



# INTERIM REPORT 2025

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# INTERIM RESULTS AND CEO SUCCESSION

Carr's Group plc (CARR.L), announces its unaudited interim results for the six months ended 28 February 2025 ("H1 2025", "H1 FY25", or the "Period").

## Strong, profitable growth in continuing operations

## Significant progress towards pure-play specialist agriculture transformation, with clear growth strategy and focus on delivering value

<b>Adjusted (Continuing Operations)</b>	<b>H1 2025</b>	H1 2024 (restated)	+/- %
Revenue (£'m)	<b>50.6</b>	47.3	+7.0
Operating profit (£'m)	<b>5.9</b>	3.6	+62.6
Profit before tax (£'m)	<b>5.9</b>	3.8	+54.8
Earnings per share (p)	<b>5.1</b>	3.5	+45.7

<b>Statutory (Continuing Operations)</b>	<b>H1 2025</b>	H1 2024 (restated)	+/- %
Revenue (£'m)	<b>50.6</b>	47.3	+7.0
Operating profit (£'m)	<b>7.7</b>	1.6	+366.6
Profit before tax (£'m)	<b>7.7</b>	1.8	+319.5
Basic earnings per share (p)	<b>6.5</b>	1.9	+242.1
Interim dividend per share (p)	<b>1.2</b>	2.35	-48.9

<b>Statutory</b>	<b>H1 2025</b>	H1 2024 (restated)	+/- %
Profit for the period (£'m)	<b>7.1</b>	2.8	+150.3
Basic earnings per share (p)	<b>7.5</b>	3.0	+150.0

	<b>H1 2025</b>	H1 2024 (restated)	
Net cash/debt (£'m):			
Continuing Group	<b>15.7</b>	12.5	
Engineering Division	<b>(0.3)</b>	(4.5)	
Total Group	<b>15.4</b>	8.0	

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## OUTLOOK

With dependence on agriculture markets across the northern hemisphere, in the short to medium term the performance of the Group will be more seasonal than prior to the disposal of the Engineering Division. Whilst we anticipate the positive trading momentum from the first half will continue, the second half of the year typically experiences lower seasonal trade across our markets which will moderate overall performance. In addition, completion of the main Engineering disposal will enable further reductions in central costs.

Trading conditions in the US, particularly in the southern states, remain challenging, largely due to climatic factors, with the anticipated recovery in US herd size likely to be later than the previously anticipated second half of 2025, impacting expected performance in FY26. Across all our markets, our strategic priority remains to deliver increased market share and margin enhancements through disciplined commercial execution.

**David White**, Chief Executive Officer said:

“**Today’s interim results clearly demonstrate the benefits of our strategic transformation to a specialist agriculture manufacturer. During the period the Group has achieved significant milestones through the sale of the bulk of the Engineering Division, the development of a clear and refocused Agriculture strategy, with substantial progress made in corporate simplification through pension de-risking, sale of excess properties and ongoing central cost reduction.**

I would like to thank current and former colleagues in the Engineering Division and Group functions for their hard work and dedication in delivering a successful realisation of value for the Engineering Division. With the planned return of capital to shareholders expected to complete in early July, the time is right to transition leadership to our CEO Global Agriculture, Josh Hoopes. As such I shall step down as Group CEO on 30 June 2025, at which point Josh will be appointed as CEO for the business. The Board has full confidence that under Josh’s leadership and through execution of our refocused strategy the business can achieve significant profitable growth and drive shareholder returns. I wish him and the team every success as they pursue exciting opportunities that lie ahead.”

**Tim Jones**, Chair said:

“**The Company’s transition into a pure-play specialist manufacturer of research proven, value-added livestock supplements is almost complete. I would like to thank David White for his role in expertly leading this transformation with clarity and pace. David’s help in assembling and enabling the team of agriculture specialists to take the Company forward and in strengthening and de-risking our balance sheet – as our Interim results illustrate – perfectly positions us for the next phase of our strategy. Under Josh Hoopes’ ongoing leadership we have every confidence in the delivery of that strategy and of the value that it can create.**

## **INTERIM RESULTS**

For the 6 months ended 28 February 2025

### **FINANCIAL HIGHLIGHTS:**

#### **Agriculture Continuing Operations**

- H1 FY25 revenues increased by 7.0% on prior year to £50.6m (H1 2024 restated: £47.3m)
- H1 FY25 adjusted operating profit increased by 33.4% to £7.0m (H1 2024 restated: £5.3m)
- UK low moisture block tonnage increased by 13% year on year whilst US volumes grew by 3% despite continued difficult market conditions

#### **Central costs**

- Central costs, on an adjusted basis, of £1.1m (H1 2024: £1.6m)
- Ongoing cost reduction measures continue following Engineering disposals

#### **Adjusting items**

- Continuing Operations: net £1.8m income of adjusting items (pre-tax) comprising:
  - £2.9m of gain on disposal of investment/non-core properties and related assets
  - £0.9m of restructuring costs
  - £0.2m costs relating to pension scheme buy-in
- Discontinued Operations: net costs of £0.7m relating to closure and sale of discontinued activities

#### **Net cash/debt**

- Half year-end net cash of £15.7m (H2 2024: Net cash £8.0m) – prior to payment of final dividend for FY24

#### **Dividends**

- Interim dividend of 1.2p per share (H1 2024: 2.35p) to be paid on 20 June 2025 to all shareholders on the register at close of business on 16 May 2025, irrespective of any later decision to participate in the Tender Offer
- Future dividend quantum distributed will increase at least in line with earnings through semi-annual payments reflecting the anticipated reduced shares in issue following the Tender Offer

### **STRATEGIC HIGHLIGHTS:**

#### **Engineering Disposal:**

- Completed the disposal of the larger part of the Engineering Division for £75m enterprise value on 22 April 2025
- Ongoing process to realise value for the remaining Chirton Engineering business

#### **Group Simplification:**

- Completed the sale of 8 investment / non-core properties for £7m to date in FY25
- Completed the de-risking of its defined benefit pension scheme through a policy buy-in in January 2025
- Ongoing focus on central cost reduction through the rightsizing of central functions:
  - H1 adjusted central costs £1.1m vs H1 FY24: £1.6m
  - Engineering disposal allows further savings to be implemented

#### **Strategic transformation of Agriculture Division:**

- Focussed growth strategy as a global specialist in feed supplements for pasture-based livestock announced in December 2024
- Good progress made across each strategic driver of value creation:
  - Improve operating margin across current portfolio:
    - Agriculture H1 adjusted operating margin of 13.9% vs 11.2% in prior period
  - Deliver profitable growth in core businesses:
    - Volume of core low moisture block product sold in H1 up 6.7% on prior year
  - Expansion into new extensive grazing-based growth geographies:
    - Opportunities in growing, counter seasonal, southern hemisphere geographies being actively assessed
- Structural under-performance and non-core activities addressed:
  - Non-core and loss making Afgritech business closed and sold in October 2024
  - Loss making New Zealand operations closed and third-party distributor appointed
  - Consultation over closure of loss-making Animax site in progress with outsourced production of boluses being developed

#### **Return of capital:**

- A Tender Offer process to return up to £70m to shareholders will be initiated in the second half of May 2025 and is expected to conclude in early July (subject to shareholder approval)

#### **Board Change:**

- As a result of the transformation into a pure-play Agriculture business, Group CEO David White will step down with effect from 30 June 2025, at which point Josh Hoopes, currently CEO Global Agriculture, will be appointed CEO for the business

## INTERIM MANAGEMENT REPORT

### Strategic transformation as a pure-play specialist agriculture manufacturer

Following the decision to focus future growth on the Group's Agriculture strategy and to seek to realise value for the Engineering Division the Group announced the completion of the sale of the bulk of the Engineering Division to US Group, Cadre Holdings, Inc. on 22 April 2025. A process to realise value for the remaining Engineering business, Chirton Engineering, is progressing to plan.

The Group intends returning up to £70m proceeds of sale of the Engineering Division to shareholders through a tender offer process to be instigated shortly that will, subject to shareholder approval, be complete in early July.

The actions above, combined with the corporate simplification activities referred to below, leave the Group well positioned to pursue future growth through implementation of the focussed Agriculture strategy announced with our FY24 results in December 2024.

