

Date: 22 October 2024

**Leeds Group plc**  
("Leeds Group" or "the Group")  
**Final Results for the year ended 31 May 2024**  
**and Notice of AGM**

Leeds Group announces its audited final results of the Group for the year to 31 May 2024 and that its Annual General Meeting will be held at 11.30am on 20 November 2024 at the Radisson Blu Hotel, Chicago Avenue, Manchester Airport, M30 3RA.

## **Strategic Report**

### **Chairman's Statement**

For many years, Hemmers, the main subsidiary of the Group, had been loss making and the Directors had looked at all the various options available to return Hemmers to profitability. In the end, the Directors believed that Hemmers, in the long term, was not able to operate as a profitable standalone entity and that the best interests of Hemmers would be better served as part of a larger organisation reflecting the general consolidation that is taking place in the textile market and thereby offering economies of scale in terms of purchasing and sales. The Directors, therefore, concluded that it was in the best interests of shareholders to sell Hemmers.

On 26 March 2024, Leeds Group announced that the sale of Hemmers had been completed. The cash consideration of £501,000 was based on the net book value of the assets of Hemmers, excluding its three properties, less an agreed discount. The Group retained the three properties, through its subsidiary company LG Nordhorn, and secured an agreement with Hemmers to lease all three of the properties. However, Hemmers has recently given notice on one of the properties effective 30 November 2024 and this property is now being marketed for rental.

Following the sale, Leeds Group was considered to be an AIM Rule 15 cash shell as it no longer had any substantial trading activities. Under the AIM Rules, the Company had six months from the date of sale to either make an acquisition, which would constitute a reverse takeover under Rule 14 of the AIM Rules or be re-admitted to trading on AIM as an investing company under the AIM Rules (which requires the raising of at least £6 million) failing which its shares would then be suspended from trading on AIM pursuant to Rule 40 of the AIM Rules. As previously communicated, the Company has not been able to meet these requirements and therefore, the Company's shares were suspended from trading on the AIM market on 30 September 2024. Once suspended, the Company's shares cannot be traded. The Company's shares will be automatically cancelled from admission to the AIM market six months from the date of suspension, should the reason for the suspension not have been rectified.

The Directors have considered other trading platforms to the AIM market including the AQSE Growth Market. However, an AQSE admission condition was that the Company had a market capitalisation of a minimum of £2m. Unfortunately, the Company has a current market capitalisation of £1.7m and, therefore, the Company is not eligible to apply to the AQSE Growth Market at present. However, the Directors are considering alternative options so that shareholders will be able to trade their shares in the future.

The Directors will continue to work to secure the best outcome for all shareholders and maximise the share value for shareholders.

### **Finance and Operating Review**

#### ***Business review***

##### ***Group Highlights***

The Group sold its main trading subsidiary, Hemmers on 26 March 2024. Hemmers is an international textile business engaged in designing, importing, warehousing and wholesaling of fabrics from its base in Germany. The company had struggled as a

standalone business in the last few years and the Directors believed that the sale was in both the Group and Company's best interests.

The cash consideration of £501,000 was based on the net book value of the assets of Hemmers, excluding its three properties, less an agreed discount. The Group retained the three properties, through its subsidiary company LG Nordhorn, and secured an agreement with Hemmers to lease all three the properties effective 30 November 2024. However, as Hemmers has recently given notice to vacate one of the properties, the property is now being marketed from rental.

The effect of the sale was as follows:

	£000
Sale proceeds	501
Costs associated with the sale	(685)
Net book value of net assets	(2,634)
<b>Loss on sale</b>	<b>(2,818)</b>

Included within the costs associated with the sale are costs associated with the transfer of the properties to LG Nordhorn of £397,000.

#### *Fixed Assets*

The net book amount of tangible fixed assets is £5,045,000 which relates to the freehold warehouse and office buildings in Nordhorn, Germany retained by the Group following the sale of Hemmers. The properties are leased back to its former subsidiary, Hemmers and are regarded as investment properties in these financial statements.

