

Annual Report 2025



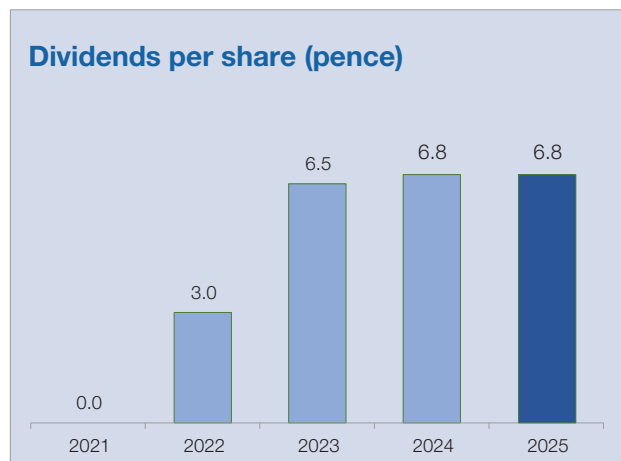
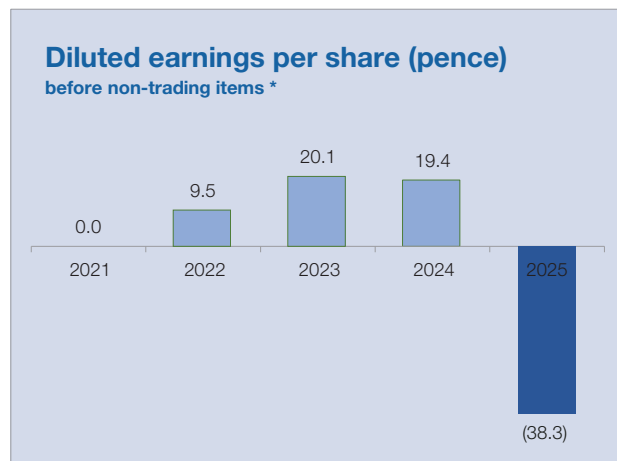
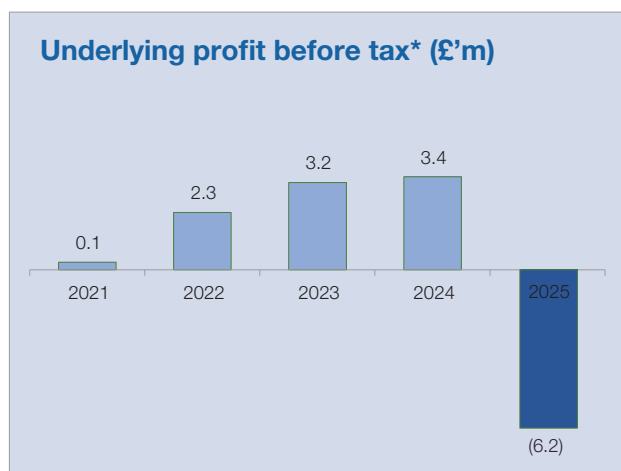
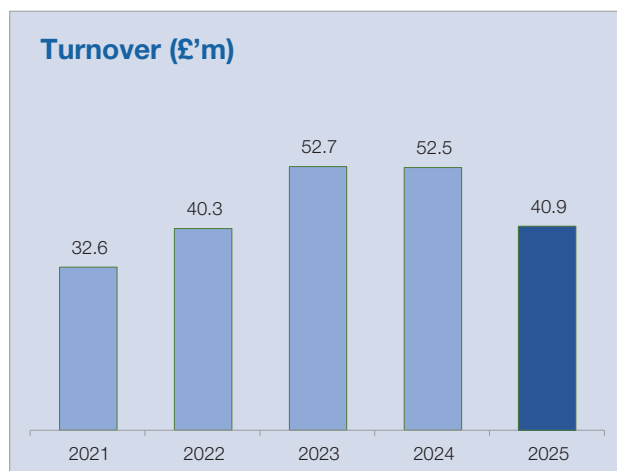
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Financial Highlights

FOR THE YEAR ENDED 31 MARCH 2025

	2025 £'m	2024 £'m	Change £'m
Turnover from continuing operations	40.9	52.5	(11.6)
(Loss) / Profit before tax	(6.6)	2.8	(9.4)
Underlying (loss) / profit before tax*	(6.2)	3.4	(9.6)
Cash flow from operations	4.1	2.0	2.1
Diluted earnings per share	(41.0)p	15.7p	
Diluted earnings per share before non-trading items	(38.3)p	19.4p	



Loss / profit before tax was as follows: 2025: £6.6m loss, 2024: £2.8m, 2023: £4.0m, 2022: £2.7m, 2021: £0.2m

Diluted EPS was as follows: 2025: (41.0)p, 2024: 15.7p, 2023: 24.9p, 2022: 11.9p, 2021: 0.1p

* Defined as (loss) / profit before tax and non-trading items

Chairman's Statement 2025

A disappointing set of results in a year with significant challenges. However, we are confident in our ability to adapt and deliver improved results in the coming year.

While this has been a demanding year, marked by persistent economic uncertainty and business-specific pressures, progress in stabilising performance and positioning the Group for long-term resilience and growth has been made. Our diversified portfolio and prudent management have helped to cushion the impact of headwinds across our operating companies.

Although we have reported an underlying loss before tax and non-trading items of £6.2m for the year, encouragingly, the second half of the year showed signs of operational improvement across most sectors of our businesses. Ferry and Momart contributed positively in the second half, while cost management and strategic review initiatives are underway at FIC to support recovery.

I would like to thank the Board, our leadership teams, and our employees across the Group for their continued commitment and effort during what has been a particularly challenging period.

Dividend

Following the payment of an interim dividend of 1.25 pence per share in January 2025 and reflecting on the overall performance of the Group, a final dividend of 5.5 pence per share will be proposed at the forthcoming Annual General Meeting. This will maintain the total regular dividend for the year ended 31 March 2025 at 6.75 pence per share (2024: 6.75 pence per share).

Board and Governance

There have been no changes to the composition of the Board during the year. The Board remains fully engaged and committed to ensuring strong governance, oversight, and strategic direction across the Group.

Outlook and strategy

The Board remains focused on strengthening the foundations of the business and pursuing targeted strategic initiatives that support sustainable growth and value creation.

As we move forward, we remain confident in the underlying potential of our businesses and optimistic about our ability to return to profitable growth in the medium term.

Nick Henry

Chairman

24 July 2025

Strategic Report

Overview

Total revenue of £40.9 million was significantly below prior year, with improvements in Momart and Portsmouth Harbour Ferry Company ("PHFC") offset by a substantial reduction in Falkland Islands Company ("FIC").

This resulted in an underlying loss before tax of £6.2 million versus a profit of £3.4 million in the prior year. The reported loss for the year after non-trading items was £6.6 million (2024: £2.8 million profit).

Net cash inflow from operating activities was £4.1 million compared to £2.0 million in the prior year, largely due to improvements in working capital, which were predominantly driven by reduced activity within Falkland Building Services ("FBS"), the FIC construction business.

Group Trading Results for the Year Ended 31 March 2025

A summary of the trading performance of the Group is given in the table below.

Group revenue	2025	2024	
Year ended 31 March	£'m	£'m	Change
Falkland Islands Company	17.0	29.0	(12.0)
Momart	19.6	19.3	0.3
Portsmouth Harbour Ferry	4.3	4.2	0.1
Total revenue	40.9	52.5	(11.6)
Group underlying pre-tax profit*			
Falkland Islands Company**	(7.4)	1.7	(9.1)
Momart**	0.7	1.0	(0.3)
Portsmouth Harbour Ferry**	0.5	0.7	(0.2)
Total underlying profit before tax*	(6.2)	3.4	(9.6)
Non-trading items (see notes below)***	(0.4)	0.6	0.2
Reported (loss) / profit before tax	(6.6)	2.8	(9.4)

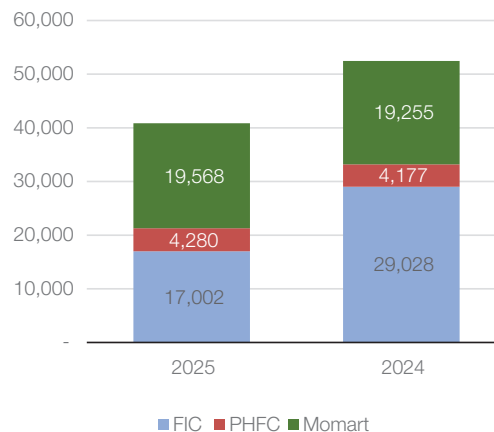
* Underlying pre-tax (loss) / profit is defined as (loss) / profit before tax before non-trading items.

** (Losses) / profits reported for each operating company are stated after allocation of head office and plc costs which have been applied to each subsidiary consistently.

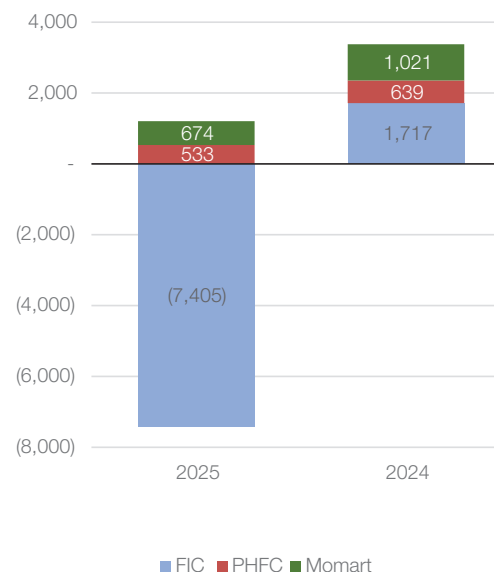
*** Non-trading items were comprised of the following:

- £0.2 million people-related costs in FIC and Momart for which management consider separate presentation is appropriate (2024: £0.5 million).
- £0.2 million adverse fair value movements on derivative financial instruments (2024: £0.2 million favourable).
- 2024 included a release of £0.1m of old credit balances.

Group Revenue



Group Underlying Operating Profit



Group Operating Company Performance

Falkland Islands Company (“FIC”)

Total revenue decreased by £12.0 million to £17.0 million.

The majority of the reduction was in FBS, where the completion of the contract to build a total of 70 houses for the Falkland Islands Government (“FIG”) and the Ministry of Defence (“MOD”) was disrupted by changes in management earlier in the year, adverse weather conditions, and a lack of power on the MOD Mount Pleasant Complex (“MPC”), which the client is contractually obliged to provide.

The shortfall in Retail mainly related to food sales, while in Support Services, activity levels were lower in the provision of fishing agency services, agency workers and hire purchase facilities.

The underlying loss before tax of £7.4 million (2024: £1.7 million profit) was predominantly due to the 70 house project for FIG and the MOD incurring power-related disruption costs and increased costs to complete. Compensation for the power-related disruption costs is under discussion with the client, but in the meantime, in accordance with International Accounting Standards, no recovery is reflected in the results for the year.

The reported loss before tax was £7.5 million (2024: £1.7 million profit).

FIC Divisional Activity

FBS activity was lower than the prior year due to a lack of tender opportunities and the issues noted above on the 70 house contract for FIG and MOD. Progress with this contract on the Bennetts Paddock site for FIG was in line with expectations.

Retail activity reduced during the year, reflecting continuing inflationary and global economic pressures, but also the need to increase focus on the challenges of making an appealing range of products available to the customer in an efficient, cost effective and timely manner. Following the departure of the Retail Director in January 2025, a Retail Transformation Director was appointed in April 2025 to identify and drive improvement initiatives in the Retail business.

FIC Operating Results Year ended 31 March	2025 £'m	2024 £'m	Change
Revenues			
FBS (housing and construction)	(0.1)	11.0	(11.1)
Retail	10.1	10.7	(0.6)
Falklands 4x4	2.7	2.7	–
Support services	3.3	3.6	(0.3)
Property rental	1.0	1.0	–
Total FIC revenue	17.0	29.0	(12.0)
FIC underlying operating (loss) / profit	(7.3)	1.7	(9.0)
Net interest expense	(0.1)	–	(0.1)
FIC underlying (loss) / profit before tax	(7.4)	1.7	(9.1)
FIC underlying operating (loss) / profit margin	(42.9%)	5.9%	–
FIC reported (loss) / profit before tax	(7.5)	1.7	(9.1)

Strategic Report

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At Falklands 4x4, revenue remained in line with the prior year, despite continuing difficulties in sourcing vehicles for sale being experienced in the first half of the year. This was addressed in the second half of the year, with the business now having access to a supply of high-quality used vehicles from a reliable supply partner at a price point that makes them attractive to the local market.

In **Support Services**, activity levels reduced in three main areas. The decision was taken during the year to cease the provision of agency services to the fishing industry, following a substantial reduction in the customer base, resulting from a combination of licensing changes and a move by customers to self-deliver. Income from the provision of agency workers to FIG reduced, reflecting a change in demand, as did the level of hire purchase income.

In **Property Rental**, revenue was in line with the prior year.



Stanley, Falkland Islands

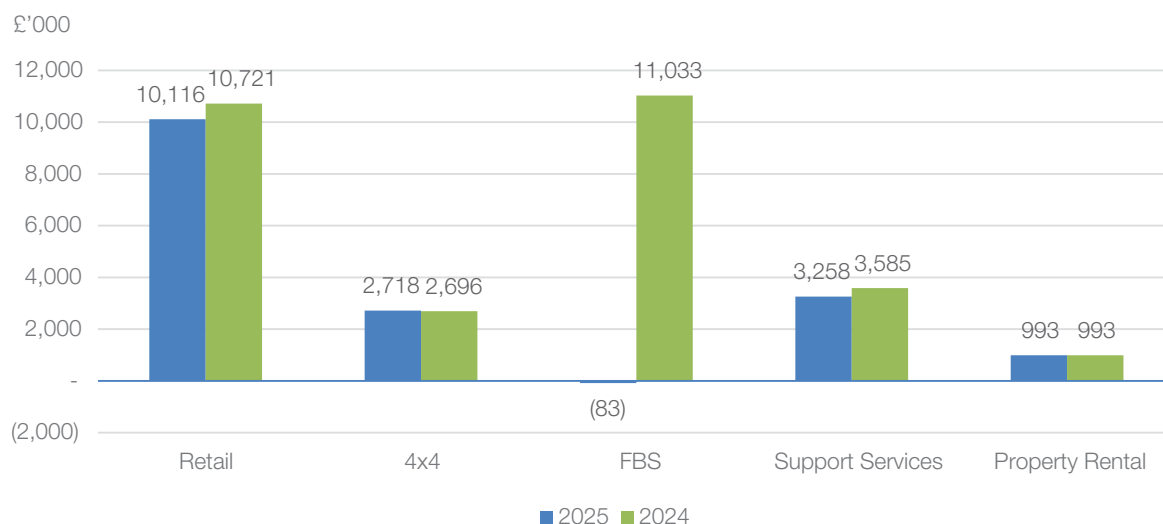
FIC Key Performance Indicators and Operational Drivers

Year ended 31 March	2021	2022	2023	2024	2025
Staff numbers (FTE 31 March)	206	232	242	238	212
Capital expenditure £'000	1,060	2,434	1,206	1,337	563
Retail sales growth %	(3.0)	(0.1)	2.1	8.1	(5.6)
Number of FIC rental properties*	75	83	85	88	92
Average occupancy during the year %	93	86	90	90	92
Number of vehicles sold	71	81	82	61	45
Number of 3rd party houses sold**	15	11	14	1	1
Illex squid catch in tonnes (000's)	106.1	123.8	66.8	112.3	88.9
Cruise ship passengers (000's)	Nil	Nil	73.4	73.2	71.4

* Includes ten mobile homes rented to staff.

** Relates to kit home sales to third parties and excludes houses built under contract for Falkland Island Government.

FIC Revenues



Momart

The fine art market continued to see a contraction due to ongoing global uncertainty.

This particularly impacted the Gallery Services side of the business, as major auction houses cancelled sales and saw large overall drops in activity. Similarly, several commercial galleries closed, and the level of activity at art fairs diminished. Momart continued to maintain strong relationships with key clients, but a reduction in their activity inevitably reduced the volume of business.

The public sector continued to be affected by a lack of certainty around funding. However, through effective relationship management and strong tender responses, the conversion rate improved and revenue increased. Museum Exhibitions work tends to be at a lower margin than Gallery Services, which has therefore impacted overall profitability.

Having held a Royal Warrant, granted by Queen Elizabeth II, since 1993, the business was recently awarded a Royal Warrant by King Charles III, which is a testament to Momart's quality, expertise, and continued relationship with the royal household.



Relocation of art work in V&A East

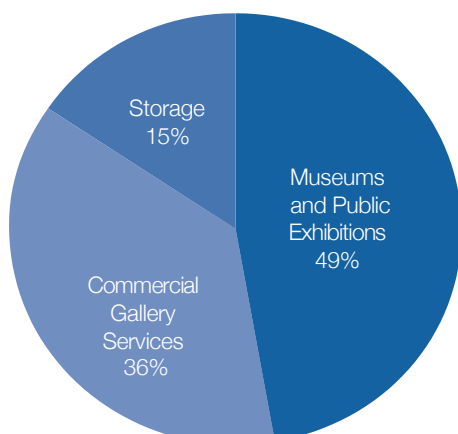
Momart Operating results

Year ended 31 March	2025 £'m	2024 £'m	Change
Revenues			
Museum Exhibitions	9.6	9.1	0.5
Gallery Services	7.1	7.4	(0.3)
Storage	2.9	2.8	0.1
Total Momart revenue	19.6	19.3	0.3
Momart underlying operating profit	1.1	1.4	(0.3)
Net Interest expense	(0.4)	(0.4)	–
Momart underlying profit before tax	0.7	1.0	(0.3)
Momart underlying operating profit margin	5.6%	7.3%	(1.7)
Momart reported profit before tax	0.6	0.7	(0.1)

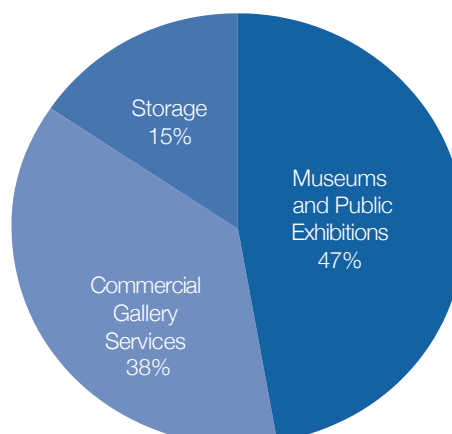
Momart Key Performance Indicators

Year ended 31 March	2021	2022	2023	2024	2025
Staff numbers (FTE 31 March)	107	99	110	129	127
Capital expenditure £'000	540	258	573	769	849
Warehouse % fill vs capacity	82.9%	84.0%	86.4%	85.2%	85.8%
Momart services charged out £'m	6.5	9.1	10.8	11.7	11.9
Revenue from overseas clients £'m	2.7	5.5	6.7	7.2	7.0
Exhibition sales growth %	(58.3)	64.4	28.4	(4.2)	5.5
Gallery Services sales growth %	(41.4)	70.6	25.9	1.4	(4.1)
Storage sales growth %	9.1	0.0	12.5	3.7	3.6
Total sales growth %	(45.5)	51.5	25.0	(1.5)	1.6

Momart revenues 2025



Momart revenues 2024



Strategic Report

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Portsmouth Harbour Ferry Company (“PHFC”)

Passenger numbers at PHFC were slightly lower than the prior year, although this was offset by inflationary fare rises in April 2024, resulting in fares income increasing by £0.1 million to £4.2 million.

Other revenue remained at £0.1 million due to continued focus on maximizing ancillary income from existing assets such as advertising, berthing and storage services.

Inflationary cost pressures were partially offset by fare rises resulting in an underlying operating profit of £0.7 million (2024: £0.9 million) and an underlying pre-tax profit of £0.5 million (2024: £0.7 million).

PHFC Operating results

Year ended 31 March	2025 £'m	2024 £'m	Change
Revenues			
Ferry fares	4.2	4.1	0.1
Other revenue	0.1	0.1	–
Total PHFC revenue	4.3	4.2	0.1
PHFC underlying operating profit	0.7	0.9	(0.2)
Pontoon lease liability & Boat loan finance expense	(0.2)	(0.2)	–
PHFC underlying profit before tax	0.5	0.7	(0.2)
PHFC reported profit before tax	0.5	0.7	(0.2)
Passengers carried (000s)	1,903	1,956	(53)



Gosport Ferry

PHFC Key Performance Indicators and Operational Drivers

Year ended 31 March	2021	2022	2023	2024	2025
Staff numbers (FTE at 31 March)	25	26	26	26	25
Capital expenditure £'000's	–	52	205	364	130
Ferry reliability (on time departures)	99.9	99.9	99.8	99.5	99.3
Number of weekday passengers '000's	613	1,188	1,372	1,356	1,337
% change on prior year	(64.1)	93.8	15.4	(1.2)	(1.4)
Number of weekend passengers '000's	195	500	576	600	566
% change on prior year	(70.4)	156.4	15.2	4.2	(5.7)
Total number of passengers '000's	808	1,688	1,948	1,956	1,903
% change on prior year	(65.8)	108.9	15.4	0.4	(2.7)
Revenue growth %	(65.9)	114.2	19.0	9.4	2.4
Average yield per passenger journey*	£1.76	£1.76	£1.91	£2.08	£2.19

* Total ferry fares divided by the total number of passengers

Trading Outlook

It has been a challenging year for FIC, due to the departure of a number of key personnel, including the Managing Director, the FBS management team and the Retail Director, as well as to specific workload and contract issues within FBS. Despite the challenges of replacing key staff in such a remote location, FIC have now secured both construction and retail management resource to address the issues within these business areas, as well as a new Managing Director, who will provide additional support in those areas, as well as driving a programme of improvement across all areas of the business.

Demand for accommodation in the Falkland Islands remains strong, with a shortage of suitable housing units for both local residents and contractors on upcoming projects and potential new business areas and FIC continue to explore options to develop their land assets, particularly the expansion of the existing rental portfolio.

The lack of power at MPC on the contract to build 70 houses for FIG and the MOD remains very challenging for FBS. However, the FBS management team are working closely with the client to find a solution and extensive work continues to be carried out to identify, quantify and justify the recovery of the costs of the disruption. Workload is another key issue in FBS and whilst the business continues to focus on securing additional work and on the potential to utilise the team to develop FIC's own land assets, management are mindful of the cost base and the need to flex with demand.

Following the departure of the Retail Director at the end of January 2025, the appointment of a Retail Transformation Director in April is already providing renewed focus on range, customer experience and efficiency of operation in this business area.

