



LEEDS

GROUP LIMITED

Company Number: 00067863

Annual Report and Accounts 2025

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Directors report *for the year ended 31 May 2025*

The Directors present their annual report and the audited financial statements for the year ended 31 May 2025.

Principal activities

Leeds Group Limited ("Leeds Group" or "the Group") has been established for more than a century and is incorporated in England and Wales under Company Number 00067863. The only subsidiary of the Group is LG Nordhorn Property GmbH ("LG Nordhorn"), incorporated and operating in Germany, providing commercial warehouse and office rental.

For most of its history, the Group has been mainly engaged in textile processing, specialising in fabric printing and yarn dyeing, and by 1996 had manufacturing operations in UK, Holland and Italy. In recent years, the European textile manufacturing industry has contracted, with an ever-increasing proportion of European textile consumption being sourced from the low wage economies of the Far East. In response, Leeds Group has now ceased all manufacturing and textile activities and its main activity is property investment.

Results and dividend

The consolidated statement of profit and loss and other comprehensive income for the year is set out on page 7. Given the results of the financial year, the Directors do not recommend the payment of a dividend in 2025 (2024: *£nil*).

Directors' and officers' liability insurance

The Group maintains directors' and officers' liability insurance that gives appropriate cover for any legal actions brought against its directors or senior managers. This policy remained in force on the date on which the financial statements of the Group were approved by the Board.

Directors and Directors' interests

The Directors who held office during the year were Mr Johan Claesson, Mr David Cooper and Mr Jan Holmstrom. Mr Jan Holmstrom resigned on 20 November 2024 and Mr David Cooper resigned on 5 September 2025.

Political and charitable contributions

The Group made no political contributions, nor any donations to UK charities in the years ended 31 May 2025 and 31 May 2024.

Financial risk management policies

The Group's activities are exposed to a variety of financial risks which are set out in note 4 to the consolidated financial statements.

Post Balance Sheet Events

Subsequent to the year end, the Group agreed an extension to its short-term bank loan, extending the maturity date to 30 December 2026 and revising the interest rate. As the agreement was entered into after the reporting date, this is considered a non-adjusting post balance sheet event and no adjustment has been made to the financial statements.

Going Concern

In assessing the Group's ability to continue as a going concern, the Directors have considered the Group's current and forecast financial position, its liquidity requirements, existing financing arrangements and the timing of future cash flows.

The Directors have exercised judgement in placing reliance on the continuing financial support of the Group's principal shareholders. The Directors note that a shareholder letter of support has been received, confirming the shareholders' intention to make available such financial support as may be required, including by way of additional shareholder loans.

The Directors have considered their experience of providing financial support to the Group in prior periods, their financial capacity and intention to continue to do so, the Group's development, performance, position and future prospects, and the absence of any known factors which would indicate that such support would not be available when required.

The shareholder support has been confirmed for a period of at least twelve months from the date of approval of the financial statements and, having regard to all relevant factors, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

Directors report

for the year ended 31 May 2025

Going Concern (continued)

Future plans and forecasts

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

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

Financing facilities

The Parent Company, which has no bank borrowing facilities, is located in the UK. The property rental business, LG Nordhorn is located in Germany has two bank loans as follows, repayment terms are set out in note 18:

- A short-term bank loan of €0.8m (£0.7m) secured on the properties at Nordhorn.
- A long-term bank loan of €1.1m (£1.0m) secured on the properties at Nordhorn.

The Directors consider there will be sufficient operational cash flow generated within the business and, therefore, the Directors believe that the Group will continue to operate as a going concern for the next 12 months and beyond from the approval of these financial statements. The financial statements have, therefore, been prepared on a going concern basis.

Directors' responsibilities

The Directors are responsible for preparing the annual report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Parent Company financial statements in accordance with UK adopted International Financial Reporting Standards, and that the Company financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice), all subject to any material departures that are disclosed and explained.

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 Parent Company and of the profit or loss of the Group for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the Group financial statements have been prepared in accordance with UK adopted International Financial Reporting Standards, and that the Company financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice), all subject to any material departures that are disclosed and explained; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of 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 Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors report

for the year ended 31 May 2025

Website publication

The Directors are responsible for ensuring that the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Auditors

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

The Directors will assess in future years whether the Company continues to meet the criteria for audit under section 475 of the Companies Act 2006.

The Directors' report was approved by the Board on 3 February 2026 and signed on its behalf by:



Dawn Henderson
Company Secretary

Craven House
14 – 18 York Road
Wetherby
Leeds.

LS22 6SL

Independent auditor's report to the members of Leeds Group Limited

Opinion

We have audited the financial statements of Leeds Group Limited (the 'Group') for the year ended 31 May 2025 which comprise the Consolidated statement of profit and loss and other comprehensive income, the Consolidated statement of financial position, the Consolidated statement of cash flow, the Consolidated statement of changes in equity, the Company statement of financial position, the Company statement of changes in equity and notes to the financial statements, including material accounting policies.

The financial reporting framework that has been applied in the preparation of the Group's financial statements is applicable law and UK adopted International Reporting Standards ("UK adopted IFRS"). The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 May 2025 and of the Group's and of the Parent Company's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted IFRS;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusion 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 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.

