



HARGREAVES SERVICES PLC
(the "Group", the "Company" or "Hargreaves")

Interim Results for the six months ended 30 November 2024

Hargreaves Services plc (AIM: HSP), a diversified group delivering services to the environmental, infrastructure and property sectors, announces its interim results for the six months ended 30 November 2024, a period which delivered significant double-digit revenue and EBITDA growth, a return to profitability for HRMS, and an increase in interim dividend to 18.5p.

With the Company securing high levels of visibility within Services, the Board expects to exceed revenue expectations by 10% for Services for the year ended 31 May 2025 as well as future years, however technical planning delays at Blindwells will offset this additional margin in the current year resulting in the Board anticipating delivering full year results in line with market expectations.

KEY FINANCIAL RESULTS	Unaudited	Unaudited	
	Six Months	Six Months	
	ended	ended	
	30 Nov 2024	30 Nov 2023	
Revenue	£125.3m	£110.2m	+13.7%
EBITDA*	£14.9m	£12.3m	+21.1%
Profit before tax ("PBT")	£5.3m	£2.7m	+96.3%
EPS	12.2p	5.2p	+134.6%
Interim Dividend	18.5p	18.0p	+2.8%
Cash and cash equivalents	£15.7m	£18.7m	-16.0%
Leasing debt	£34.2m	£28.8m	+17.0%
Net Asset Value**	£188.9m	£185.1m	+2.1%
Net Assets per Share**	580p	567p	+2.3%

* EBITDA is calculated as Operating Profit after adding back depreciation and amortisation, and excludes gains or losses on the sale of fixed assets and investment property.

** Net Asset Value and Net Assets per Share for 30 November 2023 have been adjusted for the pension adjustment of £12.4m for comparability.

HIGHLIGHTS

- Group revenue has increased by £15.1m, or 14% driven by revenue growth within Services, especially in earthmoving activities.
- Net margin within Services maintained at over 7%, growing in line with Revenue.
- Group EBITDA increased by £2.6m, or 21% driven by the strong performance within Services.
- Sale of 11-acre site at Blindwells completed in January 2025 for cash consideration of £9.3m.
- Positive turnaround within HRMS as the joint venture has returned to delivering a profit in the period.
- Interim dividend increased by 3% to 18.5p reflecting the growth in profit and strong forward visibility.
- Investment continued into the Group's land assets ahead of the realisation in January 2025, resulting in cash in hand at period end of £15.7m (2023: £18.7m).
- Net asset value impacted by accounting for the pension scheme Buy-In which occurred in March

2024 resulting in a £12.4m adjustment.

OUTLOOK

- Services has 90% of revenue secured under contract for the year ending 31 May 2025. Combining this with the additional earthmoving volumes underpins management's expectation for Services of outperforming market revenue expectations for the current financial year by approximately 10%, leading to an improvement in Services PBT and EBITDA.
- Improved performance in H1 within HRMS provides a solid base for H2 despite the continued slowdown within the German economy.
- First tranche of renewable energy assets currently being marketed, with good levels of interest received, hopeful of sale concluding in 2025.
- Despite the completion of a material sale at Blindwells, another planned sale is likely to be delayed until early in the next financial year due to a delay in securing technical approval for site access. This delay is expected to offset the anticipated gains in Services. As a result, the Board anticipates the Group will perform in line with market expectations for the full year.

Commenting on the interim results, Group Chair, Roger McDowell said: *"I am pleased to report another strong set of results for the Group. The 14% revenue growth highlights the ability of Hargreaves to identify and capture opportunity in our areas of strength. We remain committed to our strategy of creating and realising value for our shareholders, as evidenced by the progressive increase in the interim dividend."*

"The improved performance from our Services business is expected to continue into future years as a result of pipeline opportunities, that require a highly skilled, experienced workforce and a proven track record of safe delivery. With the first tranche of renewable energy land assets now marketed and cash continuing to return from Germany, we are delivering on our commitments to shareholders."

CEO video

Please find a link to a video overview relating to the Company's interim results from the Group's Chief Executive Officer, Gordon Banham [here](#).

Investor presentation

Gordon Banham, Group Chief Executive, Stephen Craigen, Chief Financial Officer and David Anderson, Group Property Director, will provide a live presentation on the Company's interim results via the Investor Meet Company platform today at 4:30pm GMT.