At Momart, trading conditions remain challenging, but are being mitigated by a continued focus on client relationships and business development, as well as on process efficiency. The cost base is also under review and a number of savings have already been identified and delivered.

At PHFC, demand continues to be relatively steady and management will continue to carefully manage costs and fare pricing, as well as maximise secondary revenue wherever possible. As noted in previous years, available capacity means that future passenger growth can be accommodated without a commensurate increase in cost.

Whilst there are significant challenges ahead, particularly in FIC and Momart, the Group now has the management teams in place to address them in all businesses.

Group Strategy

The Board's stated strategy is to build a Group of greater scale, providing consistent earnings growth and cash generation that will provide shareholders with both predictable capital growth and regular dividend income. To do so, there are three strands to the strategy; build profits of existing the businesses, invest in developing existing businesses and explore potential for strategic acquisitions.

Focus continues to be directed on addressing issues and building up profits within existing businesses, as well as to investing in them to allow them to develop further and to maximise opportunities that present themselves.

As noted at the half year, the Group is also evaluating strategic options to maximise shareholder value for all divisions. This includes reviewing available options for unlocking value within the Group, where the Board feel it is not adequately reflected in the share price.

The evaluation of strategic options is ongoing but, in the meantime, strategic acquisitions are not currently a primary focus for the Board.

Strategic Report

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Risk Management, Principal Risks and Impact

The Board is ultimately responsible for setting the Group's risk appetite and for overseeing the effective management of risk. The Group faces a diverse range of risks and uncertainties which could have an adverse effect on results if not managed. The principal risks facing the Group have been identified by the Board and the mitigating actions agreed with senior management and are discussed in the following table:

OPERATIONAL RISKS		
Risk	Comment	Overall Impact
CYBER RISK A cyber security breach can result in unauthorised access to company information, potential misuse of information systems, technology or data.	There is a growing level of sophistication, scale and volume of targeted cyber incidents which could impact on group trading and potential loss of asset	Moderate – unchanged
DATA PRIVACY Failure to comply with legal or regulatory requirements relating to data privacy in the course of business activities potentially leading to adverse consequences, penalties or consequential litigation.	Governance and oversight protocols are regularly reviewed to maintain vigilance in protection of the Group's customer and staff data.	Low – unchanged
HEALTH AND SAFETY The Group is required to comply with laws and regulation governing occupational health and safety matters. Furthermore, accidents could happen which might result in injury to an individual, claims against the Group and damage to our reputation.	Health & Safety ("HSE") matters are considered a key priority for the Board of FIH and all its operating companies. All staff receive relevant HSE training when joining the Group and receive refresher and additional training as is necessary. Training courses cover maritime safety, lifting and manual handling, asbestos awareness and fire extinguisher training. External HSE audits are conducted on a regular basis	Low – unchanged
COMPLIANCE		
Failure to comply with the frequently changing regulatory environment could result in reputational damage or financial penalty.	The regulatory environment continues to become increasingly complex. The Group uses specialist advisers to help evolve appropriate policies and practices. Close monitoring of regulatory and legislations changes is maintained to ensure our policies and practices continue to comply with relevant legislation. Staff training is provided where required.	Low – unchanged
POLITICAL RISKS		
Historically, Argentina has maintained a claim to the Falkland Islands and this dispute has never been officially resolved.	Relations between the UK and Argentina continue to be strained. However, the security afforded by the UK Government's commitment to the Islands upholds the freedom and livelihood of the people of the Falkland Islands and thereby of FIC. Provided UK Government support is maintained, the security of the people of the Falkland Islands is judged to at low risk	Low – unchanged
ECONOMIC CONDITIONS		
Inflationary pressures across all Group businesses impact the cost of wages, services and products.	Continued focus on cost efficiency. Customer and supplier contracts structured to limit or pass on inflation risk. Cost inflation monitored closely and passed on to customers via price increases wherever possible.	Moderate – unchanged

COMPETITION RISK		
Risk	Comment	Potential Impact
<p>FIC is considered by the senior management to be a market leader in a number of business activities but faces competition from local entrepreneurs in many sectors in which it operates.</p> <p>Momart sits in a highly competitive market, with both UK and international competitors investing for growth.</p>	<p>Local competition is healthy for FIC and stimulates continuing business improvement.</p> <p>The current global economic uncertainty presents a challenge, but a focus on process efficiency and pro-active business development, whilst maintaining the high quality of service for which Momart is renowned, puts the business in a strong position to compete.</p>	<p>High – increased</p> <p>Moderate – unchanged</p>
FOREIGN CURRENCY AND EXCHANGE RATE RISK		
<p>Momart is exposed to foreign currency risk arising from trading and other payables denominated in foreign currencies.</p> <p>The Group is exposed to interest rate risks on large loans.</p> <p>FIC retail outlets accept foreign currency and are exposed to fluctuations in the value of the dollar and the euro.</p>	<p>Forward exchange contracts are used to mitigate this risk, with exchange rate fixed for all significant contracts.</p> <p>Interest rate risk on large loans is mitigated by the use of interest rate swaps.</p>	<p>Low – unchanged</p>
INVENTORY		
<p>Inventory risk relates to losses on realising the carrying value on ultimate sale. Losses include obsolescence, shrinkage or changes in market demand such that products are only saleable at prices that produce a loss.</p> <p>FIC is the only Group business that holds significant inventories and faces this risk in the Falkland Islands, where it is very expensive to return excess or obsolete stock back to the UK.</p>	<p>Reviews of old and slow-moving stock in FIC are regularly undertaken by senior management and appropriate action taken.</p>	<p>Moderate – increased</p>
PEOPLE		
<p>Loss of one or more key members of the senior management team or failure to attract and retain experienced and skilled people at all levels across the business could have an adverse impact on the business.</p>	<p>Impact on the business increasing but a worldwide approach to recruitment and use of interim management is partially mitigating the risk.</p>	<p>High – increased</p>
<p>FIC relies on being able to attract staff from overseas. Economic conditions in areas such as Southern Africa and the Philippines impact the attractiveness of the Falklands as a work location, and influences the availability of available staff.</p>	<p>The company has expanded the geographical area from which it seeks external staff to cover both Africa and Asia in addition to St Helena, a location previously identified as having available staff.</p>	<p>Low – unchanged</p>

Strategic Report

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Financial Review

Revenue

Group revenue of £40.9 million was significantly below the previous year, with improvements in Momart and PHFC offset by a reduction in FIC, due primarily to FBS.

Operating Loss

Underlying operating loss was £5.5 million (2024: £4.0 million profit).

Non-trading items in the year of £0.2 million consisted of people related costs across Momart and FIC. As a consequence, the operating loss was £5.7 million (2024: £3.6 million profit).

Net Finance Expense

The Group's net finance expense of £0.9 million was in line with prior year.

Reported Pre-tax Loss

Reported pre-tax loss for the year ended 31 March 2025 was £6.6 million (2024: £2.8 million profit). The Group's underlying loss before tax before non-trading items was £6.2 million (2024: £3.4 million profit). Non-trading items in the year included £0.2 million adverse fair value movements on derivative financial instruments in addition to the items referred to above in operating loss.

Taxation

Current year losses resulted in a tax credit of £1.5 million compared to a tax charge on prior year profits of £0.8 million.

Earnings per Share

Basic and diluted loss per share ("EPS") derived from reported losses was 41.0 pence per share (2024: earnings per share 15.7 pence per share). Basic and diluted loss per share derived from underlying losses was 38.3 pence per share (2024: earnings per share 19.4 pence per share). The decrease in underlying EPS is due to the losses incurred in the year.

Balance Sheet

The Group's net assets fell to £37.9 million from £45.1 million in the previous year as a result of the loss incurred in the year.

Net Debt Year ended 31 March	2025 £'m	2024 £'m	Change £'m
Bank loans	(11.3)	(12.3)	1.0
Cash and cash equivalents	7.8	9.7	(1.9)
Net debt	(3.5)	(2.6)	(0.9)
Lease liabilities	(5.4)	(6.1)	0.7
Net debt after lease liabilities	(8.9)	(8.7)	(0.2)

Bank loans reduced to £11.3 million (2024: £12.3 million) as a result of scheduled loan repayments of £1.0 million. Group cash balances decreased to £7.8 million with outflows from FBS losses and higher dividends paid offset by reduced working capital and lower capital expenditure compared to the previous year. Consequently, net debt before lease liabilities increased to £3.5 million (2024: £2.6 million) which includes a mortgage on the Leyton property of £11.0 million (2024: £11.6 million).

The Group's outstanding lease liabilities totaled £5.4 million (2024: £6.1 million) with £4.1 million of the balance (2024: £4.2 million) relating to the 50-year lease from Gosport Borough Council and associated ground rent, which run until June 2061.

The net book value of the investment properties and undeveloped land of £7.5 million (2024: £7.7 million) had a fair value of approximately £13.3 million (2024: £12.8 million).

Inventory values in FIC reduced in the year, with reduced activity in FBS driving the movement, but also from reduced stock holdings within the retail division of FIC.

Trade and other receivables of £7.5 million at 31 March 2025 were below the prior year (2024: £10.9 million), with a £2.7 million decrease in construction contract balances along with a £0.7 million reduction in trade receivables. Construction contract balances decreased due to a reassessment of the completion percentage on the contract to build 70 houses for FIG and the MOD within FIC. Momart trading activity in March was lower than last year and trade receivables outstanding at year end were lower as a result.

Trade and other payables increased by £2.0 million to £13.1 million (2024: £11.1 million). The majority of the increase was due to the timing of a small number of large recurring payments around year end.

The Group's defined benefit pension liability decreased by £0.6 million which was mainly due to pension payments and a transfer out of the FIC defined benefit scheme. Finance costs on the scheme were largely offset by the re-measurement of the pension liability.

Cash Flows

Net cash inflow from operating activities of £4.1 million was £2.1 million higher than the prior year. The increase was largely due to a working capital movements of £11.1 million partially offset by a decrease in EBITDA of £9.4 million, with lower tax payments compared to prior year.

Most of the £11.1 million working capital movement arose on the contract to construct 70 houses for FIG and MOD in FIC. This was due to a higher level of cash applications received compared to the revenue recognised on the contract, which excluded any potential benefit of contract claims due to power-related disruption.

The Group's cash flows can be summarised as follows

Year ended 31 March	2025 £'m	2024 £'m	Change £'m
Underlying profit before tax	(6.2)	3.4	(9.6)
Depreciation & amortisation	2.7	2.6	0.1
Gain on disposal of fixed asset	–	–	–
Net interest payable	0.7	0.6	0.1
Underlying EBITDA*	(2.8)	6.6	(9.4)
Non-trading, cash items	(0.3)	(0.4)	0.1
Decrease in Finance lease receivable	0.2	0.1	0.1
(Increase) / Decrease in working capital	7.9	(3.2)	11.1
Tax paid and other	(0.9)	(1.1)	0.2
Net cash inflow from operating activities	4.1	2.0	2.1
Financing and investing activities			
Capital Expenditure	(1.6)	(2.2)	0.6
Disposal of fixed assets	–	0.1	(0.1)
Net bank and lease liability interest paid	(0.6)	(0.6)	–
Net bank and lease liability repayments	(1.7)	(1.6)	(0.1)
Dividends paid	(2.1)	(0.8)	(1.3)
Net cash outflow from financing and investing activities	(6.0)	(5.1)	(0.9)
Net cash (outflow) / inflow	(1.9)	(3.1)	1.2
Cash balance b/fwd	9.7	12.8	(3.1)
Cash balance c/fwd	7.8	9.7	(1.9)

* EBITDA is defined as earnings before interest and tax after adding depreciation and amortisation

Financing and Investing Activities

During the year the Group invested £1.6 million of capital expenditure, comprising plant and equipment and vehicles.

The bank and lease repayments were in line with prior year.

Statement by the Directors under Section 172(1) Companies Act 2006

As an experienced Board, our intention is to behave responsibly and we consider that we, both as individuals and as a collective Board, as representatives of FIH group plc, during the year ended 31 March 2025 have acted in good faith, to promote the success of the Company for the benefit of its members as a whole, having regard to the wider stakeholders as set out in s172 of the Companies Act.

Section 172 (1) of the Companies Act obliges the directors to promote the success of the Company for the benefit of the Company's members as a whole.

The section specifies that the directors must act in good faith when promoting the success of the Company and in doing so have regard, amongst other matters, to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationship with suppliers, customers and others;
- the impact of the Company's operations on the community and environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The Board is collectively responsible for the decisions made towards the long-term success of the Company and how the strategic, operational and risk management decisions have been implemented throughout the business is detailed in this Strategic Report.

Strategic Report

CONTINUED

Stakeholder Engagement

The directors engage with the Group's stakeholders on material issues relating to their business, taking into consideration current and future events and principal decisions. The engagement supports the directors in understanding the impact of their decisions and identifying any material issues. This aligns with the Group's purpose and strategy. The details of the Group's interaction with its wider stakeholders are as follows:

Customers:

FIC demonstrates its customer focus through regular engagement with key customers to understand their requirements and to build long-term relationships. During the financial year ended 31 March 2025, Board members met with the Governor of the Falkland Islands, the Chief Executive of FIG and the MOD.

PHFC maintains open communication channels with its customer base through its website and digital advertising platforms, keeping passengers informed about services, promotions, and local events of interest to the local community and visiting tourists. PHFC also maintains close links to the Navy based in Portsmouth.

Momart maintains strong, collaborative relationships with its clients and actively engages with them to understand their specific needs and preferences, ensuring the delivery of tailored fine art logistics solutions. Additionally, Momart hosts client events to share their specialist knowledge, attends global conferences to interact with clients and industry colleagues, and participates in industry forums and working groups to stay abreast of best practices and innovations.

Colleagues:

We have an experienced, diverse and dedicated workforce which we recognise is a key asset of our businesses. Therefore, it is important that we continue to create the right environment to encourage and create opportunities for individuals and teams to realise their full potential.

The health, safety, and wellbeing of our employees are of utmost importance. FIC has recently been successful in achieving ISO 9001:2015 (Quality Management), ISO 140001:2015 (Environmental Management) and ISO 45001:2018 (Occupational Health and Safety Management accreditation for FBS, its construction division).

We have an open, collaborative and inclusive management structure and engage regularly with our employees. The directors meet with the management teams of the businesses throughout the year to work together on strategy and policies to ensure companywide engagement.

Suppliers:

The Board acknowledges that a strong business relationship with suppliers is a vital part of growth. Across the Group, we aim to build long-term relationships with our suppliers that help ensure the continued delivery of the high-quality services the Group provides. We are clear about our payment practices. We expect our suppliers to adopt similar practices throughout their supply chains to ensure fair and prompt treatment of all creditors. All suppliers are vetted to ensure compliance with the Group's zero tolerance approach to modern slavery.

The Board supports ethical business behaviour and encourages management to seek comparable business practices from all suppliers doing business with the Company.

Communities:

We are committed to supporting and ensuring a positive impact on the communities in which we operate, including local businesses, residents and the wider public.

In the Falkland Islands and in Gosport/Portsmouth (where PHFC provide the ferry service), the subsidiaries of the Group work closely with local communities. Momart, is an active and founding member of several art communities and its employees give talks at conferences, sharing their experiences on the import and export of artwork.

We engage with the local communities in Gosport/Portsmouth and in the Falkland Islands through our community donations and providing employment and work experience opportunities.

PHFC also work closely with local government to ensure representation in local transport developments.

Environment:

The Group is committed to doing its part to protect the local and global environment, minimising the environmental impacts of its activities, products and services, and to the continual improvement of its environmental performance.

Steps already taken include:

FIC

- Use of ground heat source systems on new housing developments and fitting solar panels.
- Elimination of plastic bags from all retail outlets and use of paper cups, straws, and other recyclable packaging in the FIC cafes wherever possible.
- LED lighting in offices, warehouses and retail outlets.

- Utilisation of best practice insulation methods for building construction and renovation.

Momart

- An accredited member of the Galleries Climate Coalition, one of only two Fine Art Shippers to have attained this level.
- Engaged a specialist consultancy to analyse all current impacts and further develop the existing overall environmental strategy.
- Conversion of vehicles to meet the Euro 6 emissions standard.
- LED lighting and movement sensors across all warehouse units.
- Renewable energy from solar panels installed at the Leyton warehouse unit 14.
- Sourcing of materials for packing cases from sustainable sources wherever possible.
- Wood waste repurposed or burnt for energy rather than going to landfill

PHFC

- Investigation and analysis into International Maritime Organisation (IMO) Tier 3 compliant machinery.
- Smart LED lighting across the estate.
- Provision of coffee cup recycling.
- Investigation of smart apps to promote environmentally friendly journey planning.

Governments and Regulatory Authorities

FIC's work brings us into regular contact with the MOD, FIG and local authorities, as we deliver construction projects, repairs and other work. We strive to be proactive and transparent, consulting with them to ensure that our planning reflects local sensitivities.

PHFC staff attend meetings with local government members and Gosport Borough Council.

The Momart Business Process and Compliance Manager attends industry forums, such as Logistics UK, discussing developments in the industry with the forum and any attending HMRC officers. The Momart Security Manager liaises with the Civil Aviation Authority to ensure that Momart's security procedures and staff training remain compliant.

Non-governmental Organisations:

PHFC is a Heritage Committee member.

Momart is a member of the UK Registrars' Group, which is a non-profit association providing a forum for the exchange of ideas and expertise between registrars, collection managers and other museum professionals in the United Kingdom, Europe and worldwide.

Momart is a founding member of ARTIM, "The Art Transporter International Meeting" and attends the annual conference to discuss the best practices and the key business issues concerning the packing, transportation and movement of works of art.

Momart representatives attend the UK Registrars' Group conference and the European Registrars' Group conference and speak on issues such as customs procedures, Brexit, or specialised export licences, such as the "Convention on International Trade in Endangered Species of Wild Fauna and Flora", and includes the import export of items made out of ivory, rosewood, tortoiseshell, ebony and mahogany.

With over 50 years of experience and expertise in handling, transportation and storage of art, Momart has held a Royal Warrant for work with the Royal Collection since 1993.

Momart has been an Active Member of the Galleries Climate Coalition for the past two years – this is an industry wide body working to improve and drive sustainability across the art world, and Momart has been accredited based on its on-going work in this area

Shareholders and Analysts:

The Board places equal importance on all shareholders and recognises the significance of transparent and effective communications with them. The Company values the views of its shareholders, and the directors are keen to engage and work with them so that they are aligned with the strategy for the growth of the business.

As an AIM quoted company, there is a need to provide fair and balanced information in a way that is understandable to all stakeholders and, particularly, our shareholders. The primary communication tool with shareholders is through the Regulatory News Service ("RNS") on regulatory matters and matters of material substance. The Company's website provides details of the business, investor presentations, details of the Board and Board Committees, changes to major shareholder information and QCA Code disclosure updates under AIM Rule 26. Changes are published promptly on the website to enable shareholders to be kept abreast of Company's affairs. The Company's Annual Report and Notice of Annual General Meetings (AGM) are available to all shareholders. The Interim Report and other investor presentations are also available on the Company's website.

Strategic Report

CONTINUED

The AGM is an annual opportunity for shareholders and analysts to meet the Board face-to-face and receive an update on the business. There is full transparency of the voting on the resolutions at the AGM, with the Company disclosing the proxy votes received on each resolution in the RNS released shortly after the AGM.

Beyond the Annual General Meeting, the Chief Executive, Chief Financial Officer and the Chairman offer to meet with all significant shareholders after the release of the half year and full year results. The Chief Executive, Chief Financial Officer and the Chairman are the primary points of contact and are available to answer queries over the phone or via email from shareholders throughout the year.

Debt Providers:

The Group has several debt facilities provided by HSBC, who are kept fully informed on all relevant areas of the business, through regular meetings and presentations. The relationship with HSBC dates back to the Company's incorporation in 1997.

Maintaining High Standards of Business Conduct

FIH is incorporated in the UK and governed by the Companies Act 2006. The Board guides management and the employees to conform with relevant statutory and regulatory provisions in the United Kingdom and the Falkland Islands.

The Company has adopted the Quoted Companies Alliance Corporate Governance Code 2023 ("QCA Code") which the Board believes is the most appropriate corporate governance code for FIH and has set out an explanation in the Corporate Governance Statement of how it complies with its principles. The Board recognises the importance of maintaining a good level of corporate governance, which together with the requirement to comply with the AIM Rules ensures that the interests of the Company's stakeholders are safeguarded.

The Group is committed to maintaining the highest standards of ethics and integrity in conducting its business. It is committed to operating legally, honestly, and fairly across all the businesses within the Group and requires all employees to carry out their duties in accordance with these principles.

The Group has a zero-tolerance attitude to bribery, fraud, dishonesty, illegal or improper activity amongst its employees, partners, subcontractors, or suppliers. The Group has an anti-bribery and corruption policy and a modern slavery statement. There are also policies and procedures relating to whistleblowing which state the Group's commitment to conducting its business with honesty and integrity, its expectation that staff will maintain high standards, and enable staff to confidentially raise any concerns freely, and to discuss any issues that arise.

Accordingly, our objectives are to:

- Comply with all laws and regulations applicable to our business activities.
- Ensure that all business activities across the Group are conducted in an ethical manner.
- Maintain and protect the reputation of the Group with clients, suppliers, contractors, employees, and all other parties with whom the Group has dealings or who may be affected by our activities.
- Provide our staff with guidance on how to perform their duties and, where appropriate, training to equip them with the skills to identify and report any improper activities.

The Strategic Report has been approved by the Board of Directors.

Stuart Munro
Chief Executive
24 July 2025

Directors' Report

The directors present their annual report and the financial statements for the Company and for the Group for the year ended 31 March 2025.

Results and Dividend

As set out in the Consolidated Income Statement, the Group loss for the year after taxation amounted to £5,131,000 (2024: £1,966,000 profit). Basic loss per share was 41.0 pence (2024: earnings per share 15.7 pence).

The Board is pleased to announce that a final dividend of 5.5 pence per share will be recommended for approval at the Annual General Meeting. Together with the interim dividend of 1.25 pence paid in the final quarter of the financial year, the proposed dividend will take the total dividend for the year ended 31 March 2025 to 6.75 pence per share (2024: 6.75 pence). The Board believes in maintaining an appropriate balance between cash returns to shareholders and investment in the business.

Principal Activities

The business of the Group during the year ended 31 March 2025 was general trading in the Falkland Islands, the operation of a passenger ferry across Portsmouth Harbour and the provision of international arts logistics and storage services. The principal activities of the Group are discussed in more detail in the Strategic Report.

The principal activity of the Company is that of a holding company.

