority) and the maintenance of Group wide business continuity plans continues in an endeavour to be in a position to respond to an event beyond our immediate control and which could cause serious disruption to our operations.

This report was approved by the board on 5 October 2018 and signed on its behalf by:

Richard A Rankin
Chief Executive

Directors' Report

The directors present their report and the financial statements for the year ended 30 June 2018.

Results and Dividends
The profit for the year, after taxation, amounted to £310,000 (2017: £540,000).

The directors have proposed a final ordinary dividend of 27p per share in respect of the current financial year. This has not been included within creditors as it was not approved before the year end.

Dividends paid during the year comprise a final dividend of 27p per share in respect of the previous year ended 30 June 2017, together with an interim dividend of 8p per share in respect of the year ended 30 June 2018.

Directors
The directors who served during the year and their interests in the Group's issued share capital were:

	Ordinary shares of £1 each in H&H Group plc	
	At 30 June 2018	**At 30 June 2017**
BE Richardson (resigned 30 June 2018)	-	604
IC Lancaster	8,004	8,004
DM Harrison	4,366	4,366
ML Scott	5,729	5,729
AR Hill (resigned 14 December 2017)	250	250
C Lindsay	1,208	1,208
AG Houston	1,842	1,842
A Douglas	980	766
Trustee shareholdings		
Employees Trust Fund	**209,300**	209,000

ML Scott, C Lindsay and DM Harrison were trustees of the Employees Trust Fund throughout the year.

DM Harrison having served three years as a director, resigns in accordance with the Articles of Association and, being eligible, offers herself for re-election.

W Hamilton who was appointed as a director, since the last annual general meeting, resigns in accordance with the Articles of Association and being eligible, offers himself for re-election.

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.

Board Committees

1. The Audit Committee is chaired by IC Lancaster. The remaining members of the Committee are ML Scott and AG Houston. 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 DM Harrison. The remaining members of the Committee are IC Lancaster and ML Scott. 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.

Directors' Report *(continued)*

Political Contributions
The Group made no political contributions during the year (2017: £nil)

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.

Employees
It is the Group's policy to work towards true equality of opportunity for employees and applicants for employment regardless of race, nationality, ethnic origin, religion, gender, sexual orientation or marital status. Applications for employment by disabled persons are always fully and fairly considered, having regards to the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and the appropriate training is arranged.

Matters Covered in the Strategic Report
The following information, which would otherwise be disclosed in the director's report is instead disclosed in the strategic report, as permitted by section 414c(11) of the Companies Act 2006:

- future developments
- financial risk management objectives and policies

Disclosure of Information to Auditor
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditor is unaware, and

- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditor is aware of that information.

Post Balance Sheet Events
There have been no significant events affecting the Group since the year end.

Auditor
UNW LLP was appointed as auditor during the year. Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and UNW LLP will therefore continue in office.

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.

Directors' Report *(continued)*

The Board and Directors

At the date of this report the board had eight members: the non executive chairman, six non executive directors and the chief executive. 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 and chief executive 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 six 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 5 October 2018 and signed on its behalf by:

Margaret Irving
Company Secretary

Directors' Responsibilities Statement

The directors are responsible for preparing the Group strategic report, the directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Independent Auditor's Report to the Members of H&H Group plc

UNW

Opinion

We have audited the financial statements of H&H Group plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2018, which comprise the Group statement of comprehensive income, the Group and company balance sheets, the Group statement of cash flows, the Group and company statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 June 2018 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's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of H&H Group plc *(continued)*

Opinion on Other Matters Prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Group strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on Which We Are Required to Report by Exception
In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the 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 on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of Our Report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Morris

Michael Morris ACA FCCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne
Date: 5 October 2018

Consolidated Profit and Loss Account
for the year ended 30 June 2018

	Note	2018 £000	2017 £000
Turnover	5	**14,718**	15,146
Administrative expenses		**(14,046)**	(14,450)
Exceptional administrative expenses	14	**(868)**	0
Other operating income	6	**1,136**	269
Operating profit	7	**940**	965
Interest receivable and similar income		**26**	36
Interest payable and expenses		**(330)**	(319)
Profit before tax		**636**	682
Tax on profit	12	**(326)**	(142)
Profit for the financial year		**310**	540

Other Comprehensive Income
for year ended 30 June 2018

	Note	2018 £000	2017 £000
Other comprehensive income			
Actuarial gains on defined benefit pension scheme	30	**610**	305
Deferred tax on other comprehensive income	12	**(129)**	(105)
Revaluation of tangible fixed assets	16	**168**	13
Other comprehensive income for the year		**649**	213
Total comprehensive income for the year		**959**	753

The notes on pages 23 to 47 form part of these financial statements.