Investors can sign up to Investor Meet Company for free and add to meet Hargreaves [here](#).

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About Hargreaves Services plc (www.hsgplc.co.uk)

Hargreaves Services plc is a diversified group delivering services to the environmental, infrastructure and property sectors, supporting key industries within the UK and South East Asia. The Company's three business segments are Services, Hargreaves Land and an investment in a German joint venture, Hargreaves Raw Materials Services GmbH ("HRMS"). Services provides critical support to many core industries including

Energy, Environmental, UK Infrastructure and certain manufacturing industries through the provision of materials handling, mechanical and electrical contracting services, logistics and major earthworks. Hargreaves Land is focused on the sustainable development of brownfield sites for both residential and commercial purposes. HRMS trades in specialist commodity markets and owns DK Recycling und Roheisen GmbH ("DK"), a specialist recycler of steel waste material. Hargreaves is headquartered in County Durham and has operational centres across the UK, as well as in Hong Kong and a joint venture in Duisburg, Germany.

CHAIR'S STATEMENT

Introduction

I am pleased to report a strong set of results for the Group, with significant growth in both revenue and profits. The momentum that has been building within Services is really coming to the fore with an 11% increase in revenue in the period. Whilst the results in Hargreaves Land are lower than in November 2023, this is reflective of timing, and I'm pleased to report a substantial transaction has completed at our flagship Blindwells project in January 2025. Perhaps most pleasing is the return to profitability for HRMS, which has seen a significant positive turnaround in the first six months whilst maintaining cash returns to the Group.

The focus of the Group is unchanged regarding the realisation and delivery of value to our shareholders. Each section of the business will continue to play a key role in this strategy as follows:

- Services - Focused on delivering value through sustainable growth in high-quality, robust contracts in areas of core competence within the environmental and infrastructure market.
- Hargreaves Land - Medium-term plan to deliver value through the realisation of capital employed within Blindwells, alongside the sale of the renewable energy asset portfolio as the business transitions to a capital light model.
- HRMS - Focus on cash realisation through an annual return of cash to the Group, whilst we explore longer term realisation potential.

Results and Progress update

Revenue for the Group increased by 13.7% to £125.3m (2023: £110.2m) due to an increase in earthmoving activities on several large infrastructure projects. Consequently, the Group's PBT also increased from £2.7m to £5.3m. Whilst much of this profit increase can be attributed to the strong growth within Services, we have also seen a significant improvement in the performance of HRMS despite the ongoing economic challenges in Germany.

Strong Services Outlook

The first six months has seen the Services business capitalise on the momentum we have built over the last few years. We have seen numerous new contract wins and renewals, as well as growth in activity on existing works. Most notably we have seen an increase in activity at large scale infrastructure projects, including HS2 and Sizewell C, where our competence and safety culture are highly valued.

The Board are confident that the pipeline of opportunities, combined with the works already secured under contract, are sufficient to result in an outperformance of expectations for the current financial year. Moreover, the high levels of visibility, especially within earthmoving opportunities, lead us to expect that future years will also exceed current expectations.

Land realisations

A key strategic target of the Group remains the realisation of value from the Hargreaves Land assets, in particular Blindwells and I'm pleased to see progress has been made with the recent completions at that site. However, due to delays experienced with local planning approvals we now expect one material land sale at Blindwells to complete in the early part of next financial year.

Progress has also been made on the sale of the first tranche of renewable energy land assets. They have been marketed, and we have received promising initial levels of interest. We remain hopeful of concluding a

transaction in 2025. The completion of a sale would represent a significant landmark in the strategic plan.

transaction in 2025. The completion of a sale would represent a significant landmark in the strategic progress of the Group.

HRMS recovery

The performance of HRMS has been much improved as the initiatives around solid fuel pricing and renegotiated gate fees on recycled materials have started to take effect. The Group has already received the first instalment of the cash return from HRMS for the current year, with £6m received in July 2024, demonstrating the commitment to value realisation from this investment.

Cash and debt

As at 30 November 2024 the Group held cash of £15.7m compared with £22.7m on 31 May 2024 (November 2023: £18.7m). The majority of this decrease is due to the continued investment in Land assets ahead of contracted sales, one of which has completed in January 2025.