Qualifying Indemnity Provisions

A Directors' and Officers' Liability Insurance policy is maintained for all directors and each director has the benefit of a Deed of Indemnity.

Future Developments

Details of future developments are presented within the Strategic Report.

Matters of Strategic Importance

Details of matters of strategic importance are presented within the Strategic Report.

Financial risk management

Details of the Group's financial instruments and its policies with regard to financial risk management are given in note 26 to the financial statements.

Events after the Reporting Date

There are no events requiring disclosure post the reporting date.

Directors

The directors of the Company who served during the year and to the date of this report were as follows:

Nick Henry
Stuart Munro
Reuben Shamu
Robert Johnston
Dominic Lavelle
Holger Schröder

Relevant details of the directors, which include committee memberships, are set out on pages 21 and 22.

Directors' Report

CONTINUED

Directors' Interests in Shares

The interests of the directors, their immediate families and related trusts in the shares of the Company according to the register kept pursuant to the Companies Act 2006 were as shown below:

	Ordinary shares as at 31 March 2025	Ordinary shares as at 31 March 2024
Nick Henry	–	–
Stuart Munro	4,400	4,400
Reuben Shamu	–	–
Robert Johnston*	3,656,553	3,656,553
Dominic Lavelle	2,000	2,000
Holger Schröder**	1,451,998	1,451,998

* Robert Johnston holds 60,000 shares in his own name, and as he is also the representative of the Company's largest shareholder, "The Article 6 Marital Trust, created under the First Amended and Restated Jerry Zucker Revocable Trust dated 4-2-07", which holds 3,596,553 Shares, Robert Johnston is interested in 3,656,553 shares in total, representing 29.2 percent of the Company's 12,519,900 total voting rights.

** Holger Schröder is the representative of Janser Group which holds 1,451,998 shares and a further 125,327 held personally by Martin Janser, representing 12.6% of the ordinary share capital of FIH.

Share Capital and Substantial Interests in Shares

During the year, no shares were issued. Further information about the Company's share capital is given in note 25. Details of the Company's executive share option scheme can be found in note 24.

The Company has been notified of the following interests in 3% or more of the issued ordinary shares of the Company as at 30 June 2025:

	Number of shares	Percentage of shares in issue
The Article 6 Marital Trust created under the First Amended and Restated Jerry Zucker Revocable Trust dated 2 April 2007	3,596,553	28.73
Janser Group	1,577,325	12.60
Quaero Capital Funds (Lux) – Argonaut	982,333	7.85
J.F.C. Watts	807,214	6.45
Fortuna Limited	505,674	4.04
Interactive Investor Services Limited	498,810	3.98
Christian Struck	440,444	3.52

Health and Safety

The Group is committed to the health, safety and welfare of its employees and third parties who may be affected by the Group's operations. The focus of the Group's effort is to prevent accidents and incidents occurring by identifying risks and employing appropriate control strategies. This is supplemented by a policy of investigating and recording all incidents. The Board reviews Health and Safety performance at every Board meeting.

Employees

The Board is aware of the importance of good relationships and communication with employees. The Board also recognises the importance of communication with employees to motivate them and involve them fully in the business. Staff are kept informed of major developments and are encouraged to discuss these matters openly within the Company. Where appropriate, employees are consulted about matters which affect the progress of the Group and which are of interest and concern to them as employees.

Members of the Board regularly engage with FIC, Momart and PHFC senior management employees to update them on Group matters and to ensure that they feel engaged in the Group. Members of the Board also visit Momart and PHFC regularly to engage with senior management employees. As part of the regular communication with employees, emphasis is placed on developing greater awareness of the financial and economic factors which affect the performance of the Group. Employment policy and practices in the Group are based on non-discrimination and equal opportunity irrespective of age, race, religion, sex, gender identity, sexual orientation, colour and marital status.

In particular, the Group recognises its responsibilities towards disabled persons and does not discriminate against them in terms of job offers, training or career development and prospects. If an existing employee were to become disabled during the course of employment, every practical effort would be made to retain the employee's services with whatever retraining is appropriate.

The Group's pension arrangements for employees are summarised in note 23.

Suppliers

Information regarding the Group's engagement with suppliers is included in the Directors' statement under Section 172 of the Companies Act 2006.

The policy of the Company and each of its trading subsidiaries, in relation to all its suppliers, is to settle the terms of payment when agreeing the terms of the transaction and to abide by those terms, provided that it is satisfied that the supplier has provided the goods or services in accordance with agreed terms and conditions. The Group does not follow any code or standard payment practice. As a holding company, the Company had £355,000 of trade creditors at 31 March 2025 (2024: £320,000).

Charitable and Political Donations

Charitable donations made by the Group during the year amounted to £14,140 (2024: £17,646), these were largely paid to local community charities in the Falkland Islands. There were no political donations in the year (2024: nil).

Greenhouse Gas Emissions

The 2018 Regulations introduced requirements under Part 15 of the Companies Act 2006 for large unquoted companies to disclose their annual energy use and greenhouse gas emissions, and related information. However, the Group has applied the option permitted to exclude any energy and carbon information relating to its subsidiaries which any subsidiary would not itself be obliged to include if reporting on its own account. This applies to all subsidiaries within the Group. FIH group plc itself consumes less than 40MWh and, as a low energy user, is not required to make the detailed disclosures of energy and carbon information but is required to state, in its relevant report, that its energy and carbon information is not disclosed for that reason. FIH group plc's annual energy use and greenhouse gas emissions, and related information has not been disclosed in this annual report as it is a low energy user.

Auditors

In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of Grant Thornton UK LLP as auditors of the Company is to be proposed at the Annual General Meeting to be held on 23 September 2025.

Directors' Report

CONTINUED

Disclosure of Information to the External Auditor

The directors who held office at the date of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's external auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's external auditor is aware of that information.

Approved by the Board and signed on its behalf by:

AMBA Secretaries Limited
24 July 2025

Kenburgh Court
133-137 South Street
Bishop's Stortford
Hertfordshire
CM23 3HX

Board of Directors and Secretary

Nicolas Henry, Non-executive Chairman

Nick joined the Board on 14 August 2023 and was appointed non-executive Chairman after the 2023 AGM. He was CEO of James Fisher & Sons plc from 2004 to 2019, a global supplier of specialist marine engineering services across a number of different industries. Prior to that, Nick had an international career with P&O, working in Europe, South Asia, the Far East and Australasia. He is currently a non-executive director of Ark Topco Limited, the holding company of Survitec Group Limited and non-executive Chairman of Giles W. Pritchard-Gordon & Co. Limited. Nick is a member of the Audit and Risk and Remuneration Committees and is Chairman of the Nominations Committee.

Stuart Munro, Chief Executive

Stuart joined the Board on 28 April 2021 as Chief Financial Officer before taking over as Chief Executive on 14 April 2022. He qualified as a chartered accountant with Ernst & Young and worked as a divisional finance director in number of UK companies including Balfour Beatty, Alfred McAlpine Infrastructure Services and FirstGroup as well as Transport for London. From 2015 until joining FIH group, Stuart provided strategic, financial and operational consultancy to a number of medium sized Private Equity backed services companies across a variety of sectors.

Reuben Shamu, Chief Finance Officer

Reuben joined the Board on 12 September 2022 as Chief Financial Officer. He qualified as a chartered accountant with KPMG and worked in professional practice for 12 years before moving into industry in 2008. For 4 years he was a Commercial Director for the UK operations of privately-owned CP Holdings Group, which has interests in hotels and leisure, commercial office real estate, engineering and construction. His previous roles include Finance Director at Sturrock and Robson Group, Financial Planning and Analysis Director at Smiths Detection Group and Group Financial Controller at Veolia Water UK.

Robert Johnston, Non-executive director

Robert joined the Board on 13 June 2017. He is an experienced non-executive director and investment professional and has served on the boards of several quoted companies in both North America and in UK, including Fyffes PLC and Supremex Inc. Robert has been the Chief Strategy Officer and Executive Vice President at The InterTech Group, Inc. and has over 20 years of experience in various financial and strategic roles. He is the principal representative of the Jerry Zucker Revocable Trust. Robert brings experience on many transactions at both the corporate and asset level, including debt and equity, and his experience in the finance sector will prove invaluable to developing the Group. Robert represents the Company's largest shareholder, "The Article 6 Marital Trust, created under the First Amended and Restated Jerry Zucker Revocable Trust dated 4-2-07", which has a beneficial holding of 3,596,553 ordinary Shares, representing 28.7% of the Company's issued share capital.

He is currently on the boards of Colabor Group Inc, Supremex Inc. (where he is Chairman), Swiss Water Decaffeinated Coffee Inc and RGC Resources Inc. Robert is a member of the Nominations and Audit and Risk Committees and is Chairman of the Remuneration Committee.

Dominic Lavelle, Non-executive director

Dominic joined the Board on 1 December 2019. He brings to FIH a wide breadth of corporate experience. Most recently, Dominic was Chief Financial Officer of SDL plc from 2013 to 2018. He has over 15 years' experience as a UK plc Main Board Director and has been Finance Director/Chief Financial Officer of seven UK publicly traded companies including Mothercare plc, Alfred McAlpine plc, Allders plc and Oasis plc. His experience, in both permanent roles and turnaround and restructuring projects across several business sectors is a great benefit to the Group, particularly with the various business streams operated by FIC.

After graduating in Civil and Structural Engineering from the University of Sheffield in 1984, Dominic trained with Arthur Andersen and qualified as a chartered accountant in 1989. He is currently senior independent non-executive director and Chairman of the Audit Committee of Fulcrum Utility Services Limited and a director of Steenbok Newco 10 SARL, a wholly owned subsidiary of the Steinhoff Group. Dominic is a member of the Nominations and Remuneration Committees and is Chairman of the Audit and Risk Committee.

Board of Directors and Secretary

CONTINUED

Holger Schröder, Non-executive director

Holger joined the Board on 1 June 2023. He has over 28 years' experience gained in a variety of predominantly Swiss companies, most recently as the CFO and a board member of Janser Group, a family-owned real estate and investment business based in Switzerland, where he has been for the last eight years. Janser Group controls 12.6% of the ordinary share capital of FIH (which comprises 1,451,998 shares in FIH held by Janser Group and a further 125,327 held personally by Martin Janser). Holger is a member of the Audit and Risk, Nominations and Remuneration Committees.

Company Secretary

AMBA Secretaries Limited
400 Thames Valley Park Drive
Reading
Berkshire
RG6 1PT

Corporate Governance Statement

Dear Shareholder,

As Chairman of the Company, my role is to work alongside my fellow Board members to uphold high governance standards and ensure the Company has robust structures and processes that enable effective decision-making and management of risk. My responsibilities as Chairman include leading the Board effectively, overseeing the Group's corporate governance model, communicating with shareholders and ensuring that information flows freely between the executive and non-executive directors in a timely manner.

This Governance section of our report outlines the Company's comprehensive governance framework, designed with clearly defined responsibilities and accountabilities to safeguard long-term shareholder value.

The FIH group plc Board values include embedding a culture of ethics and integrity, and the adoption of higher governance standards, to maintain its reputation by fostering good relationships with employees, shareholders and other stakeholders to deliver long term business success.

Beyond the Annual General Meeting, the Chief Executive and the Chief Financial Officer offer to meet with all significant shareholders after the release of the half year and full year results. The Chief Executive, Chief Financial Officer and the Chairman are the primary points of contact for the shareholders and are available to answer queries over the phone or via email from shareholders throughout the year.

Quoted Companies Alliance Corporate Governance Code

The Board fully endorses the importance of good corporate governance and has applied the QCA Code which we believe is the most appropriate recognised governance code for a company with shares admitted to trading on the AIM market of the London Stock Exchange. The Company has chosen to comply as far as possible with the QCA Code to maintain the highest possible standards of governance.

The QCA Code provides a robust framework to support the Company in upholding strong governance, embedding its governance culture, and building a successful and sustainable business for the benefit of all stakeholders.

The QCA has ten principles which the Company is required to adhere to and to make certain disclosures both within this report and on its website. The Board has reviewed its compliance with the provisions of the QCA Code and made appropriate changes to its practices and reporting in order to comply, as far as possible, with the QCA Code. The Company's website disclosures can be found at www.fihplc.com/company-profile/corporate-governance.php

FIH QCA Annual Report Disclosures

The Company has adopted the QCA Code as its governance framework and is committed to maintaining high standards of corporate governance.

In line with the 12-month period provided for adoption of the updated QCA Code, the Company has implemented a number of the updated provisions and is working towards full compliance by the end of the next financial year. A detailed explanation of the current position and areas for development is given below:

Principle 1:	<p>Establish a purpose, strategy and business model which promote long-term value for shareholders.</p> <p>The Group's business model and strategy are detailed within the Strategic Report on pages 4 to 16. The purpose is to maximise stakeholder value across all divisions by focusing on strategic initiatives. Progress is reviewed regularly by the Board.</p>
Principle 2:	<p>Promote a corporate culture that is based on ethical values and behaviours.</p> <p>The Board firmly believes that corporate culture starts with leaders setting the tone for values, behaviours and expectations throughout the Group.</p> <p>The Board promotes an open, ethical culture led by example and underpinned by values of integrity, responsibility and transparency. Policies on anti-bribery, anti-slavery, and whistleblowing are in place and reviewed regularly. Staff are encouraged to take ownership, admit mistakes, and contribute openly.</p>

Corporate Governance Statement

CONTINUED

Principle 3:	<p>Seek to understand and meet shareholder needs and expectations.</p> <p>The Board places great importance on having positive relationships with all shareholders and seeks to ensure that an appropriate and proactive level of communication takes place.</p> <p>The Group's AGM is a regular opportunity for shareholders to meet with the Board and for shareholders to ask questions during the formal business of the meeting and informally following the meeting.</p> <p>The Group engages with its shareholders through London Stock Exchange regulatory announcements, providing financial results on a half-yearly basis, operational updates to maintain information on overall performance, and additional news flow when there is a significant development of material importance to the Group's businesses.</p> <p>The Group maintains an informative and regularly updated website (www.fihplc.com) which also includes contact details to support open channels of communication and feedback.</p> <p>Beyond the AGM, the CEO and the CFO offer to meet with all significant shareholders after the release of the half year and full year results.</p>
Principle 4:	<p>Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success.</p> <p>The Board's primary goal is to create shareholder value in a responsible way that serves all stakeholders. The Board considers its key stakeholders to be its employees, customers, shareholders, suppliers and the communities and environment in which the Group operates. There are systems in place to solicit, consider and act on feedback from all stakeholders</p> <p>Employee health, safety and wellbeing are prioritised, and we seek to foster an inclusive, supportive and engaging workplace.</p> <p>The Group also has policies and procedures relating to whistleblowing which are overseen by the Audit and Risk Committee. These state the Group's commitment to conducting its business with honesty and integrity, its expectation that staff will maintain high standards, and the arrangements for the workforce to raise concerns, in confidence and anonymously, about possible wrongdoing.</p>
Principle 5:	<p>Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation.</p> <p>The Group's approach to the management of risk is set out in the Risk Management, Principal Risks and Impact section of the Strategic Report.</p> <p>The Board has ultimate responsibility for the Group's risk management process and is supported in this by the Audit and Risk Committee, which oversees the risks facing the Group, and the effectiveness of the systems to manage and mitigate those risks.</p> <p>The Group receives regular feedback from its external auditors on the state of its internal controls.</p> <p>The Audit and Risk Committee formally assesses the independence of the Group's auditor on an annual basis and considers that the auditor, its partners, senior managers and all individuals involved in the audit are independent. The Financial Reporting Council limits the amount of time that an audit engagement partner can be involved in the audit of a listed entity to five years before rotation is mandated. The Audit Engagement Partner for the Group has held the role for a continuous period of three years.</p>
Principle 6:	<p>Establish and maintain the board as a well-functioning, balanced team led by the chair.</p> <p>Information on each of the Directors is provided in this Corporate Governance Statement and in the section on 'Board of Directors and Secretary'.</p> <p>The Board comprises the Independent Non-Executive Chair, the Chief Executive Officer, the Chief Financial Officer and the Non-Executive Directors.</p> <p>All Directors have extensive and complementary skills, knowledge and experience covering industry and commercial, strategy, governance, technology and financial expertise which covers all of the current requirements of the Board.</p> <p>The Chair is responsible for leadership of the Board and the Board's approach to corporate governance. The QCA Code suggests that a board should have at least two independent non-executive Directors. The Board have considered each non-executive Directors' length of service and interests in the share capital of the Group and consider that Robert Johnston, Dominic Lavelle and Holger Schröder are independent of the executive management and free from any undue extraneous influences which might otherwise affect their judgement. All board members are fully aware of their fiduciary duty under Company law and consequently seek at all times to act in the best interests of the Company as a whole.</p> <p>The Board meets regularly and is provided with information on a timely basis.</p> <p>The Executive Directors are expected to devote substantially the whole of their time to their duties with the Company. The Chair and the Non-Executive Directors have a lesser time commitment which is set out in their letters of appointment.</p> <p>Non-Executive Directors are not awarded any performance-related pay.</p> <p>Attendance of Directors at Board and Committee meetings held during the last financial year and which they were eligible to attend, is set out on page 27.</p> <p>The Board has agreed that at the 2025 AGM all Directors will stand for annual re-election in accordance with the QCA Code.</p>

<p>Principle 7:</p>	<p>Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities.</p> <p>The Board recognises the importance of high standards of corporate governance and has sought to address the matter in a proportionate way having regard to the size and resources of the Group.</p> <p>The Non-Executive Chair has ultimate responsibility for the leadership of the Board and the Group's approach to corporate governance. The Executive Directors have responsibility for the operational management of the Group's activities. The Chief Executive Officer has ultimate responsibility for implementing and delivering the strategic and commercial objectives of the Board and managing the day-to-day business activities of the Group. The Non-Executive Directors are responsible for bringing independent and objective oversight and judgement to Board decisions.</p> <p>The Board has a strong breadth and depth of highly relevant experience, skills and knowledge for the business. The Board is satisfied that it has a suitable mix of skills, experience and competencies to enable the Group to deliver its strategy for the benefit of its shareholders over the medium to long term. Summary biographies of each Board member are shown on pages 21 to 22.</p> <p>The Board is supported by the Audit & Risk Committee and the Remuneration Committee, and the members of these Committees have the necessary skills and knowledge to discharge their duties and responsibilities effectively. Further information is set out in the Audit and Risk Committee Report and the Remuneration Committee Report on pages 28 to 31.</p> <p>The Directors are in regular dialogue with the Company's Nominated Adviser. The Nominated Adviser provides ongoing advice on matters pertaining to the Company's compliance with the AIM Rules for Companies.</p> <p>The Company Secretary advises on corporate governance, and attends and minutes all Board and Committee meetings. The Company Secretary works closely with the Chairman, CFO as well as other Board members and advisers of the Group as and when required.</p> <p>Lawyers are engaged to provide legal advice when required by the management team and by the Board or Committees.</p>
<p>Principle 8:</p>	<p>Evaluate board performance based on clear and relevant objectives, seeking continuous improvement.</p> <p>The Group regularly monitors the performance of the Board, ensuring that the required skill set and balance of independent non-executive directors is present. While the Group has not undertaken a formal Board evaluation in the year, regular consideration is given by the Board to its performance to ensure the requirements of the business are met.</p>
<p>Principle 9:</p>	<p>Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture.</p> <p>The Remuneration Committee meet regularly to discuss the remuneration structure to ensure that it motivates the executive team and senior management team and promotes the long-term growth of shareholder value.</p> <p>The QCA Code recommends that companies submit both their annual remuneration report and their remuneration policy to an advisory shareholder vote. At present, the Remuneration Committee is in the process of developing a remuneration policy that reflects the Company's strategic objectives, aligns with shareholder interests, and supports long-term value creation. Given that this work is ongoing, the Company is not yet in a position to put the remuneration report and policy to an advisory vote. The Board remains committed to progressing towards full compliance with this aspect of the QCA Code and will keep shareholders informed of developments as the remuneration policy is finalised.</p>
<p>Principle 10:</p>	<p>Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders.</p> <p>The Board recognises the importance of providing its stakeholders, including shareholders and investors, with clear and transparent information on the Group's activities, strategy and financial position and does so in a number of ways, including:</p> <ul style="list-style-type: none"> • the Company's Annual Report and Accounts; • full-year and half-year results announcements; • other regulatory announcements; • the Annual General Meeting; • update meetings with existing shareholders; and • disclosure of all shareholder voting on Annual General Meeting resolutions in a clear and transparent manner. <p>The Group's contact details are on the website should stakeholders wish to make enquiries of the management.</p> <p>The Group's regulatory announcements, Annual Reports, Circulars and Notices of Annual General Meetings can be found on the Investors section of the Company's website.</p>
<p>The Company has published all of the disclosures set out under Principles 1-10.</p>	

Corporate Governance Statement

CONTINUED

Board Directors

The Board comprises Nick Henry, the non-executive Chairman, Stuart Munro, the full time Chief Executive, Reuben Shamu, the full time Chief Financial Officer and three other non-executive directors, Robert Johnston, Dominic Lavelle and Holger Schröder.

Time Commitment of Directors

Stuart Munro, Chief Executive and Reuben Shamu, Chief Financial Officer are the only executive directors. Nick Henry, Robert Johnston, Dominic Lavelle and Holger Schröder have all been appointed on service contracts for an initial term of three years. Overall, it is anticipated that non-executive directors spend 10-15 days a year on the Group's business after the initial induction, which includes a trip to the Group's subsidiary in the Falkland Islands. However, the non-executive directors and the Chairman in particular, spend significantly more time than this on the business of the Group.

All directors are expected to attend all Board meetings, the Annual General Meeting and any extraordinary general meetings. Non-executive directors are expected to devote additional time in respect of any ad hoc matters, such as significant investment opportunities, responding to market changes, consideration of any business acquisitions, and any significant recruitment or corporate governance changes.

Skills and Qualities of Each Director

The Chairman believes that the Board has a suitable mix of skills and competencies in order to drive the Group's strategy and is best placed to secure the future of the Company and create long-term value for all stakeholders. The Board has significant industry, financial, public markets and governance experience, possessing the necessary mix of experience, skills, personal qualities and capabilities to deliver the strategy of the Company for the benefit of the shareholders over the medium to long-term.

The Board is kept informed of ongoing changes relating to governance and compliance by the Company's lawyers, and of updates to AIM Rules for companies, QCA Code, the UK Market Abuse Regulations and other statutory and regulatory developments by Zeus Capital Limited, the Company's Nominated Adviser and the Company Secretary. The Group's auditors, Grant Thornton UK LLP, meet with the Board as a whole twice a year and keep the Board updated with any regulatory changes in finance and accounting.

