

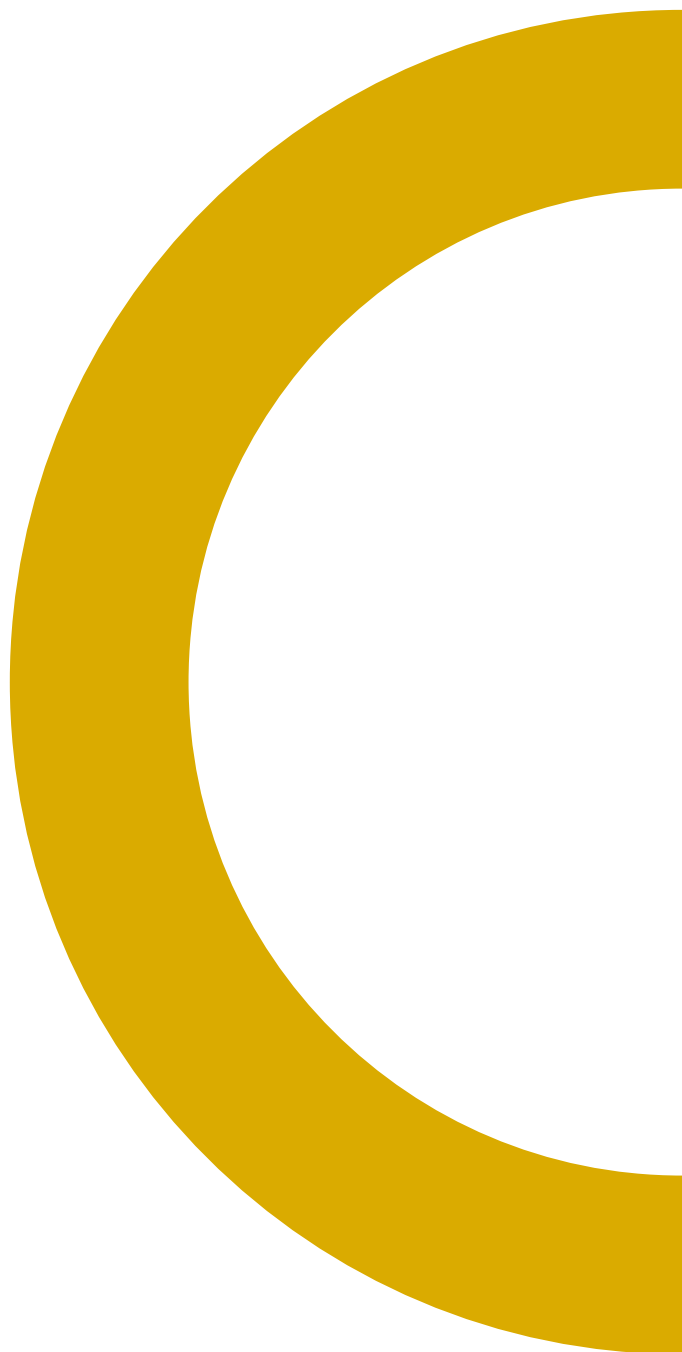
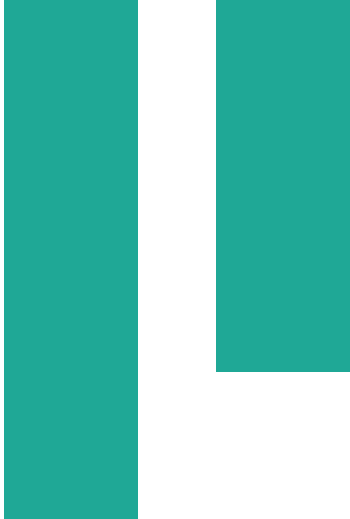


RAGLAN HOUSE HOLDINGS LIMITED

Report to Shareholders and
Audited Annual Report
and Accounts

2024





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RAGLAN HOUSE HOLDINGS LIMITED

REPORT TO SHAREHOLDERS

This document contains the report to the shareholders from the board of Raglan House Holdings Limited for 2023-24, pages i–vii along with the audited accounts of the group from page viii.