Consolidated Balance Sheet
at 30 June 2018

	Note	2018 £000	£000	2017 £000	£000
Fixed assets					
Intangible assets	15		1,308		2,432
Tangible assets	16		19,078		14,737
Investments	17		5		5
Investment property	18		3,383		4,864
			23,774		22,038
Current assets					
Stocks	19	713		741	
Debtors	20	10,667		9,274	
		11,380		10,015	
Creditors: amounts falling due within one year	22	(10,409)		(8,201)	
Net current assets			971		1,814
Total assets less current liabilities			24,745		23,852
Creditors: amounts falling due after more than one year	23		(5,187)		(4,227)
Provisions for liabilities					
Deferred tax	26		(572)		(459)
Other provisions	27		(35)		(75)
Pension liability	30		(616)		(1,338)
Net assets			18,335		17,753
Capital and reserves					
Called up share capital	28		1,078		1,078
Revaluation reserve	29		3,793		3,625
Other reserves	29		866		866
Profit and loss account	29		12,598		12,184
Total equity			18,335		17,753

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 October 2018.

Richard A Rankin
Chief Executive

R Rankin

Michael L Scott
Chairman

M L Scott

Company Balance Sheet
at 30 June 2018

	Note	2018 £000	£000	2017 £000	£000
Fixed assets					
Intangible assets	15		6		5
Tangible assets	16		14,977		333
Investments	17		11,906		12,581
Investment property	18		451		12,474
			27,340		25,393
Current assets					
Debtors	20	1,486		2,728	
Cash at bank and in hand	21	-		73	
		1,486		2,801	
Creditors: amounts falling due within one year	22	(11,112)		(10,720)	
Net current liabilities			(9,626)		(7,919)
Total assets less current liabilities			17,714		17,474
Creditors: amounts falling due after more than one year	23		(5,163)		(4,184)
Provisions for liabilities					
Deferred taxation	26		(63)		(10)
Other provisions	27		(35)		(75)
Pension liability			(616)		(1,338)
Net assets			11,837		11,867
Capital and reserves					
Called up share capital	28		1,078		1,078
Revaluation reserve	29		42		-
Other reserves	29		866		866
Profit and loss account brought forward			9,923		8,983
Loss/(profit) for the year			(201)		1,121
Other changes in the profit and loss account			129		(181)
Profit and loss account carried forward			9,851		9,923
Shareholders' funds			11,837		11,867

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 October 2018

Richard A Rankin
Chief Executive
Company registered number: 36006

Michael L Scott
Chairman

Consolidated Statement of Changes in Equity

	Called up share capital	Revaluation reserve	Other reserves	Profit and loss account	Total share-holder's equity
	£000	£000	£000	£000	£000
At 1 July 2016	**1,078**	**3,612**	**866**	**11,822**	**17,378**
Comprehensive income for the year					
Profit for the year	-	-	-	540	540
Actuarial gains on pension scheme, net of deferred tax	-	-	-	200	200
Revaluation of tangible fixed assets	-	13	-	-	13
Other comprehensive income for the year	-	**13**	-	**200**	**213**
Total comprehensive income for the year	-	**13**	-	**740**	**753**
Dividends	-	-	-	(378)	(378)
Total transactions with owners	-	-	-	**(378)**	**(378)**
At 1 July 2017	**1,078**	**3,625**	**866**	**12,184**	**17,753**
Comprehensive income for the year					
Profit for the year	-	-	-	310	310
Actuarial gains on pension scheme, net of deferred tax	-	-	-	481	481
Revaluation of tangible fixed assets	-	168	-	-	168
Other comprehensive income for the year	-	**168**	-	**481**	**649**
Total comprehensive income for the year	-	**168**	-	**791**	**959**
Dividends	-	-	-	(377)	(377)
Total transactions with owners	-	-	-	**(377)**	**(377)**
At 30 June 2018	**1,078**	**3,793**	**866**	**12,598**	**18,335**

Company Statement of Changes in Equity

	Called up share capital	Revaluation reserve	Other reserves	Profit and loss account	Total share-holder's equity
	£000	£000	£000	£000	£000
At 1 July 2016	**1,078**	**-**	**866**	**8,983**	**10,927**
Comprehensive income for the year					
Profit for the year	-	-	-	1,121	1,121
Actuarial gains on pension scheme, net of deferred tax	-	-	-	197	197
Other comprehensive income for the year	**-**	**-**	**-**	**197**	**197**
Total comprehensive income for the year	**-**	**-**	**-**	**1,318**	**1,318**
Dividends	-	-	-	(378)	(378)
At 1 July 2017	**1,078**	**-**	**866**	**9,923**	**11,867**
Comprehensive income for the year					
Loss for the year	-	-	-	(201)	(201)
Actuarial gains on pension scheme, net of deferred tax	-	-	-	506	506
Revaluation of tangible fixed assets	-	42	-	-	42
Other comprehensive income for the year	**-**	**42**	**-**	**506**	**548**
Total comprehensive income for the year	**-**	**42**	**-**	**305**	**347**
Dividends	-	-	-	(377)	(377)
Total transactions with owners	**-**	**-**	**-**	**(377)**	**(377)**
At 30 June 2018	**1,078**	**42**	**866**	**9,851**	**11,837**