Internal Advisory Responsibilities

The Chief Executive and the Chief Financial Officer help keep the Board up to date on areas of new governance and liaise with the Nominated Adviser on areas of AIM requirements, and with the Company's lawyers on areas such as Modern Slavery, Data Protection and other legal matters. They also liaise with the Company's tax advisers with regards to tax matters and with the Group's auditors with respect to the application of current and new accounting standards, and on the status on compliance generally around the Group. The Chief Executive has frequent communication with the Chairman and is available to other members of the Board as and when required.

Any External Advice Sought by the Board

RSM Tenon, the Group's tax advisors ensure compliance with taxation law and transfer pricing and the Company's lawyers advised on a number of areas.

The Remuneration Committee sought advice from FIT Remuneration Consultants on executive compensation.

Board Meetings

The Board holds five scheduled board meetings throughout the year and ad-hoc board meetings are scheduled as and when the business demands. Attendances of directors at board and committee meetings convened in the year, and which they were eligible to attend, are set out below:

Director	Board Meetings (9 in total, scheduled & ad-hoc)	Remuneration Committee (3 in total)	Audit & Committee (4 in total)
Nick Henry	9*	3	4
Stuart Munro	9	–	4
Reuben Shamu	9	–	4
Robert Johnston	9	3*	4
Dominic Lavelle	9	3	4*
Holger Schroder	9	3	4

* Chairman

** Directors attended a number of meetings of Committees of which they were not members during the course of the year at the invitation of the Committee chairman.

The Nominations Committee meets on an ad-hoc basis to consider Board composition and succession and did not meet during the year to 31 March 2025.

Board Performance Evaluation

The Company continues to monitor the performance of the Board, ensuring that the required skill set and balance of independent non-executive directors is present. Whilst the Company has not undertaken a formal Board evaluation in the year, regular consideration is given by the Board to its performance to ensure the requirements of the business are met.

Nick Henry
Non-executive Chairman

24 July 2025

Audit and Risk Committee Report

The Audit and Risk Committee comprises the four non-executive directors: Dominic Lavelle, Robert Johnston, Holger Schröder and Nick Henry, and is chaired by Dominic Lavelle.

Purpose and Responsibility

The purpose of the Audit and Risk Committee is:

- To ensure that the Group's accounting and financial policies and controls are appropriate and effective;
- To review and challenge the process of identification of risks and opportunities, and the adequacy of risk mitigation structures and processes across the Group;
- To ensure that external auditing processes are properly co-ordinated and work effectively and to monitor compliance with statutory requirements for financial reporting; and
- To review the half year and annual financial statements before they are presented to the Board for approval.

The Committee meets at least three times a year and, in the year, ended 31 March 2025, it met four times. The Group's external auditors attend the meeting to present the annual audit plan and the meeting to review the results of the annual audit.

It is the Audit and Risk Committee's role to provide formal and transparent arrangements, to consider how to apply financial reporting under UK-adopted International Accounting Standards, the Companies Act 2006, and the requirements of the QCA Code and also to maintain an appropriate relationship with the Group's external auditors.

The current terms of reference of the Audit and Risk Committee were reviewed and updated in June 2025.

Activities of the Audit and Risk Committee

In the year ended 31 March 2025, the activities of the Audit and Risk Committee included:

- Reviewing the financial reporting judgements and key accounting estimates associated with the Group's full and half-year results;
- Reviewing and making recommendations to the Board regarding dividends to be paid to shareholders by the Company during the course of the year;
- Ensure that risk management procedures and controls over financial reporting remained appropriate; and
- Reviewing and updating the Audit and Risk Committee Terms of Reference.

Effectiveness of the External Audit Process

The Audit and Risk Committee is committed to maintaining the effectiveness and integrity of the external audit process. The Committee ensures this by:

- Assessing auditor independence: Regularly evaluating the independence of the incumbent external auditor to ensure continued independence.
- Evaluating audit planning and resourcing: Reviewing the audit plan, including the scope and resourcing of the audit team, to ensure it is appropriate and proportionate to the Group's needs.
- Monitoring the quality of communications: Ensuring communications with the external auditor are timely, transparent, and clearly articulated, and that any recommendations are constructive and relevant.
- Applying professional scepticism: Taking a critical approach to key areas of judgment, including reviewing the sufficiency and appropriateness of audit evidence, challenging assumptions made by management, and considering the potential for fraud or the need for additional procedures.

- Gathering post-audit feedback: Receiving feedback from the external auditor at the conclusion of the audit process. This includes one-to-one meetings between the Audit and Risk Committee Chair and the audit engagement partner, as well as holding private sessions with the external auditor without management present, where deemed appropriate.

External Auditor

The external auditor, Grant Thornton UK LLP, were appointed in 2023 at the Company's Annual General Meeting. The analysis of the auditor's remuneration is shown in note 6.

Non-audit Services Provided by the External Auditor

The Audit and Risk Committee keeps the appointment of external auditors to perform non-audit services for the Group under continual review. In the year ended 31 March 2025, there were no non-audit fees paid to the external auditor Grant Thornton UK LLP (2024: £nil).

Emerging Risks

The risk management approach is subject to continuous review and updates in order to reflect new and developing issues which might impact business strategy. Emerging or topical risks are examined to understand their significance to the business. Risks are identified and monitored at the Group level and discussed at Audit and Risk Committee meetings.

Areas of Judgement and Estimation

In making its recommendation that the financial statements be approved by the Board, the Audit and Risk Committee has taken account of the following significant areas of estimation and judgement and judgements involving estimation:

Long term construction contracts

Significant estimation is involved in determining the revenue and profit to be recognised on long term contracts. This includes determining percentage completion at the balance sheet date by estimating the total expected costs to complete each contract along with their future profitability. These estimates directly influence the revenue and profit that can be recognised on such contracts.

Inventory Provisions

An inventory provision is booked when the realisable value from sale of the inventory is estimated to be lower than the inventory carrying value, or where the stock is slow-moving, obsolete or damaged, and is therefore unlikely to be sold. The quantification of the inventory provision requires the use of estimates and judgements and if actual future demand were to be lower or higher than estimated, the potential amendments to the provisions could have a material effect on the results of the Group.

Defined Benefit Pension Liabilities

A significant degree of estimation is involved in predicting the ultimate benefit payments to pensioners in the FIC defined benefit pension scheme. Actuarial assumptions have been used to value the defined benefit pension liability (see note 23). Management have selected these assumptions from a range of possible options following consultations with independent actuarial advisers. The actuarial valuation includes estimates about discount rates and mortality rates, and the long-term nature of these plans, make the estimates subject to significant uncertainties.

There are nine pensioners currently receiving a monthly pension under the scheme and one deferred member.

Dominic Lavelle
Chairman of the Audit and Risk Committee

24 July 2025

Remuneration Committee Report

The Remuneration Committee comprises the four non-executive directors: Robert Johnston, Dominic Lavelle, Holger Schröder and Nick Henry, and is chaired by Robert Johnston.

The Committee meets at least once a year and, in the year ended 31 March 2025, it met three times to consider all material elements of remuneration policy, share schemes and the remuneration and incentivisation of executive directors and senior management.

Where considered appropriate, independent advice is sought to assist the Committee in its deliberations. During the year ended 31 March 2025, the Remuneration Committee engaged remuneration consultants to assist in various matters relating to executive remuneration.

The current terms of reference of the Remuneration Committee were reviewed and updated in May 2025.

Remuneration Policy

The Group's policy is to provide remuneration packages that will attract, retain and motivate its executive directors and senior management to deliver the business objectives. This consists of a basic salary, ancillary benefits and other performance-related remuneration appropriate to their individual responsibilities and having regard to the remuneration levels of comparable posts. The Remuneration Committee determines the contract term, basic salary, and other remuneration for the members of the Board and the senior management team.

Executive Directors – Remuneration package

The Chief Executive, Stuart Munro, participates in an annual performance related bonus arrangement, with the potential during the year to earn up to 60% of his salary. The Chief Finance Officer, Reuben Shamu, participates in an annual performance related bonus arrangement, with the potential during the year to earn up to 30% of his salary. The bonuses are subject to the achievement of specified corporate and personal objectives and are payable in cash.

Non-Executive Directors – Fees

The remuneration of non-executive directors consists only of annual fees for their services, both as members of the Board, and of Committees on which they serve.

The Company pays non-executive directors fees which are set at a level in line with market and appropriate to the size of the business. The fees of the Non-Executive Directors are determined by the Board and the Chair and the other Non-Executive Directors are not involved in any discussions or decisions about their own remuneration.

Details of Directors' Remuneration and Emoluments

An analysis of the remuneration and taxable benefits in kind (excluding share options) provided for and received by each director during the year to 31 March 2025 and in the preceding year is as follows:

	Salary / Fees £'000	Health insurance £'000	Bonus £'000	Total £'000	Pension Contributions £'000	2025 Total £'000	2024 Total £'000
Nick Henry	60	–	–	60	–	60	38
Stuart Munro	284	–	–	284	–	284	276
Reuben Shamu	225	2	–	227	22	249	188
Robert Johnston	30	–	–	30	–	30	30
Dominic Lavelle	35	–	–	35	–	35	33
Holger Schröder	30	–	–	30	–	30	25
Robin Williams	–	–	–	–	–	–	30
Total	664	2	–	666	23	688	620

Share Options

No LTIP share options were granted during the year.

Approved for issue by the Board of Directors and signed on its behalf:

Robert Johnston
Chairman of the Remuneration Committee

24 July 2025

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

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

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under the AIM Rules of the London Stock Exchange, they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and they have elected to prepare the parent Company financial statements on the same basis.

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 Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor's Report

Independent auditor's report to the members of FIH Group plc

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of FIH Group Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2025, which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statements, the Consolidated and Company Statements of Changes in Shareholders' Equity and notes to the financial statements, including a summary of 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 March 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 as applied in accordance with the provisions of 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 the 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

Our evaluation of the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included:

- developing an understanding of the design and implementation of controls implemented in the assessment of going concern;
- discussions with management in relation to their assessment of the group and parent company ability to continue as going concern;

Auditor's Report

CONTINUED

- assessing the reasonableness of projected cashflow, working capital assumptions, evaluating the revenue and cost projections underlying the cashflow model, through comparison to forecast market growth rates and historical performance;
- assessing the accuracy of management's historical forecasting by comparing management's forecasts for the years ended 31 March 2025 and 31 March 2024 to the actual results for those periods and considering the impact on the base-case cashflow forecast;
- assessing how the cash flow forecasts were compiled, determining whether covenant compliance has been appropriately mapped into the model, assessing their appropriateness by applying relevant sensitivities to the underlying assumptions, and challenging those assumptions, which include those relating to revenue growth;
- obtaining the financing agreements and confirming the facilities and covenants relevant for the going concern period, as well obtaining evidence that the group has complied with the covenants as of the reporting date and throughout the period;
- evaluating management's reverse stress test to identify the scenario which would result in the removal of the cash headroom during the assessment period and assessing the probability of such a scenario; and
- assessing the adequacy of related disclosures within the annual report.



In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as inflation, as well as heightened geopolitical and trade-related risks. These include the ongoing effects of recently reimposed tariffs and broader economic uncertainty driven by current U.S. trade policies. We assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

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 and 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.

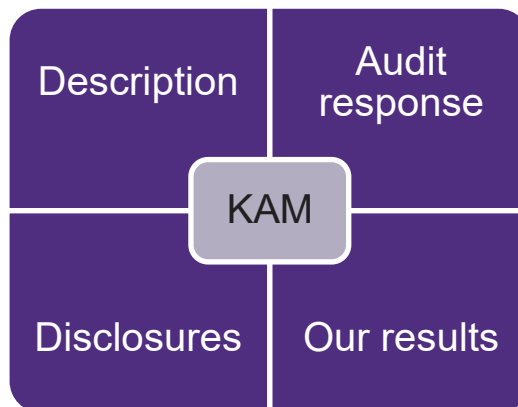
Our approach to the audit

 	<p>Overview of our audit approach</p> <p>Overall materiality:</p> <p>Group: £228,000, which represents 3.4% of the group's loss before tax and approximately 0.6% of the group's revenue.</p> <p>Parent company: £590,000, which represents approximately 1% of the parent company's total assets at the time of our planning procedures.</p> <p>Key audit matters were identified as:</p> <ul style="list-style-type: none"> • Risk of fraud in revenue pinpointed to the 70 House contract in The Falkland Islands Company (FIC) (Stanley Division) – (same as previous year) <p>We performed an audit of the financial information of the component using component materiality (full-scope audit) for FIH Group Plc (parent company), The Falkland Islands Company Limited (Stanley Division), Gosport Ferry Limited and Momart Limited.</p>
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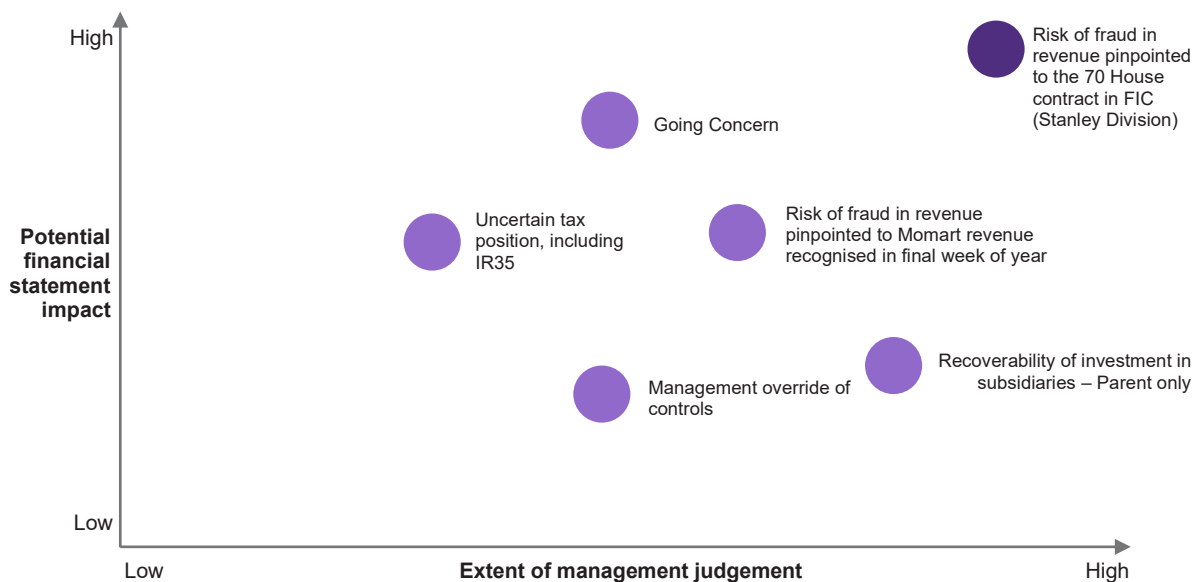
	<p>Full scope or specified audit procedures were performed on the financial information of components representing 100% of the Group's revenue and 95% of the Group's loss before tax.</p> <p>This approach is consistent with prior year.</p>
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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



In the graph below, we have presented the key audit matters and significant risks relevant to the audit. This is not a complete list of all risks identified by our audit.



●	Key audit matter	●	Significant risk
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Key Audit Matter – Group

Risk of fraud in revenue pinpointed to the 70 House contract in The Falkland Islands Company

We identified accuracy of revenue as one of the

How our scope addressed the matter – Group

In responding to the key audit matter, we performed the following audit procedures:

- assessed the stated accounting policies in respect of revenue recognition and whether these are consistent with the requirements of IFRS 15 'Revenue from Contracts with Customers';

Auditor's Report

CONTINUED

Key Audit Matter – Group

most significant assessed risks of material misstatement due to fraud.

Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.

The Falkland Islands Company Limited (Stanley Division) ('FIC') has a significant contract with the Falkland Islands Government and Ministry of Defence (MoD) for the construction of 70 houses.

This contract includes a significant degree of judgement and management estimation, including forecast cost to complete in particular the risk and contingency element. We consider this to be where the opportunity and incentive for revenue misstatement could exist, as revenue is a KPI for the Group.

Relevant disclosures in the Annual Report

- Financial statements: Note 4, Revenue and Note 30, Accounting estimates
- Audit and Risk Committee report: Areas of judgement and estimation

How our scope addressed the matter – Group

- determined whether revenue in the accounting system was recorded consistent with the accounting policy;
- held discussions with the construction management team to understand the status of the contract, how progress was assessed from an operational perspective and considered whether this was consistent with the method to determine the level of progress for determining the amount of revenue to be recognised to date;
- visited the two construction sites shortly after the year end to corroborate the level of progress indicated by management's analysis;
- assessed the level of costs to complete, by reference to the costs incurred to date and the number of houses complete/in construction by the year end;
- a particular focus was placed on the element of costs included for risk and contingency, given it is a key area of judgement. We determined an auditor's range for such amounts and compared this with management's estimate;
- assessed the competency and objectivity of project managers responsible for the estimation of future costs;
- assessed the historical forecasting accuracy of forecasting costs associated with ongoing projects by comparison of prior estimated costs to actual costs incurred; and tested a sample of expenditure incurred on the project in the year, confirming that it is valid and correctly driving the revenue recognition calculation through corroboration to supporting documentation and recalculation of expected revenue based on the stage of completion.

Our results

Based on our audit work, we did not identify a material misstatement in revenue recognition in relation to the FIC (Stanley Division) 70 House Contract.

We did not identify any key audit matters relating to the audit of the financial statements of the parent company only.

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

Materiality measure	Group	Parent company
Materiality for financial	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to	

Materiality measure	Group	Parent company
statements as a whole	influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£228,000 (2024: £225,000), which is determined by reference to several benchmarks as explained below.	£590,000 (2024: £516,000) which represents 1% of total assets.
Significant judgements made by auditor in determining materiality	<p>In determining materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> The group engagement team compared the determined amount against the range of materialities that would have been calculated had two benchmarks (revenue and loss before tax) been used, recognising that a number of measures are relevant to users of the financial statements. The determined materiality equates to approximately 0.6% or revenue, approximately 3.4% of loss before tax. The percentages used were appropriate based on the level of risk associated with the group. <p>Materiality for the current year is higher than the level that we determined for the year ended 31 March 2024. As this is now our third year as auditor, we have obtained a significant understanding of the Group, its financial reporting and business processes and the reduction of complexity therein.</p>	<p>In determining materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"> Total assets was considered the most appropriate benchmark because the parent company's purpose is to hold investments in its subsidiary companies and amounts receivable from subsidiary companies and does not trade. <p>Materiality for the current year is higher than the level that we determined for the year ended 31 March 24, as total assets for the year ended 31 March 2025 were higher than the total assets were at 31 March 2024 when materiality was determined.</p>
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	£160,150 (2024: £157,500), which is 70% (2024: 70%) of financial statement materiality.	£413,000 (2024: £361,200), which is 70% (2024: 70%) of financial statement materiality. Parent company component performance materiality has been capped at an amount less than group performance materiality for group audit purposes.

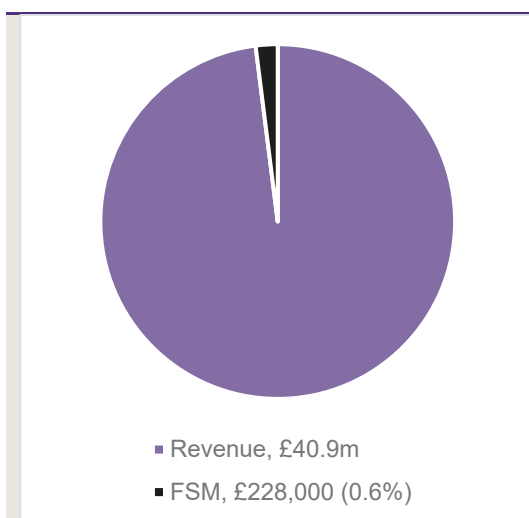
Auditor's Report

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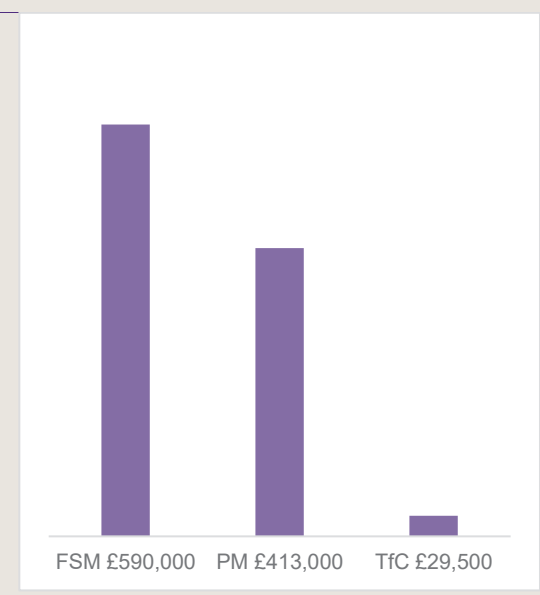
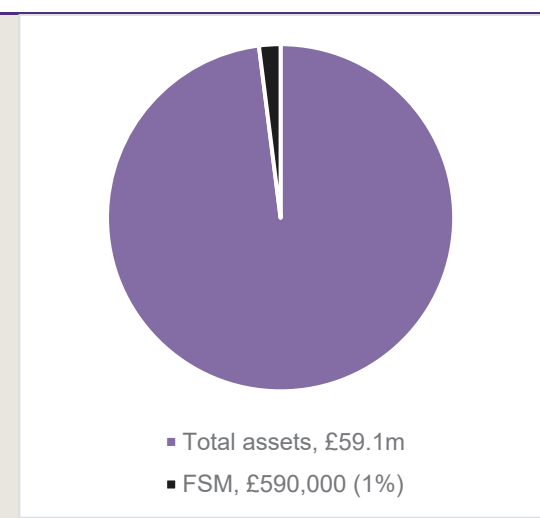
Materiality measure	Group	Parent company
Significant judgements made by auditor in determining performance materiality	<p>In determining performance materiality, we considered the following factors:</p> <ul style="list-style-type: none"> our understanding of the entity, updated during the performance of risk assessment procedures; our assessment of the strength and effectiveness of the design of the control environment; FIH operate in relatively stable markets with some reliance on long-term contracts; and a significant portion of the group's activities are based in the Falkland Islands and are therefore remote from head office. This may have implications for oversight. 	<p>In determining performance materiality, we considered the following factors:</p> <ul style="list-style-type: none"> our understanding of the entity, updated during the performance of risk assessment procedures; and our assessment of the strength and effectiveness of the design of the control environment.
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
Specific materiality	<p>We determined a lower level of specific materiality for the following areas:</p> <ul style="list-style-type: none"> Related party transactions; Directors' remuneration; and Auditor's remuneration 	
Communication of misstatements to the Audit and Risk Committee	We determine a threshold for reporting unadjusted differences to the Audit and Risk Committee.	
Threshold for communication	£11,400 (2024: £11,250), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£29,500 (2024: £25,800), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality and the range of component materiality interacts with our overall materiality and the threshold for communication to the Audit and Risk Committee.