The report to the shareholders on pages i–vii does not form part of the audit process.

Raglan House Holdings Limited is the parent company of Freshwater UK Ltd and its subsidiaries, Freshwater UK Regions Limited and Waterfront Conference Company Ltd.

Financial highlights

	2023-24	2022-23
Turnover	£3.32m	£4.71m
Revenue	£2.69m	£3.38m
Headline EBITDA ¹	(£0.24m)	£0.34m
Operating profit	(£0.43m)	£0.23m
Profit before income tax	(£0.47m)	£0.20m
Net cash flow from operating activities	(£0.10m)	£0.42m
Cash balance at year end	£0.22m	£0.38m
Net current assets	£0.26m	£0.65m
Earnings per share	(2.95p)	1.23p

¹ See page v for details.

Operational and financial highlights

- Freshwater’s contract with its largest client came to an end on 30 November 2023 and severely impacted revenue for the remainder of the year.
- The group’s ‘intensified focus’ on new business, promised in last year’s report, not only failed to deliver forecast double-digit revenue growth in continuing operations, there was in fact a 2% decrease.
- In May 2024, with the group making heavy losses, the Board decided that urgent action was needed and asked the Remuneration Committee to oversee cost reductions.
- While immediate savings were achieved in discretionary spending, staffing reductions required consultation and were not implemented until August-October 2024, around the year-end.
- The Board’s cost saving measures did not, therefore, have any impact on the group’s 2023-24 results, but they have allowed us to return to profit in 2024-25 (see below).
- The trading loss translated into a negative operating cash flow. However, while the group suffered substantial decreases in its cash balance and net current assets, both remained in positive territory.

Post balance sheet events

- The Remuneration Committee decided in October 2024 to make the post of chief executive redundant, with such functions as remained necessary being absorbed by other board and non-board directors.
- The Board has decided not to pay a final dividend in order to rebuild its cash position.
- The group has traded profitably in the first six months of 2024-25 (see Chairman’s statement)

RAGLAN HOUSE HOLDINGS LIMITED

REPORT TO SHAREHOLDERS

Chairman's Statement

Introduction and Financial Review

Trading in 2023-24 was severely impacted by our contract with our largest client, Thompsons Solicitors, coming to an end and our failure to replace the revenue as quickly as we had hoped. Revenue was down 20% from £3.38m in 2022-23 to £2.69m.

While the two London-based divisions, Waterfront and Healthcare, saw revenue growth of 7% and 3% respectively, the four Cardiff-based divisions – Events, Marketing & Reputation, Digital and Creative – all suffered decreases in revenue.

With our lack of new business success becoming clear, the Board decided in May 2024 that costs had to be cut and gave its Remuneration Committee a mandate to align them with a realistic estimate of revenue in the foreseeable future.

Following a review of all options, the Remuneration Committee decided that its priority should be to protect front line services and that the savings should come primarily from non-fee-earning roles. To this end, from August 2024, it implemented four redundancies and agreed the retirement of a long-serving finance team member, delivering employment cost savings of £0.38m, of which 83% came from group overhead.

The four redundancies included the posts of group business development director and chief executive, the latter being seen as a legacy of Freshwater's previous public company status and no longer essential given the reduced size of the business.

Given that the redundancies were implemented around the year-end, they did not produce savings that benefited our 2023-24 trading figures. Therefore, with revenue down 20% and costs only 1% lower, operating profit fell from £0.23m in 2022-23 to a loss of £0.43m.

The loss inevitably had an impact on the balance sheet; however, because we started the year in a strong position, current net assets remained positive at £0.26m (2022-23: £0.65m) as did cash at £0.22m (2022-23: £0.38m).

Dividend

In view of these disappointing results, the Board does not recommend paying a final dividend. We will keep this under review and resume dividend payments as soon as our cash position and profit levels allow.