Consolidated Cash Flow Statement
for the year ended 30 June 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Profit for the financial year		310	540
Adjustments for:			
Amortisation of intangible assets		266	259
Depreciation of tangible assets		593	622
Impairment of goodwill		868	-
Gain on disposal of tangible assets		(789)	(59)
Interest paid		330	319
Interest received		(26)	(36)
Taxation charge		326	142
Decrease in stocks		29	100
(Increase)/decrease in debtors		(1,395)	1,075
Decrease in creditors		(627)	(4)
Decrease in provisions		(40)	(10)
Gain on investment property		(191)	-
Corporation tax paid		(157)	(69)
Contribution to defined benefit pension scheme		(115)	(173)
Net cash generated from operating activities		(618)	2,706
Cash flows from investing activities			
Purchase of intangible fixed assets		(11)	(54)
Purchase of tangible fixed assets		(687)	(833)
Sale of tangible fixed assets		1,323	1,439
Purchase of investment property		(2,941)	-
Acquisition of subsidiaries, net of cash received		-	(52)
Interest received		26	36
Net cash from investing activities		(2,290)	536
Cash flows from financing activities			
New secured loans		2,435	-
Repayment of loans		(1,376)	(1,477)
Other new loans		1,300	-
Repayment of finance leases		(34)	(128)
Dividends paid		(377)	(378)
Interest paid		(330)	(271)
Net cash used in financing activities		1,618	(2,254)
Net (decrease)/increase in cash and cash equivalents		(1,290)	988
Cash and cash equivalents at beginning of year		(4,455)	(5,443)
Cash and cash equivalents at the end of year		(5,745)	(4,455)
Cash and cash equivalents at the end of year comprise:			
Bank overdrafts		(5,745)	(4,455)

Consolidated Analysis of Net Debt

for the year ended 30 June 2018

	At 1 July 2017 £000	Cash Flows	At 30 June 2018 £000
Bank overdrafts	(4,455)	(1,290)	(5,745)
Debt due after 1 year	(4,184)	(979)	(5,163)
Debt due within 1 year	(415)	(1,381)	(1,796)
Finance leases	(76)	33	(43)
	(9,130)	(3,617)	(12,747)

Notes to the Financial Statements

1. General Information

H&H Group plc ('the company') is a company limited by shares, incorporated and domiciled in the United Kingdom. The address of the registered office is given in the company information page of these financial statements. The nature of the company's and it's groups operations and principal activities are set out in the Group strategic report on page 6.

2. Statement of Compliance

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

3. Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

3.1 Basis of preparation of financial statements

These financial statements comprise the consolidated (group) financial statements and the company's separate financial statements. However, as permitted by section 408 of the Companies Act 2006, the separate profit and loss account of the company is not presented.

The financial statements are prepared on a going concern basis and under the historical cost convention, as modified by the measurement of certain financial assets and liabilities at fair value. They are presented in pounds sterling, which is the functional currency of the company.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group's and the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Reduced disclosures
FRS 102 allows a qualifying entity certain disclosure exemptions. The company meets the definition of a qualifying entity and has taken advantage of the exemptions relating to certain financial instruments disclosures and the preparation of a cash flow statement as the equivalent disclosures are provided on a consolidated basis in these financial statements.

The Group has elected to apply all amendments to FRS 102, as set out in the triennial review published in December 2017, prior to the mandatory adoption for accounting periods beginning on or after 1 January 2019.

3.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In the parent company financial statements investments in subsidiaries are stated at cost less impairment.

3. Accounting Policies *(continued)*

3.3 Going concern

Further information on the Group's business activities together with the factors likely to affect its future development, performance and position are set out in the strategic report. The financial position of the Group, its cash flow, liquidity position and borrowing facilities are described in note 23 of these financial statements

The Group meets its day to day working capital requirements through an overdraft facility and various bank facilities. Having reviewed these facilities and the Group's forecasts and projections, which take account of reasonably possible changes in trading performance, the directors have a reasonable expectation that the company and the Group have adequate resources to continue in operational existence for the foreseeable future, they continue to adopt the going concern basis in preparing the financial statements.

3.4 Revenue

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services (including lease finance see above) to third party customers. Where the Group acts as sales agent (for example in the marts, auction rooms and estate agency businesses) turnover represents the commission earned only.

3.5 Intangible fixed assets

Goodwill
Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash generating units or group of cash generating units that are expected to benefit from the synergies of the business combination from which it arose. Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value.

Other intangible fixed assets
Other intangible fixed assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided on assets so as to write off the cost of each asset over its estimated useful life as follows:

Brand	-	10 years straight line
Computer software	-	5 years straight line

Useful lives are reviewed at the end of each reporting period, and adjusted if appropriate. The effect of any change is accounted for prospectively.