#### *Working Capital and Cash Flow*

The Group has loans of £1,704,000 with KSK Bank which are secured on the properties. The long-term loan of £1,022,000 is secured on the properties and is payable in monthly equal instalments commencing 15 December 2024 until 15 August 2028. The short-term loan of £682,000 is also secured on the properties. This is repayable by 25 February 2025; the loan may be repaid earlier depending on whether the Company receives the proceeds of the German withholding tax refund of £548,000 or monies expected from the KMR insolvency of £660,000. The expected distribution from the KMR insolvency still needs to be confirmed by a German Insolvency Court.

The Group monitors its working capital requirements to ensure it operates within its current banking facilities. During the year, the two major shareholders (through companies controlled by them) provided bridge financing loans amounting to €2m to assist with funding costs associated with the sale of Hemmers. The loans were substantially repaid (€1.9m) by the year end through securing loans from KSK Bank.

#### *Net Asset Value*

Net assets decreased in the year by £6,091,000 as follows:

	Net assets £000	Per share pence
At 31 May 2023	10,439	38.2
Loss after tax	(3,942)	(14.4)
Foreign currency reserve	(2,149)	(7.9)
<b>At 31 May 2024</b>	<b>4,348</b>	<b>15.9</b>

#### *Principal risks and uncertainties*

The Board has identified the main categories of business risk in relation to the Group's strategic aims and objectives, and has considered reasonable steps to prevent, mitigate and manage these risks. The principal risk identified is as follows:

##### *Funding risk*

The Group has a combination of a short-term loan and long-term loan both secured on the Group's freehold premises. The Group remains dependent upon the support of the funder of these loans. The Group has close working relationships with their current funder but believes alternative banking funders could be secured if required.

The Directors consider that there will be sufficient headroom available within its working capital facility and, therefore, the Directors are of the opinion that it is appropriate to apply the going concern basis of preparation to the financial statements.

However, the Directors do recognise that there is a material uncertainty that may cast significant doubt on the Company's

ability to continue as a going concern, as referred to in Note 1.

### ***Section 172 Report***

Leeds Group is committed to acting ethically and with integrity throughout all its business dealings and relationships. It is important to the Company and its subsidiaries that trusted business relationships are established and maintained with key stakeholders, customers and suppliers and that it invests in and supports all its employees equally.

The Directors have always acted in accordance with their lawful duties, which includes their duty to act in good faith to promote the success of the Group for the benefits of its shareholders, having regard to its stakeholders and matters set out in Section 172 (1) of the Companies Act 2006.

The Directors have regard (among other matters) to the following:

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

Section 172 considerations are embedded throughout the decision making of the Board. Issues, factors and risks which the Directors have considered when discharging their duty under section 172 (1) are further detailed in the Chairman's Statement, Directors' Report and Corporate Governance Report contained within these report and accounts.

The two major shareholders are represented as non-executive members on the Board. The Board recognises the importance of effective and transparent dialogue with shareholders and ensuring that non-management shareholders understand and support the Group's strategy and objectives. The Board meet quarterly on a formal basis, and ad hoc, as necessary, throughout the year. The Board is more than happy to engage with shareholders at any time and answer questions they may have. The AGM is a formal meeting at which to have this dialogue.

The Board looks to ensure the systems, processes and controls established to manage its businesses to the highest standards. The properties owned by LG Nordhorn, are managed by Langer ProjektPlus GmbH, an external property management company. Regular dialogue is maintained with the management company. Staff employed by Leeds Group are encouraged to discuss any concerns or issues they may have with their line manager who are always available to meet staff if necessary.

The strategic report was approved by the Board of Directors on 21 October 2024 and signed on its behalf by:

**Jan G Holmstrom**

Non-Executive Chairman

**Consolidated Statement of Comprehensive Income**  
for the year ended 31 May 2024

	Year ended 31 May 2024			Year ended 31 May 2023		
	Discontinued operations £000	Continuing operations £000	Total £000	Discontinued operations £000	Continuing operations £000	Total £000
Revenue	16,752	76	16,828	27,817	-	27,817
Cost of sales	(12,739)	-	(12,739)	(22,383)	-	(22,383)
Gross profit	4,013	76	4,089	5,434	-	5,434
Distribution costs	(1,127)	-	(1,127)	(2,203)	-	(2,203)
(Loss)/gain on discontinued operations	(2,818)	-	(2,818)	138	-	138
Administrative costs	(3,073)	(448)	(3,521)	(3,820)	(229)	(4,049)
Total administrative costs	(5,891)	(448)	(6,339)	(3,682)	(229)	(3,911)
Other income	-	-	-	171	-	171
Loss from operations	(3,005)	(372)	(3,377)	(280)	(229)	(509)
Finance expense	(386)	(41)	(427)	(384)	-	(384)
Loss before tax	(3,391)	(413)	(3,804)	(664)	(229)	(893)
Tax (charge)/credit	(138)	-	(138)	53	-	53
Loss for the year attributable to the equity holders of the Parent Company	(3,529)	(413)	(3,942)	(611)	(229)	(840)
Other comprehensive (loss)/profit						
Translation differences on foreign operations	(19)	3	(16)	102	-	102
Total comprehensive loss for the year attributable to the equity holders of the Parent Company	(3,548)	(410)	(3,958)	(509)	(229)	(738)

There is no tax effect relating to other comprehensive income/(loss) for the year. Amounts included in other comprehensive income/(loss) may be reclassified subsequently as profit or loss.

**Loss per share attributable to the equity holders of the Company**

	Year ended 31 May 2024	Year ended 31 May 2023
Basic and diluted total loss per share (pence)	14.4p	3.1p

**Consolidated Statement of Financial Position**  
at 31 May 2024

	31 May 2024 £000	31 May 2023 £000
<b>Assets</b>		
<i>Non-current assets</i>		
Investment property	5,045	-
Property, plant, and equipment	-	6,487
Right-of-use assets	-	207
Intangible assets	-	46
<b>Total non-current assets</b>	<b>5,045</b>	<b>6,740</b>
<i>Current assets</i>		

<b>Current assets</b>		
Inventories	-	8,218
Trade and other receivables	710	3,199
Other receivables	548	-
Cash on demand and on short term deposit	44	234
<b>Total current assets</b>	<b>1,302</b>	<b>11,651</b>
<b>Total assets</b>	<b>6,347</b>	<b>18,391</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	(883)	(544)
Lease liabilities	-	(112)
<b>Total non-current liabilities</b>	<b>(883)</b>	<b>(656)</b>
<b>Current liabilities</b>		
Trade and other payables	(295)	(1,353)
Loans and borrowings	(821)	(5,502)
Lease liabilities	-	(97)
Provisions	-	(344)
<b>Total current liabilities</b>	<b>(1,116)</b>	<b>(7,296)</b>
<b>Total liabilities</b>	<b>(1,999)</b>	<b>(7,952)</b>
<b>TOTAL NET ASSETS</b>	<b>4,348</b>	<b>10,439</b>
<b>Capital and reserves attributable to equity holders of the Company</b>		
Share capital	3,279	3,279
Capital redemption reserve	1,113	1,113
Foreign exchange reserve	3	2,152
Retained earnings	(47)	3,895
<b>TOTAL EQUITY</b>	<b>4,348</b>	<b>10,439</b>

The financial statements were approved and authorised for issue by the Board of Directors on 21 October 2024 and were signed on behalf of the Board by:-

**Jan G Holmstrom**

Non-Executive Chairman

### Consolidated Cash Flow Statement for the year ended 31 May 2024

	Year ended 31 May 2024 £000	Year ended 31 May 2023 £000
<b>Cash flows from operating activities</b>		
Loss for the year	(3,942)	(840)
<b>Adjustments for:</b>		
Government assistance credit	-	(59)
Depreciation of investment property	96	-
Depreciation of property, plant and equipment	402	608
Depreciation of right-of-use assets	92	103
Amortisation of intangible assets	5	6
Finance expense - interest on other loans	36	-
Finance expense - interest on bank loans	385	347
Finance expense - interest lease liabilities	6	37
Gain on sale of property, plant and equipment	-	(142)
Loss on sale of right-of-use assets	-	3
Loss/(gain) on discontinued operations	2,818	(138)
Tax charge/(credit)	138	(53)
<b>Cash from/(used in) operating activities before changes in working capital and provisions</b>	<b>36</b>	<b>(128)</b>
Decrease in inventories	265	2,744
Decrease/(increase) in trade and other receivables	121	(404)
Increase/(decrease) in trade and other payables	157	(101)
<b>Cash generated from operating activities</b>	<b>579</b>	<b>2,111</b>