Operational review

The group provided services to 71 clients during the year (2022-23: 70). The top ten clients were: The Tavistock and Portman NHS Foundation Trust, Welsh Government, Thompsons Solicitors, Specsavers, NHS Cheshire & Merseyside ICB, Hampshire & Isle of Wight ICB, Portsmouth International Port, Royal Devon University Healthcare NHS Foundation Trust, Unite the Union and British Telecom. The share of revenue of the largest client was 12% (down from 25% in 2022-23) and of the top ten clients was 58% (down from 65% in 2022-23).

As well as having a broad base of clients, revenue continues to be spread across the public, private and not-for-profit sectors, with Waterfront's conference revenue being drawn from all three.

	2023-24	2022-23
Private sector	40.1%	48.8%
Public sector	56.8%	43.0%
Voluntary/not-for-profit sector	3.1%	8.2%

RAGLAN HOUSE HOLDINGS LIMITED

REPORT TO SHAREHOLDERS

The breakdown of revenue by market/industry type has changed markedly this year, with Healthcare becoming the largest sector as a result of the Thompsons Solicitors' contract coming to an end. However, we remain committed to winning new business in all our long-standing priority markets.

	2023-24	2022-23
Professional & business services	19.9%	40.2%
Healthcare	44.0%	34.0%
Government	12.4%	10.2%
Infrastructure	10.4%	4.8%
Transport	6.8%	6.0%
Consumer & retail	6.4%	4.3%
Other	0.1%	0.5%

Since the year-end, new business wins include further projects for the Welsh Government, Shared Lives South West, Specsavers and BT, as well as new work for Manchester University NHS Foundation Trust, Royal College of Paediatrics and Child Health, Nathaniel Lichfield and Partners, Hampshire Hospitals NHS Foundation Trust, Vantage RE, British Ports Association – Grimsby, Homerton Healthcare NHS Foundation Trust, Nottinghamshire Healthcare NHS and The National Association of Primary Care.

In 2023-2024, the HR & Operations strategy focussed on eight key areas, as follows:

- Effective leadership and management
- The use of AI for greater effectiveness and efficiency
- Attracting and retaining talent
- New employment legislation
- Managing many generations at work & managing hybrid working effectively
- Standards compliance with external verification bodies e.g. ISO 9001
- Employee wellbeing
- Training and development.

Along with updating employment contracts for all colleagues, a number of new HR policies were implemented in 2023/2024 to ensure that Freshwater was compliant with the three key pieces of legislation that came into force on 9 April 2024, which are:

- Employment Rights (Flexible Working) Act 2023
- Carer's Leave Act 2023
- Protection from Redundancy (Pregnancy and Family Leave) Act 2023

New policies included

- AI policy
- Carer's policy
- Carbon policy
- Revised Sustainability policy
- Prevention of Sexual Harassment in the Workplace policy
- Revised Redundancy policy
- Revised Business Continuity plan

In relation to resourcing, our recruitment process was updated this year, improving our recruitment campaigns using social channels more effectively along with updating our website and induction process. In addition, we were proud to launch Freshwater Futures, our work experience programme, through which we hosted four young people after promoting it through our network and stakeholders such as Cardiff and Vale College, The King's Trust and Coleg Gwent. We have also continued our partnership with Cardiff University by hosting five young people on 30-day work placements at Freshwater as part of the Career Confident programme.

As part of our commitment to mental and physical wellbeing, we were represented at the launch of the Mindful Business Charter in London in September 2024. While recognising there are times when long hours and stress cannot be avoided, the Charter's aim is to remove unnecessary sources of pressure and make these situations an exception rather than the rule. We are proud to have signed up to this ground-breaking initiative

RAGLAN HOUSE HOLDINGS LIMITED

REPORT TO SHAREHOLDERS

and of the role our employee representatives are playing in implementing its guiding principles at Freshwater.

Training and CPD has remained a key focus for us again this year. Our internal training programmes and lunch and learn sessions have included: customer relationship management, AI, conducting appraisals, leadership, management, and new employment legislation.

