



GROUP

“ To be **profitable, sustainable and progressive** in all our business endeavours for the **mutual benefit** of our **shareholders, customers and staff** ”

## Interim Report

December 2009

## **CHAIRMAN'S STATEMENT**

### **Financial Overview**

The Group has had a profitable six months trading to 31 December 2009. I can report that all operating companies have been in profit for the period under review.

The turnover for the six month period has increased from £4,501,000 to £5,054,000 an increase of more than 12%.

The profit before tax has increased from £454,000 to £872,000.

I would stress that all the above figures relate to ongoing trading activities and do not involve any exceptional items.

### **Business Overview**

Whilst we continue to operate under the shadow of ongoing international banking difficulties, the companies, with the exception of one, are ahead of the comparable figures of last year and are trading ahead of budget. The exception is H&H Motor Auctions where the Government Scrappage Scheme has reduced the throughput of vehicles significantly although the business continues to be profitable. Harrison and Hetherington Limited, the livestock enterprise has had an exceptional six months due to higher livestock values and by increasing its market share against a national background of reducing livestock numbers.

Notwithstanding the reduction in new car sales, H&H Borderway Finance has had an excellent six months, the level of business being maintained due to the first-rate personal service given to its customers. H&H Bowe Limited, the Land Agency company exceeds budget due to increased professional work and farm sales, particularly in Scotland. H&H Insurance Brokers trades well ahead of budget and substantially in excess of figures for the comparable period last year.

H&H King Limited, the Estate Agency company has seen a recovery in the number of sales handled which has been aided by the re-branding of the business. H&H Auction Rooms is trading profitably.

Whilst the first six months of the financial year show a significant increase in profitability over previous years, the continued uncertainty over the economy makes predicting trading over the second half of the financial year difficult although the business is well positioned to build on the results for the first half of the year.

### **Dividend and Shares**

The average share price in the period has been £13.70 as against £12.12 for the same period last year.

Your Directors consider that the interim dividend should be maintained at 6.5p per share for the period, this will be paid on the 23rd day of April 2010 to those on the register on 1st day of April 2010.

### **Recent Events**

Completion of the sale of surplus land at Lockerbie took place in January and it is proposed to carry out capital improvement works at Lockerbie to the pennaige, office and canteen facilities.

The refurbishment work at Borderway has been completed to provide much improved covered facilities for livestock and plans are presently being reviewed for the further development and improvement of the Borderway site to maintain it as the UK's leading livestock centre.

I wish to record a most sincere thanks to the staff of all the Group companies for their efforts in the last six months; it is they that have been the driving force in producing these gratifying figures. I would further wish to thank my fellow Directors for their help and guidance.

**Alan M Bowe**  
Chairman

## SUMMARY GROUP CONSOLIDATED PROFIT & LOSS ACCOUNT

	Unaudited 6 months to 31st December 2009 £000	Unaudited 6 months to 31st December 2008 £000	Audited 12 months to 30th June 2009 £000
Turnover	5,054	4,501	9,038
Operating Profit	1,267	1,003	1,960
Profit/(Loss) on sales of fixed assets	5	(5)	(15)
Interest Receivable	3	7	12
Interest Payable	(368)	(516)	(882)
Other finance costs	(35)	(35)	(98)
Profit Before Tax	872	454	977
Taxation	(235)	(129)	(269)
Profit after Tax	637	325	708

## SUMMARY GROUP CONSOLIDATED BALANCE SHEET

	Unaudited 31st December 2009 £000	Unaudited 31st December 2008 £000	Audited 30th June 2009 £000
Fixed Assets	7,431	7,289	7,400
Current Assets	24,680	24,649	24,107
Current Liabilities	(19,439)	(20,069)	(19,301)
Pension Liability	(630)	(577)	(629)
Net Assets	12,042	11,292	11,577
Capital & Reserves:			
Share Capital	1,040	1,040	1,040
Revaluation Reserve	2,633	2,635	2,633
Profit & Loss Account	8,369	7,617	7,904
Shareholders' Funds	12,042	11,292	11,577

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 2009 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.

## H&H Motor Auctions

Remarketing Vehicles

Montgomery Way, Rosehill, Carlisle, Cumbria CA1 2RW  
T. 01228 590990 F. 01228 536006  
E. [info@hmmotorauctions.com](mailto:info@hmmotorauctions.com)  
[www.hmmotorauctions.com](http://www.hmmotorauctions.com)



## H&H King

Estate Agents, Residential Lettings & Valuers

12 Lowther Street, Carlisle, Cumbria CA3 8DA  
T. 01228 810799 F. 01228 597183  
E. [info@hhking.co.uk](mailto:info@hhking.co.uk)  
[www.hhking.co.uk](http://www.hhking.co.uk)



## H&H Harrison & Hetherington

Farmstock Auctioneers, Brokers and Valuers

Borderway Mart, Rosehill, Carlisle, Cumbria CA1 2RS  
T. 01228 406200 F. 01228 406201  
E. [info@borderway.com](mailto:info@borderway.com)  
[www.livestock-sales.co.uk](http://www.livestock-sales.co.uk)



## H&H Bowe

Chartered Surveyors

Borderway, Rosehill, Carlisle, Cumbria CA1 2RS  
T. 01228 406260 F. 01228 406261  
[www.hhbowe.co.uk](http://www.hhbowe.co.uk)



## H&H Borderway Finance

Vehicle Finance Specialists

Fifteen Rosehill, Montgomery Way, Carlisle, Cumbria CA1 2RW  
T. 01228 595939 F. 01228 595949  
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[www.hhborderwayfinance.co.uk](http://www.hhborderwayfinance.co.uk)



## H&H Insurance Brokers

Independent Advice on all Aspects of Business Insurance

Borderway, Rosehill, Carlisle, Cumbria CA1 2RS  
T. 01228 406290 F. 01228 406291  
E. [info@hhib.co.uk](mailto:info@hhib.co.uk)  
[www.hhinsurancebrokers.co.uk](http://www.hhinsurancebrokers.co.uk)



## H&H Auction Rooms

Auctioneers & Valuers Since 1890

The Auction Centre, Rosehill, Carlisle CA1 2RS  
T. 01228 406320 F. 01228 525585  
E. [enquiries@hhauctionrooms.co.uk](mailto:enquiries@hhauctionrooms.co.uk)  
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