The only debt held by the Group is leasing debt for specific plant items which was £34.2m at 30 November 2024 (November 2023: £28.8m). The increase reflects investment in plant and equipment to support the growth in activities which has in turn driven the revenue and profit improvements within Services.

The reduction in the Group's net assets compared to twelve months ago is due to the accounting treatment of the pension scheme Buy-In, which we completed in March 2024, which resulted in a substantial reserve movement. I'm pleased to confirm that the £4m loan lent by the Group to the pension scheme to facilitate the Buy-In has been repaid in full in January 2025. The Group awaits the completion of the Buy-Out, which is expected to occur in calendar year 2026.

Board Changes

As previously announced, David Anderson will retire from his role as Group Property Director on 31 May 2025. David joined the Group in November 2018 and has been central to the growth and development of Hargreaves Land. David will continue to assist the business as a specialist consultant on certain projects to enable a smooth transition. The Board wishes to thank David for all of his efforts throughout his time with the business and wishes him a long and happy retirement.

I am pleased to announce the appointment of Simon Hicks as Chief Operating Officer and Executive Director starting on 1 June 2025. Simon brings with him a wealth of experience across the infrastructure and energy markets having held senior positions within Cape plc, Altrad Services, Bilfinger and most recently as CEO of Evero Energy Limited, a privately-owned waste-to-energy producer with several operational plants across the UK.

Simon's initial focus will be on the creation and delivery of value within the Group's Services business unit. I, along with the rest of the Board, am looking forward to working with Simon to unlock the further potential of the Services business.

Dividend

It remains the intention of the Board to have a progressive dividend policy following the substantial increase made in the previous year. Based on the growth observed to date and the strong levels of revenue visibility, the Board is sufficiently confident to raise the level of the interim dividend to 18.5p (2023: 18.0p) reflecting a 2.8% increase. The interim dividend represents 50% of the Board's expected increased full year dividend of 37.0p (2024: 36p).

The interim dividend will be paid on 8 April 2025 to shareholders on the register on 21 March 2025.

Outlook

The strong performance within Services is expected to continue through to the end of the year, with good visibility on project work and the continued confidence provided by the strong contract portfolio. Whilst Hargreaves Land has made good progress on the marketing of the renewable energy land assets, delays with local planning conditions are likely to impact on profits in the current year offsetting the gains seen within Services. We expect HRMS to remain on a steady footing despite the slowdown in economic activity in Germany. The Board anticipates the Group will perform in line with market expectations for the full year.

The Group remains in a strong position, with excellent visibility within Services and Land, which is testament to the hard work and dedication of our teams. I would like to extend my gratitude to all my colleagues at Hargreaves as we look to the future with continued confidence.

Roger McDowell

Chair

29 January 2025

CHIEF EXECUTIVE'S REVIEW

£'m	Services	Land	HRMS	Central Costs	Total
Revenue (Nov 2024)	121.2	4.1	-	-	125.3
<i>Revenue (Nov 2023)</i>	<i>109.5</i>	<i>0.7</i>	-	-	<i>110.2</i>
Profit/(loss) before tax (Nov 2024)	8.8	(1.4)	0.1	(2.2)	5.3
<i>Profit/(loss) before tax (Nov 2023)</i>	<i>7.8</i>	<i>(1.0)</i>	<i>(1.9)</i>	<i>(2.2)</i>	<i>2.7</i>

Services

Services delivered first half revenues of £121.2m (2023: £109.5m) and a PBT of £8.8m (2023: £7.8m). This represents growth of 10.7% in revenue and 12.8% in PBT. The growth in revenue and profit has been driven by additional opportunities within the earthmoving operations, where we have seen substantial enabling works coming forward on major infrastructure projects.

The net margin within Services of 7.3% is in line with the 7.1% achieved in the comparative period. These margins reflect the high quality of work undertaken and robust contract positions held by the Group.

As has been the case in previous years, the full year result for Services is likely to be weighted towards the first six months of the financial year. This is due to the earthmoving season predominantly taking place during the first half, as well as the fourth instalment of the annual £1m receipt from Tungsten West plc being received in July 2024.

Contract Focus

The Services business remains focused on growing the contract order book, with over 65 term and framework contracts in place and 90% of the current financial year revenue already secured. The first six months of the year has seen further growth in the contract book with several notable successes including:

- The renewal of a five-year contract with FCC for transportation services.
- New two-year position with Yorwaste to provide recycling transfer services.
- New contract with Enfinium providing management services into waste-to energy plants.

