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First in the Field...

Interim Report & Accounts December 2017

First in the Field...

Chairman's Statement

Financial Overview

The Group's EBITDA (Earnings Before Interest, Tax, Depreciation, and Amortisation) amounted to £1,040,000 for the 6 months to 31st December 2017, which resulted in a profit before tax of £458,000 against £805,000 for the corresponding period in 2016 on Turnover which declined 3.5% from £7.9 million to £7.6 million.

Overview

Our farmstock operations have enjoyed another successful period of trading with stable throughput. We still face uncertainty with regard to the impact of Brexit and future subsidy payments but we are continuing to improve our livestock marketing to give the maximum support to our farming customers.

Our Land Agency and Estate Agency businesses have produced disappointing results, exacerbated by low levels of activity in residential property sales and the scarcity of land and farms coming on to the market. We anticipate improving results in the second half of the year from our investment in new offices and staff.

Insurance operations have recently been re-organised to put increased emphasis on servicing the needs of our farming customers and this has started to show improved financial results against the comparable period in 2016.

H&H Reeds Printers has continued its return to profitable trading despite no upturn in its markets.

We have experienced some frustrating delays out of our control in the redevelopment of the Rosehill car park site. This was mainly due to adverse ground conditions on the site of the new Pioneer Food Store. I am pleased to say that work is now back on track, although behind schedule, and we anticipate completion of the industrial units and car park by the middle of 2018 with the Pioneer Food Store opening shortly thereafter.

We have also submitted plans to Borders Council for a major redevelopment at St Boswells which would result in improved mart facilities along with housing and commercial development. This is very much a long term project and we will continue to keep shareholders posted with developments.

Dividend and Shares

The average share price in the period was £28.62 against £27.85 for the same period last year. The Directors recommend an unchanged Interim Dividend of 8 pence per share and this will be paid on 4th May 2018 to those on the share register at 13th April 2018.

Ian C. Lancaster

Chairman
March 2018

Summary Group Consolidated Profit & Loss Account

| | Unaudited 6 months to 31st December 2017 £000 | Unaudited 6 months to 31st December 2016 £000 | Audited 12 months to 30th June 2017 £000 |
|--------------------------------|--|--|---|
| Turnover | 7,600 | 7,873 | 15,146 |
| Operating profit | 594 | 940 | 906 |
| Profit on sale of fixed assets | 3 | 8 | 59 |
| Interest receivable | 13 | 21 | 36 |
| Interest payable | (135) | (151) | (264) |
| Other finance costs | (17) | (13) | (55) |
| Profit before tax | 458 | 805 | 682 |
| Taxation | (120) | (194) | (142) |
| Profit after tax | 338 | 611 | 540 |

Summary Group Consolidated Balance Sheet

| | Unaudited 31st December 2017 £000 | Unaudited 31st December 2016 £000 | Audited 30th June 2017 £000 |
|----------------------------|---|---|-----------------------------------|
| Fixed assets | 23,659 | 22,480 | 22,038 |
| Current assets | 11,118 | 11,423 | 10,015 |
| Current liabilities | (9,798) | (8,599) | (8,201) |
| Non current liabilities | (5,407) | (5,443) | (4,227) |
| Provisions for liabilities | (488) | (468) | (534) |
| Pension liability | (1,284) | (1,695) | (1,338) |
| Net Assets | 17,800 | 17,698 | 17,753 |
| Capital & reserves: | | | |
| Share capital | 1,078 | 1,078 | 1,078 |
| Other reserves | 866 | 866 | 866 |
| Revaluation reserve | 3,625 | 3,612 | 3,625 |
| Profit & loss account | 12,231 | 12,142 | 12,184 |
| Shareholders' funds | 17,800 | 17,698 | 17,753 |

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 interim report and accounts are prepared on a voluntary basis and are not full interim statements in accordance with FRS 104. The results are prepared in accordance with FRS 102.

The figures relating to the year ended 30th June 2017 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.