Independent auditor's report to the members of Leeds Group Limited

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

Matters on which we are required to report by exception

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 ;or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Independent auditor's report to the members of Leeds Group Limited

Auditor responsibilities for the audit of the financial statements(continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the financial statements is located on the FRC's website at: 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 Moyser FCA FCCA
(Senior Statutory Auditor)
for and on behalf of MHA, Statutory Auditor
London, United Kingdom
3 February 2026

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

Consolidated statement of profit and loss and other comprehensive income

for the year ended 31 May 2025

	Note	Year ended 31 May 2025	Year ended 31 May 2024		Total Restated £000
		Continuing operations £000	Discontinued Operations Restated £000	Continuing operations £000	
Revenue		304	16,752	76	16,828
Cost of sales		-	(12,739)	-	(12,739)
Gross profit		304	4,013	76	4,089
Distribution costs		-	(1,127)	-	(1,127)
Loss on discontinued operations	7	-	(3,219)	-	(3,219)
Administrative costs	6	(522)	(3,073)	(448)	(3,521)
Total administrative costs		(522)	(6,292)	(448)	(6,740)
Operating loss		(218)	(3,406)	(372)	(3,778)
Interest payable and similar expenses	8	(94)	(386)	(41)	(427)
Loss before tax		(312)	(3,792)	(413)	(4,205)
Tax charge	9	-	(138)	-	(138)
Loss for the year attributable to the equity holders of the Parent Company		(312)	(3,930)	(413)	(4,343)
Other comprehensive (loss)/profit					
Translation differences on foreign operations		-	(21)	3	(18)
Total comprehensive loss for the year attributable to the equity holders of the Parent Company		(312)	(3,951)	(410)	(4,361)

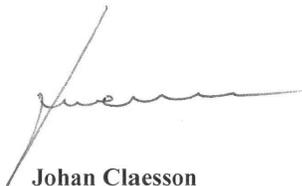
There is no tax effect relating to other comprehensive income/(loss) for the year. Amounts included in other comprehensive income/(loss) may be reclassified subsequently as profit or loss.

The notes on pages 11 to 27 form part of these financial statements.

Consolidated statement of financial position*as at 31 May 2025*

Company number 00067863	Note	31 May 2025 £000	31 May 2024 Restated £000
Assets			
<i>Non-current assets</i>			
Investment property	11	5,022	5,302
Total non-current assets		5,022	5,302
<i>Current assets</i>			
Trade and other receivables	15	108	50
Other receivables	15	547	548
Cash on demand or on short term deposit	16	5	44
Total current assets		660	642
Total assets		5,682	5,944
Liabilities			
<i>Non-current liabilities</i>			
Trade and other payables	17	(311)	-
Loans and borrowings	18	(661)	(883)
Total non-current liabilities		(972)	(883)
<i>Current liabilities</i>			
Trade and other payables	17	(168)	(295)
Loans and borrowings	18	(909)	(821)
Total current liabilities		(1,077)	(1,116)
Total liabilities		(2,049)	(1,999)
TOTAL NET ASSETS		3,633	3,945
Capital and reserves attributable to equity holders of the Company			
Share capital	21	3,279	3,279
Capital redemption reserve	21	1,113	1,113
Foreign exchange reserve		1	1
Retained earnings		(760)	(448)
TOTAL EQUITY		3,633	3,945

The financial statements on pages 8 to 10 were approved and authorised for issue by the Board of Directors on 3 February 2026 and were signed on behalf of the Board by: -



Johan Claesson
Director

The notes on pages 11 to 27 form part of these financial statements.

Consolidated statement of cash flows

for the year ended 31 May 2025

	Note	Year ended 31 May 2025	Year ended 31 May 2024 Restated
		£000	£000
Cash flows from operating activities			
Loss for the year		(312)	(4,343)
<i>Adjustments for:</i>			
Depreciation of investment property	11	226	96
Depreciation of property, plant and equipment	12	-	402
Depreciation of right-of-use assets	13	-	92
Amortisation of intangible assets	14	-	5
Finance expense – interest on other loans	8	18	36
Finance expense – interest on bank loans	8	76	385
Finance expense – interest lease liabilities	8	-	6
Loss on discontinued operations	7	-	3,219
Tax charge	9	-	138
Cash from operating activities before changes in working capital and provisions			
		8	36
Decrease in inventories		-	265
(Increase)/decrease in trade and other receivables		(58)	121
Increase in trade and other payables		221	157
Cash generated from operating activities			
		171	579
Tax paid		-	(686)
Net cash flows generated from/(used in) operating activities			
		171	(107)
Investing activities			
Purchase of investment property	11	-	(259)
Purchase of property, plant and equipment	12	-	(22)
Proceeds from the sale of fixed assets		-	86
Net costs from disposal of subsidiary		-	(585)
Net cash used in investing activities			
		-	(780)
Financing activities			
Bank borrowings drawn	18	-	1,720
Bank borrowing disposed of	7	-	5,535
Bank borrowings repaid	18	(116)	(6,032)
Repayment of principal on lease liabilities	19	-	(92)
Interest paid on lease liabilities	8	-	(6)
Other interest paid	8	(18)	(36)
Bank interest paid	8	(76)	(385)
Net cash (used in)/generated from financing activities			
		(210)	704
Net decrease in cash and cash equivalents			
		(39)	(183)
Cash and cash equivalents at the beginning of the year		44	234
Cash and cash equivalents disposed of	7	-	(7)
Cash and cash equivalents at the end of the year			
	16	5	44

The notes on pages 11 to 27 form part of these financial statements.

Consolidated statement of changes in equity

for the year ended 31 May 2025

	Share capital	Capital redemption reserve	Foreign exchange reserve	Retained earnings	Total equity
	£000	£000	Restated £000	Restated £000	Restated £000
At 31 May 2023	3,279	1,113	2,152	3,895	10,439
Loss for the year	-	-	-	(4,343)	(4,343)
Realisation on disposal of subsidiary	-	-	(2,133)	-	(2,133)
Other comprehensive loss	-	-	(18)	-	(18)
<i>Total comprehensive loss</i>	-	-	(2,151)	(4,343)	(6,494)
At 31 May 2024	3,279	1,113	1	(448)	3,945
Loss for the year	-	-	-	(312)	(312)
<i>Total comprehensive loss</i>	-	-	-	(312)	(312)
At 31 May 2025	3,279	1,113	1	(760)	3,633

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

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

The notes on pages 11 to 27 form part of these financial statements.

Notes to the consolidated financial statements

for the year ended 31 May 2025

1 General information

Leeds Group Limited is a private company, limited by shares and incorporated in England and Wales under the Companies Act and its number is 00067863. The address of the registered office is Craven House, 14-18 York Road, Leeds, Wetherby, LS22 6SL. The only subsidiary of the Group is LG Nordhorn, incorporated and operating in Germany, providing commercial warehouse and office rental.