3.6 Tangible fixed assets

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

Depreciation is not charged on freehold land or assets under construction. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	5 years straight line
Leasehold improvements	-	life of lease
Motor vehicles	-	4 years straight line
Office equipment	-	5 years straight line
Computer equipment	-	3 years straight line
Plant and equipment	-	15 years straight line & 15% reducing balance
Fixtures and fittings	-	15 years reducing balance

Asset residual values and useful lives are reviewed at the end of each reporting period, adjusted if appropriate. The effect of any change is accounted for prospectively.

Revaluation
Freehold land and buildings are stated at fair value less any subsequent accumulated depreciation and impairment losses. Gains on revaluation are recognised in other comprehensive income and accumulated in the revaluation reserve. However, the increase is recognised in profit or loss to the extent that it revises a revaluation decrease previously recognised in the profit or loss.

3. Accounting Policies *(continued)*

3.6 Tangible fixed assets *(continued)*

Losses arising on revaluation are recognised in other comprehensive income to the extent of any previously recognised revaluation increase in accumulated equity, in respect of that asset. Any excess is recognised in profit or loss.

3.7 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the statement of comprehensive income.

3.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

3.9 Financial instruments

Basic debt financial instruments
The company's basic debt financial instruments, including cash and bank balances and trade, intercompany and other debtors and creditors, are all due within one year and are measured, initially, and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

At the end of each reporting period debt financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment charge is recognised in the profit and loss account.

3.10 Employee benefits

Short term benefits
Short term benefits, including holiday pay and other similar non monetary benefits are recognised as an expense in the period in which the service is received.

Defined contribution pension plan
The company operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet.

The assets of the plan are held separately from the company in independently administered funds.

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

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of entity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The entity recognises net defined benefit plan assets to the extend that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

3. Accounting Policies *(continued)*

3.10 Employee benefits *(continued)*

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

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

Share based payments
The company provides share based payment arrangements to certain employees. Equity settled arrangements are measured at fair value at the date of the grant. To the extent material, the fair value (excluding the effect of non market based vesting conditions) is expenses on a straight line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares that are expected to vest.

Where equity settled share based payments are modified, and are of benefit to the employee, the incremental fair value is recognised over the period from the date of modification to the date of vesting. Settlements and cancellations are treated as an acceleration of vesting and the unvested amount is recognised immediately in the profit and loss account.

The company has no cash settled arrangements.

3.11 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

3.12 Leased assets

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the consolidated statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

3.13 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

3.14 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

3. Accounting Policies *(continued)*

3.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

3.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

3.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3.18 Current and deferred taxation

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

Current tax is the amount of income tax payable in respect of the taxable profit for the current or past reporting periods. It is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences arise from the inclusion of transactions and events in the financial statements in periods different from those in which they are assessed for tax.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences.

4. Judgments in Applying Accounting Policies and Key Sources of Estimation Uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including the expectations of future events that are believed to be reasonable under the circumstances.

Significant judgments in applying the entity's accounting policies
No significant judgments were required in the process of applying the company's accounting policies for these financial statements.

Key sources of estimation uncertainty

Useful lives of fixed assets
The annual depreciation and amortisation charges for tangible and intangible fixed assets is sensitive to changes in the estimated useful lives and the residual values of the assets, which are re assessed annually and amended to reflect current estimates. There have been no changes in the estimation bases during the current reporting period.

Recoverability of trade debtors
An assessment as to the ability of the company 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 judgment based on knowledge of the customer and the level of uncertainty as to whether the customer has sufficient funds to pay these amounts.

Valuation of WIP
An assessment as to the ability of the company to recover the value of WIP for above its carrying value 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 judgment based on knowledge of the WIP held and relationship with the client.

Valuation and classification of land & buildings
The Group holds significant value in land & buildings. In line with accounting policies set out in note 3 land & buildings are classified either investment properties or property, plant and equipment based on both current usage and the directors planned usage in the future. The use of each element of land & buildings also impacts the assessment of fair value in line with the assumptions in note 16. The valuation of land & buildings was performed by an independent valuer and is based on the condition of assets as at 30 June 2018. These valuations include significant estimates on the likelihood of favourable outcomes on planning applications.

5. Analysis of Turnover

	2018 £000	2017 £000
H&H Group Limited	11	10
Harrison & Hetherington Limited	7,643	7,513
H&H Finance Limited	29	111
H&H Land and Property Limited	3,129	3,333
H&H Insurance Brokers Limited	1,429	1,317
H&H Reeds Printers Limited*	2,477	2,862
	14,718	15,146

*All turnover is generated from services with the exception of H&H Reeds Printers Limited turnover that relates to the provision of goods. Turnover above is shown after the elimination of intra group transactions.

