Slingsby

Established 1893

Annual Report & Audited Financial Statements

For the year ended 31st December 2025

www.slingsby.com

Directors and Advisors

Directors

A.J. Kitchingman
Chairman

M. L. Morris
Group Chief Executive

Company Secretary

M. L. Morris

Registered Office

Otley Road Baildon, Shipley

West Yorkshire BD17 7LW Tel : (01274) 535030

Registered Number

452716

Registrars

MUFG Corporate Markets

Central Square

29 Wellington Street Leeds

LS1 4DL

Independent Auditors

RSM UK Audit LLP

Central Square Fifth Floor

29 Wellington Street Leeds

LS1 4DL

Website & E-Mail

Website: www.slingsby.com

E-mail: sales@slingsby.com

Annual Report and Audited Financial Statements - 2025

Contents

H C Slingsby plc

Annual Report & Audited Financial Statements for the year ended 31 December 2025

Strategic Report

Business overview

The Group's principal activity comprises the merchanting and distribution of a highly diversified range of industrial and commercial equipment primarily consisting of incidental purchasing supplies. The range spanning approximately 45,000 products includes the following sectors: handling and lifting, wheels and castors, ladders and steps, storage and shelving, office, safety and security, workwear, cleaning and hygiene, mailroom and packaging, workshop and maintenance, waste and recycling, premises, lockers and cloakroom, signs and labels, and flooring and matting.

The sector is highly fragmented consisting of a small number of directly comparable distance selling organisations and an increasingly large number of specialist distributors. Our customer base is similarly diverse and consequently demand is reflective of the current market conditions and the confidence level of businesses.

Sales decreased by 8% in 2024 which the directors consider was due to customers reducing or deferring spending following cost increases caused by factors such as the increase in the minimum wage and uncertainty around the impact of future tax and regulatory changes as well as lower sales of seasonal products. Sales fell a further 4% in 2025 (despite the full year impact of the acquisition of the business and certain assets of A&B Industrial Services (North East) Limited on 1 October 2024). The directors continue to consider that this is due to lower business confidence and economic uncertainty.

In response to the decline in sales and uncertain outlook, the Group reduced its overhead costs in 2025 by £0.4m which led to an operating profit before exceptional items of £91,000 (2024: operating loss £123,000). In 2025, the Group incurred exceptional items in respect of the Formal Sale Process and in delisting from the London Stock Exchange in the sum of £89,000. In 2024, exceptional items totalled £378,000 due to the costs associated with the retirement of Dominic Slingsby and the bonus awarded to Morgan Morris. Due to the lower level of exceptional items, the Group loss before tax for the year ended 31 December 2025 was £318,000 (2024: loss of £769,000). The loss before tax in 2025, is after interest relating to the defined benefit pension scheme of £308,000 (2024: £271,000).

There remains significant uncertainty in the economy due to the risk of recession in the UK. Cost increases from the uplifts in the National Minimum Wage together with other regulatory changes could impact demand and lead to credit related issues should companies, including potentially the Group's customers, become insolvent. The impact of inflation in the Group's cost of products, employment, and overhead costs could also lead to a fall in demand as these cost increases will result in increased selling prices.

The Group had net assets at 31 December 2025 of £3.86m (2024: £3.92m) and net debt (after overdraft and invoice finance balances included in trade and other payables) of £0.38m (2024: £0.55m). The decline in net assets is mainly due to the loss incurred during the year offsetting an improvement in the pension deficit. In July 2025, ESE paid a dividend in the sum of £1.5m to Slingsby, £0.6m of which extinguished an inter-company balance and £0.9m was received by Slingsby in cash. This increased the net assets of the Company to £3.33m (2024: £2.00m) and reduced both the consolidated cash and cash equivalents and debt financing and overdraft balances as these balances are not offset.

Reconciliation of Adjusted Profit Measures to the Financial Statements

Throughout the financial statements, the Board have used different metrics to explain the performance of the business. A reconciliation has been provided below to the financial statements.

Operating profit/(loss) before exceptional items is calculated by:

£'000	**2025**	2024
Operating profit /(loss)	**2**	(501)
Costs in relation to the Formal Sale Process	**42**	-
Costs in relation to delisting from the London Stock Exchange	**47**	-
Payment for loss of office for Dominic Slingsby	**-**	199
Bonus payment to Morgan Morris	**-**	179
Operating profit/(loss) before exceptional items	**91**	(123)

Net debt is calculated by:

£'000	**2025**	2024
Cash and cash equivalents	**1,543**	2,366
Invoice finance facility	**(542)**	(755)
Overdraft balances	**(1,377)**	(2,164)
Net debt	**(376)**	(553)

Strategic Report (continued)

Key Performance Indicators and Business Performance

	2025	2024
Sales decline	**(3.6%)**	(8.3%)
Return on capital employed	**(8.2%)**	(19.6%)
Return on sales	**(1.6%)**	(3.7%)
Gross profit margin	**34.8%**	34.6%

Notes:

Return on capital employed is calculated as loss before taxation over the total equity at the year end. This has improved due to the lower loss before tax.

Return on sales is calculated as loss before taxation over revenue. This has improved due to the lower loss before tax.

Principal risks

The Directors recognise that there are a number of risks that may affect the performance of the business as described below. These risks and uncertainties are subjected to regular review and, where appropriate, processes are established to minimise the level of exposure.

People

The principal asset of the Group is the commitment and skill of its people. The retention of these people is therefore key to the success of the business. The Group has in place incentive schemes which are related to its results, and which allow all employees to participate in the success of the Group as a whole.

Economic and market cycles and volatility

The Group's operating performance is influenced by the economic conditions of the regions in which it operates, principally the UK. The continued uncertain economic environment could result in a general reduction in business activity, credit losses and a consequent loss of income for the Group. The risk of recession in the UK, inflationary pressures from increases in the minimum wage and business taxes, together with regulatory changes, creates considerable uncertainty.

The Group regularly reviews its trading performance and the short-term outlook such that the Board can take any mitigating actions deemed necessary to address the impact of market cycles and volatility.

Funding and liquidity risk

The main risk arising from the Group's financial instruments is liquidity risk and ensuring that the Group has sufficient bank facilities available to meet all short-term cash requirements for the foreseeable future. The Group purchases a significant amount of its products from overseas suppliers in foreign currencies and uses forward foreign currency contracts. The Group's borrowings are on rates of interest which move with the Bank of England base rate and so the cost of these facilities would increase should interest rates rise. The Board keeps these risks under regular review and prepares profit and loss account and cashflow forecasts as appropriate.

Regulatory

The Group has to comply with all relevant regulatory requirements and the risk is that the Group may not comply with the relevant requirements. The Group remains compliant with all relevant regulatory requirements and monitors changes in laws, regulations and standards relating to employment, safety, environment and quality, to enable us to adapt our policies and procedures accordingly. This ensures we continue to meet customer requirements, minimise business impact and control costs, whilst observing our legal and social responsibilities.

Approvals

The Group is committed to continuous improvement in both Quality and Environmental Management, we remain UKAS (UK Accreditation Service) accredited to the international standards ISO 9001:2015 and ISO 14001:2015 respectively. The risk is that the Group may fail to comply with the accredited standards. In order to mitigate the risk, management review their compliance with relevant accreditations.

Pensions

The Group has an obligation to fund its defined benefit pension scheme (the "Scheme") and this creates an exposure to interest rates, inflation, investment return and the longevity of the plan members. The risk is that the Group will not be able to fulfil its responsibilities to the Scheme. The Group eliminated these risks for future service by the closure of the Scheme to future accrual from 31 March 2009; however, the funding of the past service liabilities remains and has the potential to create significant movements in the Group's profits before tax, cash flow and balance sheet.

The Company paid deficit reduction contributions of £350,000 in 2025 and is scheduled to pay £400,000 in 2026 and £450,000 in 2027. Contributions will then rise each year thereafter by 3%. The next triennial review is at 1 January 2026 (the results of which are expected to be received during April 2026) and could result in a change to future contributions following agreement between the Company and the Trustee. The Group will also continue to contribute up to £160,000 each year towards the Scheme's running costs. In 2025, pension scheme costs were £124,000. The Scheme will also receive 50% of any net cashflow generated by the Group over £150,000 however, no amounts are payable in respect of the year ended 31 December 2025.

The Group is restricted as to the quantum of distributions to shareholders to an amount not greater than £60,000 plus 50% of its net cashflow over £150,000. The Group is obliged to consult with the Scheme's Trustee regarding certain other matters but is not obliged to change its approach as a result.

Strategic Report (continued)

Health and Safety and Environmental Sustainability

The Group is subject to relevant regulations on the above and there is a risk that the Group may not comply with the relevant requirements. We meet our statutory and regulatory environmental obligations, through membership of our local Eco-Network and appropriate compliance schemes. The Group's initiatives in optimising our carbon footprint not only benefit the environment but also reduce our costs.

In addition to statutory and regulatory compliance, the Group takes pride in its environmental initiatives which have been recognised through continued compliance with the ISO14001 Environmental Management Standard.

Future Developments

The Group continues to invest in its digital market presence and a new e-commerce platform for ESE went live in August 2025. Both Slingsby and ESE websites continue to be improved, and the Board believes that deploying e-commerce initiatives with our customers will produce efficiencies as well as growth opportunities.

The Group remains on the lookout for appropriate acquisitions.

The Group continues to build upon its strengths in omni channel selling. A new c1,000 page printed catalogue was mailed to customers during March 2026, and the Group has various initiatives underway to grow sales within its existing markets and certain geographies where it considers it could compete with incumbents. As part of this development, the Group has formed a corporate entity in the United Arab Emirates, but this project is on hold given the conflict in the region.

Our focus is not only on providing value, choice and quality but moreover to differentiate ourselves by providing excellent knowledge and service in an ever-changing regulatory environment. The main ways in which we do this are through our experienced personnel, our broad-based product offering where we ensure we offer a choice of options and price points and through our web-based knowledge centre. Next day delivery is offered on a substantial proportion of our lines to further augment our service levels.