Tax paid	(686)	(32)
<b>Net cash flows (used in)/generated from operating activities</b>	<b>(107)</b>	<b>2,079</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(22)	(51)
Proceeds from the sale of fixed assets	86	521
Net costs from disposal of subsidiary	(844)	-
<b>Net cash (used in)/generated from investing activities</b>	<b>(780)</b>	<b>470</b>
<b>Financing activities</b>		
Bank borrowings drawn	1,720	-
Bank borrowing disposed of	5,535	868
Bank borrowings repaid	(6,032)	(539)
Repayment of principal on lease liabilities	(92)	(661)
Repayment of interest on lease liabilities	(6)	(37)
Other interest paid	(36)	-
Bank interest paid	(385)	(347)
Government assistance received	-	59
<b>Net cash generated from/(used in) financing activities</b>	<b>704</b>	<b>(657)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(183)</b>	<b>1,892</b>
Translation loss on cash and cash equivalents	-	(3)
Cash and cash equivalents at the beginning of the year	234	126
Cash and cash equivalents disposed of	(7)	(1,781)
<b>Cash and cash equivalents at the end of the year</b>	<b>44</b>	<b>234</b>

**Consolidated Statement of Changes in Equity**  
for the year ended 31 May 2024

	Share capital £000	Capital redemption reserve £000	Foreign exchange reserve £000	Retained earnings £000	Total equity £000
<b>At 31 May 2022</b>	<b>3,279</b>	<b>1,113</b>	<b>2,050</b>	<b>4,735</b>	<b>11,177</b>
(Loss) for the year	-	-	-	(840)	(840)
Other comprehensive income	-	-	102	-	102
<i>Total comprehensive income/(loss)</i>	-	-	102	(840)	(738)
<b>At 31 May 2023</b>	<b>3,279</b>	<b>1,113</b>	<b>2,152</b>	<b>3,895</b>	<b>10,439</b>
(Loss) for the year	-	-	-	(3,942)	(3,942)
Realisation on disposal of subsidiary	-	-	(2,133)	-	(2,133)
Other comprehensive (loss)	-	-	(16)	-	(16)
<i>Total comprehensive (loss)</i>	-	-	(2,149)	(3,942)	(6,091)
<b>At 31 May 2024</b>	<b>3,279</b>	<b>1,113</b>	<b>3</b>	<b>(47)</b>	<b>4,348</b>

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share capital	The nominal value of issued ordinary shares in the Company.
Capital redemption reserve	Amounts transferred from share capital on redemption of issued shares.
Treasury share reserve	Cost of own shares held in treasury.
Foreign exchange reserve	Gains/(losses) arising on retranslation of the net assets of overseas operations into sterling.
Retained earnings	Cumulative net gains/(losses) recognised in the consolidated statement of comprehensive income after deducting the cost of cancelled treasury shares.

## Notes

### 1. Basis of preparation

The Group financial statements have been properly prepared in accordance with UK adopted International Financial Reporting Standards (UK adopted IFRS) and in accordance with the Companies Act 2006.

#### *Going Concern*

When considering its opinion about the application of the going concern basis of preparation of the financial statements to 31 May 2024, the Directors have given due consideration to:

- The future plans of the Group and the robustness of forecasts for the next 12 months from the approval of these financial statements, which return the Group to a modest profit.
- The financing facilities available to the Group and the circumstances in which these could be limited or withdrawn.

#### *Future plans and forecasts*

The Group's principal activity is owning and managing a portfolio of investment properties in Germany through its subsidiary. In making the going concern assessment, the Board has considered the Group's current financial position, its ability to meet future rental income targets, and expected operational expenses, including property maintenance, taxes, and administrative costs.

Forecasts have been prepared for the next 12 months from the approval of these financial statements which indicate a return to modest profit over that period. The key assumptions include continued payment of rental income in accordance with the lease agreements, estimated future costs and the continued support of lenders. The rental income is deemed to be sufficient to cover the forecast costs of the Group and the rental agreements are in place until November 2028. The forecasts also take into account reasonably possible changes in trading performance and external market factors, including an assessment of potential risks related to rental income fluctuations, occupancy rates, and any material changes in property values.