6. Other Operating Income

	2018 £000	2017 £000
Rents receivable	156	210
Net gain on disposal of tangible fixed assets	789	59
Fair value adjustments for investment property (note 16)	191	-
	1,136	269

7. Operating Profit

The operating profit is stated after charging:

	2018 £000	2017 £000
Depreciation on tangible fixed assets	593	622
Amortisation of goodwill	210	208
Amortisation of intangible assets	56	51
Rentals payable for the hire of assets under operating leases	184	230

8. Auditor's Remuneration

	2018 £000	2017 £000
Audit of these financial statements	6	7
Fees payable to the Group's auditor and its associates in respect of:		
Audit of financial statements of subsidiaries	19	29
Other services	-	20
	19	49

9. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2018 £000	As Restated Group 2017 £000	Company 2018 £000	Company 2017 £000
Wages and salaries	6,614	6,721	385	445
Social security costs	621	631	42	47
Other pension cost (note 30)	200	194	17	16
	7,435	7,546	444	508

The prior staff costs have been restated to reflect an additional amount of costs (£155,000) which was not disclosed in the prior year financial statements.

All employment contracts rest with H&H Group plc, the parent company with payroll costs recharged to trading subsidiaries as appropriate.

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2018 No.	Group 2017 No.	Company 2018 No.	Company 2017 No.
Management	14	15	14	15
Professional	23	21	23	21
Sales	49	52	49	52
Administration	69	74	69	74
Operations	53	55	53	55
	208	217	208	217

In addition, 105 (2017: 99) part time staff were employed.

10. Directors' Remuneration

	2018 £000	2017 £000
Directors' emoluments	119	147
Company contributions to defined contribution pension schemes	7	6
Directors' fees	68	64
	194	217

During the year retirement benefits were accruing to 1 director (2017: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £116,774 (2017: £143,643).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,575 (2017: £6,473).

11. Interest Payable and Similar Charges

	2018 £000	2017 £000
On bank overdrafts	118	85
On bank loans	174	179
On hire purchase agreements	3	7
Net interest expense on net defined benefit liabilities (see note 30)	35	48
	330	319

12. Taxation

	2018 £000	2017 £000
Corporation tax		
Current tax on profits for the year	339	166
	339	166
Deferred tax		
Origination and reversal of timing differences	(13)	22
Changes to tax rates	-	(46)
Total deferred tax	(13)	(24)
Taxation on profit on ordinary activities	326	142

12. Taxation *(continued)*

Factors affecting tax charge for the year
The tax assessed for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of19% (2017: 20%). The differences are explained below:

	2018 £000	2017 £000
Profit on ordinary activities before tax	636	682
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 20%)	121	136
Effects of:		
Reduction in tax rate on deferred tax balances	-	(46)
Non deductible expenses	233	52
Non taxable income	(28)	-
Total tax charge for the year	326	142

Factors that may affect future tax charges
A reduction to the UK Corporation tax rate has been substantively enacted as part of Finance Bill 2016; it shall reduce to 17% on 1 April 2020. The deferred tax at 30 June 2018 has been calculated based on this rate.

13. Dividends

	2018 £000	2017 £000
Dividends on ordinary share capital	377	378

14. Exceptional Items

	2018 £000	2017 £000
Impairment of goodwill	868	-

During the year, management have re-assessed the carrying value of the goodwill in subsidiary companies and given the current trading performance and anticipated future cash flows of H&H Reeds Printers, an impairment charge of £868,000 has been made.

15. Intangible Assets

Group

	Trademarks £000	Computer Software £000	Goodwill £000	Total £000
Cost				
At 1 July 2017	63	337	6,231	6,631
Additions	-	11	-	11
Disposals	-	(3)	-	(3)
At 30 June 2018	**63**	**345**	**6,231**	**6,639**
Amortisation				
At 1 July 2017	10	197	3,992	4,199
Charge for the year	6	50	210	266
On disposals	-	(2)	-	(2)
Impairment charge	-	-	868	868
At 30 June 2018	**16**	**245**	**5,070**	**5,331**
Net book value				
At 30 June 2018	**47**	**100**	**1,161**	**1,308**
At 30 June 2017	53	140	2,239	2,432

Company

	Computer Software £000
Cost	
At 1 July 2017	30
Additions	3
At 30 June 2018	**33**
Amortisation	
At 1 July 2017	25
Charge for the year	2
At 30 June 2018	**27**
Net book value	
At 30 June 2018	**6**
At 30 June 2017	5

16. Tangible Fixed Assets

Group

	Freehold Property £000	Motor Vehicles £000	Plant Fittings & Computers £000	Asset Under Construction £000	Total £000
Cost or valuation					
At 1 July 2017	13,015	952	3,756	-	17,723
Additions	171	305	211	-	687
Disposals	(377)	(321)	(577)	-	(1,275)
Transfers between classes	-	-	-	4,613	4,613
Revaluations	168	-	-	-	168
At 30 June 2018	**12,977**	**936**	**3,390**	**4,613**	**21,916**
Depreciation					
At 1 July 2017	214	500	2,272	-	2,986
Charge for the year	79	199	315	-	593
Disposals	(27)	(221)	(493)	-	(741)
At 30 June 2018	**266**	**478**	**2,094**	**-**	**2,838**
Net book value					
At 30 June 2018	**12,711**	**458**	**1,296**	**4,613**	**19,078**
At 30 June 2017	12,801	452	1,484	-	14,737

Freehold land and buildings are valued by independent valuers annually with Hyde Harrington Limited. The last valuation date being 30 June 2018.