We continue to generate synergies following the acquisition of ESE, and integration into Slingsby of Stakrak and ABIS from areas such as product sourcing, marketing and e-commerce.

The Directors believe that the Group's strong core brand values of quality, reliability, product range and service excellence remain as true today as they have done over the past 134 years of trading, and this is recognised by the number of repeat and long-standing customers. We believe that the focus on value, depth of product offer and service is what differentiates our business.

By order of the Board

M L Morris

M. L. Morris
Company Secretary
2 April 2026

Report of the Directors

The Directors are pleased to present their annual report and audited consolidated financial statements for the year ended 31 December 2025.

H C Slingsby plc is a public limited company (limited by shares). The company delisted from the AIM market of the London Stock Exchange on 23rd December 2025. It is incorporated and domiciled in the United Kingdom with its registered office at Otley Road Baildon, West Yorkshire BD17 7LW. The company is registered in England and Wales with a registered number of 452716.

Directors
The directors of the Company who were in office during the year and up to the date of signing the financial statements are as follows:

M. L. Morris

A. J. Kitchingman

Dividends
The Directors do not propose a dividend in respect of the 2025 financial year (2024: £nil).

Directors' Interests
The beneficial interests of the directors and their immediate families in the shares of the Company are:

	Number of ordinary shares of 25p each	
	31 December 2025	31 December 2024
A.J. Kitchingman	**1,000**	1,000
M.L. Morris	**157,989**	157,989

None of the directors had any beneficial interest in any contract of significance to which the company was a party, other than their employment contracts, subsisting during the year.

Going Concern
The directors have prepared trading and cash flow forecasts for the Group for the period to 31 December 2027, which include the pension scheme contributions as agreed. These forecasts indicate that the Group will be able to operate within its current banking facilities and meet its liabilities as they fall due. The Board's conclusion in this regard is strengthened by the availability of financing to the Group under its banking facilities.

The overdraft element of the Group's banking facilities is expected to be renewed at the level of £0.3m until April 2027. Whilst the Company's overdraft at 31 December 2025 was £1.4m, the Group has a mechanism whereby it can consolidate cash holdings to ensure that it stays within the agreed overdraft facility. On this basis, the Group had a positive cash balance of £0.2m at 31 December 2025 (2024: £0.2m). The Directors consider this to be adequate given the other financing options particularly the Group's £2m invoice discounting facility.

The financial statements have therefore been prepared on a going concern basis which assumes the Group will continue in operation for the foreseeable future, as a minimum for a period of at least 12 months from the date of approval of the financial statements.

However, there remains significant uncertainty in the economy due to the risk of recession in the UK. Cost increases from the uplifts in the National Minimum Wage together with other regulatory changes could impact demand and lead to credit related issues should companies become insolvent. The impact of inflation in the Group's cost of products, employment, and overhead costs could also lead to a fall in demand as these cost increases will result in increased selling prices. The impact could be from a significant fall in demand, from customer credit losses (bad debts) or from late customer payments. These would restrict the Group's ability to generate operating cashflow. The directors have plans in place to mitigate these impacts should the need arise.

The Directors have performed sensitivities on the forecast to reflect what they consider to be severe but plausible scenarios. These sensitivities showed that the Group could continue in operation for the foreseeable future, as a minimum for a period of at least 12 months from the date of approval of the financial statements.

Report of the Directors (continued)

Voluntary Disclosure - Substantial Interests

So far as the directors are aware these were the following substantial interests in the shares of the Company at 30 March 2026:

	Number of ordinary Shares of 25p each	Percentage Holding
M. Chadwick	298,880	27.1%
M. L. Morris	199,389	18.1%
C. J. Slingsby & R. G. Slingsby	69,955	6.4%
D. S Slingsby & F. Slingsby	67,236	6.1%
J. S. Slingsby Grandchildrens' Trust	64,000	5.8%
J. Crowther Jones & Mr. T. E. Jones	54,866	5.0%
J. H. Ridley	54,302	4.9%
H. Padfield	51,167	4.6%
P.S. Allen & J. Allen	37,690	3.4%

Financial Instruments

The Group's financial instruments comprise cash, banking facilities, forward foreign exchange contracts and various items such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to finance the Group's operations.

Financial risk management disclosures are included in note 22 to the accounts.

Indemnification of Directors

The Company confirms that qualifying third party indemnity insurance cover has been affected in respect of directors' and officers' liability to protect "insured persons" in respect of liabilities devolving on them for wrongful acts arising in the normal conduct of the business. This was in place throughout the last financial year and remains in force.

Audit Information

So far as each of the Directors is aware, there is no relevant information that has not been disclosed to the Company's auditors and each of the directors believes that all steps have been taken that ought to have been taken to make themselves aware of any relevant audit information and to establish that the Company's auditors have been made aware of that information.

Independent Auditors

A resolution to reappoint RSM UK Audit LLP as the Company's auditors and authorising the directors to fix their remuneration will be proposed at the Annual General Meeting.

Matters covered in the Strategic Report

The directors have chosen in accordance with the Companies Act 2006 S414C(11) to set out in the Company's Strategic Report information required by Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 Sch7 to be contained in the Directors' Report. Matters in relation to future developments and principal risks and uncertainties have instead been considered in the Strategic report due to their significance and relevance to the underlying strategy of the Group.

By order of the Board

M L Morris

M. L. Morris
Company Secretary
2 April 2026

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and company financial statements for each financial year. The directors have elected under company law to prepare group financial statements and the company financial statements in accordance with UK adopted international accounting standards.

The group and company financial statements are required by law and UK adopted international accounting standards to present fairly the financial position of the group and the company and the financial performance of the group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period.

In preparing each of the group and company financial statements, the directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and accounting estimates that are reasonable and prudent;

c. state whether they have been prepared in accordance with UK adopted international accounting standards and;

d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board

M L Morris

M. L. Morris
Company Secretary
2 April 2026

Independent Auditor's Report to the Members of H C Slingsby plc

Opinion

We have audited the financial statements of H C Slingsby plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2025 which comprise the Consolidated Income Statement, the Statement of Consolidated Comprehensive Income, the Statement of Consolidated and Company Changes in Shareholders' Equity, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement, the Company Cash Flow Statement, the Note to the Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted International Accounting Standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the Parent Company financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards and as applied in accordance with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of H C Slingsby plc (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are UK-adopted IAS, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, requesting any correspondence with local tax authorities and evaluating any advice received from external tax advisors.

We have identified no indirect laws and regulations which we believe would have a material impact on the financial statements.

The group audit engagement team identified the risk of management override of controls and revenue recognition in respect of the cut off assertion as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed in respect of the risk of management override of controls included but were not limited to testing the testing the appropriateness of journal entries and other adjustments on risk-based criteria and comparing the identified entries to supporting documentation, assessing whether the judgements made in making accounting estimates are indicative of a potential bias, and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. In respect of testing whether revenue has been recognised in the correct accounting period we performed substantive audit procedures on revenue recognised either side of

Independent Auditor's Report to the Members of H C Slingsby plc (continued)

the year end with agreement to supporting documentation to assess if the point of revenue recognition was in line with the requirements of IFRS 15.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Allchin

Andrew Allchin FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Central Square, 5th Floor, 29 Wellington Street
Leeds
LS1 4DL

2 April 2026

Consolidated Income Statement

For the year ended 31 December 2025

	Note	2025 £'000	2024 £'000
Revenue	2	**20,024**	20,773
Cost of sales		**(13,061)**	(13,587)
Gross profit		**6,963**	7,186
Distribution costs		**(4,801)**	(4,756)
Administrative expenses		**(2,160)**	(2,931)
Operating profit/(loss) before exceptional items		**91**	(123)
Exceptional items	3	**(89)**	(378)
Operating profit/(loss)	6	**2**	(501)
Finance income	7	**-**	10
Finance costs	8	**(320)**	(278)
Loss before taxation and exceptional items		**(229)**	(391)
Exceptional items	3	**(89)**	(378)
Loss before taxation		**(318)**	(769)
Taxation	9	**42**	168
Loss for the year attributable to owners of the parent		**(276)**	(601)
Basic and diluted weighted average loss per share	10	**(25.0p)**	(56.8p)

All losses of the Group arise from continuing operations.

Statement of Consolidated Comprehensive Income

For the year ended 31 December 2025

	Note	**2025 £'000**	2024 £'000
Loss for the year		**(276)**	(601)
Items that will not be reclassified to profit or loss:			
Remeasurements of post-employment benefit obligations	23	**288**	153
Movement in deferred tax relating to retirement benefit obligation	16	**(72)**	(39)
Other comprehensive income		**216**	114
Total comprehensive expense for the year attributable to equity shareholders		**(60)**	(487)

All total comprehensive expense of the Group arises from continuing operations.