#### *Financing facilities*

The Parent Company, which has no bank borrowing facilities, is located in the UK. The property rental business, LG Nordhorn located in Germany has two loans as follows, repayment terms are set out in note 7:

- A short-term loan of €0.8m (£0.7m) secured on the properties at Nordhorn.
- A long-term loan of €1.2m (£1.0m) secured on the properties at Nordhorn.

The Directors consider there will be sufficient operational cash flow generated within the business and, therefore, the Directors believe that the Group will continue to operate as a going concern for the next 12 months and beyond from the approval of these financial statements. The financial statements have, therefore, been prepared on a going concern basis. However, the Directors acknowledge that a material uncertainty exists which may cast significant doubt on the Group's ability to continue as a going concern. This is in relation to the recoverability of two receivables included in the Group accounts, the refund of the German withholding tax paid and monies expected from the KMR insolvency. Should these receivables be received later than expected, additional financial support from the bank or major shareholder may be required to facilitate the repayment of debt due within the next 12 months.

### 2. Dividends

The Directors do not recommend the payment of a dividend in 2024 (2023: £nil).

### 3. Loss per share

Loss per share	Year ended 31 May 2024		
	Discontinued operations	Continuing operations	Total
<b>Numerator</b>			
Total loss for the year	£3,529,000	£413,000	£3,942,000
<b>Denominator</b>			
Weighted average number of shares	27,320,843	27,320,843	27,320,843

<b>Basic and diluted loss per share</b>	<b>12.9p</b>	<b>1.5p</b>	<b>14.4p</b>
	Year ended 31 May 2023		
<b>Loss per share</b>	<b>Discontinued operations</b>	<b>Continuing operations</b>	<b>Total</b>
<b>Numerator</b>			
Total loss for the year	£611,000	£229,000	£840,000
<b>Denominator</b>			
Weighted average number of shares	27,320,843	27,320,843	27,320,843
<b>Basic and diluted loss per share</b>	<b>2.2p</b>	<b>0.8p</b>	<b>3.1p</b>

Since there are no outstanding share options, there is no difference between basic and diluted earnings per share.

#### 4. Discontinued operations

##### *Year ended 31 March 2024*

On 26 March 2024, the sale of Hemmers was completed. The effect of the sale is as follows:

	Hemmers balance sheet at completion date £000	Sale costs £000	IFRS adj £000	Total £000
Sale proceeds	-	501	-	<b>501</b>
Costs associated with the sale	-	(1,345)	-	<b>(1,345)</b>
Fixed assets	(873)	-	(115)	<b>(988)</b>
Current assets less current liabilities	(9,424)	660	-	<b>(8,764)</b>
Finance lease liability	-	-	117	<b>117</b>
Foreign currency reserve	2,133	-	-	<b>2,133</b>
	(8,164)	(685)	2	<b>(8,847)</b>
Cash	(7)	-	-	<b>(7)</b>
Loan	5,535	-	-	<b>5,535</b>
Net cash effect	5,528	-	-	<b>5,528</b>
<b>(Loss)/profit on sale</b>	<b>(2,636)</b>	<b>(184)</b>	<b>2</b>	<b>(2,818)</b>

There are no contingent warranties that need to be included in these financial statements.

As part of the sale, the properties held by Hemmers at Nordhorn in Germany were transferred to LG Nordhorn and retained within the Group as an investment property. Hemmers have entered into lease agreements to lease back the properties.

##### *Year ended 31 March 2023*

On 7 October 2022, the German Courts accepted Hemmers' management decision to place its subsidiary KMR into an insolvency process. The insolvency process is ongoing although full control passed to the insolvency administrator on 1 January 2023 and at that point KMR ceased to be a subsidiary within the Group. The gain has arisen due to the assets being transferred to the insolvency administrator and any IFRS adjustments reversed. There was no tax impact on the gain which arose on transfer.