The fair value was measured using RICS Professional Standards, January 2014. Key assumptions of this calculation are shown below:

Fair value has been assessed on the following basis:

- Operational, non specialised properties to existing use value;
- Operational, specialised properties to depreciated replacement cost;
- Surplus properties or those held for investment at market value.

The historical cost net book value is £8,711,000 (2017: £9,038,000).

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £000	2017 £000
Plant and machinery	46	319

16. Tangible Fixed Assets *(continued)*

Company

	Freehold Property £000	Plants Fittings & Computers £000	Asset Under Construction £000	Total £000
Cost or valuation				
At 1 July 2017	-	1,011	-	1,011
Additions	145	52	-	197
Disposals	(350)	(40)	-	(390)
Transfers between classes	10,250	-	4,613	14,863
Revaluations	42	-	-	42
At 30 June 2018	**10,087**	**1,023**	**4,613**	**15,723**
Depreciation				
At 1 July 2017	-	678	-	678
Charge for the year	23	67	-	90
Disposals	-	(22)	-	(22)
At 30 June 2018	**23**	**723**	**-**	**746**
Net book value				
At 30 June 2018	**10,064**	**300**	**4,613**	**14,977**
At 30 June 2017	-	333	-	333

17. Fixed Asset Investments

	Other Investments £000
Cost	
At 1 July 2017	5
At 30 June 2018	**5**
Net book value	
At 30 June 2018	**5**
At 30 June 2017	5

17. Fixed Asset Investments *(continued)*

Name	Class of shares	Holding	Principal activity
Harrison & Hetherington Limited	Ordinary	100%	Auctioneering
Beacon Borderway Limited	Ordinary	100%	Dormant
Borderway Farmstock Limited	Ordinary	100%	Dormant
H&H Finance Limited	Ordinary	100%	Finance provider
H&H Land and Property Limited	Ordinary	100%	Estate and land agency
H&H King Limited	Ordinary	100%	Dormant
H&H Motor Auctions Limited	Ordinary	100%	Dormant
Harrison & Hetherington (Scotland) Limited	Ordinary	100%	Dormant
H&H Borderway Limited	Ordinary	100%	Dormant
A&D Printers Limited	Ordinary	100%	Dormant
H&H Reeds Printers Limited	Ordinary	100% *	Printing
H&H Insurance Brokers Limited	Ordinary	100%	Insurance broker
John Swan & Sons Limited	Ordinary	100%	Dormant
John Swan Limited	Ordinary	100% **	Dormant
Michael CL Hodgson Limited	Ordinary	100%	Dormant

* Held indirectly through ownership of A&D Printers Limited

** Held indirectly through ownership of John Swan & Sons Limited

All subsidiaries have the same registered address as H&H Group plc, which is shown on the company information page except for;

Harrison & Hetherington (Scotland) Limited - Sydney Place Mart, Lockerbie, Dumfrieshire, DG11 2JA

John Swan & Sons Limited and John Swan Limited - Auction Mart, Newtown St Boswells, Melrose, Roxburgshire, TD6 0PP

Company

	Investments in Subsidiary Companies £000	Other Investments £000	Total £000
Cost			
At 1 July 2017	12,591	5	12,596
At 30 June 2018	**12,591**	**5**	**12,596**
Impairment			
At 1 July 2017	15	-	15
Charge for the year	675	-	675
At 30 June 2018	**690**	**-**	**690**
Net book value			
At 30 June 2018	**11,901**	**5**	**11,906**
At 30 June 2017	12,576	5	12,581

18. Investment Property

Group

	Freehold Investment Property £000
Valuation	
At 1 July 2017	4,864
Additions at cost	2,941
Surplus on revaluation	191
Transfers between classes	(4,613)
At 30 June 2018	**3,383**

The 2018 valuations were made by an external, independent valuer having an appropriate recognised professional qualification and recent experience in the location and class of property being valued, on an open market value for existing use basis.

The historical cost net book value is £1,208,000 (2017: £2,001,000).

Company

	Freehold Investment Property £000
Valuation	
At 1 July 2017	12,474
Additions at cost	2,870
Surplus on revaluation	(30)
Transfers between classes	(14,863)
At 30 June 2018	**451**

The 2018 valuations were made by an external, independent valuer having an appropriate recognised professional qualification and recent experience in the location and class of property being valued, on an open market value for existing use basis.

The historical cost net book value is £482,000 (2017: £7,969,000).

19. Stocks

	Group 2018 £000	Group 2017 £000
Raw materials and finished goods	209	167
Work in progress	504	574
	713	741

Stock recognised in cost of sales during the year as an expense was £936,000 (2017: £1,114,000).