Following the successful transition of the Group to a single division focussed on Global Agriculture it is a suitable time for the business to be led by a management team with wide experience in the Agriculture sector, exclusively focussed on delivering the Group's Agriculture strategy. As such, on 30 June 2025, David White will step down as Group CEO and Josh Hoopes, who joined the Group as CEO Global Agriculture in March 2024, will become CEO of the business.

### Renewed Agriculture Strategy

The Group will establish itself as a global leader in feed supplements for cattle, horses, sheep and goats. The Group's mission is to drive sustainable global food security through enhancements to pasture grazing productivity, enabled by research-based products that optimise livestock performance and profitability for farmers.

The Group's strategic framework is built upon three core strengths:

1. Global specialist in livestock supplements
2. Strategically located operations with local sales execution
3. Patented, research backed product portfolio

This strategic focus will deliver superior operating margin and return on capital employed.

Value creation in the short to medium term will be achieved by:

1. Improving operating margins across the retained strategic portfolio
2. Delivering commercial growth through these core businesses
3. Expanding into new extensive grazing-based growth markets

Focus will be on delivering value to our customers and shareholders through our specialised, research-backed and trusted product portfolio of low moisture blocks, complemented by strategic distribution of other supplements like minerals and boluses. These will initially be supplied through our own production sites at Silloth and Ayr in the UK, Belle Fourche and Poteau in the US and through our joint venture partners in Germany and the US.

Opportunities for entry into key southern hemisphere growth markets are being actively explored, positioning the Group for sustained global expansion.

The early implementation of this strategy has seen the Group exit Afritech, its loss-making US dairy feed business in October 2024, close its operations in New Zealand (moving to a third-party distribution model for that market) and enter consultation over the closure of its Animax production site in Suffolk, with subsequent option of outsourced bolus production.

### Corporate Simplification

Key to delivery of a focussed and value generating Group is the simplification and right-sizing of Group operations following the disposal of both the Engineering Division in FY25 and the Agricultural Supplies Division in FY23.

In the current financial period, the Group has completed the purchase of a 'buy-in insurance policy' to de-risk its defined benefit pension scheme. This matches liabilities under the scheme with insured assets and provides Scheme members with security over their benefits.

Additionally, in the current financial year the Group has completed the disposal of a further eight investment / unused properties for consideration of £7m. These properties included the Group's former Head Office premises in Carlisle.

The disposal of the Engineering Division and the appropriate integration of the businesses comprising the Group going forward allow the continued reduction of Group central costs. Driving further cost efficiencies remains a key focus for the Board.

### Engineering Disposal

Agreement for the disposal of the bulk of the Engineering Division to Cadre Holdings, Inc. for an enterprise value of £75m was announced on 16 January 2025. Following receipt of certain regulatory approvals and customer consents the sale completed on 22 April 2025.

Following settlement of relevant debt and transaction costs the Group received net cash consideration on completion of £68.6m with a further £1.5m due on settlement of related RDEC tax claims.

The Group is continuing the process to realise value for the remaining component of the Engineering Division, Chirton Engineering. This process is continuing satisfactorily.

### Interim results

#### Continuing Operations

Adjusted (Continuing Operations)	H1 2025	H1 2024 (restated)	+/--%
Revenue (£'m)	50.6	47.3	+7.0
Operating profit (£'m)	5.9	3.6	+62.6
Profit before tax (£'m)	5.9	3.8	+54.8
Earnings per share (p)	5.1	3.5	+45.7

Statutory (Continuing Operations)	H1 2025	H1 2024 (restated)	+/--%
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Statutory	H1 2025	H1 2024 (restated)	+/--%
Profit for the period (£'m)	7.1	2.8	+150.3
Basic earnings per share (p)	7.5	3.0	+150.0
Net cash/ (debt) (£'m):			
Continuing Group	15.7	12.5	
Engineering Division	(0.3)	(4.5)	
Total Group	15.4	8.0	

## INTERIM MANAGEMENT REPORT continued

During the six months ended 28 February 2025 revenue from Continuing Operations increased 7.0% to £50.6m (H1 2024 restated: £47.3m) reflecting growth across both our operations in UK and US.

Adjusted operating profit of £5.9m represents an increase of 62.6% from the prior year (H1 2024 restated: £3.6m). Statutory operating profit of £7.7m represents an increase of 366.6% from £1.6m in the prior period.

Profit for the period from Continuing Operations of £6.1m (6.5pps) represents an increase of 246.6% on the prior period £1.8m (1.9pps).

### Group

Profit for the period of £7.1m (7.5pps) represents a 150.3% increase on the prior year £2.8m (3.0pps).

### Operational review

#### Continuing operations

	H1 FY25 £m	H1 FY24 – restated £m	Movement %
<b>Revenue</b>			
UK Agriculture	27.6	24.0	15.0%
US Agriculture	23.0	23.3	-1.3%*
<b>Total</b>	<b>50.6</b>	<b>47.3</b>	<b>7.0%</b>
<b>Adjusted Operating Profit</b>			
UK Agriculture	3.0	1.7	76.5%
US Agriculture	2.6	2.1	23.8%
JVs	1.4	1.4	-%
Central	(1.1)	(1.6)	-31.3%
<b>Total</b>	<b>5.9</b>	<b>3.6</b>	<b>63.9%</b>

\*at constant exchange rate US revenue grew by 1.5%

#### UK Agriculture

UK Agriculture comprises the Group's Crystalyx® operations in Silloth, its Scotmin operations in Ayr and the Animax operations near Bury St Edmunds.

Following management integration across the three UK sites last year the business has benefited from more unified and strategic decision making on commercial and operational matters. Crystalyx® has performed particularly well with 13% volume growth, and given its strategic focus will form the driver of future market share gains and value creation. In our product portfolio Crystalyx® will be supported by the Scotmin product range and by a range of boluses similar to those currently produced in our Animax site. In March 2025 we entered consultation over the closure of the Animax site and anticipate switching to third party bolus production over the coming months.

#### US Agriculture

US Agriculture represents the Group's New Generation Supplements ("NGS") feed blocks business.

Overall volume increased by 3% in the first half of the year however this net movement comprises a strong performance in the northern US from our Belle Fourche, South Dakota plant, offset by the combined impact of challenging market conditions experienced by our southern, Poteau, Oklahoma plant, and the impact of the closure of our Silver Springs, Nevada plant in December 2023 – which contributed to prior year volume and revenue. Revenue and EBIT were negatively impacted by currency movements of c2.1%.

A recovery plan for our Poteau plant is under development to deliver operational and commercial improvement.

#### Joint Ventures

The Group continues to target growth through its participation in joint ventures in selected geographies. In the first half the contribution from our joint ventures in Germany (1) and the US (2) was flat at £1.4m. We are yet to see the positive impact of installation of a second production line at the Gold Bar facility in the US and are working with our JV partner to realise the anticipated growth. EBIT contribution was negatively impacted by currency movements of c2.5%.

#### Central

The reduction of central costs continues to be a focus. With progress having been made in the first half further reductions are planned as a direct consequence of the disposal of the Engineering Division and integration across the remaining Group. Net costs on an adjusted basis in the period reduced by 31% from £1.6m to £1.1m.

#### Balance sheet and cash flow

Cash generated from operating activities in continuing operations in the first half was £4.6m (H1 2024: £5.4m).

Excluding leases, the Group's continuing operations had net cash of £15.7m as at 28 February 2025. This was before both the finalisation of pension scheme de-risking which required payment into an escrow account of £4.5m cash and the sale of a property in the US realising \$2.2m cash.

On 22 April 2025 the Group received £68.6m cash on settlement of the sale of the bulk of the Engineering Division. A further £1.5m will be received on settlement of certain RDEC tax claims.

The Group will instigate the return of up to £70m cash to shareholders through a tender offer process. The process is expected to be complete (subject to shareholder approval) by early July.

An interim dividend of 1.2 pence per ordinary share will be paid on 20 June 2025 to shareholders on the register on 16 May 2025. This dividend reflects the Group excluding those Engineering entities sold on 22 April 2025 whose contribution to current year trading is reflected in the return of capital via the tender offer. The ex-dividend date will be 15 May 2025.

#### Outlook

With dependence on agriculture markets across the northern hemisphere, in the short to medium term the performance of the Group will be more seasonal than prior to the disposal of the Engineering Division. Whilst we anticipate the positive trading momentum from the first half will continue, the second half of the year typically experiences lower seasonal trade across our markets which will moderate overall performance. In addition, completion of the main Engineering disposal will enable further reductions in central costs.