Overall materiality - Group



Overall materiality - Parent



FSM: Financial statement materiality, PM: Performance materiality, RoM: Range of performance materiality at 7 components, TfC: Threshold for communication to the Audit and Risk Committee

An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the group's and the parent company's business and in particular matters related to:

Understanding the group, its components, their environments, and its system of internal control including common controls

- We obtained an understanding of the group and its environment, and its system of internal control, including the nature and extent of common controls, and assessed the risks of material misstatement at the group level; and
- We performed an evaluation of the design and implementation of controls over the financial reporting systems and effectiveness of the control environment as part of our risk assessment.

Identifying components at which to perform audit procedures

- We identified components at which to perform further audit procedures by considering:
 - components which included an individual risk of material misstatement to the group financial statements; this included considering the nature of the individual components and

Auditor's Report

CONTINUED

circumstances during the period. Individual risks of material misstatement included, but were not limited to, revenue recognition where revenue is recognised over time, and management override of controls;

- components which contained a nature and/or size of classes of transactions, account balances or disclosures which were deemed material to the group opinion.
- In addition, components were identified for further audit procedures to obtain sufficient appropriate audit evidence for significant classes of transactions, account balances and disclosures, or for unpredictability.

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

- Two components were in scope for audit procedures due to individually including a risk of material misstatement to the group financial statements due to the component's nature or circumstances (The Falkland Islands Company Limited – Stanley Division and Momart Limited), with a further two components being subject to full scope audits. The Key Audit Matter was addressed through the audit of financial information.
- Specified audit procedures were performed on three components due to the nature and size of assets, liabilities and transactions at the component (being of financial significance to one or more scoped items that it is required to be in scope).
- Analytical procedures were performed on the financial information of all other components using group materiality

Performance of our audit

Procedures performed over four components at which full-scope audit was performed covered 100% of revenue, 80% of total assets and 87% of loss before tax. Specified audit procedures at the three components subject to testing covered 20% of total assets.

This resulted in the following coverage: revenue 100%; total assets 100% and loss before tax 95%.

The audit team performed in-person audit procedures for the three trading divisions, two of which were significant components. Three visits were made to the Falkland Islands, including one by the audit partner.

Further audit procedures performed on components subject to specific scope and specified procedures may not have included testing of all significant account balances of such components, but further audit procedures were performed on specific accounts within that component that we, the group auditor, considered had the potential for the greatest impact on the group financial statements either due to risk, size or coverage.

The components within the scope of further audit procedures accounted for the following percentages of the Group's results, including the key audit matters identified:

Audit approach	No. of components	% coverage total assets	% coverage revenue	% coverage LBT
Full-scope audit	4 (2024: 4)	80 (2024: 90)	100 (2024: 100%)	87 (2024: 93)
Specific scope procedures	3 (2024: 3)	20 (2024: 7)	0 (2024: 0)	8 (2024: 0)
Full-scope and specific scope procedures coverage	7 (2024: 7)	100 (2024: 97)	100 (2024: 100)	95 (2024: 93)
Analytical procedures	5 (2024: 5)	0 (2024: 3)	0 (2024: 0)	5 (2024: 7)
Total	12 (2024: 12)	100	100	100

Changes in approach from previous period

There have been no changes in approach from the prior year.

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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

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.

Matter on which we are required to report under the Companies Act 2006

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.

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 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 Statement of Directors' Responsibilities in Respect of the Annual Report and Financial Statements set out on page 32, 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 Report

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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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are most applicable to the group and parent company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (UK-adopted international accounting standards, the Companies Act 2006, AIM Rules for Companies, National Minimum Wage Act 1998 and relevant UK and Falkland Islands tax legislation);
- We obtained an understanding of the most applicable legal and regulatory frameworks and how the group and company are complying with them by making inquiries of management, the Audit Committee and other personnel within the organisation. We corroborated inquiries through our review of Board minutes.
- We assessed the susceptibility of the group and the parent company's financial statements to material misstatement, including how fraud might occur. Audit procedures included:
 - Identifying and assessing the design and implementation of management's controls designed to prevent and detect irregularities;
 - Challenging assumptions and judgements made by management in its evaluation of accounting estimates;
 - Identifying and testing those journal entries matching certain risk criteria.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation.
 - Knowledge of the industry in which the parent company and the group operate; and
 - Understanding of the legal and regulatory requirements specific to the parent company and the group
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council'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.

Matthew Buckingham
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham

24 July 2025

Consolidated Income Statement

FOR THE YEAR ENDED 31 MARCH 2025

Notes		Underlying 2025 £'000	Non-trading Items (Note 5) 2025 £'000	Total 2025 £'000	Underlying 2024 £'000	Non-trading Items (Note 5) 2024 £'000	Total 2024 £'000
4	Revenue	40,850	–	40,850	52,460	–	52,460
	Cost of sales	(27,226)	–	(27,226)	(30,000)	–	(30,000)
	Gross profit	13,624	–	13,624	22,460	–	22,460
	Operating expenses	(19,163)	(196)	(19,359)	(18,444)	(371)	(18,815)
	Operating (loss) / profit	(5,539)	(196)	(5,735)	4,016	(371)	3,645
8	Finance income	40	–	40	125	–	125
8	Finance expense	(699)	(255)	(954)	(764)	(244)	(1,008)
	(Loss) / profit before tax	(6,198)	(451)	(6,649)	3,377	(615)	2,762
9	Taxation	1,406	112	1,518	(949)	153	(796)
	(Loss) / profit for the year attributable to equity holders of the company	(4,792)	(339)	(5,131)	2,428	(462)	1,966
10	Earnings per share						
	Basic			(41.0)p			15.7p
	Diluted			(41.0)p			15.7p

The accompanying notes form part of these Financial Statements.

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2025

Notes	2025 £'000	2024 £'000
(Loss) / profit for the year	(5,131)	1,966
Amortisation of hedge reserve	28	13
17 Deferred tax on derivative financial instruments and other financial liabilities	(32)	(28)
Items that are or may be reclassified subsequently to profit or loss	(4)	15
23 Re-measurement of the FIC defined benefit pension scheme	143	99
17 Movement on deferred tax asset relating to the pension scheme	(37)	(26)
Items which will not ultimately be recycled to the income statement	106	73
Total other comprehensive income	102	58
Total comprehensive (loss) / income	(5,029)	2,024

The accompanying notes form part of these Financial Statements.

Consolidated Balance Sheet

AT 31 MARCH 2025

Notes	2025 £'000	2024 £'000
Non-current assets		
11 Intangible assets	4,414	4,407
12 Property, plant and equipment	37,750	38,664
13 Investment properties	7,503	7,710
15 Investment in joint venture	259	259
16 Finance lease receivable	420	557
17 Deferred tax assets	265	428
26 Derivative financial instruments	1,101	1,328
Total non-current assets	51,712	53,353
Current assets		
18 Inventories	4,232	6,698
19 Trade and other receivables	7,479	10,898
16 Finance lease receivable	389	403
Corporation tax receivable	165	89
20 Cash and cash equivalents	7,846	9,650
Total current assets	20,111	27,738
TOTAL ASSETS	71,823	81,091
Current liabilities		
22 Trade and other payables	(13,095)	(11,112)
21 Interest-bearing loans and borrowings	(1,269)	(1,535)
Corporation tax payable	(280)	(185)
Total current liabilities	(14,644)	(12,832)
Non-current liabilities		
21 Interest-bearing loans and borrowings	(15,502)	(16,847)
23 Employee benefits	(1,019)	(1,647)
17 Deferred tax liabilities	(2,726)	(4,679)
Total non-current liabilities	(19,247)	(23,173)
TOTAL LIABILITIES	(33,891)	(36,005)
Net assets	37,932	45,086
25 Capital and reserves		
Equity share capital	1,251	1,251
Share premium account	17,590	17,590
Other reserves	703	703
Retained earnings	18,431	25,613
Hedging reserve	(43)	(71)
Total equity	37,932	45,086

These financial statements, of which the accompanying notes form part, were approved by the Board of Directors on 24 July 2025 and were signed on its behalf by:

S I Munro
Director

R Shamu
Director

Company Balance Sheet

AT 31 MARCH 2025

Notes		2025 £'000	2024 £'000
	Non-current assets		
13	Investment properties	18,338	18,541
14	Investment in subsidiaries	26,721	26,735
19	Loans to subsidiaries	11,807	11,207
26	Derivative financial instruments	1,101	1,328
	Total non-current assets	57,967	57,811
	Current assets		
19	Trade and other receivables	50	30
20	Cash and cash equivalents	1,123	2,639
	Total current assets	1,173	2,669
	TOTAL ASSETS	59,140	60,480
	Current liabilities		
22	Trade and other payables	(8,384)	(7,026)
	Corporation tax payable	(280)	(185)
21	Interest-bearing loans and borrowings	(630)	(529)
	Total current liabilities	(9,294)	(7,740)
	Non-current liabilities		
21	Interest-bearing loans and borrowings	(10,396)	(11,094)
17	Deferred tax	(1)	(1)
	Total non-current liabilities	(10,397)	(11,095)
	TOTAL LIABILITIES	(19,691)	(18,835)
	Net assets	39,449	41,645
25	Capital and reserves		
	Equity share capital	1,251	1,251
	Share premium account	17,590	17,590
	Other reserves	5,389	5,389
	Retained earnings	15,262	17,486
	Hedging reserve	(43)	(71)
	Total equity	39,449	41,645

As permitted by Section 408 of the Companies Act 2006, a separate profit and loss account of the Parent Company has not been presented. The Parent Company's loss for the financial year is £99,000 (2024: profit of £214,000).

These financial statements, of which the accompanying notes form part, were approved by the Board of Directors on 24 July 2025 and were signed on its behalf by:

S I Munro
Director

R Shamu
Director

Registered company number: 03416346

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2025

Notes	2025 £'000	2024 £'000
Cash flows from operating activities		
(loss) / profit for the year after taxation	(5,131)	1,966
Adjusted for:		
Cash items:		
Bank interest payable	370	403
Bank interest receivable	(40)	(125)
Non-cash items:		
11 Amortisation	42	20
12 Depreciation: Property, plant and equipment	2,403	2,337
13 Depreciation: Investment properties	217	219
23 Interest cost on pension scheme liabilities	68	87
24 Equity-settled share-based payment income	(28)	(93)
Fair value movement in derivative financial instrument	255	244
Profit on disposal of property, plant and equipment	–	35
Exchange losses on cash balances	40	19
Lease liability finance expense	261	274
Decrease in finance lease receivable	151	118
Corporation and deferred tax (income) / expense	(1,518)	796
Cash and non-cash items	2,221	4,334
Operating cash flow before changes in working capital	(2,910)	6,300
Decrease / (increase) in trade and other receivables	3,419	(709)
Decrease in inventories	2,466	178
Increase / (decrease) in trade and other payables	1,983	(2,606)
Changes in working capital	7,868	(3,137)
Cash generated from operations	4,958	3,163
23 Payments to pensioners	(553)	(319)
Corporation taxes paid	(322)	(835)
Net cashflow from operating activities	4,083	2,009
Cash flows from investing activities		
12 Purchase of property, plant and equipment	(1,489)	(2,154)
11 Purchase of Intangibles	(49)	(51)
13 Purchase of investment properties	(10)	(7)
Bank interest received	40	125
Proceeds from sale of property, plant and equipment	–	53
Net cash flow from investing activities	(1,508)	(2,034)

Continued on next page.

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2025

Notes	2025 £'000	2024 £'000
Cash flow from financing activities		
Repayment of bank loans	(1,035)	(929)
Bank interest paid	(370)	(403)
Repayment of lease liabilities principal	(576)	(681)
Lease liabilities interest paid	(261)	(274)
Dividends paid	(2,097)	(819)
Net cash flow from financing activities	(4,339)	(3,106)
Net decrease in cash and cash equivalents	(1,764)	(3,131)
Cash and cash equivalents at start of year	9,650	12,800
Exchange losses on cash balances	(40)	(19)
Cash and cash equivalents at end of year	7,846	9,650

The accompanying notes form part of these Financial Statements.

Company Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2025

Notes	2025 £'000	2024 £'000
Cash flows from operating activities		
	(99)	214
Adjusted for:		
Bank interest receivable	(40)	(125)
Bank interest payable	349	362
Fair value movement in financial derivative instrument	255	244
Equity-settled share-based payment income	(14)	(71)
13 Depreciation: Investment properties	203	210
Corporation and deferred tax expense	18	116
Cash and non-cash items	771	736
	672	950
Operating cash flow before changes in working capital		
Increase in trade and other receivables	(20)	(19)
Decrease / (increase) in trade and other payables	97	(65)
Changes in working capital	77	(84)
	749	866
Cash generated from operations		
Corporation taxes received / (paid)	13	(157)
	762	709
Net cash flow from operating activities		
Cash flow from investing activities		
Bank interest received	40	125
	40	125
Net cash flow from investing activities		
Cash flow from financing activities		
Bank loan repaid	(597)	(523)
Interest paid	(349)	(362)
Cash outflows from long-term inter-company loans	(600)	(950)
Cash inflows from short-term in inter-company borrowing	1,325	1,152
Dividends paid	(2,097)	(819)
	(2,318)	(1,502)
Net cash flow from financing activities		
	(1,516)	(668)
Net decrease in cash and cash equivalents		
Cash and cash equivalents at start of year	2,639	3,307
	1,123	2,639
Cash and cash equivalents at end of year		

The accompanying notes form part of these Financial Statements.

Consolidated Statement of Changes in Shareholders' Equity

FOR THE YEAR ENDED 31 MARCH 2025

	Equity share capital £'000	Share premium account £'000	Other reserves £'000	Retained earnings £'000	Hedge reserve £'000	Total equity £'000
Balance at 31 March 2023	1,251	17,590	703	24,514	(84)	43,974
Profit for the year	-	-	-	1,966	-	1,966
Amortisation of hedge reserve	-	-	-	-	13	13
Deferred tax on derivative financial instruments and other financial liabilities	-	-	-	(28)	-	(28)
Re-measurement of the defined benefit pension liability, net of tax	-	-	-	73	-	73
Total comprehensive income	-	-	-	2,011	13	2,024
Transactions with owners in their capacity as owners						
Share based payments	-	-	-	(93)	-	(93)
Dividends paid	-	-	-	(819)	-	(819)
Total transactions with owners	-	-	-	(912)	-	(912)
Balance at 31 March 2024	1,251	17,590	703	25,613	(71)	45,086
Loss for the year	-	-	-	(5,131)	-	(5,131)
Amortisation of hedge reserve	-	-	-	-	28	28
Deferred tax on derivative financial instruments and other financial liabilities	-	-	-	(32)	-	(32)
Re-measurement of the defined benefit pension liability, net of tax	-	-	-	106	-	106
Total comprehensive expense	-	-	-	(5,057)	28	(5,029)
Transactions with owners in their capacity as owners:						
Share based payments	-	-	-	(28)	-	(28)
Dividends paid	-	-	-	(2,097)	-	(2,097)
Total transactions with owners	-	-	-	(2,125)	-	(2,125)
Balance at 31 March 2025	1,251	17,590	703	18,431	(43)	37,932

The accompanying notes form part of these Financial Statements.

Company Statement of Changes in Shareholders' Equity

FOR THE YEAR ENDED 31 MARCH 2025

	Equity share capital £'000	Share premium account £'000	Other reserves £'000	Retained earnings £'000	Hedge reserve £'000	Total equity £'000
Balance at 31 March 2023	1,251	17,590	5,389	18,209	(84)	42,355
Profit for the year	-	-	-	214	-	214
Deferred tax on derivative financial instrument and other financial liabilities	-	-	-	(25)	-	(25)
Amortisation of hedge reserve	-	-	-	-	13	13
Total comprehensive income	-	-	-	189	13	202
Transactions with owners in their capacity as owners:						
Share based payments	-	-	-	(93)	-	(93)
Dividends paid	-	-	-	(819)	-	(819)
Total transactions with owners	-	-	-	(912)	-	(912)
Balance at 31 March 2024	1,251	17,590	5,389	17,486	(71)	41,645
Loss for the year	-	-	-	(99)	-	(99)
Deferred tax on derivative financial instrument and other financial liabilities	-	-	-	-	-	-
Amortisation of hedge reserve	-	-	-	-	28	28
Total comprehensive expense	-	-	-	(99)	28	(71)
Transactions with owners in their capacity as owners:						
Share based payments	-	-	-	(28)	-	(28)
Dividends paid	-	-	-	(2,097)	-	(2,097)
Total transactions with owners	-	-	-	(2,125)	-	(2,125)
Balance at 31 March 2025	1,251	17,590	5,389	15,262	(43)	39,449

The accompanying notes form part of these Financial Statements.

Notes to the Financial Statements

1. Accounting policies

General information

FIH group plc (the “Company”) is a public company limited by shares incorporated and domiciled in the UK.

Reporting entity

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the “Group”). The Parent Company financial statements present information about the Company as a separate entity and not about its Group. The consolidated financial statements of the Group for the year ended 31 March 2025 were authorised for issue in accordance with a resolution of the directors on 24 July 2025.

Basis of preparation

Both the Parent Company financial statements and the Group financial statements have been prepared in accordance with UK-adopted International Accounting Standards (“Adopted IFRS”). On publishing the Parent Company financial statements together with the Group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of the approved financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

Judgements made by the directors in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment next year are discussed in note 30.

The financial statements are presented in pounds sterling, rounded to the nearest thousand and are prepared on the historical cost basis, as modified by the revaluation of certain financial instruments held at fair value.

The cash flows between the parent Company and its subsidiaries have been classified as either financing or investing activities, depending on whether they relate to subsidiaries in a net payable or net receivable position respectively.

Going concern

The directors are responsible for preparing a going concern assessment covering a period of at least 12 months with the directors having assessed the period to 31 March 2027 (the going concern period). The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

As at 31 March 2025 the Group had net current assets of £5.5 million, cash balances of £7.8 million and net debt after derivatives and lease liabilities of £7.8 million.

Cash flow forecasts for the Group have been prepared covering the going concern period and the directors have considered downside scenarios to the base case forecasts to reflect emerging risks and uncertainties as a result of global economic conditions. Both base and sensitised forecasts indicate that the business has sufficient funds to meet liabilities and comply with covenants within the going concern period.

Consequently, the directors are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due within the going concern period.

Notes to the Financial Statements

CONTINUED

1. Accounting policies CONTINUED

Basis of consolidation

The consolidated financial statements comprise the financial statements of FIH group plc and its subsidiaries (the “Group”). A subsidiary is any entity FIH group plc has the power to control. Control is determined by FIH group plc’s exposure or rights, to variable returns from its involvement with the subsidiary and the ability to affect those returns through its power over the subsidiary. The financial statements of subsidiaries are prepared for the same reporting period as the Parent Company. The accounting policies of subsidiaries have been changed, when necessary, to align them with the policies adopted by the Group.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

All intra-company balances and transactions, including unrealised profits arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Investments in subsidiaries within the Company balance sheet are stated at impaired cost.

Presentation of income statement

Due to the non-prescriptive nature under IFRS as to the format of the income statement, the format used by the Group is explained below.

Operating profit is the pre-finance profit of continuing activities and acquisitions the Group, and in order to achieve consistency and comparability, is analysed to show separately the results of normal trading performance (“underlying profit”), individually significant charges and credits, changes in the fair value of financial instruments and non-trading items. Such items arise because of their size or nature.

In the year ended 31 March 2025, non-trading items were made up of £196,000 redundancy costs. In the year ended 31 March 2024, non-trading items were made up of £228,000 redundancy costs and £310,000 liabilities for PAYE and national insurance payments, along with a credit release of £167,000 relating to old credit balances in FIC. Fair value movements on hedging items are included as a non-trading finance income/cost.

Foreign currencies

Transactions in foreign currencies are translated to the functional currencies of Group entities at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency using the relevant rates of exchange ruling at the balance sheet date and the gains or losses thereon are included in the income statement.

Non-monetary assets and liabilities are translated using the exchange rate at the date of the initial transaction.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises purchase price and directly attributable expenses. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Right to use assets	5 – 50 years
Freehold buildings	20 – 50 years
Long leasehold land and buildings	50 years
Vehicles, plant and equipment	4 – 20 years
Ships	15 – 30 years

The carrying value of assets and their useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. If an indication of impairment exists, the assets are written down to their recoverable amount and the impairment is charged to the income statement in the period in which it arises. Freehold land and assets under construction are not depreciated.

Investment properties – Group

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost less accumulated depreciation and impairment losses. Cost comprises purchase price and directly attributable expenses. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each property. The investment property portfolio in the Falkland Islands consists mainly of properties built by FIC, and these and the properties purchased are depreciated over an estimated useful life of 50 years.

Investment properties – Company

The investment property in the Company consists of the Leyton site purchased in December 2018, with five warehouses which are rented to Momart. The purchase price allocated to land has not been depreciated, and the purchase price allocated to each property has been depreciated on a straight-line basis over the expected useful life, after consideration of the age and condition of each property, down to an estimated residual value of nil.

The carrying value of assets and their useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. If an indication of impairment exists, the assets are written down to their recoverable amount and the impairment is charged to the income statement in the period in which it arises. Freehold land is not depreciated.

Joint Ventures

Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring the joint venture partners' unanimous consent for strategic financial and operating decisions. FIH group plc has joint control over an investee when it has exposure or rights to variable returns from its involvement with the joint venture and has the ability to affect those returns through its joint power over the entity.

Jointly controlled entities are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The consolidated financial statements include the Group's share of the total comprehensive income and equity movements of equity accounted investees, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and businesses.

Acquisitions prior to 1 April 2006

In respect of acquisitions prior to transition to IFRS, goodwill is recorded on the basis of deemed cost, which represents the amount recorded under previous Generally Accepted Accounting Principles ("GAAP") as at the date of transition. Goodwill is not amortised but reviewed for impairment annually, or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired. At 31 March 2023, all goodwill arising on acquisitions prior to 1 April 2006 has either been offset against other reserves on acquisition, or written off through the income statement as an impairment in prior years.