An impairment loss of £nil (2017: £nil) was recognised in operating costs against stock during the year due to slow moving and obsolete stock.

20. Debtors

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Due within one year				
Trade debtors	9,759	8,245	27	13
Amounts owed by group undertakings	-	-	1,264	2,564
Amounts receivable on finance contracts	51	443	-	-
Prepayments and accrued income	857	586	195	151
	10,667	9,274	1,486	2,728

Included within amounts receivable on finance contracts is £nil (2017: £58,000) due within more than one year.

Group trade debtors are stated after provisions for impairment of £600,000 (2017: £487,000)

21. Cash and Cash Equivalents

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Cash at bank and in hand	-	-	-	73
Less: bank overdrafts	(5,745)	(4,455)	(1,114)	-

22. Creditors: amounts falling due within one year

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Bank overdrafts	5,745	4,455	1,114	-
Bank loans	496	415	496	415
Other loans	1,300	-	-	-
Trade creditors	1,334	1,989	-	-
Amounts owed to group undertakings	-	-	9,202	10,159
Corporation tax	338	165	177	1
Other taxation and social security	463	472	11	15
Obligations under finance lease and hire purchase contracts	18	34	-	16
Accruals and deferred income	715	671	112	114
	10,409	8,201	11,112	10,720

The bank overdrafts and bank loan are secured by cross guarantees and debentures and charges over certain freehold property and finance assets owned by the Group.

At 30 June 2018 the Group was holding £491,692 (2017: £1,577,920) on behalf of its clients. This cash balance has been excluded from cash at bank and in hand balance, and has been offset against the associated creditor balance.

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

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Bank loans	5,163	4,184	5,163	4,184
Net obligations under finance leases and hire purchase contracts	24	43	-	-
	5,187	4,227	5,163	4,184

Hire purchase liabilities are secured over the assets to which they relate.

24. Loans

This note provides information about the contractual terms of the company and groups' interest bearing loans and borrowings, which are measured at amortised cost.

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Amounts falling due within one year				
Bank loans	496	415	496	415
Other loans	1,300	-	-	-
	1,796	415	496	415
Amounts falling due 1-2 years				
Bank loans	902	415	902	415
	902	415	902	415
Amounts falling due 2-5 years				
Bank loans	3,856	3,769	3,856	3,769
Amounts falling due after more than 5 years				
Bank loans	406	-	406	-
	6,960	4,599	5,660	4,599

25. Hire Purchase and Finance Leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £000	2017 £000
Within one year	20	20
Between 1-5 years	27	49
Less: future finance charges	(5)	(9)
	42	60

26. Deferred Taxation

Group

	2018 £000
At beginning of year	(459)
Credited to profit and loss account	16
Charged to other comprehensive income	(129)
At end of year	**(572)**

Company

	2018 £000
At beginning of year	(10)
Credited to profit and loss account	51
Charged to other comprehensive income	(104)
At end of year	**(63)**

The provision for deferred taxation is made up as follows:

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Accelerated capital allowances	(101)	(110)	5	(2)
Employee benefits	104	228	104	227
Unused tax losses	50	50	29	29
Other	(625)	(627)	(201)	(264)
	(572)	(459)	(63)	(10)

27. Provisions

Group

	Contingent Consideration £000
At 1 July 2017	75
Utilised in year	(40)
At 30 June 2018	**35**

Company

	Contingent Consideration £000	Total £000
At 1 July 2017	75	75
Utilised in year	(40)	(40)
At 30 June 2018	**35**	**35**

28. Share Capital

	2018 £000	2017 £000
Allotted, called up and fully paid		
1,078,453 (2017: 1,078,453) Ordinary shares of £1.00 each	1,078	1,078

29. Reserves

Revaluation Reserve
The revaluation reserve represents the gain on the revaluation of freehold land and buildings. The gain arising year on year, net of the associate deferred tax provision, 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.

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

Profit and Loss Account
The profit and loss reserve represents cumulative profits and losses, net of dividends paid and other adjustments.

30. Pension Commitments

The Group operates two defined contribution pension schemes; a self invested plan for executive directors and a Group scheme available for employees. The pension cost charge for the period represents contributions payable by the Group to the schemes and amounted to £200,000 (2017: £238,000).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

The Group also operates two defined benefit pension schemes providing benefits based on final pensionable pay.

Group and Company Scheme
The Harrison & Hetherington Limited Senior Staff Pension and Assurance Scheme which became 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 2018.