Statement of Consolidated and Company Changes in Shareholders' Equity

For the year ended 31 December 2025

Group	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
1 January 2024	**262**	**24**	**3,960**	**4,246**
Loss for the year	-	-	(601)	(601)
Other comprehensive income for the year	-	-	114	114
Total comprehensive expense for the year	-	-	(487)	(487)
Issue of shares	14	144	-	158
1 January 2025	**276**	**168**	**3,473**	**3,917**
Loss for the year	-	-	(276)	(276)
Other comprehensive income for the year	-	-	216	216
Total comprehensive expense for the year	-	-	(60)	(60)
31 December 2025	**276**	**168**	**3,413**	**3,857**

Company	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
1 January 2024	**262**	**24**	**2,093**	**2,379**
Loss for the year	-	-	(653)	(653)
Other comprehensive income for the year	-	-	114	114
Total comprehensive expense for the year	-	-	(539)	(539)
Issue of shares	14	144	-	158
1 January 2025	**276**	**168**	**1,554**	**1,998**
Profit for the year	-	-	1,177	1,177
Other comprehensive income for the year	-	-	216	216
Total comprehensive income for the year	-	-	1,393	1,393
31 December 2025	**276**	**168**	**2,947**	**3,391**

Consolidated Balance Sheet

As at 31 December 2025

	Note	**2025** **£'000**	2024 £'000
Assets			
Non-current assets			
Property, plant and equipment	13	**5,063**	5,270
Other intangible assets	14	**232**	323
Goodwill	14	**700**	700
Deferred tax asset	16	**867**	896
		6,862	7,189
Current assets			
Inventories	17	**2,565**	2,672
Trade and other receivables	18	**2,469**	2,936
Derivative financial asset	20	**-**	19
Cash and cash equivalents		**1,543**	2,366
		6,577	7,993
Liabilities			
Current liabilities			
Trade and other payables	19	**(4,069)**	(5,396)
Derivative financial liability	20	**(1)**	-
Lease obligations	21	**(23)**	(22)
		(4,093)	(5,418)
Net current assets		**2,484**	2,575
Non-current liabilities			
Lease obligations	21	**(47)**	(70)
Retirement benefit obligation	24	**(5,442)**	(5,777)
Deferred tax liabilities	16	**-**	-
Net assets		**3,857**	3,917
Capital and reserves			
Share capital	25	**276**	276
Share premium	25	**168**	168
Retained earnings	25	**3,413**	3,473
Total equity		**3,857**	3,917

The financial statements on pages 12 to 38 were approved by the Board of Directors on 2 April 2026 and were signed on its behalf by:

M L Morris

M. L. Morris
Director

H C Slingsby plc
Registered Number: 00452716

Company Balance Sheet

As at 31 December 2025

	Note	**2025** **£'000**	2024 £'000
Assets			
Non-current assets			
Property, plant and equipment	13	**4,996**	5,179
Intangible assets	14	**155**	268
Investment in subsidiaries	15	**1,517**	1,517
Deferred tax asset	16	**881**	905
		7,549	7,869
Current assets			
Inventories	17	**2,565**	2,672
Trade and other receivables	18	**2,186**	2,487
Derivative financial asset	20	**-**	19
Cash and cash equivalents		**150**	197
		4,901	5,375
Liabilities			
Current liabilities			
Trade and other payables	19	**(3,616)**	(5,469)
Derivative financial liability	20	**(1)**	-
		(3,617)	(5,469)
Net current assets/(liabilities)		**1,284**	(94)
Non-current liabilities			
Retirement benefit obligation	24	**(5,442)**	(5,777)
Deferred tax liabilities	16	**-**	-
Net assets		**3,391**	1,998
Capital and reserves			
Share capital	25	**276**	276
Share premium	25	**168**	168
Retained earnings	25	**2,947**	1,554
Total equity		**3,391**	1,998

As permitted by Section 408 of the Companies Act 2006, the company has not published its own income statement. The profit of the Company for the financial year was £1,177,000 (2024: loss of £653,000).

The financial statements on pages 12 to 38 were approved by the Board of Directors on 2 April 2026 and were signed on its behalf by:

M L Morris

M. L. Morris

Director

H C Slingsby plc
Registered Number: 00452716

Consolidated Cash Flow Statement

For the year ended 31 December 2025

	Note	2025 £'000	2024 £'000
Cash flows from operating activities			
Cash generated from / (used in) operations		**320**	(475)
Interest paid		**(8)**	(2)
UK corporation tax paid		**-**	(83)
Cash generated from / (used in) operating activities		**312**	(560)
Cash flows from investing activities			
Interest received		**-**	10
Purchase of property, plant and equipment		**(85)**	(262)
Proceeds from sales of property, plant and equipment		**10**	77
Purchase of intangible assets		**(34)**	(155)
Net cash used in investing activities		**(109)**	(330)
Cash flows from financing activities			
Proceeds from share issue		**-**	158
Capital element of lease payments	21	**(26)**	(26)
(Decrease)/increase in invoice financing		**(213)**	755
Decrease in overdraft		**(787)**	(80)
Net cash (used in) / generated from financing activities		**(1,026)**	807
Net decrease in cash and cash equivalents		**(823)**	(83)
Opening cash and cash equivalents		**2,366**	2,249
Closing cash and cash equivalents		**1,543**	2,366

Cash and cash equivalents included above is the gross value and does not include amounts due in relation to the bank overdraft and invoice finance facilities of £1.92m (2024: £2.92m) in the values presented above.

Company Cash Flow Statement

For the year ended 31 December 2025

	2025	2024
	£'000	£'000
Cash flows from operating activities		
Cash generated from / (used in) operations	**153**	(540)
Interest paid	**(8)**	(2)
UK corporation tax paid	**-**	-
Cash used in operating activities	**145**	(542)
Cash flows from investing activities		
Interest received	**-**	10
Dividend income	**1,500**	-
Purchase of property, plant and equipment	**(84)**	(261)
Proceeds from sales of property, plant and equipment	**-**	77
Purchase of intangible assets	**-**	(100)
Net cash used in investing activities	**1,416**	(274)
Cash flows from financing activities		
Proceeds from share issue	**-**	158
Payment of intercompany loan	**(608)**	-
(Decrease)/increase in invoice financing	**(213)**	755
Decrease in overdraft	**(787)**	(80)
Net cash (used in) / generated from financing activities	**(1,608)**	833
Net (decrease)/increase in cash and cash equivalents	**(47)**	17
Opening cash and cash equivalents	**197**	180
Closing cash and cash equivalents	**150**	197

Cash and cash equivalents included above is the gross value and does not include amounts due in relation to the bank overdraft and invoice finance facilities of £1.92m (2024: £2.92m) in the values presented above.

Note to the Cash Flow Statements

For the year ended 31 December 2025

	Group		**Company**	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Cash generated from/(used in) operating activities				
(Loss)/profit before tax	**(318)**	(769)	**1,130**	(803)
Net finance costs	**320**	268	**316**	263
Depreciation and amortisation	**417**	466	**380**	317
Defined benefit pension scheme contributions paid	**(355)**	(165)	**(355)**	(165)
Amounts reimbursed from pension scheme	**-**	52	**-**	52
Profit on sale of property, plant and equipment	**(10)**	(23)	**-**	(23)
Decrease/(Increase) in inventories	**107**	(29)	**107**	(29)
Decrease in trade and other receivables	**467**	25	**301**	116
Decrease in trade and other payables	**(327)**	(279)	**(245)**	(247)
Decrease/(increase) in derivative financial instruments	**19**	(21)	**19**	(21)
Dividend income received	**-**	-	**(1,500)**	-
Cash generated from/(used in) operating activities	**320**	(475)	**153**	(540)

The exceptional items as disclosed in the Income Statement for 2024 have been fully paid during 2024 and therefore the cash used in operating activities includes these amounts in full. The exceptional items as disclosed in the income statement for 2025 include £18,000 which were unpaid at 31 December 2025.

Notes to the Accounts

1. Accounting Policies

Basis of Preparation

H C Slingsby plc is a public limited company (limited by shares). The company delisted from the AIM market of the London Stock Exchange on 23 December 2025. It is incorporated and domiciled in the United Kingdom with its registered office at Otley Road Baildon, West Yorkshire BD17 7LW. The company is registered in England and Wales with a registered number of 452716.

The Group's principal activity comprises the merchanting and distribution of a highly diversified range of industrial and commercial equipment, primarily consisting of incidental purchasing supplies.

The financial accounts are prepared in Sterling, which is the functional currency of the group. Monetary amounts in these statements are rounded to the nearest £'000.

The principal accounting policies adopted in the preparation of these financial statements, which have been applied consistently to all years presented, are set out below.

The financial statements have been prepared in accordance with UK adopted international accounting standards. The financial statements are prepared under the historical cost convention on a going concern basis, except for derivative financial instruments which are measured at fair value through profit or loss.

Going concern

The directors have prepared trading and cash flow forecasts for the Group for the period to 31 December 2027, which include the pension scheme contributions as agreed. These forecasts indicate that the Group will be able to operate within its banking facilities and meet its liabilities as they fall due. The Board's conclusion in this regard is strengthened by the availability of financing to the Group under its banking facilities.

The overdraft element of the Group's banking facilities is expected to be renewed at the level of £0.3m until April 2027. Whilst the Company's overdraft at 31 December 2025 was £1.4m, the Group has a mechanism whereby it can consolidate cash holdings to ensure that it stays within the agreed overdraft facility. On this basis, the Group had a positive cash balance of £0.2m at 31 December 2025 (2024: £0.2m). The Directors consider this to be adequate given the other financing options particularly the Group's £2m invoice discounting facility.

The financial statements have therefore been prepared on a going concern basis which assumes the Group will continue in operation for the foreseeable future, as a minimum for a period of at least 12 months from the date of approval of the financial statements.

However, there remains significant uncertainty in the economy due to the risk of recession in the UK. Cost increases from the uplifts in the National Minimum Wage together with other regulatory changes could impact demand and lead to credit related issues should companies become insolvent. The impact of inflation in the Group's cost of products, employment, and overhead costs could also lead to a fall in demand as these cost increases will result in increased selling prices. The impact could be from a significant fall in demand, from customer credit losses (bad debts) or from late customer payments. These would restrict the Group's ability to generate operating cashflow. The directors have plans in place to mitigate these impacts should the need arise.

The Directors have performed sensitivities on the forecast to reflect what they consider to be severe but plausible scenarios. These sensitivities showed that the Group could continue in operation for the foreseeable future, as a minimum for a period of at least 12 months from the date of approval of the financial statements.

New accounting standards and interpretations

The Group and Company financial statements have been prepared in accordance with UK Adopted International Accounting Standards effective as at 31 December 2025.

Where applicable, the following amendments to accounting standards were adopted by the Group on the effective date during the current year, but have not had any material impact on the amounts reported in these financial statements. The Group has applied these standards in the preparation of the financial statements and has not adopted any new or amended standards early.