Acquisitions on or after 1 April 2006

Goodwill on acquisition is initially measured at cost, being the excess of the cost of the business combination over the acquirer's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired business. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Other intangible assets are amortised from the date they are available for use. In the year ended 31 March 2014, the directors reviewed the life of the brand name at Momart and after considerations of its strong reputation in a niche market and its history of stable earnings and cash flow, which is expected to continue into the foreseeable future, determined that its useful life is indefinite, and amortisation ceased from 1 October 2013.

Notes to the Financial Statements

CONTINUED

1. Accounting policies CONTINUED

Computer software

Acquired computer software is capitalised as an intangible asset on the basis of the cost incurred to acquire and bring the specific software into use. Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful life of computer software is seven years.

Impairment of non-financial assets

At each reporting date the Group assesses whether there is any indication that an asset may be impaired. Goodwill and intangible assets with indefinite lives are tested for impairment, at least annually. Where an indicator of impairment exists or the asset requires annual impairment testing, the Group makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the income statement.

Recoverable amount is the greater of an asset's or cash-generating unit's fair value, less cost to sell or value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Finance income and expense

Net financing costs comprise interest payable and interest receivable which are recognised in the income statement. Interest income and interest payable are recognised as a profit or loss as they accrue, using the effective interest method.

Employee share awards

The Group provides benefits to certain employees (including directors) in the form of share-based payment transactions, whereby the recipient renders service in return for shares or rights over future shares ("equity settled transactions"). The cost of these equity settled transactions with employees is measured by reference to an estimate of their fair value at the date on which they were granted using an option input pricing model taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of share options that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with market performance vesting conditions, the grant date fair value of the share-based payments is measured to reflect such conditions and there is no true up for differences between expected and actual outcomes.

The cost of equity settled transactions is recognised, together with a corresponding increase in reserves, over the period in which the performance conditions are fulfilled, ending on the date that the option vests. Where the Company grants options over its own shares to the employees of subsidiaries, it recognises, in its individual financial statements, an increase in the cost of investment in its subsidiaries equal to the equity settled share-based payment charge recognised in its consolidated financial statements with the corresponding credit being recognised directly in equity.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition. The cost of raw materials, consumables and goods for resale comprises purchase cost, on a weighted average basis and where applicable includes expenditure incurred in transportation to the Falkland Islands. Work-in-progress and finished goods cost includes direct materials and labour plus attributable overheads based on a normal level of activity. Construction-in-progress is stated at the lower of cost and net realisable value. Net realisable value is estimated at selling price in the ordinary course of business less costs of disposal.

Pensions

Defined contribution pension schemes

The Group operates defined contribution schemes at PHFC and Momart, and at FIC employees are enrolled in the Falkland Islands Pension Scheme ("FIPS"). The assets of all these schemes are held separately from those of the Group in independently administered funds. The amount charged to the income statement represents the contributions payable to the schemes in respect to the accounting period.

Defined benefit pension schemes

The Group has one pension scheme providing benefits based on final pensionable pay, which is unfunded and closed to further accrual. The Group's net obligation in respect of the defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to its present value. The liability discount rate is the yield at the balance sheet date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

The current service cost and costs from settlements and curtailments are charged against operating profit. Past service costs are recognised immediately within profit and loss. The net interest cost on the defined benefit liability for the period is determined by applying the discount rate used to measure the defined benefit obligation at the end of the period to the net defined benefit liability at the beginning of the period. It takes into account any changes in the net defined benefit liability during the period. Re-measurements of the defined benefit pension liability are recognised in full in the period in which they arise in the statement of comprehensive income.

Trade and other receivables

Trade receivables are initially recorded at transaction price and are subsequently carried at amortised cost, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the income statement.

Trade and other payables

Trade and other payables are stated at their cost less payments made.

Dividends

Dividends unpaid at the balance sheet date are only recognised as liabilities at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash balances and call deposits with an original maturity of three months or less.

Notes to the Financial Statements

CONTINUED

1. Accounting policies CONTINUED

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Taxation

Taxation on the profit or loss for the year comprises current and deferred tax. Current tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity, in which case it is recognised directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary timing differences are not recognised:

- Goodwill not deductible for tax purposes; and
- Initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits.
- Temporary differences related to investments in subsidiaries, to the extent that it is probable that they will not reverse in the foreseeable future.

A deferred tax asset is recognised 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 are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax is recognised at the tax rates that are expected to be applied to the temporary differences when they reverse, based on rates that have been enacted or substantially enacted by the reporting date.

Cash-flow hedges

The effective portions of changes in the fair values of derivatives that are designated and qualify as cash-flow hedges are recognised in equity. The gain or loss to any ineffective portion is recognised immediately in the income statement. Amounts accumulated in the hedging reserve are recycled to the income statement in the periods when the hedged items will affect profit or loss.

Revenue recognition

IFRS 15 Revenue, requires revenue to be recognised under a 'five-step' approach when a customer obtains control of goods or services in line with the performance obligations identified on the contract. Under IFRS 15, revenue recognition must reflect the standard's five-step approach which requires the following:

- Identification of the contract with the customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations;
- Recognition of the revenue when (or as) each performance obligation is satisfied.

In accordance with the standard, revenue is recognised, net of discounts, VAT, Insurance Premium Tax and other sales related taxes, either at the point in time a performance obligation has been satisfied or over time as control of the asset associated with the performance obligation is transferred to the customer.

For all contracts identified, the Group determines if the arrangement with the customer creates enforceable rights and obligations. For contracts with multiple components to be delivered, such as the inbound and outbound leg of moving art exhibitions as well as delivering, handling and administration services, management applies judgement to consider whether those promised goods and services are:

- distinct – to be accounted for as separate performance obligations;
- not distinct – to be combined with other promised goods or services until a bundle is identified that is distinct; or
- part of a series of distinct goods and services that are substantially the same and have the same pattern of transfer to the customer.

At contract inception the total transaction price is identified, being the amount to which the Group expects to be entitled and to which it has present enforceable rights under the contract. Once the total transaction price is determined, the Group allocates this to the identified performance obligations in proportion to their relative standalone selling prices and revenue is then recognised when (or as) those performance obligations are satisfied.

Discounts are allocated proportionally across all performance obligations in the contract unless directly observable evidence exists that the discount relates to one or more, but not all, performance obligations.

For each performance obligation, the Group determines if revenue will be recognised over time or at a point in time. For each performance obligation to be recognised over time, the Group applies a revenue recognition method that faithfully depicts the Group's performance in transferring control of the goods or services to the customer. This decision requires assessment of the nature of the goods or services that the Group has promised to transfer to the customer.

Revenue streams of the Group

The revenues streams of the Group have been analysed and considered in turn.

Retail revenues arising from the sale of goods and recognised at the point of sale

The retail revenues in the Falkland Islands arise from the sale of goods in the retail outlets and the sale of vehicles and parts at Falklands 4x4, are recognised at the point of sale, which is usually at the till, when the goods are paid for by cash or credit or debit card. A finance lease receivable arises on the sale of goods when the Group provides finance for the purchases as the Group is considered under IFRS 16, to be a dealer lessor.

Housing revenue is generally recognised on completion of the single performance obligation of supplying a house, once the keys are handed over on legal completion. However, larger contracts such as the construction of houses for FIG and the MOD are treated as long term construction contracts as detailed below.

Transportation of art

In the UK, Momart earns revenue from fine art logistical services (transport, installations or de-installations) and storage services. Revenue is recognised for logistical services completed. Momart classifies this income into either Museum Exhibitions revenue, which includes the income from UK and International museums, or Gallery Services revenue, which includes revenue earned from art galleries and auction houses. Inbound and outbound installations are treated as separate obligations. Revenue is recognised when the service is completed.

Revenues arising from the rendering of services and recognised over a period of time

Storage of art

Storage revenue is recognised according to the time in storage, as reflected in storage agreements.

Long term construction contracts

Revenue from long term construction contracts is recognised under IFRS 15 by the application of the input method on the basis that the nature of the construction contracts which the Group typically enters into is such that work performed creates or enhances an asset which the customer controls. Construction contract revenue is measured using the direct measurement of the goods or services provided to date, including materials and labour. Un-invoiced amounts are presented as contract assets and amounts invoiced in advance of delivery are presented as contract liabilities.

Notes to the Financial Statements

CONTINUED

1. Accounting policies CONTINUED

Where a modification is required, the Group assesses the nature of the modification and whether it represents a separate performance obligation required to be satisfied by the Group or whether it is a modification to the existing performance obligation.

Other revenues recognised over time

Other revenues recognised over time, include rental income from the rental property portfolio at FIC, which is recognised monthly as the properties are occupied, and car hire income which is recognised over the hire period.

The majority of revenues recognised immediately from the rendering of services arise from the PHFC fare income, which is taken on a daily basis for daily tickets. Season tickets are available, however the revenue earned from these is negligible as most passengers purchase daily tickets. Quarterly and monthly season tickets are recognised over the life of the ticket with a balance held in deferred income.

Other revenues arising from the rendering of services and recognised immediately include:

- Agency services provided to cruise or fishing vessels for supplying provisions, trips to and from the airport and medical evacuations;
- Third party port services;
- Car maintenance revenue, which generally arises on short term jobs;
- Penguin travel income earned from tourist tours and airport trips, which is recognised on the day of the tour or airport trip;
- Third party freight revenue, which is recognised when the ship arrives in the Falkland Islands;
- Insurance commission earned by FIC for providing insurance services in the Falkland Islands under the terms of an agency agreement with Caribbean Alliance. The insurance commission is recognised in full on inception of each policy, offset by a refund liability held within accruals, for the expected refunds over the next year calculated from a review of the historic refunded premiums.

IFRS 9 Financial instruments

Impairment

Financial assets, which include trade debtors and finance lease receivables, are held initially at cost. IFRS 9 mandates the use of an expected credit loss model to calculate impairment losses rather than an incurred loss model, and therefore it is not necessary for a credit event to have occurred before credit losses are recognised.

The Group has elected to measure loss allowances utilising probability-weighted estimates of credit losses for trade receivables at an amount equal to lifetime expected credit losses.

IFRS 16 Leases

The Group has applied IFRS 16 in accounting for leases as follows.

At inception of a contract, the Group assesses whether it is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17. The Group applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or changed on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract).

(a) As a lessee

The Group:

- a) Recognises right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments;
- b) Recognises depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss;
- c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated statement of cash flows.

Lease incentives (e.g. rent-free periods) are recognised as part of the measurement of the right-of-use assets and lease liabilities.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (which includes tablets and personal computers, small items of office furniture and telephones), the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within 'other expenses' in profit or loss.

Right-of-use assets are tested for impairment in accordance with IAS 36 as specified by IFRS16.

(b) As a lessor

In accordance with IFRS 16, leases where the Group is a lessor continue to be classified as either finance leases or operating leases and are accounted for differently.

When goods are purchased on finance, a finance lease receivable is recorded in FIC and the goods are removed from the balance sheet when the finance lease agreements are signed and instead, a receivable due from the customer is recorded, as the title of the vehicle, or other goods, such as furniture, white goods or other electrical items, are deemed to have passed to the customer at that point.

Finance lease receivables are shown in the balance sheet under current assets to the extent they are due within one year, and under non-current assets to the extent that they are due after more than one year, and are stated at the value of the net investment in the agreements. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The FIC rental property agreements which are only ever for a maximum of 12 months, and with titles that will never pass to the customer, continue to be classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. The rental property portfolio, which is held for leasing out under operating leases is included in investment property at cost less accumulated depreciation and impairment losses.

Standards and revisions not yet adopted in the year to 31 March 2025

No standards not yet adopted are expected to have any significant impact on the financial statements of the Group or Company.

Notes to the Financial Statements

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2. Segmental Information Analysis

The Group is organised into three operating segments, and information on these segments is reported to the chief operating decision maker ('CODM') for the purposes of resource allocation and assessment of performance. The CODM has been identified as the executive directors.

The operating segments offer different products and services and are determined by business type: goods and essential services in the Falkland Islands, the provision of ferry services and art logistics and storage. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill and any other assets purchased through the acquisition of a business.

2025	General Trading (Falkland Islands) £'000	Ferry Services (Portsmouth) £'000	Art Logistics and Storage (UK) £'000	Unallocated £'000	Total £'000
Revenue	17,002	4,280	19,568	–	40,850
Segment operating (loss) / profit before non-trading items	(7,349)	756	1,054	–	(5,539)
Non-trading items	(128)	–	(68)	–	(196)
(Loss) / profit before net financing costs	(7,477)	756	986	–	(5,735)
Finance income	12	12	16	–	40
Finance expense	(68)	(235)	(396)	(255)	(954)
Segment (loss) / profit before tax	(7,533)	533	606	(255)	(6,649)
Assets and liabilities					
Segment assets	29,247	9,104	31,198	2,274	71,823
Segment liabilities	(9,947)	(6,300)	(16,169)	(1,475)	(33,891)
Segment net assets	19,300	2,804	15,029	799	37,932
Other segment information					
<i>Capital expenditure:</i>					
Property, plant and equipment	528	130	825	6	1,489
Investment properties	10	–	–	–	10
Computer software	25	–	24	–	49
Total Capital expenditure	563	130	849	6	1,548
<i>Depreciation and amortisation:</i>					
Property, plant and equipment	912	369	351	206	1,838
Investment properties	217	–	–	–	217
Computer software	8	–	34	–	42
Right of use assets	–	132	409	24	565
Total Depreciation and Amortisation	1,137	501	794	230	2,662
Underlying loss					
Segment operating (loss) / profit before non-trading items	(7,349)	756	1,054	–	(5,539)
Interest income	12	12	16	–	40
Interest expense	(68)	(235)	(396)	–	(699)
Underlying (loss) / profit before tax	(7,405)	533	674	–	(6,198)

2024	General Trading (Falkland Islands) £'000	Ferry Services (Portsmouth) £'000	Art Logistics and Storage (UK) £'000	Unallocated £'000	Total £'000
Revenue	29,028	4,177	19,255	-	52,460
Segment operating profit before non-trading items	1,766	856	1,394	-	4,016
Non-trading items	(53)	(8)	(310)	-	(371)
Profit before net financing costs	1,713	848	1,084	-	3,645
Finance income	38	38	49	-	125
Finance expense	(87)	(255)	(422)	(244)	(1,008)
Segment profit before tax	1,664	631	711	(244)	2,762
Assets and liabilities					
Segment assets	35,959	9,602	31,533	3,997	81,091
Segment liabilities	(10,916)	(6,757)	(17,568)	(764)	(36,005)
Segment net assets	25,043	2,845	13,965	3,233	45,086
Other segment information					
<i>Capital expenditure:</i>					
Property, plant and equipment	1,333	364	715	-	2,412
Investment properties	7	-	-	-	7
Computer software	-	-	51	-	51
Total Capital expenditure	1,340	364	766	-	2,470
<i>Depreciation and amortisation:</i>					
Property, plant and equipment	854	353	268	213	1,688
Investment properties	219	-	-	-	219
Computer software	-	-	20	-	20
Right of use assets	-	146	479	24	649
Total Depreciation and Amortisation	1,073	499	767	237	2,576
Underlying profit					
Segment operating profit before non-trading items	1,766	856	1,394	-	4,016
Interest income	38	38	49	-	125
Interest expense	(87)	(255)	(422)	-	(764)
Underlying profit before tax	1,717	639	1,021	-	3,377

The £2,274,000 (2024: £3,997,000) unallocated assets above include £1,123,000 (2024: £2,639,000) of cash, £1,101,000 (2024: £1,328,000) of derivative financial instruments and £50,000 (2024: £30,000) of trade and other receivables held in FIH group plc. (Note 19).

The £1,475,000 (2024: £764,000) unallocated liabilities above consist of accruals and tax balances held within FIH group plc.

Notes to the Financial Statements

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3. Geographical analysis

The tables below analyse revenue and other information by geography:

2025	United Kingdom £'000	Falkland Islands £'000	Total £'000
Revenue (by source)	23,848	17,002	40,850
<i>Assets and Liabilities:</i>			
Non-current segment assets, excluding deferred tax	34,944	16,503	51,447
Capital expenditure	985	563	1,548

2024	United Kingdom £'000	Falkland Islands £'000	Total £'000
Revenue (by source)	23,432	29,028	52,460
<i>Assets and Liabilities:</i>			
Non-current segment assets, excluding deferred tax	35,693	17,232	52,925
Capital expenditure	1,130	1,340	2,470

4. Revenue

2025	Sale of goods recognised at a point in time £'000	Rendering of services recognised at a point in time £'000	Rendering of services provided over a period of time £'000	Total Revenue £'000
Falkland Islands:				
Retail sales	10,116	–	–	10,116
Falkland 4x4 sales	1,747	383	588	2,718
FBS (housing and construction)	100	–	(183)	(83)
Support Services	–	2,414	844	3,258
Rental property income	–	–	993	993
FIC (Falkland Islands)	11,963	2,797	2,242	17,002
PHFC (Portsmouth)	–	4,280	–	4,280
Art logistics and storage	–	16,671	2,897	19,568
Total Revenue	11,963	23,748	5,139	40,850

2024	Sale of goods recognised at a point in time £'000	Rendering of services recognised at a point in time £'000	Rendering of services provided over a period of time £'000	Total Revenue £'000
Falkland Islands:				
Retail sales	10,721	–	–	10,721
Falkland 4x4 sales	1,790	322	584	2,696
FBS (housing and construction)	73	–	10,960	11,033
Support Services	–	2,734	851	3,585
Rental property income	–	–	993	993
FIC (Falkland Islands)	12,584	3,056	13,388	29,028
PHFC (Portsmouth)	–	4,177	–	4,177
Art logistics and storage	–	16,418	2,837	19,255
Total Revenue	12,584	23,651	16,225	52,460

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5. Non-trading items

	2025 £'000	2024 £'000
(Loss) / profit before tax as reported	(6,649)	2,762
<i>Non-trading items:</i>		
Restructuring costs	196	228
Release of old credit balances	–	(167)
Prior year PAYE and National insurance tax liabilities	–	310
	(6,453)	3,133
Movements in fair value of the financial instruments	255	244
Underlying (loss) / profit before tax	(6,198)	3,377

Restructuring costs comprise redundancy and other people-related costs.

6. Expenses and auditor's remuneration

The following expenses have been included in the profit and loss:

	2025 £'000	2024 £'000
Direct operating expenses of rental properties	420	413
Depreciation	2,620	2,556
Amortisation of computer software	42	20
Foreign currency loss	40	19
Movement in expected credit loss on trade and other receivables	(95)	150
Cost of inventories recognised as an expense	11,970	16,438

Auditor's remuneration

	2025 £'000	2024 £'000
Audit of these financial statements	109	87
Audit of subsidiaries' financial statements pursuant to legislation	207	200
Total auditor's remuneration	316	287

Additional items of expenditure not covered above or within staff costs (note 7) which are recognised within operating profit for the year include legal and professional fees, insurance and recruitment costs.

7. Staff numbers and cost

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	Number of employees Group		Number of employees Company	
	2025	2024	2025	2024
PHFC	26	28	–	–
Falkland Islands:				
in Stanley	203	224	–	–
in UK	6	6	–	–
Art logistics & storage	144	133	–	–
Head office	3	2	3	2
Total average staff numbers	382	393	3	2

The aggregate payroll cost of these persons was as follows:

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Wages and salaries	15,322	15,409	805	814
Share-based payments (see note 24)	(28)	(93)	(28)	(93)
Social security costs	1,135	1,113	96	78
Contributions to defined contribution plans (see note 23)	624	580	33	21
Total employment costs	17,053	17,009	906	820

Details of audited directors' remuneration are provided in the Directors' Report, which forms part of these audited financial statements, under the heading 'Details of Directors' Remuneration and Emoluments'.

8. Finance income and expense

	2025 £'000	2024 £'000
Bank interest receivable	40	125
Total finance income	40	125
Interest payable on bank loans	(370)	(403)
Movements in fair value of derivative financial instrument	(255)	(244)
Net interest cost on the FIC defined benefit pension scheme liability	(68)	(87)
Lease liabilities finance charge	(261)	(274)
Total finance expense	(954)	(1,008)
Net finance expense	(914)	(883)

Notes to the Financial Statements

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9. Taxation

Recognised in the income statement

	2025 £'000	2024 £'000
<i>Current tax expense</i>		
Current year	291	534
Adjustments for prior years	50	(202)
Current tax expense	341	332
<i>Deferred tax expense</i>		
Origination and reversal of temporary differences	(1,810)	266
Adjustments for prior years	(49)	198
Deferred tax (income) / expense (see note 17)	(1,859)	464
Total tax (income) / expense	(1,518)	796

Reconciliation of the effective tax rate

	2025 £'000	2024 £'000
(Loss) / profit on ordinary activities before tax	(6,649)	2,762
Tax using the UK corporation tax rate of 25% (2024: 25%)	(1,662)	691
Expenses not deductible for tax purposes	206	99
Losses carried back	4	–
Effect of increase in rate of deferred tax	(67)	9
Adjustments to tax charge in respect of previous periods	1	(3)
Total tax (income) / expense	(1,518)	796

Tax recognised directly and other comprehensive income

	2025 £'000	2024 £'000
Movement on deferred tax asset relating to the pension scheme	37	26
Deferred tax on derivative financial instruments and other financial liabilities	32	28
Deferred tax expense recognised directly in other comprehensive income	69	54

In the UK, deferred tax has been calculated at 25% (2024: 25%).

The deferred tax assets and liabilities in FIC have been calculated at the Falkland Islands' tax rate of 26% (2024: 26%).

10. Earnings per share

The calculation of basic earnings per share is based on profits on ordinary activities after taxation, and the weighted average number of shares in issue in the period.

The calculation of diluted earnings per share is based on profits on ordinary activities after taxation and the weighted average number of shares in issue in the period, adjusted to assume the full issue of share options outstanding, to the extent that they are dilutive.

	2025 £'000	2024 £'000
(Loss) / profit on ordinary activities after taxation	(5,131)	1,966

	2025 Number	2024 Number
Average number of shares in issue	12,519,900	12,519,900
Diluted weighted average number of shares	12,519,900	12,519,900

	2025 £'000	2024 £'000
Basic earnings per share	(41.0)p	15.7p
Diluted earnings per share	(41.0)p	15.7p

To provide a comparison of earnings per share on underlying performance, the calculation below sets out basic and diluted earnings per share based on underlying profits.