The amounts recognised in the balance sheet are as follows:

	2018 £000	2017 £000
Defined benefit obligation	(22,921)	(24,097)
Plan assets	22,583	23,332
Net pension liability	**(338)**	(765)

Movements in the present value of the defined benefit obligation were as follows:

	2018 £000	2017 £000
Opening defined benefit obligation	24,097	25,073
Interest expense	642	693
Remeasurement: actuarial losses	(1,190)	(1,053)
Benefits paid	(628)	(616)
Closing defined benefit obligation	**22,921**	24,097

Changes in the fair value of scheme assets were as follows:

	2018 £000	2017 £000
Opening fair value of scheme assets	23,332	24,963
Interest income	623	692
Remeasurement: return on plan assets less interest income	(861)	(1,820)
Contributions by employer	117	113
Benefits paid	(628)	(616)
Closing fair value of scheme assets	**22,583**	23,332

30. Pension Commitments *(continued)*

The amounts recognised in the profit or loss are as follows:

	2018 £000	2017 £000
Net interest expense on net defined benefit liability	19	1
Total expense recognised in profit or loss	**19**	1

The fair value of the plan assets and the return on those assets were as follows:

	2018 %	2017 %
Indexed linked gilts	-	5
Corporate bonds	-	7
Deferred annuity policies	53	56
Guaranteed annuity policies	34	32

	2018 £000	2017 £000
Actual return on plan assets	(238)	(1,128)

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows:

	2018 %	2017 %
Discount rate	2.90	2.70
Future salary increases	3.00	5.00
Retail prices index	3.05	3.15

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65 year old to live for a number of years as follows:

- Current pensioner aged 65: 21.5 years (male), 23.3 years (female)
- Future retiree upon reaching 65: 23.2 years (male), 25.2 years (female)

Group and Company Scheme
The John Swan Limited - Retirement Benefits Scheme, previously run by a subsidiary of the company, transferred to the company in the year. The scheme was closed to new members and to future accrual for existing members on 30 April 2012.

The assets of the defined benefit scheme are held separately from those of the company in an independently administered fund. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The last full actuarial valuations of this scheme was carried out by a qualified independent actuary.

30. Pension Commitments *(continued)*

The amounts recognised in the balance sheet are as follows:

	2018 £000	2017 £000
Defined benefit obligation	(7,414)	(7,740)
Plan assets	7,136	7,167
Net pension liability	**(278)**	(573)

Movements in the present value of the defined benefit obligation were as follows:

	2018 £000	2017 £000
Opening defined benefit obligation	7,740	8,133
Interest expense	206	234
Remeasurement: actuarial losses	(276)	(498)
Benefits paid	(256)	(129)
Closing defined benefit obligation	**7,414**	7,740

Changes in the fair value of scheme assets were as follows:

	2018 £000	2017 £000
Opening fair value of scheme assets	7,167	6,474
Interest income	190	187
Remeasurement: return on plan assets less interest income	5	575
Contributions by employer	30	60
Benefits paid	(256)	(129)
Closing fair value of scheme assets	**7,136**	7,167

The amounts recognised in the profit or loss are as follows:

	2018 £000	2017 £000
Net interest on net defined benefit liability	16	47
Total expense recognised in the profit or loss	**16**	47

30. Pension Commitments *(continued)*

The fair value of the plan assets and the return on those assets were as follows:

	2018 %	2017 %
Pooled investment vehicles	92	91
Insurance policies	7	7
Cash and cash deposits	1	2

	2018 £000	2017 £000
Actual return on plan assets	195	762

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows:

	2018 %	2017 %
Discount rate	2.90	2.70
Retail price inflation	3.05	3.15
Consumer price inflation	2.05	2.15
Pension increases - RPI maximum 5%	3.00	3.10
Deferred pension revaluation (CPI 5% cap)	-	2.15

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65 year old to live for a number of years as follows:

- Current pensioner aged 65: 21.5 years (male), 23.3 years (female)
- Future retiree upon reaching 65: 23.2 years (male), 25.2 years (female)

31. Commitments Under Operating Leases

At 30 June 2018 the Group had future minimum lease payments under non cancellable operating leases as follows:

Group

	2018 £000	2017 £000
Not later than 1 year	121	75
Later than 1 year and not later than 5 years	186	134
Later than 5 years	106	58
	413	267

The company had no commitments under the non cancellable operating leases as at the balance sheet date.

32. Contingent Liabilities

At 30 June 2018 the company was party to unlimited cross guarantees with its subsidiary undertakings.

The 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.

33. Related parties

The Group has a related party relationship with its subsidiaries. Transactions between the company and its subsidiaries have been eliminated on consolidation.

Due to the nature of the Group's activities, certain directors and their related business regularly enter into transactions with the Group on normal commercial terms.

Transactions with key management personnel
Total compensation of key management personnel (including the directors) in the year amounted to £914,159 (2017: £813,997).

34. Controlling Party

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

The directors make the key decisions within the group on behalf of the shareholders.

The Board of Directors

Left to right:

Dawn Harrison *(Non Executive Director)*

Ian C Lancaster *(Non Executive Director)*

Richard A Rankin *(Chief Executive)*

Andrew Douglas *(Non Executive Director)*

Colin Lindsay *(Non Executive Director)*

Michael L Scott *(Non Executive Chairman)*

Will B Hamilton *(Non Executive Director)*

Margaret Irving *(Company Secretary)*

Alasdair G Houston *(Non Executive Director)*