As an organisation, we are committed to best practice standards and quality initiatives. In 2023/2024, we worked towards:

- Retaining the Green Dragon Environmental standard
- Disability Level 2, retaining Disability Level 1
- Retaining our Living Wage accreditation
- Retaining our ISO 9001

Looking forward, we are already developing policies to comply with the Employment Rights Bill and are planning to relaunch our internship programme with two places on the Living Wage Foundation salary, with an allied training budget, which we intend to name the Lisa Durston and Bart Haines internships.

Performance

Companies are required to provide shareholders with a strategic report that both reviews the performance of the business and analyses it using key performance indicators. The performance review should be balanced and comprehensive in outlining the position of the company's business and should inform shareholders about how the directors have performed their duty to promote the success of the company. Moreover, in using financial and non-financial KPIs to do this, it should explain the reasons for them, ensure they are properly defined and reconcile them to the figures included in the financial statements.

Our key performance indicators are:

	2024	2023
• Revenue	£2.69m	£3.38m
• EBITDA as a % of revenue (KPI 20%)	(9%)	10%
• Average revenue per FTE employee (KPI - £95,000)	£77,833	£82,309
• Employee costs per FTE	£63,367	£55,502
• Employee costs as a proportion of revenue (KPI 55%)	81%	67%

We also monitor trends in client revenue and endeavour to achieve a mix that is not too reliant on any one sector or client. In 2023-24, our largest client accounted for 12% of the total down from 25% last year and the roster remains broadly the same as last year at 71 clients (2022-23: 70) The number of clients spending £20,000 or more has reduced slightly to 25 from 28 in 2022-23.

In 2024-25, we are aiming to move much closer to our KPIs with a view to fully achieving them in 2025-26.

Reconciliation of Profit before tax to Headline EBITDA

	Y/e 31 Aug 24 £	Y/e 31 Aug 23 £
PROFIT BEFORE INCOME TAX	(469,530)	195,256
Finance income	(127)	(2,068)
Finance costs	33,765	35,101
Exceptional Items	124,477	44,943
Depreciation	134,959	139,870
Amortisation	5,754	5,754
EBITDA	(170,702)	418,855
Adjustment from adoption of IFRS 16	(69,483)	(80,458)
Headline EBITDA	(240,185)	338,397

RAGLAN HOUSE HOLDINGS LIMITED

REPORT TO SHAREHOLDERS

Outlook

After a very poor 2023-24, the group is trading profitably once again. In the first six months of the year to 28 February 2025, our costs have been nearly 14% (£0.20m) lower than in the same period last year, while revenue has increased by around 5%, enabling us to make an EBITDA profit of around £0.20m. We will send shareholders a more detailed half-year update when we have finalised the accounts for the period.

Looking ahead, we are aiming to deliver revenue for the year of £3m or more and are optimistic on the basis of the current forecast that this can be achieved. If it is, and with costs now firmly under control, we anticipate that the EBITDA profit will be around £0.40m and that our cash position and balance sheet will strengthen accordingly.

The senior management team is meeting monthly and working very hard to deliver profitable revenue growth. We have established action groups for three target markets – the South West, the legal sector and member/professional organisations – and these are complemented by our usual focus on the healthcare sector, Wales and the public sector, where we have relevant expertise.

The first half of the year has seen Events and Creative beating budget and Digital, Marketing & Reputation and Waterfront performing close to budget. Healthcare was impacted by the change of government, which caused a hiatus in new projects in the early part of our trading year, but the division is now seeing revenue increase and is likely to have a much better second half.

The Board is very grateful to our team for the commitment and hard work they have shown in difficult circumstances over the last 18 months. As ever, we are also grateful to our shareholders for their ongoing support as we look forward to delivering much better trading figures for this year and beyond.