2 Material accounting policies

Basis of preparation

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. The policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements have been prepared under the historical cost convention subject to fair valuing of financial instruments. The Group financial statements have been properly prepared in accordance with UK adopted International Financial Reporting Standards (UK adopted IFRS) and in accordance with the Companies Act 2006.

Subsidiaries

Subsidiaries are entities controlled by the Group. Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences to the date on which control ceases. All intercompany transactions, balances, income and expenses between Group companies are eliminated on consolidation.

Business combinations

The acquisition method is used to account for all acquisitions. The cost of an acquisition is measured at the fair values at the date of acquisition, which is the date on which control is transferred to the Group. The consideration is calculated as the sum of the fair value of assets transferred and liabilities incurred.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest of the acquiree; less
- the net recognised amount of separately identifiable assets acquired, and liabilities assumed, measured at their fair value.

When the excess is negative, a bargain price is recognised immediately in the consolidated statement of comprehensive income. Transaction costs that the Group incurs in connection with a business combination are expensed as incurred.

Going Concern

In assessing the Group's ability to continue as a going concern, the Directors have considered the Group's current and forecast financial position, its liquidity requirements, existing financing arrangements and the timing of future cash flows.

The Directors have exercised judgement in placing reliance on the continuing financial support of the Group's principal shareholders. The Directors note that a shareholder letter of support has been received, confirming the shareholders' intention to make available such financial support as may be required, including by way of additional shareholder loans.

The Directors have considered their experience of providing financial support to the Group in prior periods, their financial capacity and intention to continue to do so, the Group's development, performance, position and future prospects, and the absence of any known factors which would indicate that such support would not be available when required.

The shareholder support has been confirmed for a period of at least twelve months from the date of approval of the financial statements and, having regard to all relevant factors, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

Notes to the consolidated financial statements

for the year ended 31 May 2025

2 Material accounting policies (continued)

Going Concern (continued)

Future plans and forecasts

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

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

Financing facilities

The Parent Company, which has no bank borrowing facilities, is located in the UK. The property rental business, LG Nordhorn located in Germany has two loans as follows, repayment terms are set out in note 18:

- A short-term loan of €0.8m (£0.7m) secured on the properties at Nordhorn.
- A long-term loan of €1.1m (£1.0m) secured on the properties at Nordhorn.

The Directors consider there will be sufficient operational cash flow generated within the business and, therefore, the Directors believe that the Group will continue to operate as a going concern for the next 12 months and beyond from the approval of these financial statements. The financial statements have, therefore, been prepared on a going concern basis.

Revenue

Rent from investment properties is recognised on a straight-line basis over the lease term as management considers this method to provide a faithful depiction of the transfer of services as the right to use the asset as evenly over the contract period. There are no long-term or financing arrangements with customers in place across the Group. There are no material concentrations of revenue by customers.

Investment property

The Group applies the historic cost model to investment property. Investment property comprises property held by the Group not occupied by its trading subsidiaries for the purpose of earning rental income to cover costs. Investment property is carried at cost less accumulated depreciation and any recognised impairment loss. Freehold land is not depreciated. Depreciation is provided to write off the carrying value of items on a straight-line basis over their expected useful economic lives which is between 8 and 33 years.

Property, plant and equipment

Other than freehold land, all items of property, plant and equipment are carried at cost less accumulated depreciation and any recognised impairment loss. Freehold land is not depreciated. Depreciation is provided on all other items of property, plant and equipment to write off the carrying value of items on a straight-line basis over their expected useful economic lives as follows:

Land and buildings	8 - 33 years
Plant and equipment	5 - 15 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted where appropriate. Any gain or loss on disposal of property, plant and equipment is recognised in the consolidated statement of comprehensive income.

Notes to the consolidated financial statements

for the year ended 31 May 2025

2 Material accounting policies (continued)

Impairment of non-current assets

At each financial year end, the Group assesses whether there is an indication that its assets have been impaired. If there is an indication that its assets have been impaired, the recoverable amount is determined to determine the extent of the impairment. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which it relates is determined. The recoverable amount is defined as the higher of the fair value less costs to sell and value in use at that date. Value in use is calculated as the expected future cash flows discounted on a pre-tax basis, using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to that assets or cash generating unit. If the recoverable amount of the asset is less than the carrying value, the carrying value is reduced to its recoverable amount, that reduction is recognised as an impairment loss. An impairment loss relating to an asset carried at cost less accumulated depreciation or amortisation is recognised immediately in the consolidated statement of comprehensive income. If an impairment loss subsequently reverses, the carrying value of the asset is increased to the revised recoverable amount but limited to the carrying value that would have been determined had no impairment been recognised in prior years. A reversal of an impairment loss is recognised in the consolidated statement of comprehensive income.

Leases

The Group has adopted IFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on 1 June 2020, without restatement of comparative figures. Lease liabilities are measured at the present value of the contractual payments due to the lessor over the determined lease term, with the discount rate applied being the incremental borrowing rate of the Group. The incremental borrowing rate has been determined with the use of existing ability of the Group to obtain finance on similar security.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to exercise that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset.

All leases are accounted for by recognising a right-of-use asset and a lease liability. Payments made under these leases are charged to profit and loss on a straight-line basis over the lease term.

Discontinued operation

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

Employee benefits

The Group operates a defined contribution pension scheme for its UK employees, and contributions are charged to the consolidated statement of comprehensive income in the period to which they relate. The Group has no employees in Germany.

Notes to the consolidated financial statements

for the year ended 31 May 2025

2 Material accounting policies (continued)

Taxation

Taxation comprises current and deferred tax. It is recognized in profit or loss except to the extent it relates to a business combination or items directly in equity or other comprehensive income (IAS12:58).

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the date of the statement of financial position and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable Group company; or
- different Group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Foreign currency

The consolidated financial statements are presented in sterling, which is the functional currency of the Parent Company and the presentational currency of the Group. Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the date of the statement of financial position. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the date of the statement of financial position. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised directly in equity (the "foreign exchange reserve"). Exchange differences recognised in the consolidated statement of comprehensive income of Group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to the foreign exchange reserve on consolidation. On disposal of a foreign operation, the cumulative exchange differences relating to that operation, previously recognised in the foreign exchange reserve, are reclassified to profit or loss as part of the gain or loss on disposal.