These contract successes represent the continued development of the Services business into supporting the environmental infrastructure of the UK in particular.

The earthmoving contract with EKFB for HS2 remains the largest single contract within the Group. This has been operational for three years and it is anticipated that there will be at least another two earthmoving seasons of full-scale activity from now.

Activity at Sizewell C has seen a substantial uptick in volumes during the first six months of the year. The Group has been undertaking a number of pre-construction enabling earthworks and has been successful in securing several task orders providing further visibility into the next financial year. This progress gives comfort that the Group remains in a good position to secure the primary earthmoving contract when it is tendered.

Longer term the business remains in close contact with Lower Thames Crossing, awaiting the decision of the Government which was delayed from October 2024. Furthermore, the Group has noted the recent

announcements made by Tungsten West plc regarding the tungsten mine in Devon. We await the outcome of their fund raising and remain well placed to undertake the mining services should the project proceed.

Whilst inflation has returned to more normal levels in recent months, the Government budget announced on 30 October 2024 brought an increase in National Insurance costs for all businesses. As has been demonstrated previously within the Group, our strong contractual position has meant that increases in employment taxes and wage inflation have been largely mitigated through contractual escalation factors. We anticipate limited impact on margin from the tax increases.

The Services business continues to deliver high-quality, growing and resilient profits within our areas of core competence.

Hargreaves Land

Land

Hargreaves Land recorded revenue of £4.1m (2023: £0.7m) and a loss before tax of £1.4m (2023: £1.0m). The variation in both revenue and loss before tax is due to the timing of sales at Blindwells.

In the first half of the year Hargreaves Land completed the sale of 7 acres at Blindwells to Places for People for a initial consideration of £3.1m. Furthermore, the sale of 11 acres to Avant Homes for consideration of £9.3m, which was originally scheduled to complete in early 2024, completed in January 2025. This represents the sixth sale of land at Blindwells, which, with over 250 families now living on site, is maturing into a vibrant and desirable place to live.

A key uncertainty within land sales remains the planning process, over which the Group has minimal influence. A third sale at Blindwells had been planned to complete within the current financial year, however, due to a delay on transport planning this is now expected to complete early in the next financial year. Notwithstanding this temporary delay, the site remains a long-term profit generator for the Group with approximately 80 acres remaining in phase 1. After the completion of phase 1, which will take a further three to four years, there is a second phase, for which a further planning allocation for up to 1,250 additional homes is being progressed on 90 acres owned by the Group.

We have also seen good progress at the Group's other multi-phase development sites, with contracts exchanged at the Unity site in Doncaster for the sale of two roadside development plots to McDonalds and Starbucks for consideration of £1.2m.

Investment into Blindwells has reached its peak and, following the completion of the sale in January 2025, is expected to continue to unwind over the coming years reflective of the Group's strategic plan to release value from the site.

Pipeline

The long-term pipeline of opportunities within Hargreaves Land represents a key indicator of future value creation potential within a low capital business model, which the business is transitioning to. The first six months of the year has seen growth in the aggregate Gross Development Pipeline ("GDV") across residential and commercial opportunities to £1.2bn (31 May 2024: £1.1bn). The schemes represent long term opportunities and are expected to deliver a minimum of 15% margin on GDV.

Renewables

The initial tranche of seven renewable energy land assets have been taken to market. They represent two operational wind farms and five access agreements in total generating 466MW of green energy. The independent valuation attached to these assets at 31 May 2024 was £12.6m to £13.5m out of the £27m to £29m total valuation of the portfolio. Interest received to date has been positive and we are hopeful of completing a transaction within 2025.

One notable development within the portfolio is that the third party developing a 500MW Battery Energy Storage Scheme at Broken Cross has achieved financial close. This is a critical step in bringing the scheme forward to construction as well as a key step in the future realisation of the asset for Hargreaves.

In addition to the 11 schemes totalling 1,398MW independently valued at between £27m and £29m, the pipeline has a further seven schemes generating 1,066MW of energy. These opportunities are either in pre-

Pipeline has a further seven schemes generating 1,000MW of energy. These opportunities are either in pre-planning phase or not yet under contract and as such have not received an independent valuation.