David Howell
Chairman

RAGLAN HOUSE HOLDINGS LIMITED

REPORT TO SHAREHOLDERS

Board of directors

David Howell, Non-Executive Chairman: David Howell was appointed to the Board in October 2018 and previously to the Board of Freshwater in 2004, where he served as chairman until March 2007. David remained as a non-executive of the Freshwater Board until his resignation on 8 June 2009. David was re-appointed to the Board of Freshwater as a non-executive director on 1 October 2010. On 29 September 2011, David replaced Marie-Louise Windeler as non-executive chairman of Freshwater. He is also managing director of privately-owned Hillco Investments (UK) Limited, which holds a diverse portfolio of assets and investments.

John Underwood, Executive Director: John Underwood was appointed to the Board in October 2018 and previously to the Freshwater Board in June 2006. In the 1980s, he was an award-winning TV reporter and presenter and worked for the BBC, ITV and Channel Four before becoming director of communications for the Labour Party. He founded Clear Communications in 1991 and built it into one of the leading communication agencies in the healthcare sector. In addition to his work for Freshwater, John is the director of the Centre for Health Communications Research at Bucks New University.

Haydn Evans, Finance Director: Haydn Evans was appointed to the Board in October 2018 and previously was on the Freshwater Board since May 2003. Prior to joining Freshwater, he had over 15 years' experience in the telecommunications sector working in the UK and France. At Freshwater, he has been responsible for the due diligence on and the financial integration of multiple acquisitions undertaken by Freshwater as well as taking Freshwater onto the AIM market in 2007 via an IPO. Since then, he has overseen a couple of rounds of further fundraising, the de-listing in 2010 and a management buy-out in 2019. He is an associate member of the Chartered Institute of Management Accountants.

Steve Howell, Non-Executive Director: Steve Howell founded the business as a PR consultancy in 1997 and, as chief executive until February 2017, led its development into a diverse communications agency. A former newspaper and BBC broadcast journalist, Steve has provided strategic consultancy to a number of key Freshwater clients and is one of the group's media trainers. In 2017, Steve took leave of absence from Freshwater to work as deputy director of strategy and communication for the Labour Party. He re-joined the executive team on a part-time basis in 2017-18 and is currently chair of the group's Audit and Remuneration Committees. Steve has written three books and appears from time-to-time as a political commentator on radio, television and podcasts.

Nick Samuels, Executive Director of Healthcare: Nick Samuels was appointed to the Board in February 2021. Nick leads the Healthcare Division, providing communications and strategic consultancy to clients in public relations, reputation management, interim leadership, transformation, engagement and consultation. Nick is an experienced NHS board director and communications professional with over 25 years' experience in healthcare leadership, communications and public affairs working closely with chairs, non-executives and chief executives across the NHS. He has an excellent track record of work on health issues in the NHS, parliament and the media and commercial sector. Nick is a former chairman of the Association for Healthcare Communications and Marketing and an occasional writer and speaker for the Health Service Journal.

Company registration number 11639220 (England and Wales)

RAGLAN HOUSE HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

RAGLAN HOUSE HOLDINGS LIMITED

COMPANY INFORMATION

Directors

Mr H Evans
Mr S Howell
Mr D Howell
Mr J Underwood
Mr N D J Samuels

Company number

11639220

Registered office

Hodge House
114 - 116 St Mary Street
Cardiff
United Kingdom
CF10 1DY

Auditor

Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
Wales
CF23 8AB

RAGLAN HOUSE HOLDINGS LIMITED

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RAGLAN HOUSE HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2024

The directors present their annual report and financial statements for the year ended 31 August 2024.

Principal activities

The Raglan House Holdings Group ('the group' or 'Raglan House') comprises Raglan House Holdings Limited (the 'company') and its subsidiary undertakings.

The group's principal activity is the provision of public relations and marketing services.

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr H Evans

Mr S Howell

Mr D Howell

Ms E A Neagle

(Resigned 20 November 2024)

Mr J Underwood

Mr N D J Samuels

Directors' insurance

As permitted by the Companies Act 2006, Raglan House Holdings Limited has directors' and officers' liability insurance.

Supplier payment policy

The group agrees payment terms with its suppliers when it enters into binding purchase contracts. The group seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions. The group seeks to treat all of its suppliers fairly. At the end of the financial year, creditor days based on undisputed balances were 45 for the group (2023: 26).