Earnings per share on underlying (loss) / profit

	2025 £'000	2024 £'000
Underlying (loss) / profit before tax (see note 5)	(6,198)	3,377
Underlying taxation	1,406	(949)
Underlying (loss) / profit	(4,792)	2,428
Effective tax rate	22.7%	28.1%
Weighted average number of shares in issue (from above)	12,519,900	12,519,900
Diluted weighted average number of shares (from above)	12,519,900	12,519,900
Basic earnings per share on underlying (loss) / profit	(38.3p)	19.4p
Diluted earnings per share on underlying (loss) / profit	(38.3p)	19.4p

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11. Intangible assets

	Computer Software £'000	Brand name £'000	Goodwill £'000	Total £'000
Cost:				
At 1 April 2023	788	2,823	11,576	15,187
Additions	51	–	–	51
At 31 March 2024	839	2,823	11,576	15,238
Additions	49	–	–	49
At 31 March 2025	888	2,823	11,576	15,287
Accumulated amortisation and impairment:				
At 1 Apr 2023	564	785	9,462	10,811
Amortisation	20	–	–	20
At 31 March 2024	584	785	9,462	10,831
Amortisation	42	–	–	42
At 31 March 2025	626	785	9,462	10,873
Net book value:				
At 31 March 2024	255	2,038	2,114	4,407
At 31 March 2025	262	2,038	2,114	4,414

Amortisation and impairment charges are recognised in operating expenses in the income statement. The Momart brand name has a carrying value of £2,038,000 and is considered to be of future economic value to the Group with an estimated indefinite useful economic life. It is reviewed annually for impairment as part of the Art Logistics and Storage review.

Goodwill

Goodwill is allocated to the Group's Cash Generating Units (CGUs) which principally comprise its business segments. A segment level summary of goodwill for each cash-generating-unit is shown below:

	Art Logistics and Storage £'000	Falkland Islands £'000	Total £'000
Goodwill at 1 April 2023	2,077	37	2,114
Goodwill at 31 March 2024	2,077	37	2,114
Goodwill at 31 March 2025	2,077	37	2,114

Impairment

The Group tests material goodwill and indefinite lived intangible assets annually for impairment or more frequently if there are indications that goodwill and/or indefinite life assets might be impaired. An impairment test is a comparison of the carrying value of the assets of a CGU to their recoverable amounts based on the higher of a value-in-use calculation and fair value less costs to sell. Goodwill is impaired when the recoverable amount is less than the carrying value.

The Art Logistics and Storage CGU is tested for impairment annually because the only material goodwill and indefinite life assets relate to this CGU. An impairment review of the Art Logistics and Storage CGU was performed and no impairment charge was deemed necessary. The recoverable amount for this assessment was determined using the fair value less costs to sell for the Art Logistics and Storage CGU. This was underpinned by the directors' valuation of the art storage warehouses in East London, which indicates a fair value in excess of the £22.7 million carrying value of the Art Logistics and Storage CGU.

12. Property, plant and equipment

	Group					
	Right to use assets £'000	Freehold land & buildings £'000	Long leasehold land and buildings £'000	Ships £'000	Vehicles, plant and equipment £'000	Total £'000
Cost:						
At 1 April 2023	10,224	29,722	1,067	7,030	11,312	59,355
Additions	258	283	13	130	1,728	2,412
Disposals	(478)	(16)	(17)	(130)	(801)	(1,442)
Reclassification	(65)	85	(51)	(255)	286	–
At 31 March 2024	9,939	30,074	1,012	6,775	12,525	60,325
Additions	7	126	–	86	1,270	1,489
Disposals	–	(2)	–	(20)	(100)	(122)
Reclassification*	(401)	–	–	–	401	–
At 31 March 2025	9,545	30,198	1,012	6,841	14,096	61,692
Accumulated depreciation:						
At 1 April 2023	4,328	5,243	502	3,279	7,326	20,678
Charge for the year	649	515	26	262	885	2,337
Disposals	(465)	(16)	(17)	(130)	(726)	(1,354)
Reclassification	–	(343)	–	(288)	631	–
At 31 March 2024	4,512	5,399	511	3,123	8,116	21,661
Charge for the year	565	509	29	268	1,032	2,403
Disposals	–	(2)	–	(20)	(100)	(122)
Reclassification*	(253)	–	–	–	253	–
At 31 March 2025	4,824	5,906	540	3,371	9,301	23,942
Net book value:						
At 1 April 2023	5,896	24,479	565	3,751	3,986	38,677
At 31 March 2024	5,427	24,675	501	3,652	4,409	38,664
At 31 March 2025	4,721	24,292	472	3,470	4,795	37,750

* Right of use assets came to the end of the lease term during the period, with ownership of the assets transferring to the group. There was no impact to total net book value.

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12. Property, plant and equipment CONTINUED

Right to use assets

	Group				
	Short leasehold lease £'000	Long leasehold Pontoon lease £'000	Momart Trucks £'000	Office Equipment £'000	Total £'000
Cost:					
At 1 April 2023	3,789	5,109	1,308	18	10,224
Additions in year	258	–	–	–	258
Disposals	(60)	(137)	(270)	(11)	(478)
Reclassification to property, plant and equipment	–	–	(65)	–	(65)
At 31 March 2024	3,987	4,972	973	7	9,939
Additions in year	–	5	2	–	7
Reclassification to property, plant and equipment	–	–	(401)	–	(401)
At 31 March 2025	3,987	4,977	574	7	9,545
Accumulated depreciation:					
At 1 April 2023	1,992	1,237	1,082	17	4,328
Charge for the year	389	102	157	1	649
Disposals	(46)	(137)	(271)	(11)	(465)
Reclassification	279	86	(360)	(5)	–
At 31 March 2024	2,614	1,288	608	2	4,512
Charge for the year	387	102	75	1	565
Reclassification to property, plant and equipment	–	–	(253)	–	(253)
At 31 March 2025	3,001	1,390	430	3	4,824
Net book value:					
At 1 April 2023	1,797	3,872	226	1	5,896
At 31 March 2024	1,373	3,684	365	5	5,427
At 31 March 2025	986	3,587	144	4	4,721

No property, plant or equipment was financed by hire purchase loans in the year to 31 March 2025.

The Company has no tangible fixed assets, other than the investment property purchased in December 2018, which is included within Investment Property (note 13).

13. Investment properties

	Group		
	Residential and commercial property £'000	Freehold land £'000	Total £'000
Cost:			
At 31 March 2023	8,534	831	9,365
Additions	7	–	7
At 31 March 2024	8,541	831	9,372
Additions	10	–	10
At 31 March 2025	8,551	831	9,382
Accumulated depreciation:			
At 1 April 2023	1,443	–	1,443
Charge for the year	219	–	219
At 31 March 2024	1,662	–	1,662
Charge for the year	217	–	217
At 31 March 2025	1,879	–	1,879
Net book value:			
At 1 April 2023	7,091	831	7,922
At 31 March 2024	6,879	831	7,710
At 31 March 2025	6,672	831	7,503

The investment properties, held at cost, comprise land, plus residential and commercial property held for rental in the Falkland Islands.

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13. Investment properties CONTINUED

Estimated Fair Value

	Group	
	2025 £'000	2024 £'000
Estimated fair value:		
Freehold land	2,128	2,177
Properties available for rent	11,127	10,585
Properties under construction	54	22
At 31 March	13,309	12,784
Uplift on net book value:		
Freehold land	1,297	1,346
Properties available for rent	4,455	3,728
At 31 March	5,752	5,074
Number of rental properties		
Available for rent	92	88

A level 3 valuation technique has been applied, using a market approach to value these properties; the properties have been valued based on their expected market value by the directors.

Assets under construction

At 31 March 2025, updates to the Butchery plot and Darwin Jetty were included in investment property assets under construction with a total cost to date of £54,000 (2024: £22,000 updates to the Butchery plot in Stanley).

Company Investment Property

Company	Commercial property £'000
Cost:	
31 March 2023, 31 March 2024 and 1 April 2025	19,642
Accumulated depreciation:	
At 31 March 2023	891
Charge for the year	210
At 31 March 2024	1,101
Charge for the year	203
At 31 March 2025	1,304
Net book value:	
At 1 April 2023	18,751
At 31 March 2024	18,541
At 31 March 2025	18,338

The investment property in the Company consists of the five warehouses leased to Momart, the Group's art handling subsidiary, which were purchased in December 2018.

The directors consider that the market value of the property is significantly higher than book value.

14. Investment in subsidiaries

	Country of incorporation	Class of shares held	Ownership at 31 March 2025	Ownership at 31 March 2024
The Falkland Islands Company Limited ⁽¹⁾	UK	Ordinary shares of £1	100%	100%
		Preference shares of £10	100%	100%
The Falkland Islands Trading Company Limited ⁽¹⁾	UK	Ordinary shares of £1	100%	100%
Falkland Islands Shipping Limited ^{(2) (5)}	Falkland Islands	Ordinary shares of £1	100%	100%
Erebus Limited ^{(2) (5) (6)}	Falkland Islands	Ordinary shares of £1	100%	100%
		Preference shares of £1	100%	100%
Paget Limited ^{(2) (5) (6)}	Falkland Islands	Ordinary shares of £1	100%	100%
The Portsmouth Harbour Ferry Company Limited ⁽³⁾	UK	Ordinary shares of £1	100%	100%
Portsea Harbour Company Limited ^{(3) (5)}	UK	Ordinary shares of £1	100%	100%
Clarence Marine Engineering Limited ^{(3) (5)}	UK	Ordinary shares of £1	100%	100%
Gosport Ferry Limited ^{(3) (5)}	UK	Ordinary shares of £1	100%	100%
Portsmouth Harbour Waterbus Company Limited ^{(3) (5) (6)}	UK	Ordinary shares of £1	100%	100%
Momart International Limited ^{(4) (6)}	UK	Ordinary shares of £1	100%	100%
Momart Limited ^{(4) (5)}	UK	Ordinary shares of £1	100%	100%
Dadart Limited ^{(4) (5) (6)}	UK	Ordinary shares of £1	100%	100%

⁽¹⁾ The registered office for these companies is Kenburgh Court, 133-137 South Street, Bishop's Stortford, Hertfordshire CM23 3HX.

⁽²⁾ The registered office for these companies is 5 Crozier Place, Stanley, Falkland Islands FIQQ 1ZZ.

⁽³⁾ The registered office for these companies is South Street, Gosport, Hampshire, PO12 1EP.

⁽⁴⁾ The registered office for these companies is Exchange Tower, 6th Floor, 2 Harbour Exchange Square, London E14 9GE.

⁽⁵⁾ These investments are not held by the Company but are indirect investments held through a subsidiary of the Company.

⁽⁶⁾ These investments have all been dormant for the current and prior year.

	2025 £'000	2024 £'000
At 1 April	26,735	26,757
Movement in share based payments capitalised into subsidiaries	(14)	(22)
At 31 March*	26,721	26,735

* The amounts disclosed are net of a provision for impairment of £18 million (2024: £18 million).

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15. Investment in Joint Ventures

The Group has one joint venture (South Atlantic Construction Company Limited, "SATCO"), which was set up in June 2012 in the Falkland Islands, with Trant Construction to bid for the larger infrastructure contracts which were expected to be generated by oil activity. Both Trant Construction and the FIC contributed £50,000 of ordinary share capital. SATCO is registered and operates in the Falkland Islands. The net assets of SATCO are shown below:

	Country of incorporation	Class of shares held	Ownership at 31 March 2025	Ownership at 31 March 2024
South Atlantic Support Services Limited ^{(1) (2) (3)}	Falkland Islands	Ordinary shares of £1	50%	50%

(1) South Atlantic Support Services Limited's registered office is 56 John Street, Stanley, Falkland Islands FIQQ 1ZZ.

(2) This investment is not held by the Company but are indirect investments held through a subsidiary of the Company.

(3) This investment has been dormant for the current and prior year.

Joint Venture's balance sheet

	2025 £'000	2024 £'000
Current assets	519	519
Liabilities due in less than one year	(1)	(1)
Net assets of SATCO	518	518
Group share of net assets	259	259

There were no recognised gains or losses for the years ended 31 March 2025 (2024: none).

The current assets balances above include £17,000 of cash (2024: £17,000), £4,000 of other debtors (2024: £4,000) and £498,000 (2024: £498,000) of loans due from SATCO's parent companies.

SATCO had no contingent liabilities or capital commitments as at 31 March 2025 or 31 March 2024 and the Group had no contingent liabilities or commitments in respect of its joint venture at 31 March 2025 or 31 March 2024.

SATCO's registered office is 56 John Street, Stanley, Falkland Islands FIha 1ZZ

16. Finance leases receivable

As lessor, FIC has sold assets to customers on finance lease agreements. The present value of the lease payments, together with any unguaranteed residual value, is recognised as a receivable, net of allowances for expected bad debt losses.

The difference between the gross receivable and the present value of future lease payments, is recognised as unearned lease income. Lease income is recognised in revenue over the term of the lease using the sum of digits method so as to give a constant rate of return on the net investment in the leases. Lease receivables are reviewed regularly to identify any impairment.

Lease receivables arise on the sale of vehicles and consumer goods, such as furniture and electrical items, by FIC. No contingent rents have been recognised as income in the period. No residual values accrue to the benefit of the lessor.

	Group	
	2025 £'000	2024 £'000
Non-Current: Finance lease receivable due after more than one year	420	557
Current: Finance lease receivables due within one year	389	403
Total Finance lease receivables	809	960

The difference between the gross investment in the finance lease receivables and the present value of future lease payments due represents unearned lease income of £182,000 (2024: £311,000). The cost of assets acquired for the purpose of renting out under hire purchase agreements by the Group during the year amounted to £475,000 (2024: £472,000).

The total cash received during the year in respect of hire purchase agreements was £716,000 (2024: £774,000).

	Group	
	2025 £'000	2024 £'000
Gross investment in finance lease receivables	1,018	1,301
Unearned lease income	(182)	(311)
Bad debt provision against hire purchase leases	(27)	(30)
Present value of future lease receipts	809	960

17. Deferred tax assets and liabilities

Recognised deferred tax assets and (liabilities)

	Group	
	2025 £'000	2024 £'000
Property, plant & equipment	(4,513)	(4,385)
Intangible assets	(509)	(509)
Inventories (unrealised intragroup profits)	43	59
Other financial liabilities	44	59
Derivative financial instruments	(9)	(9)
Tax losses	2,218	98
Share-based payments	–	8
Total net deferred tax liabilities	(2,726)	(4,679)
Deferred tax asset arising on the defined benefit pension liabilities	265	428
Net tax liability	(2,461)	(4,251)

The deferred tax asset on the defined benefit pension scheme (see note 23) arises under the Falkland Islands tax regime and has been presented on the face of the consolidated balance sheet as a non-current asset as it is expected to be realised over a relatively long period of time. All other deferred tax assets are shown net against the non-current deferred tax liability shown in the balance sheet.

	Company	
	2025 £'000	2024 £'000
Derivative financial liabilities	(9)	(9)
Other temporary differences	8	8
Net tax liability	(1)	(1)

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17. Deferred tax assets and liabilities CONTINUED

Movement in deferred tax assets / (liabilities) in the year:

	Group			31 March 2025 £'000
	1 April 2024 £'000	Recognised in income £'000	Recognised in equity £'000	
Property, plant & equipment	(4,385)	(128)	–	(4,513)
Intangible assets	(509)	–	–	(509)
Inventories (unrealised intragroup profits)	59	(16)	–	43
Other financial liabilities	59	9	(24)	44
Derivative financial instruments	(9)	–	–	(9)
Tax losses	98	2,120	–	2,218
Share-based payments	8	–	(8)	–
Pension	428	(126)	(37)	265
Deferred tax movements	(4,251)	1,859	(69)	(2,461)

Unrecognised deferred tax assets

Deferred tax assets of £141,000 (2024: £141,000) in respect of capital losses have not been recognised as it is not considered probable that there will be suitable chargeable gains in the foreseeable future from which the underlying capital losses will reverse.

Movement in deferred tax assets / (liabilities) in the year:

	Company			31 March 2025 £'000
	1 April 2024 £'000	Recognised in income £'000	Recognised in equity £'000	
Derivative financial liabilities instruments	(9)	–	–	(9)
Other temporary differences	8	–	–	8
Deferred tax asset movements	(1)	–	–	(1)

Movement in deferred tax assets / (liabilities) in the prior year:

	Group			31 March 2024 £'000
	1 April 2023 £'000	Recognised in income £'000	Recognised in equity £'000	
Property, plant & equipment	(3,874)	(511)	–	(4,385)
Intangible assets	(509)	–	–	(509)
Inventories	90	(31)	–	59
Other financial liabilities	54	8	(3)	59
Derivative financial instruments	(44)	–	35	(9)
Tax losses	–	98	–	98
Share-based payments	68	–	(60)	8
Pension	482	(28)	(26)	428
Deferred tax movements	(3,733)	(464)	(54)	(4,251)

Movement in deferred tax asset in the prior year:

	Company			
	1 April 2023 £'000	Recognised in income £'000	Recognised in equity £'000	31 March 2023 £'000
Derivative financial instruments	(44)	–	35	(9)
Other temporary differences	(41)	48	1	8
Deferred tax asset movements	(85)	48	36	(1)

18. Inventories

	Group	
	2025 £'000	2024 £'000
Work in progress	179	559
Goods in transit	599	1,290
Goods held for resale and raw materials	3,454	4,849
Total Inventories	4,232	6,698

The Company has no inventories.

19. Trade and other receivables

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Non-Current				
Amount owed by subsidiary undertakings	–	–	11,807	11,207
Total trade and other receivables	–	–	11,807	11,207

	2025 £'000	2024 £'000	2025 £'000	2024 £'000
	Current			
Trade receivables	4,760	5,649	–	–
Rental deposits	29	29	–	–
Prepayments	2,107	1,924	50	30
Accrued income	583	331	–	–
Contract asset	–	2,965	–	–
Total trade and other receivables	7,479	10,898	50	30

Amounts owed by subsidiary undertakings to the Company are not secured and interest free with no fixed repayment date.

The accrued income relates to contracts where the work has been completed but had not been billed at the balance sheet date. No allowance for expected credit losses was recognised in respect of accrued income as the impact was assessed as being immaterial. The only significant changes in the accrued income balance during the year related to the recognition of revenue for work performed and the transfer of billed amounts to trade receivables.

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20. Cash and cash equivalents

2025	Group				
	2024 £'000	Cash Flows	Interest	Other non-cash Changes	2025 £'000
Cash and cash equivalents	9,650	(1,764)	–	(40)	7,846
Bank loans	(12,326)	1,405	(370)	–	(11,291)
Net debt	(2,676)	(359)	(370)	(40)	(3,445)
Interest rate swap	1,328	–	–	(227)	1,101
Lease liabilities	(6,056)	838	(261)	(1)	(5,480)
Derivatives and lease liabilities	(4,728)	838	(261)	(228)	(4,379)
Net debt after derivatives and lease liabilities at 31 March	(7,404)	479	(631)	(268)	(7,824)
Movement in financial liabilities above					
Financing liabilities	(17,054)	2,243	(631)	(228)	(15,670)

2024	Group				
	2023 £'000	Cash Flows	Interest	Other non-cash Changes	2024 £'000
Cash and cash equivalents	12,800	(3,131)	–	(19)	9,650
Bank loans	(13,255)	1,332	(403)	–	(12,326)
Net debt	(455)	(1,799)	(403)	(19)	(2,676)
Interest rate swap	1,559	–	–	(231)	1,328
Lease liabilities	(6,479)	955	(274)	(258)	(6,056)
Derivatives and lease liabilities	(4,920)	955	(274)	(489)	(4,728)
Net debt after derivatives and lease liabilities at 31 March	(5,375)	(844)	(677)	(508)	(7,404)
Movement in financial liabilities above					
Financing liabilities	(18,175)	2,287	(677)	(489)	(17,054)

2025	Company				
	2024 £'000	Cash Flows	Interest	Other non-cash Changes	2025 £'000
Cash and cash equivalents	2,639	(1,516)	–	–	1,123
Bank loans	(11,623)	946	(349)	–	(11,026)
Net debt	(8,984)	(570)	(349)	–	(9,903)
Interest rate swap	1,328	–	–	(227)	1,101
Net debt after derivatives at 31 March	(7,656)	(570)	(349)	(227)	(8,802)
Movement in financial liabilities above					
Financing liabilities	(10,295)	946	(349)	(227)	(9,925)

2024	Company				2024 £'000
	2023 £'000	Cash Flows	Interest	Other non-cash Changes	
Cash and cash equivalents	3,307	(668)	–	–	2,639
Bank loans	(12,146)	885	(362)	–	(11,623)
Net debt	(8,839)	217	(362)	–	(8,984)
Interest rate swap	1,559	–	–	(231)	1,328
Net debt after derivatives at 31 March	(7,280)	217	(362)	(231)	(7,656)
Movement in financial liabilities above					
Financing liabilities	(10,587)	885	(362)	(231)	(10,295)

21. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the interest-bearing loans and borrowings owed by the Group, which are stated at amortised cost. Information on the maturity of interest-bearing loans and lease liabilities and exposure to interest rate and foreign currency risk is disclosed in note 26.

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
<i>Non-current liabilities</i>				
Secured bank loans	10,480	11,363	10,396	11,094
Lease liabilities	5,022	5,484	–	–
Total non-current interest-bearing loans and lease liabilities	15,502	16,847	10,396	11,094
<i>Current liabilities</i>				
Secured bank loans	811	963	630	529
Lease liabilities	458	572	–	–
Total current interest-bearing loans and lease liabilities	1,269	1,535	630	529
<i>Total liabilities</i>				
Secured bank loans	11,291	12,326	11,026	11,623
Lease liabilities	5,480	6,056	–	–
Total interest-bearing loans and lease liabilities	16,771	18,382	11,026	11,623

Lease liabilities

	Future minimum lease payments		Interest		Present value of minimum payments	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Less than one year	666	858	208	(286)	458	572
Between one and two years	566	701	228	(266)	338	435
Between two and five years	1,149	1,432	624	(649)	525	783
More than five years	8,124	8,323	3,965	(4,057)	4,159	4,266
Total	10,505	11,314	5,025	(5,258)	5,480	6,056

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22. Trade and other payables

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
<i>Current:</i>				
Trade payables	5,856	5,729	355	320
Amounts owed to subsidiary undertakings	–	–	7,746	6,421
Loan from joint venture	249	249	–	–
Other creditors, including taxation and social security	4,328	2,053	121	120
Accruals	2,602	3,044	162	165
Deferred income	60	37	–	–
Total trade and other payables	13,095	11,112	8,384	7,026

Amounts owed to subsidiary undertakings by the company are not secured, interest free and repayable on demand.

23. Employee benefits: pension plans

Defined contribution schemes

The Group operates defined contribution schemes at PHFC and Momart and current FIC employees are enrolled in the Falkland Islands Pension Scheme (“FIPS”). The assets of all these schemes are held separately from those of the Group in independently administered funds.