	KMR balance sheet at insolvency date £000	IFRS adj £000	Total £000
Fixed assets	(136)	133	<b>(3)</b>
Current assets less current liabilities	254	(213)	<b>41</b>
Finance lease liability	-	1,360	<b>1,360</b>
Provision	-	(347)	<b>(347)</b>
	118	933	<b>1,051</b>
Cash	(1,781)	-	<b>(1,781)</b>
Loan	868	-	<b>868</b>
Net cash effect	(913)	-	<b>(913)</b>
<b>(Loss)/gain on transfer</b>	<b>(795)</b>	<b>933</b>	<b>138</b>



Cash flows (used in)/generated from discontinued operations

	Year ended 31 May 2024 £000	Year ended 31 May 2023 £000
Net cash generated from operating activities	32	2,090
Net cash (used in)/generated from investing activities	(780)	470
Net cash generated from/(used in) financing activities	745	(657)
<b>Net cash flows for the year</b>	<b>(3)</b>	<b>1,903</b>

## 5. Segmental information

The discontinued operations relate to the previous textile trading segment and the continuing operations relate to the investment rental operation. The following tables set out a segmental analysis of the Group's operations.

Year ended 31 May 2024	Discontinued operations £000	Continuing operations £000	Total £000
External revenue	16,752	76	16,828
Cost of sales	(12,739)	-	(12,739)
<b>Gross profit</b>	<b>4,013</b>	<b>76</b>	<b>4,089</b>
Distribution costs	(1,127)	-	(1,127)
Admin expenses	(5,891)	(448)	(6,339)
<b>Operating loss</b>	<b>(3,005)</b>	<b>(372)</b>	<b>(3,377)</b>
Finance expense	(386)	(41)	(427)
<b>Loss before tax</b>	<b>(3,391)</b>	<b>(413)</b>	<b>(3,804)</b>

At 31 May 2024	Discontinued operations £000	Continuing operations £000	Total £000
Total assets	-	6,347	6,347
Total liabilities	-	(1,999)	(1,999)
<b>Total net assets</b>	<b>-</b>	<b>4,348</b>	<b>4,348</b>

Year ended 31 May 2023	Discontinued operations £000	Continuing operations £000	Total £000
External revenue	27,817	-	27,817
Cost of sales	(22,383)	-	(22,383)
<b>Gross profit</b>	<b>5,434</b>	<b>-</b>	<b>5,434</b>
Distribution costs	(2,203)	-	(2,203)
Admin expenses	(3,682)	(229)	(3,911)
Other income	171	-	171
<b>Operating loss</b>	<b>(280)</b>	<b>(229)</b>	<b>(509)</b>
Finance expense	(384)	-	(384)
<b>Loss before tax</b>	<b>(664)</b>	<b>(229)</b>	<b>(893)</b>

At 31 May 2023	Discontinued operations £000	Continuing operations £000	Total £000
Total assets	12,860	5,531	18,391
Total liabilities	(7,852)	(100)	(7,952)
<b>Total net assets</b>	<b>5,008</b>	<b>5,431</b>	<b>10,439</b>

## 6. Other receivables

	31 May 2024 £000	31 May 2023 £000
Other receivables	548	-
<b>Other receivables</b>	<b>548</b>	<b>-</b>

Other receivables comprise the expected German withholding tax refund of £548,000.

## 7. Loans and borrowings

The book value of loans and borrowings are as follows:

	31 May 2024 £000	31 May 2023 £000
<b>Current</b>		
Secured bank loans	821	5,502
<b>Non - current</b>		
Secured bank loans	883	544
<b>Total loans and borrowings</b>	<b>1,704</b>	<b>6,046</b>

The carrying values are considered to be a reasonable approximation of fair value.

### *Current loans and borrowings*

At 31 May 2024 current loans and borrowings of £821,000 (2023: £5,502,000) comprise short term loans of £682,000 (2023: £5,201,000) and instalments due on long term loans of £139,000 (2023: £301,000). The interest rate on the short-term loan is 5.93% (2023: £1.5% to 3%) and the loan is secured on properties at Nordhorn, Germany as are the long-term loans. The short-term loan is repayable by 28 February 2025.

### *Non-current loans and borrowings*

The Group's loans and borrowings are denominated in Euros, and their principal terms were as follows:

	Fixed Interest rate	Repayment profile	Final repayment date	31 May 2024 £000	31 May 2023 £000
Loan 1	1.65%	Equal quarterly instalments	September 2025	-	358
Loan 2	1.05%	Equal quarterly instalments	March 2026	-	186
Loan 3	4.10%	Equal quarterly instalments from 15 December 2025	August 2028	883	-
<b>Non-current loans</b>				<b>883</b>	<b>544</b>

## 8. Other information

The financial information in this financial results announcement has been prepared by the Directors using the recognition and measurement principles of United Kingdom adopted International Financial Reporting Standards ("UK adopted IFRS"). The financial information for the year ended 31 May 2024 does not constitute the statutory accounts of the Company for 2023 and 2024 but are extracted from the audited accounts.