Trading conditions in the US, particularly in the southern states, remain challenging, largely due to climatic factors, with the anticipated recovery in US herd size likely to be later than the previously anticipated second half of 2025, impacting expected performance in FY26. Across all our markets, our strategic priority remains to deliver increased market share and margin enhancements through disciplined commercial execution.

#### Principal risks and uncertainties

The Group has a process in place to identify and assess the impact of risks on its business, which is reviewed and updated regularly. The principal risks and uncertainties for the remainder of the financial year, other than those impacted directly by the disposal of the Engineering Division are not considered to have changed materially from those included on pages 28 to 31 of the FY24 Annual Report and Accounts (available on the Company's website at [www.carrsgroup-ir.com](http://www.carrsgroup-ir.com)).

## CONDENSED CONSOLIDATED INCOME STATEMENT

For the 6 months ended 28 February 2025

	Notes	6 months ended 28 February 2025 (unaudited) £'000	6 months ended 29 February 2024 (unaudited) (restated) <sup>2,3</sup> £'000	Year ended 31 August 2024 (audited) £'000
<b>Continuing operations</b>				
Revenue	6,7	50,581	47,252	75,701
Cost of sales		(39,127)	(38,608)	(61,434)
<b>Gross profit</b>		<b>11,454</b>	8,644	14,267
Net operating expenses		(5,226)	(8,371)	(22,436)
Share of post-tax results of joint ventures	6	1,434	1,369	1,374
Adjusted <sup>1</sup> operating profit	6	5,904	3,632	2,168
Adjusting items	8	1,758	(1,990)	(8,963)
<b>Operating profit/(loss)</b>	6	<b>7,662</b>	1,642	(6,795)
Finance income		319	585	1,013
Finance costs		(316)	(400)	(681)
Adjusted <sup>1</sup> profit before taxation	6	5,907	3,817	2,500
Adjusting items	8	1,758	(1,990)	(8,963)
<b>Profit/(loss) before taxation</b>	6	<b>7,665</b>	1,827	(6,463)
Taxation		(1,554)	(64)	1,974
Adjusted <sup>1</sup> profit for the period from continuing operations		4,824	3,279	2,461
Adjusting items	8	1,287	(1,516)	(6,950)
<b>Profit/(loss) for the period from continuing operations</b>		<b>6,111</b>	1,763	(4,489)
<b>Discontinued operations</b>				
Profit/(loss) for the period from discontinued operations	9	944	1,056	(1,231)
<b>Profit/(loss) for the period</b>		<b>7,055</b>	2,819	(5,720)
<b>Earnings/(loss) per ordinary share (pence)</b>				
<b>Basic</b>				
Profit/(loss) from continuing operations	10	6.5	1.9	(4.8)
Profit/(loss) from discontinued operations	10	1.0	1.1	(1.3)
	10	7.5	3.0	(6.1)
<b>Diluted</b>				
Profit/(loss) from continuing operations	10	6.4	1.9	(4.8)
Profit/(loss) from discontinued operations	10	1.0	1.1	(1.3)
	10	7.4	3.0	(6.1)

1 Adjusted results are consistent with how business performance is measured internally and is presented to aid comparability of performance. Adjusting items are disclosed in note 8. An alternative performance measures glossary can be found in note 21.

2 Restated to provide comparable information for continuing and discontinued operations following the classification of the Engineering businesses and Afgritech LLC as disposal groups in the FY24 Annual Report and Accounts. Further details of results from discontinued operations and net assets relating to the disposal groups can be found in note 9.

3 See note 19 for an explanation of the prior period restatements to the period ended 29 February 2024.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 6 months ended 28 February 2025

	Notes	6 months ended 28 February 2025 (unaudited) £'000	6 months ended 29 February 2024 (unaudited) (restated) <sup>1</sup> £'000	Year ended 31 August 2024 (audited) £'000
<b>Profit/(loss) for the period</b>		<b>7,055</b>	2,819	(5,720)
<b>Other comprehensive income/(expense)</b>				
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Foreign exchange translation gains/(losses) arising on translation of overseas subsidiaries		<b>757</b>	60	(1,492)
<b>Items that will not be reclassified subsequently to profit or loss:</b>				
Actuarial (losses)/gains on retirement benefit asset	15	<b>(805)</b>	598	(412)
Taxation credit/(charge) on actuarial (losses)/gains on retirement benefit asset		<b>201</b>	(150)	103
<b>Other comprehensive income/(expense) for the period, net of tax</b>		<b>153</b>	508	(1,801)
<b>Total comprehensive income/(expense) for the period</b>		<b>7,208</b>	3,327	(7,521)
<b>Total comprehensive income/(expense) attributable to:</b>				
Continuing operations		<b>6,099</b>	2,211	(5,430)
Discontinued operations		<b>1,109</b>	1,116	(2,091)
		<b>7,208</b>	3,327	(7,521)

<sup>1</sup> Restated to provide comparable information for continuing and discontinued operations following the classification of the Engineering businesses and Afgritech LLC as disposal groups in the FY24 Annual Report and Accounts. Further details of results from discontinued operations and net assets relating to the disposal groups can be found in note 9.



## CONDENSED CONSOLIDATED BALANCE SHEET

As at 28 February 2025

	Notes	As at 28 February 2025 (unaudited) £'000	As at 29 February 2024 (unaudited) (restated) <sup>1</sup> £'000	As at 31 August 2024 (audited) £'000
<b>Non-current assets</b>				
Goodwill	12	2,068	19,192	2,068
Other intangible assets	12	34	3,028	32
Property, plant and equipment	12	9,836	29,902	9,900
Right-of-use assets	12	556	7,112	656
Investment property	12	40	2,600	316
Interest in joint ventures		7,907	7,475	6,288
Other investments		27	27	26
Financial assets				
– Non-current receivables		–	21	–
Retirement benefit asset	15	799	5,884	1,807
Deferred tax asset		428	26	208
		<b>21,695</b>	<b>75,267</b>	<b>21,301</b>
<b>Current assets</b>				
Inventories		8,027	22,622	12,062
Contract assets		–	10,390	–
Trade and other receivables		15,964	26,294	10,352
Current tax assets		38	2,374	712
Financial assets				
– Cash and cash equivalents	13	20,242	21,581	13,714
Assets included in disposal groups and other assets classified as held for sale	9	85,468	–	85,663
		<b>129,739</b>	<b>83,261</b>	<b>122,503</b>
<b>Total assets</b>		<b>151,434</b>	<b>158,528</b>	<b>143,804</b>
<b>Current liabilities</b>				
Financial liabilities				
– Borrowings	13	(1,606)	(8,718)	(2,764)
– Leases		(244)	(1,471)	(267)
Contract liabilities		–	(4,769)	–
Trade and other payables		(11,380)	(20,991)	(10,707)
Current tax liabilities		(1,354)	(55)	–
Liabilities included in disposal groups classified as held for sale	9	(31,174)	–	(31,748)
		<b>(45,758)</b>	<b>(36,004)</b>	<b>(45,486)</b>
<b>Non-current liabilities</b>				
Financial liabilities				
– Borrowings	13	(2,931)	(4,894)	(2,913)
– Leases		(366)	(5,085)	(448)
Deferred tax liabilities		(24)	(4,844)	(23)
Other non-current liabilities		–	(15)	–
		<b>(3,321)</b>	<b>(14,838)</b>	<b>(3,384)</b>
<b>Total liabilities</b>		<b>(49,079)</b>	<b>(50,842)</b>	<b>(48,870)</b>
<b>Net assets</b>		<b>102,355</b>	<b>107,686</b>	<b>94,934</b>
<b>Shareholders' equity</b>				
Share capital	16	2,361	2,359	2,361
Share premium	16	10,950	10,862	10,945
Other reserves		2,879	3,506	2,115
Retained earnings		86,165	90,959	79,513
<b>Total shareholders' equity</b>		<b>102,355</b>	<b>107,686</b>	<b>94,934</b>

1 See note 19 for an explanation of the prior period restatements to the period ended 29 February 2024.

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 6 months ended 28 February 2025