- Amendments to IAS 21 – The effects of changes in foreign exchange rates

Standards issued but not yet effective

Any new or amended Accounting Standards or interpretations that are not yet mandatory (and in some cases, had not yet been endorsed by the UK Endorsement Board) have not been early adopted by the Group for the year ended 31 December 2025. They are as follows:

- Amendments to IFRS 9 and IFRS 7 - Amendments to the classification and measurement of financial instruments
- Amendments to IFRS 1 - First time adoption of IFRS
- Amendments to IFRS 7 - Financial instruments disclosures
- Amendments to IFRS 9 - Financial instruments
- Amendments to IFRS 10 – Consolidated financial statements
- Amendments to IAS 7 – Statement of cash flows

Notes to the Accounts (continued)

- Amendments to IFRS 9 and IFRS 7 – Contracts referencing nature dependent electricity
- IFRS 18 – Presentation and Disclosure in Financial Statements
- IFRS 19 – Subsidiaries without Public Accountability
- IFRS 21 – The effects of changes in foreign exchange rates

Standards issued but not yet effective (continued)

- Amendments to IFRS 10 and IAS 28 – Sale or contribution of assets between an investor and its associate or joint venture

The Directors do not expect that the adoption of these Standards or Interpretations in future periods will have a material impact on the financial statements of the Company or the Group.

Basis of Consolidation

The financial statements of the Group consolidate the financial statements of H C Slingsby plc and its subsidiaries up to 31 December 2025 using the acquisition method of accounting. Subsidiaries are entities over which the Group has the power to govern the financial and operating policies and is exposed to, or has rights to, variable returns. The results of subsidiary undertakings acquired during a financial period are included from the date on which control is transferred to the group. Intra-Group sales, Intra-Group balances and Intra-Group profits are eliminated fully on consolidation, and consistent accounting policies have been adopted across the Group.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values for the assets transferred and the liabilities incurred to the former owners of the acquired entity. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are expensed as incurred. Where the Group makes a purchase of trade and assets, such assets are capitalised as tangible and intangible assets as appropriate.

Accounting Estimates and Judgements

The preparation of these financial statements requires management to make estimates and judgements that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue during the reporting year. Actual results could materially differ from these estimates.

The estimates and judgements made in the process of applying the Group's accounting policies that have the most significant effect on the amount recognised in the financial statements and the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Estimates and judgements with significant effect on the financial statements:

- **Impairment of goodwill and intangible assets.** The Directors review whether goodwill is impaired on an annual basis which requires an estimation of the value in use of the cash generating units to which the goodwill, and any intangible assets, are allocated. This involves estimation of future cash flows and choosing a suitable discount rate (see note 14 for further disclosure). As disclosed in note 14, the results for the year ended 31 December 2025 include an impairment charge of £nil (2024: £nil).

- **Actuarial assumptions used in the calculation of the defined benefit pension scheme liability**. Measurement of the defined benefit pension obligations requires estimation of future changes in salaries and inflation, as well as mortality rates, and the selection of a suitable discount rate. Defined benefit pension obligations at the reporting date were valued at £5.44m (2024: £5.78m). See note 24 for further information.

- **Allowances against the valuation of inventories.** Inventories are stated at the lower of cost and net realisable value. When estimating the net realisable value of inventories, management considers the nature and condition of inventory, its age, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. The inventory provision at the reporting date amounted to £1,032,000 (2024: £927,000) (see note 17 for the net carrying amount of inventories and details of the provisions made).

- **Deferred tax estimation.** Recognition of deferred tax assets and liabilities involves making a series of assumptions. As far as deferred tax assets are concerned, their realisation ultimately depends upon taxable profits being available in the future. Deferred tax assets are recognised only when it is probable that taxable profits will be available against which the deferred tax asset can be utilised and it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the directors making judgements within their overall tax-planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. At 31 December 2025 the group has recognised deferred tax assets of £1,547,000 (2024: £1,584,000) and deferred tax liabilities of £680,000 (2024: £688,000). See note 16 for disclosure of the group's deferred tax assets and liabilities.

Notes to the Accounts (continued)

Revenue and Recognition of Income

Revenue comprises the fair value of the consideration received or receivable from the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the group.

Revenue from the sale of goods is recognised when the goods are dispatched to the customer. Revenue relating to contract work is recognised as contract activity progresses and the right to consideration is earned. Contract revenue relates to the design, supply and installation of storage systems/equipment, partitioning and mezzanine floors. Contracts are usually less than six months in length and, therefore, the level of accrued and deferred income (presented in prepayments and accruals respectively) is immaterial to the financial statements and has not been separately disclosed. The Group sells additional service and maintenance on some of the products it sells. Revenue in relation to this is recognised on the completion of such service being provided. Such tasks are completed in a matter of days, resulting in no accrued or deferred income at the year end.

Consideration is given to returns made post year end and an adjustment to revenue is recorded to reflect the reduction in sales.

Employee Benefits

The Group operates a defined benefit and a defined contribution pension scheme for its employees.

Defined benefit scheme: The pension liability recognised in the balance sheet in respect of the defined benefit scheme is the present value of the defined benefit obligation at the balance sheet date less the fair value of the scheme assets. The defined benefit obligation is calculated tri-annually by independent actuaries using the projected unit credit method and this valuation is updated at each balance sheet date. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that have terms to maturity approximating to the terms of the related pension liability.

Past service costs and settlement gains are recognised immediately in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in full in the statement of comprehensive income in the period in which they arise.

Defined contribution scheme: contributions payable are charged to the income statement in the accounting year in which they are incurred. The group has no further payment obligations once the contributions have been paid to this scheme.

Leases

On commencement of a contract which gives the Group the right to use assets for a period of time in exchange for consideration, the Group recognises a right-of-use asset and a lease liability unless the lease qualifies as a 'short-term' lease (term is twelve months or less with no option to purchase the lease asset) or a 'low-value' lease (where the underlying asset is £4,000 or less when new).

The lease liability is initially measured at the present value of the lease payments during the lease term discounted using the interest rate implicit in the lease, or the incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. The lease term is the non-cancellable period of the lease plus extension periods that the Group is reasonably certain to exercise and termination periods that the Group is reasonably certain not to exercise. Lease payments include fixed payments, less any lease incentives receivable, variable lease payments dependant on an index or a rate and any residual value guarantees.

The lease liability is subsequently increased for a constant periodic rate of interest on the remaining balance of the lease liability and reduced for lease payments. Interest on the lease liability is recognised in the income statement. Variable lease payments not included in the measurement of the lease liability as they are not dependent on an index or rate, are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

Foreign Currency

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment which the entity operates (the functional currency which is GBP). The consolidated financial statements are presented in GBP which is the Group's presentational currency.

Foreign currency transactions are translated using exchange rates prevailing at the date of the transactions or, where forward currency contracts have been taken out, at contractual rates. Monetary assets and liabilities are translated at exchange rates ruling at the end of each financial year. Gains and losses on retranslation are recognised in the income statement.

Notes to the Accounts (continued)

Property, Plant and Equipment

Property, plant and equipment is stated at cost net of accumulated depreciation and any provision for impairment. Cost comprises purchase cost together with any incidental costs of acquisition. Depreciation is provided to write off the cost less the estimated residual value of the property, plant and equipment by equal instalments over their estimated useful economic lives. The asset's residual values and useful economic lives are reviewed, and adjusted as appropriate, at each balance sheet date. The following rates are applied:

Freehold buildings	–	2% per annum
Short leasehold property	–	10% per annum
Plant and equipment and fixtures and fittings	–	10% – 20% per annum
Motor vehicles	-	25% per annum
Computer equipment	-	33% per annum

Freehold land is not depreciated.

A right-of-use asset is recognised at commencement of the lease and initially measured at the amount of the lease liability, plus any incremental costs of obtaining the lease and any lease payments made at or before the leased asset is available for use by the Group.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. Right-of-use assets are depreciated on a straight-line basis over the earlier of the lease term or the useful economic life of the asset.

Intangible Assets

Intangible assets are stated at cost less accumulated amortisation. They are recognised if it is probable that there will be future economic benefits attributable to the asset, the cost of the asset can be measured reliably, the asset is separately identifiable and there is control over the use of the asset. The assets are amortised over the period which the Group expects to benefit from these assets. A provision is made for any impairment in value if applicable.

Intangible assets purchased through an acquisition are measured at fair value at inception

IT software and website development costs are amortised on a straight-line basis at a rate of 33% per annum.

Brand and domain names and customer lists are amortised on a straight-line basis at 5% to 33% per annum.

Goodwill

Goodwill arising on acquisitions comprises the excess of the fair value of the consideration for investments in subsidiary undertakings over the fair value of the net identifiable assets acquired at the date of the acquisition. Goodwill arising on acquisitions is included in intangible assets.

Goodwill is not amortised but is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the lowest level within the group at which the associated level of goodwill is monitored for management purposes and are not larger than the operating segments determined in accordance with IFRS8 “Operating Segments”.

Impairment of non-financial assets

Assets not subject to amortisation are tested annually for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets, other than goodwill that suffered an impairment, are reviewed for possible reversal of the impairment at each reporting date.

Investments in subsidiaries

Investments are stated at cost, less provision for impairment where necessary. Impairment is considered within the Impairment of non-financial assets section.

Deferred taxation

Deferred taxation is recognised, using the full liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the consolidated financial statements. Deferred taxation is determined using tax rates (and laws) that have been enacted, or substantively enacted, by the balance sheet date, and are expected to apply when the related deferred taxation asset is realised or deferred taxation liability is settled.

Deferred taxation assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Notes to the Accounts (continued)

Exceptional items

The Group's income statement separately identifies exceptional items. Such items are those that, in the Directors' judgement, are one-off in nature or non-operating and need to be disclosed separately by virtue of their size or incidence. In determining whether an item should be disclosed as an exceptional item, the Directors consider quantitative as well as qualitative factors such as the frequency, predictability of occurrence and significance. Disclosing exceptional items separately provides additional understanding of the performance of the Group.

Inventories

Inventories which include raw materials and work in progress, finished goods and goods for resale are stated at the lower of cost and net realisable value. Raw materials are valued on a first in-first out basis. The cost of work in progress and finished goods includes an appropriate proportion of production overheads.