The statutory accounts for the year ended 31 May 2024 and 31 May 2023 have been reported on by MHA, Statutory Auditor. The Independent Auditor's Report on the Annual Report and Financial Statements for both 2024 and 2023 was qualified and did not draw attention to any matters by way of emphasis. Both the Financial Statements for 2024 and 2023 did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

- The Independent Auditor's Report on the Annual Report and Financial Statements for the year ended 31 May 2024 was qualified on the basis that they were unable to obtain sufficient appropriate audit evidence to verify the recoverability of the monies expected from the KMR insolvency of £660,000 included in trade receivables in the balance sheet.
- The Independent Auditor's Report on the Annual Report and Financial Statements for the year ended 31 May 2023 was qualified on the basis that they were unable to obtain sufficient audit evidence in respect of the subsidiary KMR and its performance, as stated within the Consolidated Statement of Comprehensive Income under discontinued operations.

In auditing the financial statements for the year ended 31 May 2024, the Group Auditors have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. However, the Independent Auditor's Report draws attention to note 2 in the Group financial statements (note 1 above) which states that the Group and Parent Company's operational existence is dependent on the recovery of German withholding tax and monies due back from the KMR insolvency. The impact of this together with other matters indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The auditor's opinion not modified in respect of this matter. An extract from the Independent Auditor's Report is set out below:

We draw your attention to Note 2 in the financial statements which indicates that the Group and Parent Company's operational existence is dependent on the recovery of German withholding tax and monies due back from the KMR liquidator. Should these receivables become overdue or be received late, additional financial support may be required to facilitate the repayment of debt due within the next 12 months. The impact of this together with other matters set out in the note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

Our evaluation of the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- The consideration of inherent risks to both the Group's and the Parent Company's operations and specifically their business model.
- The evaluation of how those risks might impact on the Group's available financial resources.
- Review of the mathematical accuracy of the cashflow forecast model prepared by management and corroboration of key inputs and assumptions to supporting documentation for consistency of assumptions used with our knowledge obtained during the audit.
- Challenging management for reasonableness of assumptions in respect of the timing and quantum of cash receipts and payments included in the cash flow model.
- Holding discussions with management regarding future financing plans, corroborating these where necessary and assessing the impact on the cash flow forecast.
- Review of the Group's external debt exposure to determine if any future repayments have been included within the Group's cash flow projections.
- Holding discussions with management and completing reviews of any events after the reporting period to identify if these may impact on the Group's ability to continue as a going concern.

The statutory accounts for the year ended 31 May 2023 have been filed with the Registrar of Companies. The statutory accounts for the year ended 31 May 2024 will be delivered to the Registrar of Companies following the Annual General Meeting. The Annual Report and Financial Statements giving notice of the 2024 Annual General Meeting, have been today published on the Group's website at [www.leedsgroup.plc.uk](http://www.leedsgroup.plc.uk) and have been sent to those shareholders who have elected to receive a hard copy of the Annual Report and Financial Statements by the post.

The Annual General Meeting will be held at 11.30am on 20 November 2024 at the Radisson Blu Hotel, Chicago Avenue, Manchester Airport, M30 3RA.

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and has been arranged for release by Jan G Holmstrom, Non-Executive Chairman. The Directors of the Company are responsible for the release of this announcement.

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*Note:*

*Certain statements made in this announcement are forward-looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates, and projections about its industry; its beliefs; and assumptions. Words such as 'anticipates,' 'expects,' 'intends,' 'plans,' 'believes,' 'seeks,' 'estimates,' and similar expressions are intended to identify forward-looking statements. These statements are not a guarantee of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the Company's control, are difficult to predict, and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions security holders and prospective security holders not to place undue reliance on these forward-looking statements, which reflect the view of the Company only as of the date of this announcement. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances, or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.*

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