Political donations

During the period, the group did not make any political donations (2023: Nil) and made charitable donations of £1,060 (2023: £1,535). The Political Parties, Elections and Referendums Act 2000 (the 'Act') requires disclosure of any donations to an EU political organisation (including a registered political party in the UK) or EU political expenditure in excess of £200. The terms 'donation', 'EU political organisation' and 'EU political expenditure' are given broad definitions by the Act. As part of its normal work on behalf of clients and as part of its own marketing, the group attends and sponsors events that are organised by political parties or other political organisations.

Financial instruments

A commentary on the financial instruments held by the group and the group's exposure to credit, interest rate and liquidity risk is provided in note 16 to the financial statements.

RAGLAN HOUSE HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Going Concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis.

In reaching this conclusion, the directors considered the company's and the group's recent and forecast financial performance and the arrangements in place with the company's and the group's bankers.

On behalf of the board



.....
Mr H Evans

Director

Date: 10 March 2025

RAGLAN HOUSE HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2024

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom and have also chosen to prepare the parent company financial statements in accordance with Financial Reporting Standard (FRS) 101 'Reduced Disclosure Framework'. 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 company and of the profit or loss of the company for that period.

In preparing the group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

In preparing the parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

RAGLAN HOUSE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RAGLAN HOUSE HOLDINGS LIMITED

Opinion

We have audited the financial statements of Raglan House Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2024 which comprise the group statement of comprehensive income, the group and parent company statement of financial position, the group and parent company statement of changes in equity, the group statement of cash flows and the group and parent company notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 August 2024 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 and the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

RAGLAN HOUSE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF RAGLAN HOUSE HOLDINGS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

RAGLAN HOUSE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF RAGLAN HOUSE HOLDINGS LIMITED

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

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

Andrew Howells (Senior Statutory Auditor)
For and on behalf of Azets Holdings Limited

Date: 10 March 2025

Chartered Accountants
Statutory Auditor

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
Wales
CF23 8AB

RAGLAN HOUSE HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £	2023 £
Revenue	4	3,323,130	4,711,100
Cost of sales		(630,962)	(1,328,189)
Gross profit		2,692,168	3,382,911
Administrative expenses		(3,128,060)	(3,154,621)
Operating (loss)/profit	5	(435,892)	228,290
Investment revenues	8	127	2,067
Finance costs	9	(33,765)	(35,101)
(Loss)/profit before taxation		(469,530)	195,256
Income tax expense	10	-	-
(Loss)/profit and total comprehensive income for the year		(469,530)	195,256

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

RAGLAN HOUSE HOLDINGS LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2024

	Notes	2024 £	2023 £
Non-current assets			
Goodwill	12	1,711,752	1,711,752
Intangible assets	12	5,274	11,028
Property, plant and equipment	13	631,399	755,231
		<u>2,348,425</u>	<u>2,478,011</u>
Current assets			
Trade and other receivables	17	1,055,824	907,577
Cash and cash equivalents		216,556	379,523
		<u>1,272,380</u>	<u>1,287,100</u>
Current liabilities			
Trade and other payables	18	558,016	404,837
Lease liabilities	20	47,996	48,354
Deferred revenue	21	405,392	184,379
		<u>1,011,404</u>	<u>637,570</u>
Net current assets		<u>260,976</u>	<u>649,530</u>
Non-current liabilities			
Lease liabilities	20	408,940	457,550
Net assets		<u>2,200,461</u>	<u>2,669,991</u>
Equity			
Called up share capital	22	1,592,013	1,592,013
Share premium account	24	281,437	281,437
Retained earnings		327,011	796,541
Total equity		<u>2,200,461</u>	<u>2,669,991</u>

The notes on pages 13 to 30 form part of these group financial statements.