Net realisable value is based on estimated selling price less additional costs to completion or disposal. Allowance is made for obsolete, defective and slow-moving items based on annual usage and age.

Financial assets other than derivatives

The Group classifies its financial assets as at amortised cost under IFRS 9 if they meet both of the following criteria:

- Hold to collect business model test. The asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows; and
- Solely payments of principal and interest (SPPI) contractual cash flow characteristics test. The contractual terms of the financial asset give rise to cash flows that are SPPI on the principal amount outstanding on a specified date.

Financial assets include trade receivables, amounts due from subsidiaries and cash and cash equivalents.

Trade and Other Receivables

Trade and other receivables that do not contain a significant financing component are initially recognised at fair value and subsequently held at amortised cost less provision for impairment.

An expected credit loss model broadens the information that the Group is required to consider when determining its expectations of impairment. Under this model, expectations of future events must be taken into account and this could result in the earlier recognition of impairments.

Trade Catalogues

Expenditure relating to the production and distribution of the main catalogue and supplementary mailings is written off in the financial statements in the year when the catalogue is produced.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and excludes amounts in respect of the overdraft.

Financial liabilities

Financial liabilities are classified as either financial liabilities at amortised cost or financial liabilities at fair value through profit or loss. Financial liabilities include trade and other payables, derivative financial instruments and bank borrowings.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings (including bank overdraft and invoice financing facilities)

Borrowings are recognised at fair value and subsequently measured at amortised cost using the effective interest method. Borrowings relate to the overdraft and invoice finance facilities which are presented in trade and other payables. Overdraft balances are presented gross from cash balances as the Directors believe this best reflects the financing of the Group's activities.

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a contract is entered into and are subsequently re-measured at their fair value at each balance sheet date. The resulting gain or loss is recognised directly in the income statement. The Group does not apply hedge accounting in respect of its financial instruments, nor does it trade in any financial instruments.

Share capital

Ordinary shares are classified as equity. Amounts received in excess of the nominal value of share capital are included in share premium. Incremental costs directly attributable to the issue of new shares are shown in share premium as a deduction, net of tax, from the proceeds.

Notes to the Accounts (continued)

Dividends

Final dividends proposed by the board are recognised in the financial statements when they have been approved by shareholders. Interim dividends are recognised when they are paid.

Current taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted.

Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The tax expense for the year comprises current and deferred tax that is recognised in the income statement, except that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity respectively.

2. Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

The Group only has one business segment, which is its principal activity, being the merchanting and distribution of industrial and commercial equipment. All the Group's revenue, profits/(losses), assets and liabilities are wholly attributable to that business segment. Sales made by the Group are to customers in the UK and Ireland with an insignificant proportion made to customers in the rest of the world.

3. Exceptional items

	2025	2024
	£'000	£'000
Costs in relation to the Formal Sale Process	**42**	-
Costs in relation to delisting from the London Stock Exchange	**47**	-
Payment for loss of office for Dominic Slingsby	**-**	199
Bonus issued to Morgan Morris	**-**	179
	89	378

The Group has incurred costs of £0.09m (2024: £0.38m) within the year which the Board have classified as exceptional items within the financial statements due to the size and non-recurring nature.

4. Employee Information

	Group		**Company**	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Staff costs				
Wages and salaries	**3,029**	3,609	**2,622**	3,105
Social security costs	**349**	369	**304**	321
Defined contribution pension scheme and life assurance costs	**102**	104	**90**	90
	3,480	4,082	**3,016**	3,516

The above includes items disclosed as exceptional costs in financial year 2024 in note 3.

Notes to the Accounts (continued)

4. Employee Information (continued)

The average monthly number of persons, including directors, employed during the year was:

	Group		Company	
	2025	2024	**2025**	2024
	Number	Number	**Number**	Number
Selling and distribution	**88**	92	**73**	76
Administration	**12**	16	**12**	15
	100	108	**85**	91

Items in relation to pension costs reported anywhere other than operating costs are excluded from this disclosure.

5. Directors' Remuneration (including pension contributions)

	2025	2024
	£'000	£'000
Morgan Morris	**171**	307
Andrew Kitchingman	**30**	30
	201	558
Highest paid Director:		
Aggregate emoluments	**167**	303
Employer contributions into defined contribution pension scheme	**4**	4

Morgan Morris accrued benefits under a defined contribution pension scheme amounting to £4,500 (2024: £3,729). Andrew Kitchingman accrued no such benefits in 2025 or 2024.

During the year ended 31 December 2024, Morgan Morris received a payment of £157,500 in respect of a bonus which was used to purchase 52,500 new shares in the Group at the cost of £3 per share. This amount together with the associated Employer's National Insurance Contribution has been classified as an exceptional item and is included in the total remuneration disclosed above.

Included in the remuneration figures above are non-cash benefits which have been provided to the Directors. Morgan Morris received benefits of £3,009 (2024: £3,408). Andrew Kitchingman received no non-cash benefits.

The directors did not receive any other emoluments, compensation or cash or non-cash benefits (2024: £nil).

The Company does not have a share option or other long term incentive plan.

6. Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	2025	2024
	£'000	£'000
Profit on disposal of property, plant and equipment	**10**	(23)
Depreciation on property, plant and equipment	**292**	293
Amortisation of intangible assets	**125**	173
Foreign exchange losses/(gains) on operating activities	**36**	(17)
Services provided by the company's auditors		
Fees payable to the company's auditors for the audit of parent company and consolidated financial statements	**50**	55
Fees payable to the company's auditors for other services:		
Other audit services pursuant to legislation:		
The audit of Company's subsidiaries pursuant to legislation	**10**	10
Total fees payable to the Company's auditors	**60**	65

Notes to the Accounts (continued)

7. Finance Income

	2025	2024
	£'000	£'000
Bank interest receivable	-	10

8. Finance Costs

	2025	2024
	£'000	£'000
Interest payable on bank borrowings	6	2
Interest payable on lease liabilities	4	5
Net retirement benefit obligation finance costs (note 24)	308	271
	318	278

9. Taxation

	2025	2024
	£'000	£'000
Current tax		
UK corporation tax:		
– current year	-	-
– prior year adjustment	-	(8)
	-	(8)
Deferred tax:		
UK deferred tax:		
– origination and reversal of temporary differences	(42)	(160)
– adjustments due to change of tax rate	-	-
	(42)	(160)
Total taxation charge	(42)	(168)

Factors affecting the tax charge for the year:

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Group as follows:

	2025	2024
	£'000	£'000
(Loss)/profit before taxation	(318)	(769)
Tax at the UK corporation tax rate of 25% (2024: 25%)	(80)	(192)
Depreciation and amortisation on assets not qualifying for tax allowance	38	29
Expenses not deductible for tax purposes	30	(6)
Effects of changes in tax rates	-	-
Adjustments to tax in respect of prior years		
– current year	-	(8)
– deferred tax	(30)	9
Tax (credit)/charge for the year	(42)	(168)

The Group (losses)/profits for this accounting period are taxed at an effective rate of 25% (2024: 25%). Deferred tax assets and liabilities are measured at a rate of 25% (2024: 25%) as at 31 December 2025.

In addition to the amounts charged to the income statement, £72k (2024: £39k charged) has been charged directly to other comprehensive income in relation to actuarial differences on the retirement benefit liability.

10. (Loss)/Earnings Per Share

Basic earnings per share is based upon a loss of £276,000 (2024: loss of £601,000) and on 1,102,500 (2024: 1,058,918 weighted average ordinary shares in issue during the year).

There is no difference between basic earnings per share and diluted earnings per share for both years as there are no potentially dilutive shares in issue.

Notes to the Accounts (continued)

11. Profit/(loss) for the Financial Year

As permitted by Section 408 of the Companies Act 2006, the Company has not published its own income statement. The profit for the year was £1,177,000 (2024: loss £653,000) and a total comprehensive income of £1,393,000 (2024: expense £539,000).

12. Dividends

	2025	2024
	£'000	£'000
Interim dividend paid for the financial year of 0.0p (2024: 0.0p)	**-**	-
Final dividend paid for the financial year of 0.0p (2024: 0.0p)	**-**	-
	-	-

13. Property, Plant and Equipment

Group	Short Leasehold Property	Freehold land and buildings	Equipment	Right-of-use assets	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
1 January 2024	21	6,671	2,615	135	9,442
Additions	–	–	262	–	262
Disposals	-	–	(156)	-	(156)
1 January 2025	21	6,671	2,721	135	9,548
Additions	–	–	85	-	85
Disposals	(21)	–	(333)	-	(354)
31 December 2025	**-**	**6,671**	**2,473**	**135**	**9,279**
Accumulated depreciation and impairment					
1 January 2024	21	1,863	2,178	25	4,087
Charge for the year	-	106	165	22	293
Disposals	-	–	(102)	-	(102)
1 January 2025	21	1,969	2,241	47	4,278
Charge for the year	-	105	164	23	292
Disposals	(21)	–	(333)	-	(354)
31 December 2025	**-**	**2,074**	**2,072**	**70**	**4,216**
Net book value					
At 31 December 2025	**-**	**4,597**	**401**	**65**	**5,063**
At 31 December 2024	-	4,702	480	88	5,270
At 31 December 2023	-	4,808	437	110	5,355

H C Slingsby plc Retirement Benefits Scheme holds a charge over the Company's freehold land and buildings. HSBC Bank plc holds charges over all of the assets and undertakings of the Group and a fixed charge over the freehold land and buildings.

In August 2025, the Board instructed a firm of professional surveyors to carry out a valuation of the freehold land and buildings at Baildon which reported a fair value of £5.65m. The carrying value has not been adjusted as the accounting policy is cost less accumulated depreciation.

The carrying amount and depreciation of right-of-use assets all relate to property leases.

Depreciation is charged to administrative expenses in the Income Statement.

Included in freehold land and buildings is £1,390,000 (2024: £1,390,000) of land which is not depreciated.