HRMS

HRMS recorded a post-tax profit of £0.1m (2023: loss of £1.9m) for the six months ended 30 November 2024. This represents a significant turnaround compared to the equivalent period in 2023.

The trading side of HRMS has continued to weather the German economic recession and maintained good margin despite a reduction in revenue. This is driven by a reduction in the commodity pricing of solid fuels and other minerals as volumes have remained consistent with the comparative period.

The turnaround in performance within the joint venture is driven by DK, which has seen a number of factors assist in its improvement. The most meaningful improvement has been the pricing of solid fuels, including coke, which was held at high levels during 2023/24. The fuel required for the current financial year has been secured at a substantial cost reduction. At present all of the fuel required for the year ending 31 May 2025 has been contracted.

Additionally, EU sanctions on Russian pig iron have started to have an impact with an improvement in sales pricing for pig iron. This has been tempered by the global scrap metal market which has seen scrap prices at low levels in the first half of the year.

Furthermore, the contracts for gate fees on incoming recycling materials were renegotiated and this improvement is also represented within the performance. Counter to the improvements, zinc pricing has been lower than observed in the prior year which has slightly dampened what has been a very good turnaround in result.

The Group's overall exposure to the HRMS joint venture continues to reduce and on 30 November 2024 stood at £62.7m (31 May 2024: £70.2m, 30 November 2023: £75.3m). This is reflective of the increased cash receipts the Group is now getting from the joint venture in the form of regular cash dividends.

Summary

The Services business' low capital model continues to deliver high-quality, recurring revenue with net margin in the first half maintained at over 7%. With 90% of revenue for the year already under contract and excellent visibility on future schemes, the Services business can expect to deliver improved profits over the coming years, underpinned by our highly experienced and skilled workforce and track record of safe delivery.

The pipeline of both low capital land projects and renewable energy land assets continues to grow within Hargreaves Land. Progress made on sales at Blindwells demonstrates the plan to realise value from that asset over the coming years. With the first tranche of renewable assets in the market for sale, I am confident that we can realise meaningful value for shareholders in the medium-term.

The improved result within HRMS is in line with our expectations at the start of the year. This has been achieved against a backdrop of economic malaise within Germany, and yet the joint venture has managed to return to profitability and delivered material cash to the UK. I look forward to continued improvement in the profitability of the investment in 2025.

I continue to be confident and optimistic about the value creation potential within the Group and I firmly believe there are substantial opportunities to optimise and realise further value for shareholders in the coming years.

Gordon Banham
Group Chief Executive
29 January 2025

Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income
for the six months ended 30 November 2024

	Note	Unaudited six months ended 30 November 2024	Unaudited six months ended 30 November 2023	Audited year ended 31 May 2024
		£000	£000	£000
Revenue				
Cost of sales		125,343	110,171	211,146
Gross profit		24,475	21,228	43,383
Other operating income		311	-	6,404
Administrative expenses		(18,714)	(16,127)	(33,920)
Operating profit		6,072	5,101	15,867
Finance income		775	818	2,078
Finance expense		(1,519)	(1,473)	(2,802)
Share of (loss)/profit in joint ventures (net of tax)		(31)	(1,714)	1,533
Profit before tax		5,297	2,732	16,676
Taxation	5	(1,316)	(1,035)	(4,458)
Profit for the period		3,981	1,697	12,218
Other comprehensive income/(expense)				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of defined benefit pension plans		-	-	(12,377)
Tax recognised on items that will not be reclassified to profit or loss		-	-	3,094
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Foreign exchange translation differences		(1,285)	528	(569)
Share of other comprehensive income of joint ventures (net of tax)		-	-	167
Other comprehensive (expense)/income for the period, net of tax		(1,285)	528	(9,685)
Total comprehensive income for the period		2,696	2,225	2,533
Profit/(loss) attributable to:				
Equity holders of the company		3,985	1,706	12,278
Non-controlling interest		(4)	(9)	(60)
Profit for the period		3,981	1,697	12,218
Total comprehensive income/(expense) for the period attributable to:				
Equity holders of the company		2,700	2,234	2,593
Non-controlling interest		(4)	(9)	(60)
Total comprehensive income for the period		2,696	2,225	2,533