Notes to the consolidated financial statements

for the year ended 31 May 2025

2 Material accounting policies (continued)

Financial assets and liabilities

IFRS 9 'Financial Instruments' outlines the principles an entity must apply to measure and recognise financial assets and liabilities. The Group recognises financial assets and liabilities when it becomes a party to the terms of the contract.

Financial assets

Financial assets that are held to collect are categorised as amortised cost under IFRS 9. This includes the Group's trade and other receivables and cash and cash equivalents. The measurement of these financial assets held at amortised cost remains unchanged since the introduction of IFRS 9.

Trade receivables

Trade receivables that do not contain a significant financing component are recognised initially at fair value and thereafter at amortised cost less provision for impairment. Impairment provisions for current and non-current trade receivables are recognised based on a simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivable is assessed. This probability is then multiplied by the amount of the gross trade receivables to determine the expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administration cost in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collected, the gross carrying value is written off against the associated provision.

Other receivables -Withholding Tax debtor

The Group recognises a withholding tax receivable in accordance with IAS 12 – Income Taxes, where the amount already paid in respect of current and prior periods exceeds the amount due for those periods. The receivable is recognised at the amount expected to be recovered from tax authorities, based on applicable tax laws and regulations. The Group reviews the recoverability of the receivable at each reporting date. Subsequently, if the likelihood of not recovering the asset in full is probable, a provision is recognised against the amount, in line with IFRIC 23 - Uncertainty over Income Tax Treatments.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and on short term deposit, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

Financial liabilities

The classification and measurement of financial liabilities in accordance with IFRS 9 remains largely unchanged. All financial liabilities are measured at amortised cost and include trade and other payables and bank borrowings.

Trade and other payables

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

Borrowings

Borrowings, which comprise bank loans are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the arrangement of the loan facilities and revolving credit facilities are recognised as transaction costs over the life of the agreement.

Current borrowings are secured against working capital rather than being a factored agreement that relinquishes control of the assets to the bank.

Share capital

The Group's ordinary shares are classified as equity instruments.

Notes to the consolidated financial statements

for the year ended 31 May 2025

3 Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The directors do not believe there are any significant accounting estimates with a significant risk of a material change to the carrying value of assets and liabilities within the next year which meet the definition of a key source of estimation uncertainty.

Other areas of judgement and accounting estimates

The financial statements include other areas of judgement and accounting estimates. While these areas do not meet the definition of significant accounting estimates or critical accounting judgements, the recognition and measurement of certain material assets and liabilities are based on assumptions and/or are subject to longer term uncertainties. The other areas of judgement and accounting estimates are:

Recoverability of debtors - The Directors believe that the Group will recover the amounts included in the other debtors in relation to a withholding tax reclaim within the next year. The Directors have applied judgement in relation to their assessment of the timing and recoverability of the amounts.

Warranties on sale of subsidiary - The Directors have applied judgement and believe there will be no call on the warranties provided on the sale of Hemmers and therefore no provision has been made in these financial statements.

Investment property - The investment property has been included in these financial statements at historic cost. The Directors consider this appropriate. The Directors have applied judgement in establishing the fair value of the property which has been outlined in Note 11.

4 Financial instruments - risk management

The Group is exposed through its operations to the following financial risks:

- **Liquidity risk**
- **Market risk** in the form of foreign exchange risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. The following describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them.

Principal financial instruments

The principal financial instruments used by the Group, giving rise to financial instrument risk, are as follows:

- Trade receivables
- Cash at bank
- Bank overdrafts
- Trade payables
- Fixed rate bank loans

General objectives, policies and processes

The Directors have responsibility for the determination of the Group's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

Notes to the consolidated financial statements

for the year ended 31 May 2025

4 Financial instruments - risk management (continued)

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Board monitors and manages the Group's net indebtedness by reference to cash flow forecasts prepared in their functional currencies by subsidiary companies. These forecasts are regularly updated, allowing the Board to ensure that the Group will always be able to meet its liabilities when they become due by maintaining adequate cash balances and committed loan facilities. The Group also seeks to reduce liquidity risk by fixing interest rates (and hence cash flows) on a portion of its long-term borrowings. This is further discussed in the 'interest rate risk' section.

Market risk

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

(i) Cash flow interest rate risk

The Group manages its cash flow interest rate risk by borrowing at fixed interest rates wherever possible. Working capital is financed by short or medium-term bank debt at fixed rates, leaving a small residual overdraft at variable rates.

The borrowings of overseas subsidiaries are denominated in Euros, their functional currency, to avoid those subsidiaries being exposed to unnecessary foreign exchange risk. Bank borrowings or cash deposits of the Parent Company are denominated in Sterling.

(ii) Foreign exchange risk

The Group had operations located in Germany whose functional currencies were in the Euro. Foreign exchange risk arises when entities enter into transactions denominated in a currency other than their functional currency, which almost invariably involved sales or purchases denominated in US Dollars. It is Group policy that Euro/US Dollar exposures should be commercially hedged locally by entering into forward contracts with reputable banks wherever appropriate. There are no forward contracts outstanding at either year end. The properties and associated bank loans are both held in Euros and therefore there is a natural hedge.

Capital policy

The Group's capital comprises equity as shown in the consolidated statement of financial position plus net debt. The Board'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 a capital structure that optimises the cost of capital. In order to maintain or adjust the capital structure the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets or reduce debts.

Notes to the consolidated financial statements

for the year ended 31 May 2025

5 Prior year adjustment

During the year, the Group identified two prior period errors relating to the financial statements for the year ended 31 May 2024:

Real estate transfer tax (RETT) capitalisation:

Transaction-related costs in relation to RETT incurred on the acquisition of the investment property, were not capitalised in the prior period. Based on advice received, such costs are directly attributable to the acquisition of the property and should be included in the cost of the investment property. The comparative figures have, therefore, been restated to reflect this correction.