	Share Capital £'000	Share Premium £'000	Treasury Share Reserve £'000	Equity Compensation Reserve £'000	Foreign Exchange Reserve £'000	Other Reserve £'000	Retained Earnings £'000	Total Shareholders' Equity £'000
At 1 September 2024 (audited)	2,361	10,945	–	324	1,635	156	79,513	94,934
Profit for the period	–	–	–	–	–	–	7,055	7,055
Other comprehensive income/ (expense)	–	–	–	–	757	–	(604)	153
Total comprehensive income	–	–	–	–	757	–	6,451	7,208
Equity-settled share-based payment transactions	–	–	–	208	–	–	–	208
Allotment of shares	–	5	–	–	–	–	–	5
Transfer	–	–	–	(45)	–	(156)	201	–
<b>At 28 February 2025 (unaudited)</b>	<b>2,361</b>	<b>10,950</b>	<b>–</b>	<b>487</b>	<b>2,392</b>	<b>–</b>	<b>86,165</b>	<b>102,355</b>
At 3 September 2023 (audited)	2,354	10,664	–	264	3,127	190	91,276	107,875
Profit for the period	–	–	–	–	–	–	2,819	2,819
Other comprehensive income	–	–	–	–	60	–	448	508
Total comprehensive income	–	–	–	–	60	–	3,267	3,327
Dividends paid	–	–	–	–	–	–	(3,788)	(3,788)
Equity-settled share-based payment transactions	–	–	–	143	–	–	–	143
Allotment of shares	5	198	–	–	–	–	–	203
Purchase of own shares held in trust	–	–	(74)	–	–	–	–	(74)
Transfer	–	–	49	(251)	–	(2)	204	–
At 29 February 2024 (unaudited)	2,359	10,862	(25)	156	3,187	188	90,959	107,686
At 3 September 2023 (audited)	2,354	10,664	–	264	3,127	190	91,276	107,875
Loss for the period	–	–	–	–	–	–	(5,720)	(5,720)
Other comprehensive expense	–	–	–	–	(1,492)	–	(309)	(1,801)
Total comprehensive expense	–	–	–	–	(1,492)	–	(6,029)	(7,521)
Dividends paid	–	–	–	–	–	–	(6,006)	(6,006)
Equity-settled share-based payment transactions	–	–	–	358	–	–	–	358
Excess deferred taxation on share- based payments	–	–	–	–	–	–	14	14
Allotment of shares	7	281	–	–	–	–	–	288
Purchase of own shares held in trust	–	–	(74)	–	–	–	–	(74)
Transfer	–	–	74	(298)	–	(34)	258	–
At 31 August 2024 (audited)	2,361	10,945	–	324	1,635	156	79,513	94,934

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6 months ended 28 February 2025

	Notes	6 months ended 28 February 2025 (unaudited) £'000	6 months ended 29 February 2024 (unaudited) £'000	Year ended 31 August 2024 (audited) £'000
<b>Cash flows from operating activities</b>				
Cash generated from continuing operations	17	4,290	3,689	2,657
Interest received		279	444	734
Interest paid		(316)	(400)	(681)
Tax received		366	1,691	1,539
<b>Net cash generated from operating activities in continuing operations</b>		<b>4,619</b>	<b>5,424</b>	<b>4,249</b>
Net cash generated from operating activities in discontinued operations		3,084	108	3,194
<b>Net cash generated from operating activities</b>		<b>7,703</b>	<b>5,532</b>	<b>7,443</b>
<b>Cash flows from investing activities</b>				
Sale of disposal group – deferred consideration		–	4,000	4,000
Dividends received from joint ventures		–	–	916
Purchase of intangible assets		(3)	(1)	(9)
Proceeds from sale of property, plant and equipment		637	3	17
Purchase of property, plant and equipment		(193)	(384)	(1,188)
Proceeds from sale of investment property		3,876	–	182
<b>Net cash generated from investing activities in continuing operations</b>		<b>4,317</b>	<b>3,618</b>	<b>3,918</b>
Net cash used in investing activities in discontinued operations		(507)	(950)	(3,526)
<b>Net cash generated from investing activities</b>		<b>3,810</b>	<b>2,668</b>	<b>392</b>
<b>Cash flows from financing activities</b>				
Proceeds from issue of ordinary share capital		4	203	288
Purchase of own shares held in trust		–	(74)	(74)
New financing and drawdowns on RCF		–	(75)	–
Repayment of RCF drawdowns		–	–	(1,816)
Lease principal repayments		(143)	(197)	(322)
Repayment of borrowings		–	(863)	(863)
Dividends paid to shareholders		–	(3,788)	(6,006)
<b>Net cash used in financing activities in continuing operations</b>		<b>(139)</b>	<b>(4,794)</b>	<b>(8,793)</b>
Net cash used in financing activities in discontinued operations		(867)	(751)	(1,677)
<b>Net cash used in financing activities</b>		<b>(1,006)</b>	<b>(5,545)</b>	<b>(10,470)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>10,507</b>	<b>2,655</b>	<b>(2,635)</b>
Cash and cash equivalents at beginning of the period		7,930	10,769	10,769
Exchange differences on cash and cash equivalents		146	(36)	(204)
Cash and cash equivalents at end of the period		18,583	13,388	7,930
<b>Cash and cash equivalents consist of:</b>				
Cash and cash equivalents per the balance sheet		20,242	21,581	13,714
Cash and cash equivalents of disposal groups classified as assets held for sale (note 9)		7,187	–	4,802
Bank overdrafts included in borrowings		(1,606)	(8,193)	(2,670)
Bank overdrafts of disposal groups classified as liabilities held for sale		(7,240)	–	(7,916)
		18,583	13,388	7,930

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that these condensed consolidated interim financial statements have been prepared in accordance with UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months of the year and their impact on the condensed set of interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months of the year and any material changes in the related party transactions described in the last Annual Report.

The Directors are listed in the FY24 Annual Report and Accounts with the exception of the following changes in the period: Shelagh Hancock stepped down from the Board on 31 December 2024, and former Executive Director of Transformation Martin Rowland was re-appointed Non-Executive Director on 13 November 2024. A list of current Directors is maintained on the website: [www.carrsgroup.com](http://www.carrsgroup.com)

On behalf of the Board



**Tim Jones**  
Chair  
7 May 2025



**David White**  
Chief Executive Officer  
7 May 2025

# UNAUDITED NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION

## 1. General information

The Group operates two divisions: Agriculture and Engineering. The Engineering Division was classified as a disposal group at year end 2024 and is disclosed as a discontinued operation throughout the condensed consolidated interim financial statements. The Company is a public limited company, which is listed on the London Stock Exchange and is incorporated and domiciled in the UK. The address of the registered office is Warwick Mill Business Centre, Warwick Bridge, Carlisle, Cumbria CA4 8RR.

These condensed interim financial statements were approved for issue on 7 May 2025.

The comparative figures for the financial year ended 31 August 2024 are not the Company's statutory accounts for that financial year. Those accounts 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.

## 2. Basis of preparation

These condensed interim financial statements for the six months ended 28 February 2025 have been prepared in accordance with UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The annual financial statements of the Group for the year ending 31 August 2025 will be prepared in accordance with UK-adopted International Accounting Standards and the requirements of the Companies Act 2006. As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, this condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the year ended 31 August 2024 which were prepared in accordance with UK-adopted International Accounting Standards and the requirements of the Companies Act 2006 applicable to companies reporting under those standards.

The Group is expected to have a sufficient level of financial resources to operate for a period of at least 12 months from the signing date of these condensed consolidated interim financial statements. These financial resources are available through a combination of operating cash flows, cash generated from the sale of the Engineering Division and bank facilities. The Group's banking facilities remain in place until December 2026 but have been reduced following completion of the sale of the Engineering Division.

Detailed cash forecasts continue to be updated regularly for a period of at least 12 months from the reporting period end. These forecasts are sensitised for various worst case scenarios including reduction in customer demand and reliance on key customers; and supply chain constraints and delays impacting operations. The results of this stress testing showed that, due to the stability of the core Agriculture business, the Group would be able to withstand the impact of these severe but plausible downside scenarios occurring over the period of the forecasts.

In addition, several other mitigating measures remain available and within the control of the Directors that were not included in the scenarios. These include withholding discretionary capital expenditure and reducing or cancelling future dividend payments.

Consequently, the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the signing date of these condensed consolidated interim financial statements. The Group therefore continues to adopt the going concern basis in preparing its condensed consolidated interim financial statements.