GAAP measures

Basic earnings per share (pence)	7	12.23	5.20	37.78
Diluted earnings per share (pence)	7	12.04	5.11	37.00

Condensed Consolidated Balance Sheet

as at 30 November 2024

	Note	Unaudited 30 November 2024	Unaudited 30 November 2023	Audited 31 May 2024
		£000	£000	£000
Non-current assets				
Property, plant and equipment		9,566	10,822	9,415

Investment property	15,145	15,267	14,829
Right of use assets	42,392	34,157	40,675
Intangible assets including goodwill	5,952	5,589	6,048
Investments in joint ventures	9	54,283	73,226
Deferred tax assets		9,806	14,214
Trade receivables		-	4,000
Retirement benefit surplus		1,259	9,111
	138,403	162,386	149,537
Current assets			
Inventories	54,051	44,192	49,325
Trade and other receivables	91,882	82,474	70,905
Contract assets	8,603	5,058	6,425
Cash and cash equivalents	15,744	18,718	22,700
	170,280	150,442	149,355
Total assets	308,683	312,828	298,892
Non-current liabilities			
Other Interest-bearing loans and borrowings	(11,585)	(13,874)	(15,884)
Retirement benefit obligations	(2,921)	(2,839)	(2,979)
Provisions	(16,796)	(3,829)	(15,290)
Deferred tax liabilities	-	(3,853)	-
	(31,302)	(24,395)	(34,153)
Current liabilities			
Other Interest-bearing loans and borrowings	(22,624)	(14,913)	(18,270)
Trade and other payables	(60,860)	(64,545)	(48,383)
Provisions	(4,788)	(11,268)	(4,524)
Income tax liability	(170)	(212)	(1,466)
	(88,442)	(90,938)	(72,643)
Total liabilities	(119,744)	(115,333)	(106,796)
Net assets	188,939	197,495	192,096

Note	Unaudited		
	30 November	30 November	Audited
	2024	2023	2024
	£000	£000	£000
Equity attributable to equity holders of the parent			
Share capital	3,314	3,314	3,314
Share premium	74,004	73,982	73,990
Other reserves	211	211	211
Translation reserve	(2,543)	(161)	(1,258)
Merger reserve	1,022	1,022	1,022
Hedging reserve	318	318	318
Capital redemption reserve	1,530	1,530	1,530
Share-based payment reserve	2,789	2,540	2,730
Retained earnings	108,569	114,959	110,510
	189,214	197,715	192,367
Non-controlling interest	(275)	(220)	(271)
Total equity	188,939	197,495	192,096

Condensed Consolidated Statement of Changes in Equity
for the six months ended 30 November 2023

	Share capital	Share premium	Translation reserve	Hedging reserve	Other reserves	Capital redemption reserve	Merger reserve	Share-based payment reserve
	£000	£000	£000	£000	£000	£000	£000	£
Balance at 1 June 2023	3,314	73,972	(689)	318	211	1,530	1,022	2,
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	-	-
Other comprehensive income								
Foreign exchange translation differences	-	-	528	-	-	-	-	-
Total other comprehensive income	-	-	528	-	-	-	-	-
Total comprehensive income for the period								
Transactions with owners recorded directly in equity								
Issue of shares	-	10	-	-	-	-	-	-
Equity settled share-based payment transactions	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	10	-	-	-	-	-	-
Balance at 30 November 2023	3,314	73,982	(161)	318	211	1,530	1,022	2,

Condensed Consolidated Statement of Changes in Equity
for the six months ended 30 November 2024

	Share capital	Share premium	Translation reserve	Hedging reserve	Other reserves	Capital redemption reserve	Merger reserve	Share-based payment reserve
	£000	£000	£000	£000	£000	£000	£000	£
Balance at 1 June 2024	3,314	73,990	(1,258)	318	211	1,530	1,022	2,7
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	-	-
Other comprehensive income/(expense)								
Foreign exchange translation differences	-	-	(1,285)	-	-	-	-	-
Total other comprehensive income	-	-	(1,285)	-	-	-	-	-
Total comprehensive income for the period								
Transactions with owners recorded directly in equity								
Issue of shares	-	14	-	-	-	-	-	-
Equity settled share-based payment transactions	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	14	-	-	-	-	-	-
Balance at 30 November 2024	3,314	74,004	(2,543)	318	211	1,530	1,022	2,7