KMR insolvency receivables write-off:

A receivable balance relating to the KMR insolvency, which was recognised in the prior year, has subsequently been determined to be irrecoverable following new advice from the German Insolvency administrator. As the prior year audit opinion was qualified due to insufficient appropriate audit evidence over the recoverability of this balance, the Group has concluded that the write-off represents a prior period error rather than a charge to the current year. Accordingly, the comparative figures for the year ended 31 May 2024 have been restated. The errors did not have a material impact on the opening balances at the beginning of the earliest comparative period presented and, therefore, no third statement of financial position is required.

The impact on the consolidated financial statements is as follows:

	Year ended 31 May 2024 Previously stated £000	RETT capitalisation £000	KMR insolvency write off £000	Year ended 31 May 2024 Restated £000
Administrative expenses	(6,339)	259	(660)	(6,740)
Operating loss	(3,377)	259	(660)	(3,778)
Loss from discontinued activities	(3,391)	259	(660)	(3,792)
Loss for the year	(3,804)	259	(660)	(4,205)
Other comprehensive loss	(16)	(2)	-	(18)
Retained earnings	(47)	257	(658)	(448)
Foreign exchange reserve	3	(2)	-	1
Investment property	5,045	257	-	5,302
Trade and other receivables	710	-	(660)	50
Net assets	4,348	257	(660)	3,945

6 Operating loss

	Year ended 31 May 2025 £000	Year ended 31 May 2024 £000
Operating loss is stated after charging:		
Depreciation		
- Investment property	226	96
- Property, plant and equipment	-	402
- Right-of-use assets	-	92
Amortisation of trademarks	-	5

Dave Copper, a non-executive director was paid a salary of £15,000 (2024: £15,000) and pension contributions of £450 (2024: £450).

Notes to the consolidated financial statements

for the year ended 31 May 2025

7 Discontinued operations

On 26 March 2024, the sale of the Group's subsidiary, Hemmers-Itex Textil Import Export GmbH ('Hemmers') was completed. The effect of the sale is as follows:

	Hemmers balance sheet at completion date £000	Sale costs Restated £000	IFRS adj Restated £000	Total Restated £000
Sale proceeds	-	501	-	501
Costs associated with the sale	-	(1,086)	-	(1,086)
Fixed assets	(873)	-	(115)	(988)
Current assets less current liabilities	(9,424)	-	-	(9,424)
Finance lease liability	-	-	117	117
Foreign currency reserve	2,133	-	-	2,133
	(8,164)	(1,086)	2	(9,248)
Cash	(7)	-	-	(7)
Loan	5,535	-	-	5,535
Net cash effect	5,528	-	-	5,528
(Loss)/profit on sale	(2,636)	(585)	2	(3,219)

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

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

Cash flows used in discontinued operations

	Year ended 31 May 2025 £000	Year ended 31 May 2024 £000
Net cash generated from operating activities	-	718
Net cash used in investing activities	-	(1,466)
Net cash generated from financing activities	-	745
Net cash flows for the year	-	(3)

8 Interest payable and similar charges

	Year ended 31 May 2025 £000	Year ended 31 May 2024 £000
Finance expense		
Interest paid on lease liabilities	-	6
Interest paid on bank overdrafts and loans	76	385
Interest paid on other loans	18	36
Finance expense	94	427

Notes to the consolidated financial statements

for the year ended 31 May 2025

9 Tax charge

	Year ended 31 May 2025 £000	Year ended 31 May 2024 £000
Current tax charge		
Withholding tax	-	(138)
Total tax charge	-	(138)

The Group has UK capital losses carried forward of £13.1m and unrelieved UK trading losses of £1.7m. No recognition has been made of deferred tax assets in respect of these losses carried forward as the Directors believe it unlikely that there will be sufficient profits to reverse these differences in the foreseeable future.

The reasons for the difference between the actual tax credit for the year and the standard rate of corporation tax in the UK applied to the profit for the year are as follows:

	Year ended 31 May 2025 £000	Year ended 31 May 2024 Restated £000
Loss before taxation from all operations	(312)	(4,205)
Expected tax credit based on the standard rate of corporation tax in the UK of 19% (2024: 19%)	59	799
Withholding tax	-	(138)
Expenses not deductible for tax purposes	-	(906)
Income adjustments not subject to tax	-	1,031
Movements in deferred tax not recognised	(59)	(494)
Capital loss exempt from tax	-	(430)
Total tax charge	-	(138)

10 Dividend

The Directors have not proposed a dividend in respect of the year ended 31 May 2025 or 31 May 2024.

11 Investment property

Freehold land and buildings	Restated £000
Cost	
Transfer from property, plant and equipment (note 12)	7,330
Capitalisation of cost of transfer	259
Effect of movements in foreign exchange rates	(71)
Balance at 31 May 2024	7,518
Effect of movements in foreign exchange rates	(75)
Balance at 31 May 2025	7,443

Notes to the consolidated financial statements

for the year ended 31 May 2025

11 Investment property (continued)

Freehold land and building	£000
Accumulated depreciation	
Transfer from property, plant and equipment (note 12)	2,141
Depreciation charge for the year	96
Effect of movements in foreign exchange rates	(21)
Balance at 31 May 2024	2,216
Depreciation charge for the year	226
Effect of movements in foreign exchange rates	(21)
Balance at 31 May 2025	2,421
Net book amount	
At 31 May 2024	5,302
At 31 May 2025	5,022

The fair value of the investment property was determined to be £6m. The fair value is based on a valuation undertaken by Commerzbank as part of their real estate appraisal as at 1 June 2023 based on a new build cost, having the appropriate qualifications and experience in the location and category of property being valued and then discounted by Directors based on the economic conditions in Germany and the current condition of the properties. The fair value measurement for the investment property has been categorised as a Level 3 fair value based on the unobservable inputs to the valuation technique, being an income method.

