



Interim Report & Accounts December 2014

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Chairman's Statement

Financial Overview

The Group's profit before tax for the 6 months to 31 December 2014 was £839,000 with no exceptional items but on a slightly reduced turnover of £7.1 million. Whilst profit before tax is very similar to last year, this is after our withdrawal from the motor finance business in March last year which has allowed us to reduce our borrowing at the end of January by £4.7 million since June 2014.

Overview

We said when we reported the previous year's results at the AGM in November that we were looking to continue to develop the business through innovation and growth. There is a clear focus across the businesses to review the markets we operate in and to make sure we have the best structures and customer offering in place so we can profitably serve our customers.

Harrison & Hetherington has continued to gain market share and had some particularly strong sales in the autumn. Whilst the dairy sector remains under pressure, the outlook for livestock generally is more positive and we have continued into 2015 with good prices and numbers coming forward. The trial of internet auctions to support pedigree sales has had good support and this will be built on in the coming year.

H&H Insurance Brokers has continued to develop its rural and commercial portfolio in a very competitive market for insurance with little increases being seen in premiums. The launch of in-Livestock, a specialist livestock insurance product has gone well and this new brand is gaining market share. H&H Land and Property has seen growth in the professional work done but our Estate Agency, H&H King, has suffered from the slowdown in property sales which is unlikely to change with an election later in the year. H&H Reeds Printers has worked hard to reduce costs to allow it to return to profit in a difficult market and this process will continue into the future alongside developing its customer base across the North of England.

There has been an announcement via the stock exchange that we are in talks with John Swan & Son PLC over a possible acquisition of the company. These talks are governed by the takeover panel and we are limited by what we can say and there is of course, no certainty that our talks will lead to an offer being made. We will keep shareholders updated when and if we make any progress in these talks.

There has also been some publicity concerning the development of parts of the Rosehill Estate by H&H. These plans are at an early stage and I would hope to be able to report on them fully at the AGM in November.

Dividend and Shares

The average share price in the period has been £25.57 against the same period last year of £25.80. There continues to be good demand for the Group's shares not only from existing shareholders but from many new purchasers, many of whom are customers of the various H&H businesses.

The Directors consider an interim dividend should be paid of 8.0p per share for the period, the same as the previous year. The dividend will be paid on the 1 May 2015 to those on the share register on the 10 April 2015.

Michael Cowen

Chairman
February 2015

Summary Group Consolidated Profit & Loss Account

	Unaudited 6 months to 31st December 2014 £000	Unaudited 6 months to 31st December 2013 £000	Audited 12 months to 30th June 2014 £000
Turnover	7,107	7,369	14,390
Operating Profit	962	1,098	1,724
Profit on sales of fixed assets	28	4	42
Interest Receivable	1	1	2
Interest Payable	(125)	(254)	(433)
Other Finance Costs	(27)	(27)	(38)
Profit before Tax	839	822	1,297
Taxation	(187)	(208)	(341)
Profit after Tax	652	614	956

Summary Group Consolidated Balance Sheet

	Unaudited 31st December 2014 £000	Unaudited 31st December 2013 £000	Audited 30th June 2014 £000
Fixed Assets	14,210	14,273	13,914
Current Assets	16,046	21,091	18,113
Current Liabilities	(12,533)	(17,735)	(14,520)
Non Current Liabilities	(310)	(548)	(429)
Provisions for Liabilities	(27)	(275)	(39)
Pension Liability	(645)	(399)	(670)
Net Assets	16,741	16,407	16,369
Capital & Reserves:			
Share Capital	1,040	1,040	1,040
Revaluation Reserve	3,429	3,432	3,429
Profit & Loss Account	12,272	11,935	11,900
Shareholders' Funds	16,741	16,407	16,369

The financial information for the two half year periods is unaudited and does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The figures relating to the year ended 30 June 2014 are an extract from the statutory accounts within the meaning of Section 434 of the Companies Act 2006 which have been delivered to the Registrar of Companies and on which the auditors gave an unqualified audit report.

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