The pension cost charge for the year represents contributions payable by the Group to the schemes and amounted to £624,000 (2024: £601,000). There were outstanding contributions of £65,000 (2024: £59,000) due to pension schemes at 31 March 2025.

The Falkland Islands Company Limited Scheme

FIC operates a defined benefit pension scheme for certain former employees. This scheme was closed to new members in 1988 and to further accrual on 31 March 2007. The scheme has no assets and payments to pensioners are made out of operating cash flows. The contributions for the year ended 31 March 2025 were £105,722. During the year ended 31 March 2025, 9 pensioners (2024: 9) received benefits from this scheme, and there is one deferred member at 31 March 2025 (2024: two). Benefits are payable on retirement at the normal retirement age. The weighted average duration of the expected benefit payments from the Scheme is around 8 years (2024: 10 years).

An actuarial report for IAS 19 purposes as at 31 March 2025 was prepared by a qualified independent actuary, Lane Clark and Peacock LLP. The major assumptions used in the valuation were:

	2025	2024
Rate of increase in pensions in payment and deferred pensions	2.4%	2.4%
Discount rate applied to scheme liabilities	5.5%	4.8%
Inflation assumption	3.2%	3.3%
Average longevity at age 65 for male current and deferred pensioners (years) at accounting date	21.5	21.6
Average longevity at age 65 for male current and deferred pensioners (years) 20 years after accounting date	23.9	23.9

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice. Assumptions relating to life expectancy have been based on UK mortality data on the basis that this is the best available data for the Falkland Islands.

Sensitivity Analysis

The calculation of the defined benefit liability is sensitive to the assumptions set out above. The following table summarises how the impact of the defined benefit liability at 31 March 2025 would have increased / (decreased) as a result of a change in the respective assumptions by 1.0%.

	Effect on obligation 2025	
	-1% pa £'000	+1% pa £'000
Discount rate	85	(75)
Inflation assumption	(5)	5

	Effect on obligation 2025	
	-1 year £'000	+1 year £'000
Life expectancy	(50)	50

These sensitivities have been calculated to show the movement in the defined benefit obligation in isolation, and assume no other changes in market conditions at the accounting date.

Scheme liabilities

The present values of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	Value at				
	2021 £'000	2022 £'000	2023 £'000	2024 £'000	2025 £'000
Present value of scheme liabilities	(2,842)	(2,562)	(1,978)	(1,647)	(1,019)
Related deferred tax assets	677	666	482	428	265
Net pension liability	(2,165)	(1,896)	(1,496)	(1,219)	(754)

Movement in deficit during the year:

	2025 £'000	2024 £'000
Deficit in scheme at beginning of the year	(1,647)	(1,978)
Pensions paid	553	319
Other finance cost	(68)	(87)
Re-measurement of the defined benefit pension liability	143	99
Deficit in scheme at the end of the year	(1,019)	(1,647)

Notes to the Financial Statements

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23. Employee benefits: pension plans CONTINUED

Analysis of amounts included in other finance costs:

	2025 £'000	2024 £'000
Interest on pension scheme liabilities	68	87

Analysis of amounts recognised in statement of comprehensive income:

	2025 £'000	2024 £'000
Experience gains arising on scheme liabilities	85	95
Changes in assumptions underlying the present value of scheme liabilities	58	4
Re-measurement of the defined benefit pension liability	143	99

24. Employee benefits: share based payments

The total number of options outstanding at 31 March 2025 is nil (2024: 152,342).

Incentive Plan grants at an exercise price of ten pence to directors of subsidiaries and executives:

255,304 Long-term Incentive Plan grants were issued on 3 December 2021 at an exercise price of ten pence to directors of subsidiaries and executives, and expire on 3 December 2026. During the year, 46,651 of these options were forfeited (2024: 15,474) and 105,691 of these options lapsed. None remain outstanding at 31 March 2025.

There are various performance conditions attached to the Long-term Incentive Plan grants. All have a primary performance condition of the Group share price exceeding a target threshold at the vesting date, and secondary financial performance conditions specific to the relevant operating segment. All the options have a three-year vesting period.

Reconciliation of LTIPs:

	Number of options 2025	Number of options 2024
Outstanding at the beginning of the year	152,342	302,063
Options lapsed during the year	(105,691)	(113,405)
Options forfeited during the year	(46,651)	(36,316)
Outstanding at the year end	–	152,342
Weighted average life of outstanding options (years)	–	2.7

	2025 £'000	2024 £'000
Total share-based payment credit recognised in the year	(28)	(93)

25. Capital and reserves

Share capital

	Ordinary Shares	
	2025	2024
In issue at the start and end of the year	12,519,900	12,519,900

	2025	2024
Allotted, called up and fully paid Ordinary shares of 10p each	1,251	1,251

By special resolution at an Annual General Meeting on 9 September 2010 the Company adopted new articles of association, principally to take account of the various changes in company law brought in by the Companies Act 2006. As a consequence, the Company no longer has an authorised share capital. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Other reserves

The other reserves in the Group of £703,000 at 31 March 2025 comprise £5,389,000 of merger relief which arose on the 1998 Scheme of Arrangement, when the Company issued 1 share for every 300 shares that shareholders had previously held in Anglo United plc. Immediately following this Scheme of Arrangement, the Company acquired the Falkland Islands' businesses for £8.0 million and the £4,686,000 of goodwill on this acquisition was written off against the merger relief.

Dividends

The following dividends were recognised and paid in the period:

	2025 £'000	2024 £'000
Final 2023: 5.3 pence per qualifying ordinary share	–	663
Interim 2024: 1.25 pence per qualifying ordinary share	–	156
Special 2024: 10.0 pence per qualifying ordinary share	1,252	–
Final 2024: 5.5 pence per qualifying ordinary share	689	–
Interim 2025: 1.25 pence per qualifying ordinary share	156	–
Total dividends paid in the period	2,097	819

Notes to the Financial Statements

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26. Financial instruments

(i) Fair values of financial instruments Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Trade and other payables

The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the balance sheet date.

Interest-bearing borrowings

The fair value of interest-bearing borrowings, which after initial recognition is determined for disclosure purposes only, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date.

Financial Instruments categories and fair values

The fair values of financial assets and financial liabilities are not materially different to the carrying values shown in the consolidated balance sheet and Company balance sheet.

The following table shows the carrying value, which management consider to be materially equal to fair value for each category of financial instrument:

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Cash and cash equivalents	7,846	9,650	1,123	2,639
Finance lease debtors	809	960	–	–
Interest rate swap asset	1,101	1,328	1,101	1,328
Trade receivables	4,760	5,649	–	–
Rental deposits	29	29	–	–
Total assets exposed to credit risk	14,545	17,616	2,224	3,967
Total trade and other payables	(12,782)	(10,804)	(8,384)	(7,026)
Interest-bearing borrowings at amortised cost	(16,771)	(18,382)	(11,026)	(11,623)

The interest rate swaps have been valued using a level 2 methodology.

(ii) Credit Risk

Financial risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Group

The Group's credit risk is primarily attributable to its trade receivables. The maximum credit exposure of the Group comprises the amounts presented in the balance sheet, which are stated net of provisions for expected credit losses. Expected credit loss provisions are based on previous experience and other evidence, including forward-looking macroeconomic information, indicative of the recoverability of future cash flows. There have been no significant changes in the estimation techniques or significant assumptions made during the reporting period. Management has credit policies in place to manage risk on an on-going basis. These include the use of customer specific credit limits.

Company

The majority of the Company's receivables are with subsidiaries. The Company does not consider these counter-parties to be a significant credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the balance sheet date was £14,545,000 (2024: £17,616,000) being the total trade receivables, finance lease debtors, interest swap, rental deposits and cash and cash equivalents in the balance sheet. The credit risk on cash balances and the interest rate swap is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The maximum exposure to credit risk for trade receivables at the balance sheet date by geographic region was:

Group	2025 £'000	2024 £'000
Falkland Islands	1,766	1,136
Europe	270	600
North America	393	1,237
United Kingdom	2,129	2,206
Other	202	470
Total trade receivables	4,760	5,649

The Company has no trade debtors.

Notes to the Financial Statements

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26. Financial instruments CONTINUED

Credit quality of financial assets and expected credit losses

Group	Gross 2025 £'000	Impairment 2025 £'000	Net 2025 £'000	Gross 2024 £'000	Impairment 2024 £'000	Net 2024 £'000
Not past due	3,963	(3)	3,960	4,913	(3)	4,910
Past due 0-30 days	696	(5)	691	545	(6)	539
Past due 31-120 days	116	(9)	107	59	(13)	46
More than 120 days	165	(163)	2	401	(247)	154
Total trade receivables	4,940	(180)	4,760	5,918	(269)	5,649
Finance lease receivables	836	(27)	809	990	(30)	960

The amount of finance lease receivable that is past due is immaterial and secured on asset financed.

The movement in the allowances for impairment in respect of trade receivables and finance lease receivables during the year was:

Group	2025 £'000	2024 £'000
Balance at 1 April	299	197
Impairment loss recognised	21	151
Cash received	17	(22)
Utilisation of provision (debts written off)	(127)	(27)
Balance at 31 March	210	299
Provided against finance lease receivables	27	30
Provided against trade receivables	183	269
Balance at 31 March	210	299

The allowance account for trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the amounts considered irrecoverable are written off against the trade receivables directly.

No further analysis has been provided for cash and cash equivalents, trade receivables from Group companies, other receivables and other financial assets, as there is limited exposure to credit risk and expected credit losses are assessed as immaterial.

(iii) Liquidity risk

Financial risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. At the beginning of the year the Group had outstanding bank loans of £12.3 million (2024 £13.3 million). All payments due during the year with respect to these agreements were met as they fell due.

At the start of the year, the Company had one bank loan of £11.6 million (2024 £12.1 million). All payments due during the year with respect to these agreements were met as they fell due.

The Group manages its cash balances centrally at head office and prepares rolling cash flow forecasts to ensure availability of funds.

Liquidity risk – Group

The following are the contractual maturities of financial liabilities, including estimated interest:

2025	Carrying amount £'000	Contractual cash flows				
		Total £'000	1 year or less £'000	1 to 2 years £'000	2 to 5 years £'000	5 years and over £'000
<i>Financial liabilities</i>						
Secured bank loans	11,291	12,737	1,193	1,064	10,480	–
Lease liabilities	5,480	10,505	665	566	1,149	8,125
Trade payables	5,857	5,857	5,857	–	–	–
Other creditors	3,998	3,998	3,998	–	–	–
Loan from Joint Venture	249	249	249	–	–	–
Accruals	2,602	2,602	2,602	–	–	–
Total financial liabilities	29,477	35,948	14,564	1,630	11,629	8,125

2024	Carrying amount £'000	Contractual cash flows				
		Total £'000	1 year or less £'000	1 to 2 years £'000	2 to 5 years £'000	5 years and over £'000
<i>Financial liabilities</i>						
Secured bank loans	12,326	13,929	1,408	1,138	2,793	8,590
Lease liabilities	6,056	11,313	858	701	1,432	8,322
Trade payables	5,729	5,729	5,729	–	–	–
Other creditors	1,620	1,620	1,620	–	–	–
Loan from Joint Venture	249	249	249	–	–	–
Accruals	3,044	3,044	3,044	–	–	–
Total financial liabilities	29,024	35,884	12,908	1,839	4,225	16,912

Liquidity risk – Company

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effects of netting agreements:

2025	Carrying amount £'000	Contractual cash flows				
		Total £'000	1 year or less £'000	1 to 2 years £'000	2 to 5 years £'000	5 years and over £'000
<i>Financial liabilities</i>						
Secured bank loans	11,026	12,463	1,005	978	10,480	–
Trade payables	355	355	355	–	–	–
Amounts owed to subsidiary undertakings	7,746	7,746	7,746	–	–	–
Other creditors	89	89	89	–	–	–
Accruals	162	162	162	–	–	–
Total financial liabilities	19,378	20,815	9,357	978	10,480	–

Notes to the Financial Statements

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26. Financial instruments CONTINUED

2024	Carrying amount £'000	Contractual cash flows				
		Total £'000	1 year or less £'000	1 to 2 years £'000	2 to 5 years £'000	5 years and over £'000
<i>Financial liabilities</i>						
Secured bank loans	11,623	13,196	949	950	2,707	8,590
Trade payables	320	320	320	–	–	–
Amounts owed to subsidiary undertakings	6,421	6,421	6,421	–	–	–
Other creditors	89	89	89	–	–	–
Accruals	165	165	165	–	–	–
Total financial liabilities	18,618	20,191	7,944	950	2,707	8,590

(iv) Market Risk

Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

Market risk – Foreign currency risk

The Group has exposure to foreign currency risk arising from trade and other payables which are denominated in foreign currencies. The Group is not, however, exposed to any significant transactional foreign currency risk. The Group's exposure to foreign currency risk is as follows and is based on carrying amounts for monetary financial instruments.

Group						
	EUR £'000	USD £'000	Other £'000	Total Balance sheet exposure £'000	GBP £'000	Total £'000
2025						
Cash and cash equivalents	34	706	1	741	7,105	7,846
Trade payables and other payables	(594)	(416)	(220)	(1,230)	(11,866)	(13,096)
Balance sheet exposure	(560)	290	(219)	(489)	(4,761)	(5,250)

Group						
	EUR £'000	USD £'000	Other £'000	Total Balance sheet exposure £'000	GBP £'000	Total £'000
2024						
Cash and cash equivalents	63	571	322	956	8,694	9,650
Trade payables and other payables	(418)	(392)	(338)	(1,148)	(9,964)	(11,112)
Balance sheet exposure	(355)	179	(16)	(192)	(1,270)	(1,462)

The Company has no exposure to foreign currency risk.

Sensitivity analysis

Group

A 10% weakening of the following currencies against pound sterling at 31 March 2025 would have increased/(decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date. This analysis assumes that all other variables, in particular other exchange rates and interest rates remain constant and is performed on the same basis for year ended 31 March 2024.

	Equity		Profit or Loss	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
EUR	56	36	56	36
USD	(29)	(18)	(29)	(18)

A 10% strengthening of the above currencies against pound sterling at 31 March 2025 would have the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Market risk – interest rate risk

At the balance sheet date, the interest rate profile for the Group's interest-bearing financial instruments was:

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
<i>Fixed rate financial instruments</i>				
Leases receivable	809	960	–	–
Bank loans	(195)	(303)	–	–
Lease liabilities	(5,480)	(6,056)	–	–
Total fixed rate financial instruments	(4,866)	(5,399)	–	–
<i>Variable rate financial instruments</i>				
Effect of Interest rate swap	1,101	1,328	–	–
Bank loans	(11,096)	(12,023)	(11,026)	(11,623)
Total Variable rate financial instruments	(9,995)	(10,695)	(11,026)	(11,623)

At 31 March 2025, the Group had four bank loans:

- (i) £11.0 million (2024: £11.6 million) ten-year loan, which was drawn down on 28 June 2019, secured against freehold property held in FIH, with interest charged at the compounded daily SONIA rate plus 1.8693%;
- (ii) £0.1 million (2024: £0.3 million) repayable over ten years until May 2025, secured against the newest vessel in PHFC, with interest charged at 2.6% above the bank of England base rate;
- (iii) £0.2 million (2024: £0.3 million) drawn down by Momart, interest has been fixed on this loan at 2.73% for the full ten years until December 2026.

The interest payable on the £11.0 million ten-year loan has been hedged by one interest swap, taken out on 30 December 2021 with an initial notional value of £12.625 million, with interest payable at the difference between 1.1766% and the compounded daily SONIA rate plus 0.1193%. This interest rate swap notional value decreases at £125,000 per quarter over five years until June 2024, and then at £150,000 per quarter for a further five years until June 2029 when the outstanding bullet payment of £8,525,000 is likely to be refinanced. The notional value of the swap at 31 March 2025 is £10.9 million (2024: £11.5 million).

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26. Financial instruments CONTINUED

Lease liabilities

At 31 March 2025, the Group had the following lease liabilities:

- (i) £4.5 million lease liabilities payable to Gosport Borough Council; £4.4 million for the Gosport pontoon and £0.1 million for the ground rent on the pontoon. Both of these leases run until June 2061 and finance charges accrue on these liabilities at a weighted average rate of 4.73%.
- (ii) £1.0 million of property rental leases, including two warehouses rented by Momart and the Momart and Bishop's Stortford head offices, which run for between 1 to 5 years as at 31 March 2025. The weighted average interest rate of these rental liabilities is 3.72%.
- (iii) £0.1 million of lease liabilities taken out to finance trucks by hire purchase leases at Momart. The weighted average interest rate of these truck liabilities is 3.07%.

The total blended average interest rate on the Group's lease liabilities is 3.7% per annum.

Interest rate sensitivity analysis

An increase of 100 basis points in interest rates at the balance sheet date would have increased / (decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and has been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant and considers the effect of financial instruments with variable interest rates and financial instruments at fair value through profit or loss or available-for-sale with fixed interest rates. The analysis is performed on the same basis for 31 March 2024.

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
<i>Equity</i>				
Interest rate swap liability	110	116	110	116
Variable rate financial liabilities	(111)	(120)	(110)	(116)
<i>Profit or Loss</i>				
Interest rate swap liability	110	116	110	116
Variable rate financial liabilities	(111)	(120)	110	(116)

(v) Capital Management

The Group's objectives when managing capital, which comprises equity and reserves at 31 March 2025 of £37,932,000 (2024: £45,086,000) are to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to our other stakeholders.

27. Operating leases

Leases as lessor

The Group leases out its investment properties, which consist of seventy nine houses and flats, ten mobile homes and three commercial properties in the Falkland Islands. These are leased to staff, fishing agency representatives and other short-term visitors to the Islands. These lease agreements generally have an initial notice period of six months, and beyond the six months initial tenancy, one month's notice can be given by either party, therefore future minimum lease payments under non-cancellable leases receivable are not material.

The Company had no operating lease commitments. However, as a result of the purchase of the five warehouses at Leyton, the Company had the following non-cancellable operating lease rentals receivable:

	2025 £'000	2024 £'000
Less than one year	1,203	1,122
Between one and five years	4,810	4,487
More than five years	17,137	17,105
	23,150	22,714

28. Capital commitments

At 31 March 2025, the Group had not entered into any contractual commitments.

At 31 March 2024, the Group had entered into contractual commitments of £681,000 in Momart comprising £52,000 for enhancements to existing vehicles, £625,000 for five new vehicles, and £4,000 for IT upgrades.

29. Related parties

The Group has a related party relationship with its subsidiaries (see note 14) and with its directors and executive officers.

Directors of the Company and their immediate relatives controlled 30.3% (2024: 30.3%) of the voting shares of the Company at 31 March 2025.

The compensation of key management personnel, which includes the FIH group plc directors and the managing directors of the subsidiaries, is as follows:

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Key management emoluments including social security costs	1,070	1,345	759	814
Company contributions to defined contribution pension plans	50	60	17	17
Share-related awards	(28)	(93)	(14)	(72)
Total key management personnel compensation	1,092	1,312	762	759

At 31 March 2025, the Group's joint venture, SATCO, has debtors of £498,000 due from its parent companies.

Notes to the Financial Statements

CONTINUED

29. Related parties CONTINUED

FIH group plc key transactions with subsidiary entities:

	Group	
	2025 £'000	2024 £'000
FIC		
Loan from subsidiary	11,807	11,207
Management fees charged annually	540	641
Momart		
Loan to subsidiary	(2,606)	(2,830)
Management fees charged annually	335	425
PHFC		
Loan to subsidiary	(3,755)	(3,055)
Management fees charged annually	70	88

30. Accounting estimates

The preparation of financial statements in conformity with adopted IFRS requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of the judgements as to asset and liability carrying values which are not readily apparent from other sources. Actual results may vary from these estimates, and are taken into account in periodic reviews of the application of such estimates and assumptions. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

Defined benefit pension liabilities

At 31 March 2025, 9 pensioners were receiving payments from the FIC defined benefit pension scheme, and there is one deferred member. A significant degree of estimation is involved in predicting the ultimate benefits payment to these pensioners using actuarial assumptions to value the defined benefit pension liability (see note 23). Management have selected these assumptions from a range of possible options following consultations with independent actuarial advisers. There is a range of assumptions that may be appropriate, particularly when considering the projection of life expectancy post-retirement, which is a key demographic assumption, and has been based on UK mortality data, if the life expectancy assumption was one more year than the assumptions used, this would result in an increase of £50,000 in the liability. Selecting a different assumption could significantly increase or decrease the IAS19 value of the Scheme's liabilities. The projections of life expectancy make no explicit allowance for specific individual risks, such as the possible impact of climate change or a major medical breakthrough, the projections used reflect the aggregate impact of the many possible factors driving changes in future mortality rates.

The figures are prepared on the basis that both the FIC pension scheme and FIC are ongoing. If the scheme were to be wound up, the position would differ, and would almost certainly indicate a much larger deficit.

Inventory provisions

The Group makes provisions in relation to inventory value, where the net realisable value of an item is expected to be lower than its cost, due to obsolescence. Historically, the calculation of inventory provisions has entailed the use of estimates and judgements combined with mechanistic calculations and extrapolations reflecting inventory ageing and stock turn. During the year ended 31 March 2025, inventory provisions increased to £1,217,000 (2024: £1,064,000). Inventory greater than 12 months old and with no sales in the twelve months before 31 March 2025 is provided against in full. If this provision was reduced to 50% of the gross inventory value, the provision would reduce by circa £246,000 (2024: £225,000). If this provision was extended to cover all inventory greater than six months old with no sales in the twelve months before 31 March 2025, the provision would increase by £112,000 (2024: £119,000).

Long term construction contracts

Significant estimation is involved in determining the revenue and profit to be recognised on long term contracts. This includes determining percentage of completion at the balance sheet date by estimating the total expected costs to complete each contract along with their future profitability. These estimates directly influence the revenue and profit that can be recognised on such contracts.

The key judgement taken by management in assessing the costs to complete the 70 house contract, being the contract with the highest degree of estimation uncertainty, is the time needed to resolve lack of power at MPC site (and the costs of the associated idle time). Management have assessed a probability weighted passage of time in determining the impact of idle time, and included this in the costs to complete. The impact on the 2025 results of a 10% increase / decrease in the costs associated with idle time would have been to recognise a decrease / increase in revenue of £87,000.

Directors and Company Information

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Non-executive Chairman

Stuart Munro
Chief Executive Officer

Reuben Shamu
Chief Financial Officer

Robert Johnston
Non-executive Director

Dominic Lavelle
Non-executive Director

Holger Schröder
Non-executive Director

Company Secretary

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