12 Property, plant and equipment

	Freehold land and buildings £000	Plant and equipment £000	Total £000
Cost			
Balance at 31 May 2023	7,386	3,700	11,086
Additions	7	15	22
Disposals	-	(86)	(86)
Transfer to investment property (note 11)	(7,330)	-	(7,330)
Sale of subsidiary	(65)	(3,620)	(3,685)
Effect of movements in foreign exchange rates	2	(9)	(7)
Balance at 31 May 2024	-	-	-
Accumulated depreciation	2,095	2,504	4,599
Balance at 31 May 2023			
Depreciation charge for the year	110	292	402
Transfer to investment property (note 11)	(2,141)	-	(2,141)
Sale of subsidiary	(65)	(2,788)	(2,853)
Effect of movements in foreign exchange rates	1	(8)	(7)
Balance at 31 May 2024	-	-	-
Net book amount			
At 31 May 2023	5,291	1,196	6,487
At 31 May 2024	-	-	-

Notes to the consolidated financial statements

for the year ended 31 May 2025

13	Right-of-use assets	Plant and equipment £000
	Cost	
	Balance at 31 May 2023	326
	Disposals	(91)
	Disposal of subsidiary	(236)
	Effect of movements in foreign exchange rates	1
	Balance at 31 May 2024	-
	Accumulated depreciation	
	Balance at 31 May 2023	119
	Depreciation charge for the year	92
	Disposals	(91)
	Disposal of subsidiary	(121)
	Effect of movements in foreign exchange rates	1
	Balance at 31 May 2024	-
	Net book amount	
	At 31 May 2023	207
	At 31 May 2024	-

14	Intangible assets	Trademarks £000
	Balance at 31 May 2023	46
	Amortisation	(5)
	Disposal of subsidiary	(41)
	Balance at 31 May 2024	-

15	Trade and other receivables	31 May 2025 £000	31 May 2024 Restated £000
	Trade receivables	83	33
	Prepayments	25	17
	Total trade and other receivables	108	50

All amounts are anticipated to be receivable in the short term. The carrying value of trade and other receivables is considered to be a reasonable approximation of fair value

	31 May 2025 £000	31 May 2024 £000
Other receivables	547	548
Other receivables	547	548

Other receivables comprise the expected German withholding tax refund of £547,000 (2024: £548,000).

Notes to the consolidated financial statements

for the year ended 31 May 2025

16 Cash on demand or on short term deposit

	31 May 2025	31 May 2024
	£000	£000
Total cash on demand or on short term deposit	5	44

Cash held by the Parent Company is deposited, earning interest at variable rates. In the opinion of the Directors, the carrying value of cash and cash equivalents approximates to its fair value.

17 Trade and other payables

	31 May 2025	31 May 2024
	£000	£000
<i>Current liabilities</i>		
Trade payables	88	84
Accruals and deferred income	36	105
Other payables	-	103
Other tax and social security taxes	44	3
	168	295
<i>Non-current liabilities</i>		
Other payables	311	-
Total trade and other payables	479	295

All amounts are anticipated to be payable in the short term. The carrying values are considered to be a reasonable approximation of fair value. Other payables represents the loan provided by the major shareholder. This has been reclassified as due after more than one year this year.

18 Borrowings

The book value of loans and borrowings are as follows:

	31 May 2025	31 May 2024
	£000	£000
Current		
Secured bank loans	909	821
Non - current		
Secured bank loans	661	883
Total loans and borrowings	1,570	1,704

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

Current loans and borrowings

At 31 May 2025, current loans and borrowings of £909,000 (2024: £821,000) comprise short term loans of £675,000 (2024: £682,000) and instalments due on long term loans of £234,000 (2024: £139,000). The interest rate on the short-term loan is 4.68% (2024: 5.93%) and the loan is secured on properties at Nordhorn, Germany as are the long-term loans. The short-term loan is repayable by 30 September 2025 but could be extended if required.

Notes to the consolidated financial statements

for the year ended 31 May 2025

18 Borrowings (continued)

Non-current loans and borrowings

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

	Fixed Interest rate	Repayment profile	Final repayment date	31 May 2025 £000	31 May 2024 £000
Loan	4.10%	Equal quarterly instalments from 15 December 2025	August 2028	661	883
Non-current loans				661	883

Non-current loans and borrowings

The changes in liabilities arising from financing activities were:

	31 May 2025 £000	31 May 2024 £000
At 1 June	1,704	6,046
Cash items		
Borrowings drawn	-	1,720
Borrowings repaid	(116)	(497)
Borrowings per disposal	-	(5,535)
Effect of movements in foreign exchange rates	(18)	(30)
At 31 May	1,570	1,704

19 Lease liabilities

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

The lease liability is calculated as the present value of payments over the lease term, discounted at an incremental borrowing rate to the Group. The Group has applied a practical expedient to apply a single discount rate to a portfolio of leases of similar characteristics. The incremental borrowing rate is determined by utilising existing facility agreements and the historic ability of the Group to lend against a portfolio of assets of similar security to the portfolio of leases. Payments made under these leases are charged to profit and loss on a straight-line basis over the lease term. The lease liabilities were included in the sale of Hemmers (note 6).

The movement in the lease liability in 2024 is as follows:

	Motor vehicles £000
At 1 June 2023	209
Interest expenses (note 8)	6
Lease payments	(98)
Leases per disposal (note 7)	(117)
At 31 May 2024	-

Notes to the consolidated financial statements

for the year ended 31 May 2025

20 Financial instruments

The financial assets of the Group are categorised as follows:

At amortised cost	31 May 2025	31 May 2024
	£000	Restated £000
Trade receivables	83	33
Other receivables	547	548
Cash and cash equivalents	5	44
	635	625

The financial liabilities of the Group are categorised as follows:

At amortised cost	31 May 2025	31 May 2024
	£000	£000
Trade payables	88	84
Accruals	36	105
Current other payables	-	103
Non-current other payables	311	-
Current bank borrowings	909	821
Non-current bank borrowings	661	883
	2,005	1,996

Financial risk management

Overview

The Group has been exposed through its operations to the following financial risks:

- **Market risk** in the form of foreign exchange risk
- **Liquidity risk**

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. The Group's risk management is coordinated by the Directors who focus on securing the Group's short to medium-term cash flow through regular review of all the operating activities of each of the businesses.