Notes to the Accounts (continued)

13. Property, Plant and Equipment (continued)

Company	Freehold land and buildings £'000	Equipment £'000	Total £'000
Cost			
1 January 2024	6,671	2,374	9,045
Additions	-	261	261
Disposals	–	(156)	(156)
1 January 2025	6,671	2,479	9,150
Additions	–	84	84
Disposals	–	(135)	(135)
31 December 2025	**6,671**	**2,428**	**9,099**
Accumulated depreciation and impairment			
1 January 2024	1,863	1,941	3,804
Charge for the year	106	163	269
Disposals	–	(102)	(102)
1 January 2025	1,969	2,002	3,971
Charge for the year	105	162	267
Disposals	–	(135)	(135)
31 December 2025	**2,074**	**2,029**	**4,103**
Net book value			
At 31 December 2025	**4,597**	**399**	**4,996**
At 31 December 2024	4,702	477	5,179
At 31 December 2023	4,808	433	5,241

Depreciation is charged to administrative expenses in the Income Statement. Included in freehold land and buildings is £1,390,000 (2024: £1,390,000) of land which is not depreciated.

14. Intangible Assets

	Group	Group			Company
	Goodwill £'000	Brand and Domain Names and Customer Lists £'000	IT Software, Websites and Trademarks £'000	TOTAL £'000	IT Software and Websites £'000
Cost					
1 January 2024	2,409	1,000	1,094	2,094	1,055
Additions	-	-	203	203	148
1 January 2025	2,409	1,000	1,297	2,297	1,203
Additions	-	-	34	34	-
Disposals			(53)	(53)	(52)
31 December 2025	**2,409**	**1,000**	**1,278**	**2,278**	**1,151**
Accumulated amortisation and impairment					
1 January 2024	1,709	875	926	1,801	887
Charge for the year	-	125	48	173	48
1 January 2025	1,709	1,000	974	1,974	935
Charge for the year	-	-	125	125	113
Disposals	-	-	(53)	(53)	(52)
31 December 2025	**1,709**	**1,000**	**1,046**	**2,046**	**996**
Net book value					
At 31 December 2025	**700**	**-**	**232**	**232**	**155**
At 31 December 2024	700	-	323	323	268
At 31 December 2023	700	125	168	293	168

Amortisation is charged to administrative expenses in the Income Statement. Included in Group IT software and trademarks is £nil (2024: £55,000) of assets which are under construction and are not being amortised.

Notes to the Accounts (continued)

14. Intangible Assets (continued)

Goodwill monitoring

Goodwill, which relates entirely to the acquisition of ESE Direct Limited in 2015, is monitored by management at the Cash Generating Unit ("CGU") level. A CGU is considered to be an individual company. The Group tests CGUs containing goodwill for impairment on at least an annual basis by comparing the carrying amount of the CGU with its recoverable value, being the higher of value in use or the fair value less costs to sell. Value in use is estimated based on expected future cash flows discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money. An impairment charge arises where the carrying value exceeds the recoverable value.

During 2018, an impairment charge of £675,000 was recognised as an exceptional non-cash item followed by a further non-cash impairment during 2019 of £1,034,000 such that goodwill relating to the ESE acquisition is £700,000.

The carrying amount of the ESE Direct Limited CGU has been tested for impairment using a discounted cash flow model based on the following set of assumptions which have not changed from those used in the prior year other than where shown below:

- Most recent budgets /forecasts for the next 5 years
- Extrapolation of expected future cash flows using a terminal growth rate of 2%
- Sales decrease of 6% in 2026, followed by an increase of 2% each year in the forecast period
- Capital expenditure of £15,000 in 2026 and then £5,000 thereafter per annum based on forecasts.
- Gross margins projected based on recent trends
- Pre-tax discount rate of 17% (2024: 17.75%). The discount rate was decreased to reflect the decrease in interest rates.

The Directors performed sensitivity analysis on assumptions concerning sales growth assuming no growth over the period. There were no other changes to the sensitivity analysis other than the movement in sales growth with all those assumptions above being included within the sensitivity analysis. On this sensitised basis, there was sufficient headroom for the Director's to consider that there was no impairment charge required.

15. Investment in Subsidiaries

On 27 March 2015 the Company acquired 100% of the issued share capital of ESE Direct Limited. The cost of investment was £4m. During 2018 an impairment provision of £1.4m was recorded followed by a further impairment of £1.1m in 2019 such that the net book value of the investment was £1.52m. This investment represents the whole of the amount shown in the Company's balance sheet.

The Directors have considered the investment value for impairment at the year end using the same assumptions as set out in the Goodwill Monitoring section at note 14. Having performed this review, the Directors consider that there was no impairment charge required. It has also been considered if the reversal of the previous impairment was required, of which it has been determined that the book value of £1.52m remains appropriate in the Company's balance sheet.

The Company directly owns 100% of the issued share capital of the following subsidiary undertakings, registered in England and Wales at 1 Otley Road, Baildon, Shipley BD17 7LW.

Company	Principal Activity
ESE Direct Limited	Distribution of Industrial and Commercial Equipment
Eastern Storage Limited	Dormant
ESE Projects Limited	Dormant
Eastern Storage Equipment Limited	Dormant

The Company directly owns 100% of the issued share capital of the following subsidiary undertaking registered in the United Arab Emirates at Iris Bay 2205, Business Bay, Dubai

Company	Principal Activity
Slingsby General Trading LLC	Dormant

Notes to the Accounts (continued)

16. Deferred Tax

The Group and Company has recognised a deferred tax asset which primarily relates to the defined benefit pension scheme. The asset has been recognised as it will be realised through the settlement of the pension liability. Movements in deferred tax assets/(liabilities) are as follows:

Group	Pension liability £'000	Tax losses £'000	Accelerated capital allowances £'000	Intangible assets £'000	Total £'000
1 January 2024	1,443	14	(649)	(33)	775
Credited/(charged) to income statement	40	126	(39)	33	160
(Charged) to other comprehensive income	(39)	–	-	-	(39)
1 January 2025	1,444	140	(688)	-	896
(Charged)/credited to income statement	(12)	47	8	-	43
(Charged)/credited to other comprehensive income	(72)	–	-	-	(72)
31 December 2025	**1,360**	**187**	**(680)**	**-**	**867**

Company	Pension liability £'000	Tax losses £'000	Accelerated capital allowances £'000	Total £'000
1 January 2024	1,443	13	(654)	802
Credited/(charged) to income statement	39	126	(24)	141
(Charged) to other comprehensive income	(38)	–	-	(38)
1 January 2025	1,444	139	(678)	905
(Charged)/credited to income statement	(12)	45	15	48
(Charged)/credited to other comprehensive income	(72)	–	-	(72)
31 December 2025	**1,360**	**184**	**(663)**	**881**

17. Inventories

	Group		Company	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Raw materials and work in progress	**271**	269	**271**	269
Finished goods and goods for resale	**2,294**	2,403	**2,294**	2,403
	2,565	2,672	**2,565**	2,672

Inventories are presented net of provisions for write-downs, based on management's estimate of net realisable value. The amount charged to the income statement in respect of write-downs of inventories was £106,000 (2024: £199,000). The cost of inventories recognised as an expense and included in the Group's cost of sales was £12,716,000 (2024: £13,206,000) and £10,233,000 (2024: £10,026,000) for the Company. The provision for obsolete inventory at the year-end for the Group and Company is £1,032,000 (2024: £927,000).

18. Trade and Other Receivables

	Group		Company	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Trade receivables	**2,113**	2,570	**1,791**	2,075
Receivables from subsidiary	**–**	–	**75**	90
Prepayments	**356**	366	**320**	322
	2,469	2,936	**2,186**	2,487

Notes to the Accounts (continued)

18. Trade and Other Receivables (continued)

Trade and other receivables are non-interest bearing. There is no material difference between the carrying amount and the fair value of trade and other receivables.

Trade receivables are presented net of lifetime expected credit loss allowances. The ageing profile is used by management in reviewing receivables and the group applies the IFRS 9 simplified approach to measuring expected credit losses. The expected loss rates are based on the group's historical credit losses experienced and these rates are then adjusted for current and forward looking information on macroeconomic factors affecting the group's customers. Movements on the group and company provisions for impairment of trade receivables are:

	Group		**Company**	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
At 1 January 2025	**3**	12	**3**	7
Expected credit loss	**22**	8	**20**	6
Unused provision reversed	**(1)**	(1)	**(1)**	(1)
Receivables written off	**(16)**	(16)	**(15)**	(9)
At 31 December 2025	**8**	3	**7**	3

Receivables due from subsidiary are trade related and have been settled in full post the year end.

The carrying amounts of the Group's and Company's receivables are denominated in the following currencies:

	Group		**Company**	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Pound sterling	**1,950**	2,457	**1,703**	2,051
Euro	**163**	114	**163**	114
	2,113	2,571	**1,866**	2,165

19. Trade and Other Payables

	Group		**Company**	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Trade payables	**1,441**	1,639	**1,133**	1,289
Payables to subsidiaries	**-**	-	**-**	608
Other taxation and social security payable	**321**	370	**287**	302
Other payables	**4**	55	**3**	51
Accruals and deferred income	**384**	413	**274**	300
Invoice financing	**542**	755	**542**	755
Overdraft	**1,377**	2,164	**1,377**	2,164
	4,069	5,396	**3,616**	5,469

Trade and other payables are non-interest bearing. There is no material difference between the carrying amount and the fair value of trade and other payables.

Group and Company borrowings include debt financing, overdraft and leases. The debtor financing and overdraft amounting to £1,919,000 (2024: £2,919,000) is repayable within one year.

The Group's debtor finance and overdraft facilities (provided by HSBC Bank plc) carry interest rates of 2.1% and 3% above the prevailing Bank of England Base Rate respectively. HSBC Bank plc holds charges over all of the assets and undertakings of the Group and a fixed charge over the freehold land and buildings. The overdraft element of the Group's banking facilities expires on the 30 April 2026, is repayable on demand and is expected to be renewed at a level of £0.3m until April 2027. The directors consider this to be adequate given the Group's other available financing. The debtor finance facility remains unaffected. The debtor finance facility is a total of £2m (subject to suitable debt being available).