These financial statements have been prepared in accordance with the provisions applicable to groups and companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 10 March 2025 and are signed on its behalf by:



.....
Mr H Evans
Director

Company registration number 11639220 (England and Wales)

RAGLAN HOUSE HOLDINGS LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2024

	Notes	2024 £	£	2023 £	£
Non-current assets					
Investments	15		2,481,841		2,481,841
Current assets					
Cash and cash equivalents		324		324	
Current liabilities	19	(406,503)		(406,503)	
Net current liabilities			(406,179)		(406,179)
Total assets less current liabilities			2,075,662		2,075,662
Equity					
Called up share capital	23		1,592,013		1,592,013
Share premium account			281,437		281,437
Retained earnings			202,212		202,212
Total equity			2,075,662		2,075,662

The notes on pages 13 to 30 form part of these group financial statements.

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the year was £0 (2023 - £750000 profit).

The financial statements were approved by the board of directors and authorised for issue on 10 March 2025 and are signed on its behalf by:



Mr H Evans
Director

Company registration number 11639220 (England and Wales)

RAGLAN HOUSE HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Share capital £	Share premium account £	Retained earnings £	Total £
Balance at 1 September 2022		1,585,818	276,481	966,867	2,829,166
Year ended 31 August 2023:					
Profit and total comprehensive income		-	-	195,256	195,256
Transactions with owners:					
Issue of share capital		6,195	4,956	-	11,151
Dividends	11	-	-	(365,582)	(365,582)
Balance at 31 August 2023		1,592,013	281,437	796,541	2,669,991
Year ended 31 August 2024:					
Profit and total comprehensive income		-	-	(469,530)	(469,530)
Balance at 31 August 2024		1,592,013	281,437	327,011	2,200,461

RAGLAN HOUSE HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Share capital £	Share premium account £	Retained earnings £	Total £
Balance at 1 September 2022		1,585,818	276,481	(182,207)	1,680,092
Year ended 31 August 2023:					
Profit and total comprehensive income		-	-	750,000	750,000
Transactions with owners:					
Issue of share capital	23	6,195	4,956	-	11,151
Dividends		-	-	(365,581)	(365,581)
Balance at 31 August 2023		1,592,013	281,437	202,212	2,075,662
Year ended 31 August 2024:					
Balance at 31 August 2024		1,592,013	281,437	202,212	2,075,662

RAGLAN HOUSE HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	28		(69,234)		455,843
Interest paid			(33,765)		(35,101)
Net cash (outflow)/inflow from operating activities			(102,999)		420,742
Investing activities					
Purchase of property, plant and equipment		(11,127)		(198,674)	
Proceeds from disposal of property, plant and equipment		-		1	
Interest received		127		2,067	
Net cash used in investing activities			(11,000)		(196,606)
Financing activities					
Proceeds from issue of shares		-		11,151	
Payment of lease liabilities		(48,968)		(57,267)	
Dividends paid to equity shareholders		-		(365,582)	
Net cash used in financing activities			(48,968)		(411,698)
Net decrease in cash and cash equivalents			(162,967)		(187,562)
Cash and cash equivalents at beginning of year			379,523		567,085
Cash and cash equivalents at end of year			216,556		379,523

RAGLAN HOUSE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

Company information

Raglan House Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is . The company's principal activities and nature of its operations are disclosed in the directors' report.

The group consists of Raglan House Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Raglan House Holdings Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 August 2024. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis.

In reaching this conclusion the directors considered the company's and the group's recent and forecast financial performance and the arrangements in place with the company's and the group's bankers.

RAGLAN HOUSE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

1.4 Revenue

In line with IFRS 15 Revenue from Contracts with Customers, revenue is recognised for services performed over time based on as a reasonable assessment of the extent to which the performance obligations have been delivered.