The most significant financial risks to which the Group is exposed are described as follows:

Foreign currency risk

The carrying values of the Group's trade and other receivables are denominated in the following currencies:

	31 May 2025	31 May 2024
	£000	Restated £000
Euro	83	33
Sterling	572	565
Total trade and other receivables	655	598

Notes to the consolidated financial statements

for the year ended 31 May 2025

20 Financial instruments (continued)

Financial risk management (continued)

The carrying values of the Group's trade and other payables are denominated in the following currencies:

	31 May 2025 £000	31 May 2024 £000
Euro	59	23
Sterling	420	272
Total trade and other payables	479	295

All the Group's external loans are denominated in Euros.

Liquidity risk

The Group manages its liquidity needs very carefully on a short and medium terms basis. Longer term needs are monitored as part of the Group's budgetary process.

The Group's financial liabilities have contractual maturities which are summarised below:

	As at 31 May 2025 Amount due in			As at 31 May 2024 Amount due in		
	Less than 1 year £000	2 to 5 years £000	Total £000	Less than 1 year £000	2 to 5 years £000	Total £000
Trade payables	88	-	88	84	-	84
Accruals	36	-	36	105	-	105
Current other payables	-	-	-	103	-	103
Non-current other payables	311	-	311	-	-	-
Current bank borrowings	909	-	909	821	-	821
Non-current bank borrowings	-	661	661	-	883	883
Net carrying value	1,344	661	2,005	1,113	883	1,996

21 Share capital

Issued and fully paid	2025 Number	2025 £000	2024 Number	2024 £000
At beginning and end of period	27,320,843	3,279	27,320,843	3,279

At 31 May 2025, no options over ordinary shares of the Company were outstanding (2024: nil).

There are no rights, preferences or restrictions attached to the ordinary shares.

The total number of shares purchased and cancelled is 9,277,760 shares and the nominal value of those shares is £1,113,331. This is shown in the consolidated statement of financial position as a capital redemption reserve, a component of equity.

Notes to the consolidated financial statements

for the year ended 31 May 2025

22 Related party transactions

A company controlled by Mr Claesson (director and major shareholder), CA Fastfigheter AB has provided a bridge financing loan to the Company to assist with funding costs associated with the sale of Hemmers. As at 31 May 2025, the loan amounted to £278,253 (2024: £85,176) and accrued interest was due amounting to £32,729 (2024: £18,076). Interest is charged at 8% pa. Mr Claesson was paid a fee of £15,000 (2024: £15,000) for his services as a director. An amount of £6,250 is due to Mr Claesson at 31 May 2025 (2024: £6,250).

Mr Holmstrom was paid a fee of £12,500 (2024: £50,000) for his services as a director.

23 Commitments

At 31 May 2025, there were no capital commitments authorised and committed (2024: £nil). There were no amounts authorised but not committed (2024: £nil).

24 Post balance sheet event

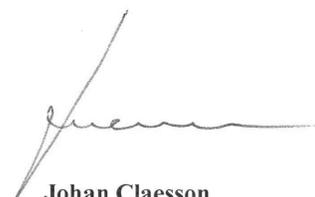
Subsequent to the year end, the Group agreed an extension to its short-term bank loan, extending the maturity date to 30 December 2026 and revising the interest rate. As the agreement was entered into after the reporting date, this is considered a non-adjusting post balance sheet event and no adjustment has been made to the financial statements.

Company statement of financial position
Prepared under FRS 101 "Reduced Disclosure Framework"
as at 31 May 2025

Company number 00067863	Note	31 May 2025	31 May 2024
		£000	Restated £000
Assets			
<i>Non-current assets</i>			
Investments in subsidiary undertakings	4	22	22
Amounts receivable from subsidiary undertakings	5	3,957	3,767
Total non-current assets		3,979	3,789
<i>Current assets</i>			
Trade and other receivables	6	572	564
Cash at bank and in hand		3	40
Total current assets		575	604
Total assets		4,554	4,393
Liabilities			
<i>Non-current liabilities</i>			
Trade and other payables	7	(311)	-
<i>Current liabilities</i>			
Trade and other payables	7	(109)	(271)
Total current liabilities		(420)	(271)
TOTAL NET ASSETS		4,134	4,122
<i>Capital and reserves</i>			
Share capital	8	3,279	3,279
Capital redemption reserve		1,113	1,113
Retained earnings		(258)	(270)
TOTAL EQUITY		4,134	4,122

The profit of the Company for the year was £12,000 (2024 restated: loss £1,947,000).

The financial statements on pages 28 to 29 were approved and authorised for issue by the Board of Directors on 3 February 2026 and were signed on behalf of the Board by: -



Johan Claesson
Director

The notes on pages 30 to 33 form part of these financial statements.

Company statement of changes in equity for the year ended 31 May 2025

	Share capital £000	Capital redemption reserve £000	Retained earnings Restated £000	Total equity Restated £000
At 31 May 2023	3,279	1,113	1,677	6,069
Loss for the year	-	-	(1,947)	(1,947)
At 31 May 2024	3,279	1,113	(270)	4,122
Profit for the year	-	-	12	12
At 31 May 2025	3,279	1,113	(258)	4,134

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

Reserve	Description and purpose
Share capital	The nominal value of issued ordinary shares in the Company.
Capital redemption reserve	Amounts transferred from share capital on redemption of issued shares.
Retained earnings	Cumulative net gains/(losses) recognised in the Company's statement of comprehensive income after deducting the cost of cancelled treasury shares.

The notes on pages 30 to 33 form part of these financial statements

Notes to the financial statements

for the year ended 31 May 2025

1 Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with FRS 100 and FRS 101, and the Company takes advantage of all of the available disclosure exemptions permitted by FRS 101 in the financial statements, the most significant of which are summarised below.

- a statement of profit and loss;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel;
- certain disclosures regarding the Company's capital;
- certain disclosures regarding financial instruments; and
- disclosure of related party transactions with other wholly owned members of Leeds Group.

Investments

Investments in subsidiary undertakings are stated at cost less any impairment for permanent diminution in value.