Notes to the Accounts (continued)

20. Derivative Financial Instruments

	Group and Company			
	Assets		Liabilities	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Forward foreign currency contracts and options	**-**	19	**1**	-

Gains and losses on the carrying value of forward foreign currency contract assets and liabilities are recognised in the income statement. The forward foreign currency contracts existing at the year-end mature in 2026. They have been valued using year end market data.

21. Leases and financial commitments

The maturity of the lease obligations is set out below:

	Group		Company	
	2025	2024	**2025**	2024
Lease obligations	**£'000**	£'000	**£'000**	£'000
Current lease liabilities	**23**	22	**-**	-
Non-current lease liabilities	**47**	70	**-**	-
At 31 December 2025	**70**	92	**-**	-

	Group		Company	
	2025	2024	**2025**	2024
Maturity analysis of leases	**£'000**	£'000	**£'000**	£'000
Less than 6 months	**13**	13	**-**	-
6 months to 1 year	**13**	13	**-**	-
1 year to 2 years	**26**	26	**-**	-
2 years to 6 years	**24**	50	**-**	-
	76	102	**-**	-

The Group agreed a new lease commencing on 16 March 2023 and expiring on 16 March 2029. The total cash outflow for leases during the year was £26,000 (2024 - £26,000).

The total lease liability at 31 December 2025 is £70,538 which has been recognised as a right of use asset under note 13. £23,064 is included in creditors due within one year and £47,474 is included in creditors due after more than one year.

Depreciation of £22,494 has been charged in relation to the right of use asset within 2025 and recognised as an administrative expense. Interest payable on the lease of £4,036 has been recognised as a finance cost.

The Company has a commitment by way of a guarantee issued to HMRC in respect of the deferment of import duty and VAT in the sum of £40,000 (2024 - £40,000).

Notes to the Accounts (continued)

22. Financial risk management

In the normal course of business, the Group and Company is exposed to certain financial risks, principally foreign exchange risk, interest rate risk, liquidity risk and credit risk.

The principal financial instruments used by the Group from which financial risk arises are as follows:

	Group		Company	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Financial assets				
Trade receivables (note 18)	**2,113**	2,571	**1,791**	2,075
Receivables from subsidiary (note 18)	**-**	-	**75**	90
Forward foreign currency contracts and options (note 20)	**-**	19	**-**	19
Cash and cash equivalents	**1,543**	2,366	**150**	197
	3,656	4,956	**2,016**	2,381
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Financial liabilities				
Debt financing and overdraft (note 19)	**1,919**	2,919	**1,919**	2,919
Payable to subsidiary (note 19)	**-**	-	**-**	608
Trade payables (note 19)	**1,441**	1,639	**1,133**	1,289
Accruals and deferred income (note 19)	**384**	413	**274**	300
Other payables (note 19)	**4**	55	**3**	51
Lease obligations (note 21)	**70**	92	**-**	-
Forward foreign currency contracts and options (note 20)	**-**	-	**-**	-
	3,818	5,118	**3,329**	5,167

Foreign Exchange Risk

The Group is exposed to foreign exchange risk from purchasing a portion of its supplies and by making a portion of its sales in foreign currencies. The Company enters into forward foreign currency contracts to manage its exposure to currency fluctuations that arise on purchase contracts denominated in foreign currencies. The Group made a foreign exchange loss of £36,000 in 2025 (2024 - £17,000 gain).

The carrying value of the group's foreign currency denominated financial assets and monetary liabilities at the reporting date are as follows:

	Assets		Liabilities	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Euros	**284**	230	**-**	1
Dollars	**17**	95	**1**	-

Interest Rate Risk

The Group's and Company's exposure to interest rate risk arises on its debtor finance and overdraft facilities as well as in respect of the defined benefit pension scheme. These are based on floating rates of interest. Accordingly, should interest rates continue to increase, the Group and Company's interest cost would rise. The Group does not use interest rate hedges. The interest rates applicable to the group's debtor finance and overdraft facilities are disclosed in note 19.

Liquidity Risk

In the normal course of business the Group and Company is exposed to liquidity risk. The group's objective is to ensure that sufficient resources are available to fund short term working capital and longer term strategic requirements. This is achieved through ensuring that the group has sufficient cash and borrowing facilities in place. Further details relating to the nature and maturity of the group's borrowing facilities are included in note 19.

Notes to the Accounts (continued)

22. Financial risk management (continued)

Credit Risk

Credit risk principally arises on cash deposits and trade receivables. The credit risk arising on cash deposits is limited because the counterparties are financial institutions with high credit ratings assigned by international credit rating agencies. The credit risk arising on trade receivables is spread over large numbers of customers and is further described in note 18 above. There are no significant concentrations of credit risk.

The maximum exposure of the group at the end of the reporting period is the carrying value of financial assets totalling £3,656,000 (2024: £4,956,000).

23. Capital Risk Management

The capital structure of the Group consists of cash, equity, debtor finance and overdraft. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain the capital structure the Group may adjust the amount of dividends paid to shareholders. This situation is monitored using budgets and by calculation of a gearing ratio (debtor financing and overdraft less cash/net assets). At 31 December 2025, the gearing ratio was 10% (2024:14%).

24. Pension Commitments

Group and Company Retirement Benefit Obligations

At 31 December 2025 H C Slingsby plc ("the Company") operated pension schemes for the benefit of its employees. The schemes are provided through both defined benefit and defined contribution arrangements. This disclosure is concerned only with the defined benefit arrangement, the H C Slingsby plc Retirement Benefits Scheme ("the Scheme"). The liability associated with the Scheme is material to the Company.

The Company's objective is for the Scheme to target 100% funding on a basis that should ensure that benefits can be paid as they fall due.

Any shortfall in the assets directly held by the Scheme, relative to its funding target, will be financed over a period that ensures the contributions are reasonably affordable to the Company. The expected contribution to the Scheme over the 2026 fiscal year is £400,000. The defined benefit scheme was closed to new entrants in 2006 and to future accrual in 2009.

Nature of Scheme

The Scheme targets a pension paid throughout life. The amount of pension depends on how long employees are active members of the scheme and their salary when they leave the scheme (a ''final salary'' plan). The pension receives inflation-linked increases in the years before retirement. Once in payment, pensions either do not increase or increase in line with inflation or a fixed rate.

The Scheme is governed by a sole corporate Trustee that has control over its operation, funding and investment strategy. The Trustee will consult with the Company on certain matters.

Funding the liabilities

UK legislation requires the Trustee to carry out valuations at least every three years and to target full funding against a basis that prudently reflects the Scheme's risk exposure. The most recent valuation was carried out as at 1 January 2023 and a shortfall of £7.2m against the Trustee's funding objective was identified. Differences between the shortfall in the actuarial valuation and the IAS 19 valuation presented within this report are due to differences within the valuation method. The Company agreed to pay contributions of £150,000 in 2024, £350,000 in 2025, £400,000 in 2026 and £450,000 in 2027. Thereafter, contributions increase by 3% per annum to remove the shortfall over 20 years. Due to the Group's cash generation an additional payment of £14,500 was paid in respect of financial year 2023 during 2024.

The weighted average duration of the defined benefit obligation is 13 years (2024: 14 years).

In addition to the assets and liabilities which are stated below, the scheme has insured pensioner policies which have not been included within the valuation in these financial statements. This is because the quantum of these policies is not deemed significant against the overall liability.

Notes to the Accounts (continued)

24. Pension Commitments (continued)

Investment strategy

Approximately 34% (2024: 37%) of the Scheme's assets are held in equity type assets, and 56% (2024: 58%) are held in long term fixed interest and inflation linked securities. The balance of 10% (2024: 5%) was held as cash.

The Scheme's liabilities are calculated using a discount rate set with reference to corporate bond yields; if Scheme assets underperform this yield, this will increase the deficit. The Scheme holds a significant proportion of equities, which are expected to outperform corporate bonds in the long term while providing volatility and risk in the short term. As the Scheme matures, the expectation is that the Trustee would reduce the level of investment risk by investing more in assets that better match the liabilities. In essence this would see a gradual sale of equities and the purchase of gilts and corporate bonds. The company is of the view that, due to the long term nature of the Scheme's liabilities, it is appropriate to continue with a degree of equity investment so as to manage the Scheme's long term liabilities efficiently.

The Trustee has derived its investment strategy, in consultation with the company, so as to reflect the Scheme's long term liabilities. At the current time approximately 58% of the Scheme's assets are invested in long term fixed interest and inflation linked securities of a duration that broadly matches the duration of benefit payments. The balance is invested in a diversified portfolio of global equity type assets. The Scheme's investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

It should be noted that the Trustee has sole responsibility for setting the investment strategy for the Scheme, albeit the Company is consulted over any change to investment strategy. The processes used to manage risks within the Scheme have not changed from previous periods.

Other risks

Actions taken by the local regulator, or changes to legislation, could result in stronger local funding standards, which could materially affect the Company's cash flow.

There is a risk that changes in the assumptions for discount rate, price inflation or life expectancy could result in an increase in the deficit in the Scheme. Other assumptions used to value the defined benefit obligation are also uncertain, although their effect is less material.

Winding up

Although currently there are no plans to do so, with the Company's approval, the Trustee could choose to wind up the Scheme in which case the benefits would have to be bought out with an insurance company. The cost of buying-out benefits would be significantly more than the defined benefit obligation calculated in accordance with IAS 19 (revised).