Condensed Consolidated Cash Flow Statement
for the six months ended 30 November 2024

	Unaudited six months ended 30 November 2024 £000	Unaudited six months ended 30 November 2023 £000	Audited year ended 31 May 2024 £000
Cash flows from operating activities			
Profit for the period	3,981	1,697	12,218
Adjustments for:			
Depreciation and impairment of property, plant and equipment and right-of-use assets	9,051	7,128	16,212
Net finance expense	744	655	724
Amortisation/impairment of goodwill	96	96	191
Share of loss/(profit) in joint ventures (net of tax)	31	1,714	(1,533)
Profit on sale of property, plant and equipment, investment property and right-of-use assets	(311)	-	(6,204)
Equity settled share-based payment expense	59	152	342
Income tax expense	1,316	1,035	4,458
Contributions to defined benefit pension schemes	(31)	(589)	(5,427)
Retranslation of foreign denominated assets and liabilities	(89)	(122)	(217)
	14,847	11,766	20,764
Change in inventories	(4,726)	(4,890)	(10,024)
Change in trade and other receivables	(19,001)	(10,889)	1,777
Change in trade and other payables	13,157	17,156	5,358
Change in provisions and employee benefits	1,770	509	5,226
	6,047	13,652	23,101
Interest received	775	818	2,078
Interest paid	(1,546)	(1,585)	(2,548)
Income tax paid	(1,876)	2	(37)
Net cash inflow from operating activities	3,400	12,887	22,594
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	451	110	219
Proceeds from sale of investment property	-	-	7,879
Proceeds from sale of ROU assets	17	12	115
Acquisition of property, plant and equipment	(1,087)	(1,466)	(2,254)
Acquisition of investment property	(317)	(770)	(1,040)
Acquisition of right of use assets	(17)	-	-
Acquisition of subsidiaries	-	-	(500)
Dividends received from joint ventures	6,267	-	7,800
Drawdown of loans due from joint ventures	-	-	(683)
Loan to pension scheme in relation to buy in	-	-	(4,000)
Net cash inflow/(outflow) from investing activities	5,314	(2,114)	7,536
Cash flows from financing activities			
Principal elements of lease payments	(9,841)	(8,027)	(17,425)
Dividends paid	(5,926)	(5,883)	(11,788)
Net cash outflow from financing activities	(15,767)	(13,910)	(29,213)
Net (decrease)/increase in cash and cash equivalents	(7,053)	(3,137)	917
Cash and cash equivalents at the start of the period	22,700	21,859	21,859
Effect of exchange rate fluctuations on cash held	97	(4)	(76)
Cash and cash equivalents at the end of the period	15,744	18,718	22,700

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. Basis of preparation

The condensed consolidated interim financial information set out in this statement for the six months ended 30 November 2024 and the comparative figures for the six months ended 30 November 2023 is unaudited. This financial information does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. It does not comply with IAS 34 'Interim Financial Reporting', as is permissible under the rules of the AIM Market of the London Stock Exchange.

The condensed consolidated interim financial information, which is neither audited nor reviewed, has been prepared in accordance with the measurement and recognition criteria of UK-adopted international accounting standards. This statement does not include all the information required for the annual financial statements and should be read in conjunction with the financial statements of the Group as at and for the year ended 31 May 2024.

There are no new IFRS which apply to the condensed consolidated interim financial information.

2. Accounting policies

The accounting policies applied in preparing the condensed consolidated interim financial information are the same as those applied in the preparation of the annual financial statements for the year ended 31 May 2024, as described in those financial statements.

3. Status of financial information

The comparative figures for the financial year ended 31 May 2024 are not the Group's statutory consolidated financial statements for that financial year. The statutory financial accounts for the financial year ended 31 May 2024 have been reported on by the company's auditor and delivered to the Registrar of Companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

4. Principal risks and uncertainties

The principal risks and uncertainties affecting the Group are unchanged from those set out in the Group's accounts for the year ended 31 May 2024. The Directors have reviewed financial forecasts and are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Group continues to adopt the going concern basis in preparing the condensed consolidated interim financial information.

5. Taxation

UK income tax for the period is charged at 25% (2023: 25%). The effective tax rate, after removing the impact of joint ventures is 24.7% (2023: 23.3%), representing an estimate of the annual effective rate for the full year to 31 May 2025. This rate is lower than the standard rate of UK income tax due to the impact of overseas tax which applies a lower tax rate.