Impairment of intercompany receivables

At each financial year end, the Company assesses whether there is an indication that its assets have been impaired. If there is an indication that its assets have been impaired, the recoverable amount is assessed to determine the extent of the impairment. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which it relates is determined. The recoverable amount is defined as the higher of the fair value less costs to sell and value in use at that date. Value in use is calculated as the expected future cash flows discounted on a pre-tax basis, using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to that assets or cash generating unit. If the recoverable amount of the asset is less than the carrying value, the carrying value is reduced to its recoverable amount, that reduction is recognised as an impairment loss. An impairment loss relating to an asset carried at cost less accumulated depreciation or amortisation is recognised immediately in the statement of comprehensive income. If an impairment loss subsequently reverses, the carrying value of the asset is increased to the revised recoverable amount but limited to the carrying value that would have been determined had no impairment been recognised in prior years. A reversal of an impairment loss is recognised in the statement of comprehensive income.

Financial assets and liabilities

IFRS 9 'Financial Instruments' outlines the principles an entity must apply to measure and recognise financial assets and liabilities. The Group recognises financial assets and liabilities when it becomes a party to the terms of the contract, which is the settlement date.

Financial assets

Financial assets that are held to collect are categorised as amortised cost under IFRS 9. This includes the Group's trade and other receivables and cash and cash equivalents. The measurement of these financial assets held at amortised cost remains unchanged since the introduction of IFRS 9.

Amounts receivable from subsidiary undertakings

Amounts receivable from subsidiary undertakings are initially measured at fair value and subsequently measured at amortised cost. Impairment provisions are recognised based on the general approach within IFRS 9, which requires an assessment of whether there has been a significant increase in credit risk since initial recognition of the facility. The requirement for a provision is assessed based on 12-month expected credit losses, or lifetime credit losses, as appropriate.

Trade and other receivables

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and on short term deposit, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

Notes to the financial statements

for the year ended 31 May 2025

1 Accounting policies (continued)

Financial liabilities

The classification and measurement of financial liabilities in accordance with IFRS 9 remains largely unchanged. All financial liabilities are measured at amortised cost and include trade and other payables 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 rate.

Foreign Currency

The financial statements are presented in UK pounds sterling, which is the Company's functional currency. Transactions entered into by the Company in a currency other than sterling are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the statement of comprehensive income.

2 Statement of comprehensive income

A separate statement of comprehensive income for the Company is not presented, in accordance with Section 408 of the Companies Act 2006. The profit for the year for the Company dealt with in the consolidated financial statements of the Company was £12,000 (2024 restated: loss £1,947,000).

3 Prior year adjustment

During the year, the Company identified a prior period error relating to the financial statements for the year ended 31 May 2024:

KMR insolvency receivables write-off:

A receivable balance relating to the KMR insolvency, which was recognised in the prior year, has subsequently been determined to be irrecoverable following new advice from the German Insolvency administrator. As the prior year audit opinion was qualified due to insufficient appropriate audit evidence over the recoverability of this balance, the Group has concluded that the write-off represents a prior period error rather than a charge to the current year. Accordingly, the comparative figures for the year ended 31 May 2024 have been restated. The error did not have a material impact on the opening balances at the beginning of the earliest comparative period presented and, therefore, no third statement of financial position is required.

The impact on the consolidated financial statements is as follows:

	Year ended 31 May 2024 Previously stated £000	KMR insolvency write off £000	Year ended 31 May 2024 Restated £000
Retained earnings	390	(660)	(270)
Trade and other receivables	1,224	(660)	564
Net assets	4,782	(660)	4,122

Notes to the financial statements

for the year ended 31 May 2025

4 Investments in subsidiary undertakings

**Cost and
Carrying value
£000**

At 31 May 2024 and 2025	22
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The only subsidiary of the Group is LG Nordhorn, incorporated and operating in Germany, providing commercial warehouse and office rental.

5 Amounts receivable from subsidiary undertakings

The amounts receivable from subsidiary undertaking relates to loans provided to the subsidiary undertaking as follows:

	Fixed Interest Rate	Repayment Profile	31 May 2025 £000	31 May 2024 £000
Loan	8%	Repayable on demand	3,957	3,767

The loan was provided to LG Nordhorn to finance the property transfer on the sale of Hemmers. Although these balances are repayable on demand, the expectation of recoverability of these balances is in nature and substance more of a longer-term funding arrangement, in which the Company does not require payment immediately. As such, this is presented as a non-current asset. No impairment loss was recognised in the year in respect of amounts receivable from subsidiary undertakings (2024: *Nil*).

6 Trade and other receivables

	31 May 2025 £000	31 May 2024 Restated £000
Prepayments	25	16
Other receivables	547	548
Total trade and other receivables	572	564

Other receivables comprise the expected German withholding tax refund of £547,000 (2024: £548,000).

Notes to the financial statements

for the year ended 31 May 2025

7 Trade and other payables	31 May 2025 £000	31 May 2024 £000
<i>Current liabilities</i>		
Trade payables	72	65
Accruals and deferred income	36	103
Other payables	-	103
Other tax and social security taxes	1	-
	109	271
<i>Non-current liabilities</i>		
Other payables	311	-
Total trade and other payables	420	271

Other payables represents the loan provided by the major shareholder. This has been reclassified as due after more than one year this year.

8 Share capital

Issued and fully paid	2025 Number	2025 £000	2024 Number	2024 £000
At beginning and end of period	27,320,843	3,279	27,320,843	3,279

At 31 May 2025, no options over ordinary shares of the Company were outstanding (2024: £nil).

9 Related party transactions

A company controlled by Mr Claesson (director and major shareholder), CA Fastfighter AB has provided a bridge financing loan to the Company to assist with funding costs associated with the sale of Hemmers. As at 31 May 2025, the loan amounted to £278,253 (2024: £85,176) and accrued interest was due amounting to £32,729 (2024: £18,076). Interest is charged at 8% pa. Mr Claesson was paid a fee of £15,000 (2024: £15,000) for his services as a director. An amount of £6,250 is due to Mr Claesson at 31 May 2025 (2024: £6,250).

Mr Holmstrom was paid a fee of £12,500 (2024: £50,000) for his services as a director.

10 Commitments

At 31 May 2025, there were no capital commitments authorised and committed (2024: £nil). There were no amounts authorised but not committed (2024: £nil).



LEEDS

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