The measurement of the Company's net defined benefit liability is particularly sensitive to changes in certain key assumptions, which are:

Discount rate	This has been selected following actuarial advice received, taking into account the duration of the liabilities. An increase or decrease in the discount rate of 0.5% would result in a decrease or increase of approximately £0.8m in the present value of the defined benefit obligation.
Inflation	The methodology used to derive the assumption adopted is consistent with discount rate methodology. An increase or decrease in the inflation rate of 0.25% would result in an increase or decrease of approximately £0.3m in the present value of the defined benefit obligation.
Mortality rates	The mortality assumptions adopted are based on actuarial advice received and reflect the most recent information as appropriate. The assumptions used indicate that the future life expectancy of a male (female) pensioner reaching age 65 in 2025 would be 20.3 (22.8) years and the future life expectancy from age 65 for a male (female) non-pensioner member currently aged 45 of 21.6 (24.3) years. The increase or decrease in the present value of the defined benefit obligation due to a member living one year longer, or one year less, would be approximately £0.4m.

The methods used to carry out the sensitivity analyses presented above for the material assumptions are the same as those the Company has used previously. The calculations alter the relevant assumption by the amount specified, whilst assuming that all other variables remained the same. This approach is not necessarily realistic, since some assumptions are related: for example, if the scenario is to show the effect if inflation is higher than expected, it might be reasonable to expect that nominal yields on corporate bonds will increase also. However, it enables the reader to isolate one effect from another.

The Company's policy is to recognise actuarial gains and losses immediately in full each year. A full actuarial valuation was carried out as at 1 January 2023 by a qualified independent actuary. A full actuarial valuation as at 1 January 2026 is in progress.

Notes to the Accounts (continued)

24. Pension Commitments (continued)

Reconciliation of the present value of the defined benefit obligation

	2025	2024
	£'000	£'000
Present value of defined benefit obligation at beginning of year	**13,930**	15,056
Interest cost	**742**	698
Effect of changes in financial assumptions	**(225)**	(1,108)
Benefits paid	**(895)**	(716)
Present value of defined benefit obligation at end of year	**13,552**	13,930

Reconciliation of fair value of scheme assets

	2025	2024
	£'000	£'000
Fair value of scheme assets at start of year	**8,153**	9,284
Interest income	**434**	427
Return on scheme assets	**63**	(955)
Contributions by the Company	**355**	165
Benefits paid	**(895)**	(716)
Administration costs	**-**	(52)
Fair value of scheme assets at end of year	**8,110**	8,153

Administration costs are met directly by the Company up to a cap of £160,000. The £52,000 included above reflects amounts paid by the Scheme to the Company in 2024 in respect of costs in excess of the cap incurred in 2023. This amount has been recognised as an expense in the Company's income statement in the prior year, in line with IAS19 at the time when the Scheme recognised the cash outflow.

Amounts to be recognised in the balance sheet

	2025	2024
	£'000	£'000
Present value of funded obligation	**(13,552)**	(13,930)
Fair value of scheme assets	**8,110**	8,153
Net liability in balance sheet	**(5,442)**	(5,777)

Amounts to be recognised in the income statement

	2025	2024
	£'000	£'000
Interest on obligation	**(742)**	(698)
Interest income on scheme assets	**434**	427
Administration cost	**-**	(52)
Total expense	**(308)**	(323)

In addition to the £nil above (2024: £52,000), administration costs are met by the company directly and are recognised as administration expenses.

Total amount recognised in the statement of comprehensive income (SOCI)

	2025	2024
	£'000	£'000
Actuarial gain	**(288)**	(153)
Actuarial gain recognised in (SOCI)	**(288)**	(153)

Notes to the Accounts (continued)

24. Pension Commitments (continued)

	2025 £'000	2024 £'000
Pension cost		
Defined benefit scheme net interest charge and administration cost	**308**	323
Defined contribution scheme	**82**	85
	490	408

Scheme assets

	2025 %	2025 £'000	2024 %	2024 £'000
Cash	**10**	**773**	5	434
Equities	**34**	**2,791**	37	3,022
Gilts and bonds	**56**	**4,546**	58	4,697
Total scheme assets	**100**	**8,110**	100	8,153
Expected rate of return on scheme assets		**5.60%**		5.50%

At 31 December 2025 the scheme assets were invested in a diversified portfolio that consisted primarily of equity and debt securities. The fair value of the scheme assets as a percentage of total scheme assets and target allocations is set out above. There are no Company related investments included in the fair value of assets included above.

Principal actuarial assumptions at the Balance Sheet date:

The assumptions as at the reporting date are used to determine the present value of the benefit obligation at that date. The key financial assumptions are set out below:

	2025	2024
Discount rate	**5.60%**	5.50%
Long term rate of return on assets	**5.60%**	5.50%
RPI Inflation	**2.90%**	3.10%
CPI Inflation	**2.60%**	2.80%
Pension increases:		
Non-Executive pension accrued before 1 January 1992 (0% fixed)	**0.00%**	0.00%
Non-Executive pension accrued after 1 January 1992 (RPI max 5%)	**2.90%**	3.00%
Executive pension accrued before 1 January 1992 (4% fixed)	**4.00%**	4.00%
Executive pension accrued after 1 January 1992 (RPI min 4%, 5% max)	**4.10%**	4.20%
Pre and post retirement mortality		
Retiring today:		
Males	**85.3**	85.0
Females	**87.8**	87.7
Retiring in 20 years:		
Males	**86.6**	86.3
Females	**89.3**	89.2
Cash commutation	25% of pension at age 65 at a rate of 15.0:1	25% of pension at age 65 at a rate of 15.0:1

Mortality Assumption; Base mortality table

– Males – S3PMA All table (appropriate to the members' years of birth)

– Females – S3PFA middle table (appropriate to the members' years of birth)

A scaling factor of 120% for males and 109% for females has been applied to the notes under the standard tables. An allowance for future improvements has been made in line with the CMI 2024 Core Regulations assuming a long term annual note of improvement in mortality rates of 1.25% for men and women.

Notes to the Accounts (continued)

24. Pension Commitments (continued)

Defined Contribution Scheme

The Company commenced the operation of a defined contribution scheme on 1 October 2006. Contributions payable by the Company to the defined contribution scheme of £71,000 (2024: £71,000) have been charged to operating profit. ESE Direct Limited also provided a defined contribution scheme in respect of certain employees. Contributions payable to that scheme of £11,000 (2024: £14,000) have been charged to operating profit.

At 31 December 2025, unpaid pension contributions to the Slingsby scheme were £15,276 (2024: £15,370). The respective amount for the ESE scheme was £1,622 (2024: £4,031).

25. Share Capital and Reserves

Share Capital	**2025 Number**	**2025 £'000**	2024 Number	2024 £'000
Allotted, called up and fully paid				
Ordinary shares of 25p	**1,102,500**	**276**	1,102,500	276

The Company has one class of Ordinary shares which carry no right to fixed income. Each carries a right to vote at general meetings of the Company. 52,500 shares were issued during 2024. More information can be found at note 5.

Reserves

The Share Premium reserve represents consideration paid in excess of the nominal value of shares allotted, net of the costs of issue.

Retained earnings represents all current and prior period retained profits and other comprehensive income.

26. Related Party Transactions

Key Management

Key management personnel comprises the Group's Directors who served during the year. Their remuneration (net of employer's national insurance costs) is set out in note 5. The total cost including employer's national insurance costs in respect of Morgan Morris £194,000 (2024: £347,000) which includes £4,500 (2024: £3,729) of pension contributions and of Andrew Kitchingman would be £34,000 (2024: £33,000) which includes £nil (2024: £nil) of pension contributions.

In October 2024, the Company awarded a discretionary bonus of £157,500 to Morgan Morris for his previous and continued service to the Company, which he used to purchase 52,500 new ordinary shares of 25 pence each in the Company at a price of 300 pence per share, being the closing current mid-market share price on 29 October 2024.

The Group's Executive Directors made purchases from the Group during the year. Morgan Morris made purchases from the Group of £784 (2024: £2,844). All transactions were made under the Group's usual terms of sale.

Other Related Party Transactions

There were no other related party transactions to disclose.

The company has taken advantage of the exemption not to disclose transactions with Group companies.

Notes to the Accounts (continued)

27. Movement in liabilities arising from financing activities

Group

	At 1 January 2025 £'000	Cashflow £'000	**At 31 December 2025 £'000**
Bank overdraft (note 19)	(2,164)	787	**(1,377)**
Invoice financing (note 19)	(755)	213	**(542)**
Lease obligations (note 21)	(92)	22	**(70)**
Cash and cash equivalents	2,366	(823)	**1,543**
Net (debt)/cash	(645)	199	**(446)**

Company

	At 1 January 2025 £'000	Cashflow £'000	**At 31 December 2025 £'000**
Bank overdraft (note 18)	(2,164)	787	**(1,377)**
Invoice financing (note 18)	(755)	213	**(542)**
Cash and cash equivalents	197	(47)	**150**
Net debt	(2,722)	953	**(1,769)**

Five Year Summary

	2025	2024	2023	2022	2021
	£'000	£'000	£'000	£'000	£'000
Income Statement					
Turnover	**20,024**	20,773	22,642	21,564	19,824
Gross profit	**6,963**	7,186	8,131	7,456	6,645
Operating profit/(loss) before exceptional item	**91**	(123)	630	627	410
Exceptional items	**(89)**	(378)	-	-	530
(Loss)/profit before tax	**(318)**	(769)	357	485	822
(Loss)/profit for the financial year	**(276)**	(601)	233	380	567
(Loss)/earnings per share – basic and diluted	**(25.0p)**	(56.8p)	22.2p	36.2p	54.0p
Dividend Per Ordinary Share:					
– Interim	**0.0p**	0.0p	0.0p	0.0p	0.0p
– Final	**0.0p**	0.0p	0.0p	0.0p	0.0p
Cash Flow Statement					
Cash generated from/(used in) operating activities	**370**	(560)	541	(76)	182
Balance Sheet					
Net current assets	**2,484**	2,575	2,987	2,861	2,475
Net assets	**3,857**	3,917	4,246	4,319	2,263
Pension deficit (net of deferred tax asset)	**(4,082)**	(4,333)	(4,329)	(4,119)	(5,953)
Net (debt)/cash excluding leases	**(376)**	(553)	205	26	346
Cash and cash equivalents	**1,543**	2,366	2,449	2,243	1,999