## UNAUDITED NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION continued

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### 3. Accounting policies and prior period restatements

The accounting policies adopted are consistent with those of the previous financial year except for:

#### Taxation

Income taxes are accrued based on management's estimate of the weighted average annual income tax rate expected for the full financial year based on enacted or substantively enacted tax rates as at 28 February 2025. Our effective tax rate in respect of continuing operations as a percentage of adjusted tax to adjusted profit before tax excluding results from joint ventures was 24.2% (H1 2024: restated 22.0%). Joint ventures are excluded as they are reported net of tax.

#### Prior period restatements

The results and financial position of the Group for the period ended 29 February 2024 have been restated to reflect the impact of the prior period restatements recognised in the Annual Report and Accounts for the year ended 31 August 2024. Further details of these restatements can be found in note 19.

### 4. Significant judgements and estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 August 2024, with the exception of changes in estimates that are required in determining the provision for income taxes as explained in note 3.

### 5. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and price risk), credit risk and liquidity risk.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 August 2024.

## 6. Operating segment information

The Group's chief operating decision-maker ('CODM') has been identified as the Executive Directors. Management has determined the operating segments based on internal financial information reviewed by the CODM for the purposes of allocating resources and assessing performance.

The CODM considers the business from a product/services perspective. Reportable operating segments of continuing operations have been identified as Agriculture. The previously reported operating segment of Engineering was classified as a disposal group at year end 2024 and is disclosed as a discontinued operation in the segmental reporting tables below. Disclosures for the period ended 29 February 2024 have been restated to aid comparability. Central comprises the central business activities of the Group's head office, which earns no external revenues. Disclosures for the period ended 29 February 2024 have also been restated to reflect the impact of the prior period restatements recognised in the Annual Report and Accounts for the year ended 31 August 2024. Further details can be found in note 19.

Performance is assessed using adjusted operating profit. For internal purposes the CODM assesses operating profit before material adjusting items (note 8) consistent with the presentation in the financial statements. The CODM believes this measure provides a better reflection of the Group's underlying performance. Sales between segments are carried out at arm's length.

The following tables present revenue, profit, asset and liability information regarding the Group's operating segments for the six months ended 28 February 2025 and the comparative periods.

	Agriculture £'000	Central £'000	Continuing Group £'000	Discontinued operations £'000	Total Group £'000
<b>6 months ended 28 February 2025</b>					
Revenue from external customers <sup>3</sup>	50,581	–	50,581	29,681	80,262
Adjusted <sup>1</sup> EBITDA <sup>2</sup>	6,170	(1,091)	5,079	2,678	7,757
Depreciation, amortisation and profit/(loss) on disposal of non-current assets	(571)	(38)	(609)	1	(608)
Share of post-tax results of joint ventures	1,434	–	1,434	–	1,434
Adjusted <sup>1</sup> operating profit/(loss)	7,033	(1,129)	5,904	2,679	8,583
Adjusting items (note 8)	(325)	2,083	1,758	(738)	1,020
Operating profit	6,708	954	7,662	1,941	9,603
Finance income			319	63	382
Finance costs			(316)	(459)	(775)
Adjusted <sup>1</sup> profit before taxation			5,907	1,865	7,772
Adjusting items (note 8)			1,758	(320)	1,438
Profit before taxation			7,665	1,545	9,210
Taxation			(1,554)	(601)	(2,155)
Profit for the period			6,111	944	7,055
Segment gross assets	56,943	11,005	67,948	83,486	151,434
Segment gross liabilities	(12,454)	(5,451)	(17,905)	(31,174)	(49,079)

1 Adjusted results are consistent with how business performance is measured internally and is presented to aid comparability of performance. Adjusting items are disclosed in note 8.

2 Earnings before interest, tax, depreciation, amortisation, profit/(loss) on the disposal of non-current assets and before share of post-tax results of joint ventures.

3 There were no inter segment revenues in the period ended 28 February 2025.

## UNAUDITED NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION continued

### 6. Operating segment information continued

The segmental information for the six months ended 29 February 2024 has been restated to present continuing operations and discontinued operations separately. This is to aid comparability with the segmental information presented for the current period and for the year ended 31 August 2024. Disclosures in respect of the period ended 29 February 2024 have also been restated in respect of the prior year adjustments identified in the FY24 Annual Report and Accounts. Further details of the prior period restatements can be found in note 19.

	Agriculture £'000	Central £'000	Continuing Group £'000	Discontinued operations £'000	Total Group £'000
<b>6 months ended 29 February 2024 (restated)</b>					
Revenue from external customers <sup>3</sup>	47,252	-	47,252	34,763	82,015
Adjusted <sup>1</sup> EBITDA <sup>2</sup>	4,665	(1,526)	3,139	3,361	6,500
Depreciation, amortisation and profit/(loss) on disposal of non-current assets	(763)	(113)	(876)	(1,235)	(2,111)
Share of post-tax results of joint ventures	1,369	-	1,369	-	1,369
Adjusted <sup>1</sup> operating profit/(loss)	5,271	(1,639)	3,632	2,126	5,758
Adjusting items (note 8)	(988)	(1,002)	(1,990)	(228)	(2,218)
Operating profit/(loss)	4,283	(2,641)	1,642	1,898	3,540
Finance income			585	45	630
Finance costs			(400)	(345)	(745)
Adjusted <sup>1</sup> profit before taxation			3,817	1,826	5,643
Adjusting items (note 8)			(1,990)	(228)	(2,218)
Profit before taxation			1,827	1,598	3,425
Taxation			(64)	(542)	(606)
Profit for the period			1,763	1,056	2,819
Segment gross assets	58,930	22,368	81,298	77,230	158,528
Segment gross liabilities	(15,665)	(7,842)	(23,507)	(27,335)	(50,842)
<b>Year ended 31 August 2024</b>					
Total segment revenue	75,701	-	75,701	72,320	148,021
Inter-segment revenue	-	-	-	(2)	(2)
Revenue from external customers	75,701	-	75,701	72,318	148,019
Adjusted <sup>1</sup> EBITDA <sup>2</sup>	5,320	(2,868)	2,452	9,298	11,750
Depreciation, amortisation and profit/(loss) on disposal of non-current assets	(1,503)	(155)	(1,658)	(2,599)	(4,257)
Share of post-tax results of joint ventures	1,374	-	1,374	-	1,374
Adjusted <sup>1</sup> operating profit/(loss)	5,191	(3,023)	2,168	6,699	8,867
Adjusting items (note 8)	(4,488)	(4,475)	(8,963)	(5,663)	(14,626)
Operating profit/(loss)	703	(7,498)	(6,795)	1,036	(5,759)
Finance income			1,013	102	1,115
Finance costs			(681)	(765)	(1,446)
Adjusted <sup>1</sup> profit before taxation			2,500	6,036	8,536
Adjusting items (note 8)			(8,963)	(5,663)	(14,626)
(Loss)/profit before taxation			(6,463)	373	(6,090)
Taxation			1,974	(1,604)	370
Loss for the period			(4,489)	(1,231)	(5,720)
Segment gross assets	48,210	13,933	62,143	81,661	143,804
Segment gross liabilities	(11,460)	(5,662)	(17,122)	(31,748)	(48,870)

1 Adjusted results are consistent with how business performance is measured internally and is presented to aid comparability of performance. Adjusting items are disclosed in note 8.

2 Earnings before interest, tax, depreciation, amortisation, profit/(loss) on the disposal of non-current assets and before share of post-tax results of joint ventures.

3 There were no inter segment revenues in the period ended 29 February 2024.



## 7. Disaggregation of revenue

The following table presents the continuing Group's reported revenue disaggregated based on the timing of revenue recognition.