6. Dividends

The final dividend of 18.0p per ordinary share, proposed in the 2024 Annual Report and Accounts and approved by the shareholders at the Annual General Meeting on 30 October 2024, was paid on 4 November 2024.

The directors have proposed an interim dividend of 18.5p per share (2023: 18.0p) which will be paid on 8 April 2025 to shareholders on the register at the close of business on 21 March 2025. This will be paid out of the Company's available distributable reserves. In accordance with IAS 1, dividends are recorded only when paid and are shown as a movement in equity rather than as a charge in the income statement.

7. Earnings per share

Six months ended 30 November 2024			Six months ended 30 November 2023			Year ended 31 May 2024		
Unaudited			Unaudited			Audited		
Earnings	EPS	DEPS	Earnings	EPS	DEPS	Earnings	EPS	DEPS

	£000	Pence	Pence	£000	Pence	Pence	£000	Pence	Pence
Basic earnings per share	3,981	12.23	12.04	1,697	5.20	5.11	12,218	37.78	37.00
Weighted average number of shares (000's)	32,554	33,069		32,659	33,217		32,345	33,021	

The calculation of diluted earnings per share is based on the profit for the period attributable to equity holders of the Company and on the weighted average number of ordinary shares in issue in the period adjusted for the dilutive effect of the share options outstanding. The effect on the weighted average number of shares is 515,000 (2023: 558,000), the effect on basic earnings per ordinary share is 0.19p (2023: 0.0p).

8. Segmental information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Board of Directors since they are responsible for strategic decisions. HRMS represents the Groups share of its German joint venture, which includes Hargreaves Services Europe Limited which is the parent company of HRMS and DK.

	Services	Hargreaves Land	Unallocated	HRMS	Total
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	30 November	30 November	30 November	30 November	30 November
	2024	2024	2024	2024	2024
	£000	£000	£000	£000	£000
Revenue					
Total revenue	122,578	4,179	-	-	126,757
Intra-segment revenue	(1,414)	-	-	-	(1,414)
Revenue from external customers	121,164	4,179	-	-	125,343
Operating profit/(loss)	10,104	(1,320)	(2,712)	-	6,072
Share of (loss)/profit in joint ventures (net of tax)	-	(145)	-	114	(31)
Net finance income	(1,315)	77	494	-	(744)
Profit/(loss) before tax	8,789	(1,388)	(2,218)	114	5,297

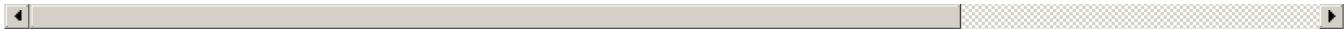
	Services	Hargreaves Land	Unallocated	HRMS	Total
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	30 November	30 November	30 November	30 November	30 November
	2023	2023	2023	2023	2023
	£000	£000	£000	£000	£000
Revenue					
Total revenue	110,327	673	-	-	111,000
Intra-segment revenue	(829)	-	-	-	(829)
Revenue from external customers	109,498	673	-	-	110,171
Operating profit/(loss)	8,913	(1,284)	(2,528)	-	5,101
Share of profit/(loss) in joint ventures (net of tax)	-	173	-	(1,887)	(1,714)
Net finance expense	(1,092)	108	329	-	(655)
Profit/(loss) before tax	7,821	(1,003)	(2,199)	(1,887)	2,732

9. Investments in joint ventures

	Tower Regeneration Limited	Hargreaves Services Europe Limited	Waystone Hargreaves LLP	Interests in immaterial joint ventures	Total
	£000	£000	£000	£000	£000
At 1 June 2024	-	56,046	6,001	(59)	61,988
Group's share of profit/(loss) in joint ventures (net of tax)	-	114	(145)	-	(31)
Dividend	-	(6,267)	-	-	(6,267)
Exchange differences	-	(1,370)	-	(37)	(1,407)
At 30 November 2024	-	48,523	5,856	(96)	54,283

10. Condensed consolidated interim financial information

The condensed consolidated interim financial information was approved by the Board of Directors on 29 January 2025. Copies of this interim statement will be sent to all shareholders and will be available to the public from the Group's registered office.



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