	6 months ended 28 February 2025 £'000	6 months ended 29 February 2024 (restated) £'000	Year ended 31 August 2024 £'000
Timing of revenue recognition – continuing operations			
At a point in time	50,581	47,252	75,701
	<b>50,581</b>	<b>47,252</b>	<b>75,701</b>
Timing of revenue recognition – discontinued operations			
Over time	13,063	19,046	39,249
At a point in time	16,618	15,717	33,069
	<b>29,681</b>	<b>34,763</b>	<b>72,318</b>

## 8. Adjusting items

	6 months ended 28 February 2025 £'000	6 months ended 29 February 2024 (restated) £'000	Year ended 31 August 2024 £'000
<b>Continuing operations</b>			
Amortisation of acquired intangible assets (i)	–	44	89
Restructuring/closure costs (ii)	903	1,654	2,132
Loss on fair value measurement less costs to sell (iii)	–	–	720
Cloud configuration and customisation costs (iv)	72	292	813
Costs related to pension scheme buy-in (v)	181	–	284
Pension past service costs (vi)	–	–	2,900
Profit on disposal of investment property and property, plant and equipment (vii)	(2,914)	–	(154)
Other intangible assets impairment (viii)	–	–	210
Property, plant and equipment and right-of-use assets impairment (ix)	–	–	1,969
(Credit)/charge included in profit before taxation	(1,758)	1,990	8,963
Taxation effect of the above adjusting items	471	(474)	(2,013)
(Credit)/charge included in profit for the period from continuing operations	(1,287)	1,516	6,950
<b>Discontinued operations</b>			
Amortisation of acquired intangible assets (i)	–	228	446
Closure costs (ii)	418	–	–
Loss on fair value measurement less costs to sell and impairment of disposal group assets (iii)	351	–	5,217
Profit on disposal of property, plant and equipment (vii)	(31)	–	–
Charge included in profit before taxation	738	228	5,663
Taxation effect of the above adjusting items	(46)	(55)	(211)
Charge included in discontinued operations	692	173	5,452

(i) Amortisation of acquired intangible assets which do not relate to the underlying profitability of the Group but rather relate to costs arising on acquisition of businesses.

(ii) Restructuring/closure costs in respect of continuing operations include costs incurred in relation to the restructure of the Agriculture Division and Group functions. In respect of discontinued operations this includes costs associated with the closure of Afgritech LLC.

(iii) In the current period discontinued operations includes £351,000 in respect of costs incurred by the parent Company related to the disposal of the Engineering businesses. These have been included as costs to sell.

In respect of continuing operations at year ended 31 August 2024, the carrying value of assets classified as held for sale exceeded the fair value less costs to sell. As a result, the carrying values were reduced to the fair value less costs to sell resulting in a loss of £720,000 being recognised.

At the year ended 31 August 2024 the carrying value of the assets and liabilities included in disposal groups classified as held for sale exceeded the fair value less costs to sell. As a result, the net assets of these disposal groups were reduced to the fair value less costs to sell. In addition, an impairment was recognised against the assets of the Chirton Engineering business. This resulted in a combined loss of £5,217,000.

(iv) Costs relating to material spend in relation to the implementation of the Group's ERP system that have now been expensed following the adoption of the IFRIC agenda decision.

## UNAUDITED NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION continued

### 8. Adjusting items continued

- (v) Costs incurred related to the process of the Trustees of the Carr's Group pension scheme seeking an insurer from whom to purchase an insured bulk annuity ("buy-in"). Costs incurred related to this process have been included as an adjusting item.
- (vi) Pension past service costs related to a Barber Window equalisation adjustment.
- (vii) During the period the Group sold several properties that had been classified as held for sale at year ended 31 August 2024. As the disposal of these properties does not relate to the underlying profitability of the Group the profit on disposal has been included as an adjusting item in the period.  
During the year ended 31 August 2024 the Group disposed of a property it leased to a third party. As this did not relate to the underlying profitability of the Group it was included as an adjusting item.
- (viii) Impairment of other intangible assets in the year ended 31 August 2024 was in respect of the Animax Ltd cash-generating unit.
- (ix) Impairment of property, plant and equipment and right-of-use assets in the year ended 31 August 2024 was in respect of the Animax Ltd cash-generating unit.

### 9. Discontinued operations and non-current assets held for sale

The FY24 Annual Report and Accounts classified the Engineering Division of the Group and Afgritech LLC as discontinued operations that were held for sale as at 31 August 2024.

On 1 November 2024 the Group sold the trade and certain assets classified as held for sale of Afgritech LLC. Results from this business are classified as discontinued in this Interim Report.

On 16 January 2025 the Group announced that it had agreed to dispose of its interests in the Engineering Division, excluding the Chirton Engineering business, to Cadre Holdings, Inc. for cash consideration on a cash free, debt free basis, representing an enterprise value of £75m. At 28 February 2025 the sale had not reached completion and therefore the assets and liabilities of the Division remained classified as held for sale. In addition, the Chirton Engineering business, which is subject to a separate sale process, also remained classified as held for sale at 28 February 2025. The results of these businesses are classified as discontinued operations.

On 22 April 2025 the Group completed on the sale of the Engineering businesses, excluding the Chirton Engineering business, to Cadre Holdings, Inc. for cash consideration on completion of £68.6m with a further £1.5m due on settlement of related RDEC tax claims.

At 31 August 2024 the Group classified certain of the Group's properties as held for sale. The majority of these properties were sold during the current period. Those properties yet to be sold have been classified as held for sale at 28 February 2025.

The table below show the results of the discontinued operations.

	6 months ended 28 February 2025 £'000	6 months ended 29 February 2024 (restated) £'000	Year ended 31 August 2024 £'000
Revenue	29,681	34,763	72,318
Expenses	(27,785)	(33,165)	(66,893)
Profit before taxation of discontinued operations	1,896	1,598	5,425
Taxation	(647)	(542)	(1,668)
<b>Profit after taxation of discontinued operations</b>	<b>1,249</b>	1,056	3,757
Pre-taxation loss recognised on the measurement to fair value less costs to sell	(351)	-	(5,052)
Taxation	46	-	64
After taxation loss recognised on the measurement to fair value less costs to sell	(305)	-	(4,988)
<b>Profit/(loss) for the period from discontinued operations</b>	<b>944</b>	1,056	(1,231)

### 9. Discontinued operations and non-current assets held for sale continued

The net assets relating to the disposal group that were classified as held for sale at 28 February 2025 and at 31 August 2024 in the Group balance sheet are shown below.

	At 28 February 2025 £'000	At 31 August 2024 £'000
<b>Assets</b>		
Goodwill	16,999	16,682
Other intangible assets	2,770	2,726
Property, plant and equipment	18,751	19,209
Right-of-use assets	9,538	8,835
Investment property	275	2,229
Non-current contract assets	271	–
Non-current receivables	21	20
Deferred tax asset	373	357
Inventories	10,582	11,203
Contract assets	10,333	9,220
Trade and other receivables	10,119	12,906
Current tax assets	2,120	2,194
Cash and cash equivalents	7,187	4,802
Impairment under value in use methodology	(3,159)	(3,159)
Loss on fair value measurement less costs to sell	(712)	(1,561)
<b>Total assets</b>	<b>85,468</b>	<b>85,663</b>
<b>Liabilities</b>		
Borrowings	(7,442)	(8,326)
Leases	(8,242)	(8,105)
Contract liabilities	(4,532)	(4,999)
Trade and other payables	(7,144)	(6,974)
Current tax liabilities	(517)	(381)
Deferred tax liabilities	(3,297)	(2,961)
Other non-current liabilities	–	(2)
<b>Total liabilities</b>	<b>(31,174)</b>	<b>(31,748)</b>
<b>Net assets</b>	<b>54,294</b>	<b>53,915</b>

## UNAUDITED NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION continued

### 10. Earnings per share

Adjusting items disclosed in note 8 that are charged or credited to profit do not relate to the underlying profitability of the Group. The Board believes adjusted profit before these items provides a useful measure of business performance. Therefore, an adjusted earnings per share is presented as follows:

	6 months ended 28 February 2025 £'000	6 months ended 29 February 2024 (restated) £'000	Year ended 31 August 2024 £'000
<b>Continuing operations</b>			
Earnings/(loss)	<b>6,111</b>	1,763	(4,489)
Adjusting items:			
Amortisation of acquired intangible assets	–	44	89
Restructuring/closure costs	<b>903</b>	1,654	2,132
Loss on fair value measurement less costs to sell	–	–	720
Cloud configuration and customisation costs	<b>72</b>	292	813
Costs related to pension scheme buy-in	<b>181</b>	–	284
Pension past service costs	–	–	2,900
Profit on disposal of investment property and property, plant and equipment	<b>(2,914)</b>	–	(154)
Other intangible assets impairment	–	–	210
Property, plant and equipment and right-of-use assets impairment	–	–	1,969
Taxation effect of the above	<b>471</b>	(474)	(2,013)
Earnings – adjusted	<b>4,824</b>	3,279	2,461
<b>Discontinued operations</b>			
Earnings/(loss)	<b>944</b>	1,056	(1,231)
Adjusting items:			
Amortisation of acquired intangible assets	–	228	446
Closure costs	<b>418</b>	–	–
Loss on fair value measurement less costs to sell and impairment of disposal group assets	<b>351</b>	–	5,217
Profit on disposal of property, plant and equipment	<b>(31)</b>	–	–
Taxation effect of the above	<b>(46)</b>	(55)	(211)
Earnings – adjusted	<b>1,636</b>	1,229	4,221
Continuing operations	<b>6,111</b>	1,763	(4,489)
Discontinued operations	<b>944</b>	1,056	(1,231)
Total earnings/(loss) (basic)	<b>7,055</b>	2,819	(5,720)
Continuing operations	<b>4,824</b>	3,279	2,461
Discontinued operations	<b>1,636</b>	1,229	4,221
Total earnings (adjusted)	<b>6,460</b>	4,508	6,682

## 10. Earnings per share continued

	6 months ended 28 February 2025 Number	6 months ended 29 February 2024 Number	Year ended 31 August 2024 Number
Weighted average number of ordinary shares in issue	94,436,826	94,164,086	94,284,735
Potentially dilutive share options	865,710	926,448	–
	<b>95,302,536</b>	95,090,534	94,284,735
<b>Earnings/(loss) per share (pence) (restated)</b>			
Continuing operations			
Basic	6.5p	1.9p	(4.8)p
Diluted	6.4p	1.9p	(4.8)p
Adjusted	5.1p	3.5p	2.6p
Diluted adjusted	5.1p	3.4p	2.6p
Discontinued operations			
Basic	1.0p	1.1p	(1.3)p
Diluted	1.0p	1.1p	(1.3)p
Adjusted	1.7p	1.3p	4.5p
Diluted adjusted	1.7p	1.3p	4.5p
Total Group			
Basic	7.5p	3.0p	(6.1)p
Diluted	7.4p	3.0p	(6.1)p
Adjusted	6.8p	4.8p	7.1p
Diluted adjusted	6.8p	4.7p	7.1p

## 11. Dividends

There have been no interim dividends (H1 2024: £1,105,740) paid in the period. A final dividend of £2,691,482 (H1 2024: £2,682,733) in respect of the period to 31 August 2024 was paid on 10 March 2025.

## 12. Intangible assets, property, plant and equipment, right-of-use assets and investment property

	Goodwill £'000	Other intangible assets £'000	Property, plant and equipment £'000	Right-of-use assets £'000	Investment property £'000
<b>6 months ended 28 February 2025</b>					
Opening net book amount at 1 September 2024	2,068	32	9,900	656	316
Exchange differences	–	2	258	–	–
Additions and lease modifications	–	3	196	69	–
Disposals	–	–	(64)	(40)	–
Depreciation and amortisation	–	(3)	(454)	(129)	(1)
Transferred to assets held for sale	–	–	–	–	(275)
<b>Closing net book amount at 28 February 2025</b>	<b>2,068</b>	<b>34</b>	<b>9,836</b>	<b>556</b>	<b>40</b>
<b>6 months ended 29 February 2024</b>					
Opening net book amount at 3 September 2023	19,161	3,318	29,950	7,323	2,640
Exchange differences	31	3	49	3	–
Additions and lease modifications	–	5	1,324	490	–
Disposals	–	–	(2)	(70)	–
Depreciation and amortisation	–	(298)	(1,419)	(634)	(40)
Closing net book amount at 29 February 2024	19,192	3,028	29,902	7,112	2,600

Capital commitments contracted, but not provided for, by the continuing Group at the period end amount to £nil (H1 2024 restated: £nil).

## UNAUDITED NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION continued

### 13. Borrowings

	As at 28 February 2025 £'000	As at 29 February 2024 £'000	As at 31 August 2024 £'000
Current	1,606	8,718	2,764
Non-current	2,931	4,894	2,913
<b>Total borrowings</b>	<b>4,537</b>	13,612	5,677
Cash and cash equivalents as per the balance sheet	<b>(20,242)</b>	(21,581)	(13,714)
<b>Net cash</b>	<b>(15,705)</b>	(7,969)	(8,037)
Undrawn facilities	<b>25,690</b>	27,583	25,638

The table above includes undrawn facilities of £3.6m in respect of discontinued operations at 29 February 2024. Current borrowings include bank overdrafts of £1.6m (H1 2024: £8.2m (continuing operations £1.8m; discontinued operations £6.4m); YE 2024: £2.7m). Undrawn facilities include £3.7m (H1 2024: £7.3m (continuing operations £3.7m; discontinued operations £3.6m); YE 2024: £3.6m) in respect of facilities that are renewable on an annual basis.

	6 months ended 28 February 2025 £'000	6 months ended 29 February 2024 £'000
<b>Movements in borrowings are analysed as follows:</b>		
Balance at start of period	5,677	18,920
Exchange differences	2	37
New bank loans and drawdowns on RCF	-	(75)
Repayments of borrowings	(98)	(1,127)
Release of deferred borrowing costs	19	19
Net decrease to bank overdraft	<b>(1,063)</b>	(4,162)
Balance at end of period	<b>4,537</b>	13,612

### 14. Financial instruments

IFRS 13 requires financial instruments that are measured at fair value to be classified according to the valuation technique used:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs, other than Level 1 inputs, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3 – unobservable inputs

Transfers between levels are deemed to have occurred at the end of the reporting period. There were no transfers between levels in the above hierarchy in the period.

The Group had no derivative financial instruments at any of the balance sheet dates presented in this Interim Report.

## 15. Retirement benefit asset

The amounts recognised in the Income Statement are as follows:

	6 months ended 28 February 2025 £'000	6 months ended 29 February 2024 £'000	Year ended 31 August 2024 £'000
Administrative expenses	243	171	477
Past service costs	–	–	2,900
Net interest on the net defined benefit asset	(40)	(141)	(280)
<b>Total expense</b>	<b>203</b>	<b>30</b>	<b>3,097</b>

Net interest on the defined benefit retirement asset is recognised within interest income.

The amounts recognised in the Balance Sheet are as follows:

	As at 28 February 2025 £'000	As at 29 February 2024 £'000	As at 31 August 2024 £'000
Present value of funded defined benefit obligations	(42,298)	(42,928)	(46,421)
Fair value of scheme assets	43,097	48,812	48,228
<b>Surplus in funded scheme</b>	<b>799</b>	<b>5,884</b>	<b>1,807</b>

Actuarial losses of £805,000 (H1 2024: gains of £598,000) have been reported in the Statement of Comprehensive Income.

Based on a review of the Scheme's Trust Deed the Directors believe that there is a right to recognise, and that there is no restriction on the recognition of, the pension surplus. The balance sheets presented in this Interim Report recognise the full surplus.

## 16. Share capital

Allotted and fully paid ordinary shares of 2.5p each	Number of shares	Share capital £'000	Share premium £'000	Total £'000
Opening balance as at 1 September 2024	94,433,080	2,361	10,945	13,306
Proceeds from shares issued:				
– Share save scheme	4,890	–	5	5
<b>At 28 February 2025</b>	<b>94,437,970</b>	<b>2,361</b>	<b>10,950</b>	<b>13,311</b>
Opening balance as at 3 September 2023	94,150,362	2,354	10,664	13,018
Proceeds from shares issued:				
– Share save scheme	199,432	5	198	203
At 29 February 2024	94,349,794	2,359	10,862	13,221

4,890 shares were issued in the period to satisfy the share awards under the share save scheme with exercise proceeds of £4,498. The related weighted average price of the shares exercised in the period was £0.92 per share.

Since the period end the Company's issued share capital has increased to 94,446,555 shares due to the issue of 8,585 shares under the share save scheme with exercise proceeds of £9,218 and a related weighted average exercise price of £1.07 per share.

## UNAUDITED NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION continued

### 17. Cash generated from continuing operations

	6 months ended 28 February 2025 £'000	6 months ended 29 February 2024 (restated) £'000	Year ended 31 August 2024 £'000
<b>Profit/(loss) for the period from continuing operations</b>	<b>6,111</b>	1,763	(4,489)
Adjustments for:			
Tax	<b>1,554</b>	64	(1,974)
Tax credit in respect of R&D	<b>(54)</b>	(54)	(116)
Depreciation of property, plant and equipment	<b>454</b>	653	1,264
Depreciation of right-of-use assets	<b>129</b>	189	327
Depreciation of investment property	<b>1</b>	40	67
Intangible asset amortisation	<b>3</b>	46	93
Other intangible assets impairment and amounts written off	–	–	229
Property, plant and equipment impairment	–	–	1,906
Right-of-use assets impairment	–	–	63
Loss on fair value measurement less costs to sell	–	–	720
(Profit)/loss on disposal of property, plant and equipment	<b>(390)</b>	(1)	9
Loss/(profit) on disposal of right-of-use assets	<b>9</b>	(7)	(13)
Profit on disposal of investment property	<b>(2,511)</b>	–	(154)
Net fair value charge on share-based payments	<b>43</b>	68	164
Other non-cash adjustments	<b>(55)</b>	(180)	(347)
Interest income	<b>(319)</b>	(585)	(1,013)
Interest expense and borrowing costs	<b>335</b>	419	712
Share of post-tax results of joint ventures	<b>(1,434)</b>	(1,369)	(1,374)
IAS 19 income statement charge (excluding interest):			
Past service cost	–	–	2,900
Administrative expenses	<b>243</b>	171	477
Changes in working capital:			
Decrease in inventories	<b>4,186</b>	4,622	2,982
(Increase)/decrease in receivables	<b>(5,218)</b>	(5,213)	84
Increase in payables	<b>1,203</b>	3,063	140
<b>Cash generated from continuing operations</b>	<b>4,290</b>	3,689	2,657

### 18. Related party transactions

The Group's significant related parties are its joint ventures, as disclosed in the FY24 Annual Report and Accounts.

	Sales to £'000	Purchases from £'000	Net management charges to £'000	Amounts owed from £'000	Amounts owed to £'000
<b>6 months to 28 February 2025</b>					
Joint ventures	<b>387</b>	<b>(266)</b>	<b>41</b>	<b>103</b>	<b>(42)</b>
<b>6 months to 29 February 2024</b>					
Joint ventures	374	(318)	97	122	(40)



## 19. Prior period restatements

The results and financial position of the Group for the period ended 29 February 2024 have been restated to reflect the impact of the prior period restatements recognised in the Annual Report and Accounts for the year ended 31 August 2024.

Subsequent to the publication of the 2024 interim statement, two areas of accounting were reviewed and revised in the year ended 2024 with the impact being a reclassification between revenue and cost of sales and an increase to assets and liabilities. There was no impact to profit or net assets.

The first was a reassessment of certain costs incurred in the UK Agriculture business, by reference to the agent/principal guidance within IFRS 15. This resulted in a gross up of revenue and cost of sales on the face of the income statement for costs previously recognised net within costs of sales, with no impact on profitability.

The second reassessment related to items of re-usable packaging in which finished goods were sold in the US Agriculture business. Previously these were accounted for as stock consumables with no material impact on the income statement. The accounting for these items was reconsidered under the requirements of IFRS 15. The resulting adjustment grossed up revenue and cost of sales on the income statement, with no profitability impact. The balance sheet was also grossed up to show an asset and corresponding liability to reflect a sale with a right to return under IFRS 15.

The results and financial position of the Group's continuing operations for the period ended 29 February 2024 have been restated to reflect these.

The affected financial statement line items are as follows.

	29 February 2024 (previously reported – Group) £'000	29 February 2024 (previously reported – continuing operations only) £'000	Restatement in respect of previously netted amounts £'000	Restatement in respect of packaging £'000	29 February 2024 (restated – continuing operations only) £'000
<b>Income Statement</b>					
Revenue	81,372	46,608	384	260	47,252
Cost of sales	(63,574)	(37,964)	(384)	(260)	(38,608)

	29 February 2024 (previously reported) £'000	Restatement in respect of packaging £'000	29 February 2024 (restated) £'000
<b>Balance Sheet</b>			
Trade and other receivables	24,186	2,108	26,294
Current assets	81,153	2,108	83,261
Total assets	156,420	2,108	158,528
Trade and other payables	(18,883)	(2,108)	(20,991)
Current liabilities	(33,896)	(2,108)	(36,004)
Total liabilities	(48,734)	(2,108)	(50,842)

The opening balance sheet of the prior period ended 29 February 2024 has been restated and the affected financial statement line items are as follows.

	2 September 2023 (previously reported) <sup>1</sup> £'000	Restatement in respect of packaging £'000	2 September 2023 (restated) £'000
<b>Balance Sheet</b>			
Trade and other receivables	24,592	2,302	26,894
Current assets	86,138	2,302	88,440
Total assets	160,021	2,302	162,323
Trade and other payables	(16,556)	(2,302)	(18,858)
Current liabilities	(36,863)	(2,302)	(39,165)
Total liabilities	(52,146)	(2,302)	(54,448)

<sup>1</sup> Previously reported values in the Interim Report for the half year ended 29 February 2024.

## UNAUDITED NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION continued

### 20. Post balance sheet events

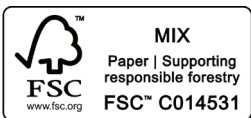
Since the period end the Group completed on the sale of the Engineering businesses, excluding the Chirton Engineering business, to Cadre Holdings, Inc. for cash consideration of £68.6m with a further £1.5m due on settlement of related RDEC tax claims.

The Group has also disposed of a property in the US that was included in assets held for sale at 28 February 2025 for gross proceeds of \$2.2m.

### 21. Alternative performance measures

The Interim Report includes alternative performance measures ('APMs'), which are not defined or specified under the requirements of IFRS. These APMs are consistent with how business performance is measured internally and are also used in assessing performance under the Group's incentive plans. Therefore, the Directors believe that these APMs provide stakeholders with additional useful information on the Group's performance.

Alternative performance measure	Definition and comments
<b>EBITDA</b>	Earnings before interest, tax, depreciation, amortisation, profit/(loss) on the disposal of non-current assets and before share of post-tax results of the joint ventures. EBITDA allows the user to assess the profitability of the Group's core operations before the impact of capital structure, debt financing and non-cash items such as depreciation and amortisation.
<b>Adjusted EBITDA</b>	Earnings before interest, tax, depreciation, amortisation, profit/(loss) on the disposal of non-current assets, before share of post-tax results of the joint ventures and excluding items regarded by the Directors as adjusting items. This measure is reconciled to statutory operating profit and statutory profit before taxation in note 6. EBITDA allows the user to assess the profitability of the Group's core operations before the impact of capital structure, debt financing and non-cash items such as depreciation and amortisation.
<b>Adjusted operating profit</b>	Operating profit after adding back items regarded by the Directors as adjusting items. This measure is reconciled to statutory operating profit in the income statement and note 6. Adjusted results are presented because if included, these adjusting items could distort the understanding of the Group's performance for the period and the comparability between the periods presented.
<b>Adjusted operating margin</b>	Adjusted operating profit as defined above as a percentage of revenue.
<b>Adjusted profit before taxation</b>	Profit before taxation after adding back items regarded by the Directors as adjusting items. This measure is reconciled to statutory profit before taxation in the income statement and note 6. Adjusted results are presented because if included, these adjusting items could distort the understanding of the Group's performance for the period and the comparability between the periods presented.
<b>Adjusted profit for the period</b>	Profit after taxation after adding back items regarded by the Directors as adjusting items. This measure is reconciled to statutory profit after taxation in the income statement. Adjusted results are presented because if included, these adjusting items could distort the understanding of the Group's performance for the period and the comparability between the periods presented.
<b>Adjusted earnings per share</b>	Profit attributable to the equity holders of the Company after adding back items regarded by the Directors as adjusting items after tax divided by the weighted average number of ordinary shares in issue during the period. This is reconciled to basic earnings per share in note 10.
<b>Adjusted diluted earnings per share</b>	Profit attributable to the equity holders of the Company after adding back items regarded by the Directors as adjusting items after tax divided by the weighted average number of ordinary shares in issue during the period adjusted for the effects of any potentially dilutive options. Diluted earnings per share is shown in note 10.
<b>Net (cash)/debt</b>	The net position of the Group's cash at bank and borrowings excluding leases. Details of the movement in borrowings is shown in note 13.



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