Revenue comprises professional fees and mark-ups and is stated exclusive of value added tax. The company's revenue relates wholly to the rendering of services and is measured using the stage of completion method. A contract's stage of completion determines the proportion of services delivered (under the contractual terms) and hence the revenue that should be recognised. Specific methods adopted to determine the stage of completion reliably, vary between contracts that involve a significant act of fulfilment and contracts that are earned over a period of time. Where the company is party to a single service contract that takes place over time, revenue is recognised as performance takes place. In this situation costs are measured proportionately to work done and to the total cost of the contract. In some scenarios a contract involves an indeterminate number of acts over a specified time. For practical purposes, revenue is recognised on a straight line basis unless there is evidence that some other method gives a better reflection of the stage of completion at each year end. In such situations, costs are recognised as incurred and neither accrued nor deferred, unless they qualify for recognition as a liability or an asset. Where the company is party to a contract that implies a significant act, revenue is recognised at the time the act has occurred. This arises when recognising revenue relating to an event management day or a conference.

Amounts billed to clients in advance are carried in the statement of financial position as deferred income until the related service has been provided or the related cost incurred. Work carried out and costs incurred that are to be marked up and passed on to clients that have yet to be invoiced are included in accrued income.

1.5 Goodwill

Goodwill is stated at cost less accumulated impairment losses. Goodwill acquired in a business combination is allocated from the date of acquisition to the cash generating units (CGUs) that are expected to benefit from the synergies of the combination. In the event of the subsequent reorganisation of the cash generating units to which it has been allocated, goodwill is correspondingly reallocated. Cash generating units to which goodwill has been allocated are tested for impairment annually and whenever there is an indication that the unit may be impaired. An impairment review consists of comparing the carrying value of a cash generating unit to its value in use representative of the fair value of its trade and assets. The carrying value of a cash generating unit includes all of its operating assets and goodwill and its corresponding value in use is the present value of the future cash flows it is expected to generate from those assets. If the carrying amount of a cash generating unit exceeds its value in use an impairment loss is recognised, firstly, by reducing the carrying amount of goodwill, and then by reducing the carrying value of the other assets of the cash generating unit on a pro rata basis. Impairment losses are recognised in the statement of comprehensive income. Impairments of goodwill are not subsequently reversed.

1.6 Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

- Internally generated company website - 3 years

RAGLAN HOUSE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

1.7 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	20% straight line
Fixtures and fittings	10% - 25% reducing balance or on a straight-line basis over the lease period where applicable

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.8 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the parent company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the group holds a long-term interest and has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.9 Impairment of tangible and intangible assets

At each reporting end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

RAGLAN HOUSE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial assets

Financial assets are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

RAGLAN HOUSE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

Financial assets at fair value through other comprehensive income

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the group's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

The parent company has made an irrevocable election to recognize changes in fair value of investments in equity instruments through other comprehensive income, not through profit or loss. A gain or loss from fair value changes will be shown in other comprehensive income and will not be reclassified subsequently to profit or loss. Equity instruments measured at fair value through other comprehensive income are recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income are directly transferred to retained earnings when the equity instrument is derecognized or its fair value substantially decreased. Dividends are recognized as finance income in profit or loss.

Impairment of financial assets

Financial assets carried at amortised cost and FVOCI are assessed for indicators of impairment at each reporting end date.

The expected credit losses associated with these assets are estimated on a forward-looking basis. A broad range of information is considered when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

For trade receivables, the simplified approach permitted by IFRS 9 is applied, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.12 Financial liabilities

The group recognises financial debt when the group becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

RAGLAN HOUSE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

1.13 Equity instruments

Equity instruments issued by the parent company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer payable at the discretion of the company.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

At inception, the group assesses whether a contract is, or contains, a lease within the scope of IFRS 16. 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. Where a tangible asset is acquired through a lease, the group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the group is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the group's estimate of the amount expected to be payable under a residual value guarantee; or the group's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

RAGLAN HOUSE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

1.17 Operating Segments

IFRS 8 requires that segmental information be disclosed on the basis of information reported to the chief operating decision maker. The group considers that the role of chief operating decision maker is performed by the group's board of directors. IAS 14 required segmental information to be reported for business segments and geographical segments based on assets and operations that provide products and services subject to different risks and returns.

Although the group has within it different entities located around the United Kingdom operating as wholly-owned subsidiaries, their primary activities materially focus on the provision of public relations and marketing services. It is on this basis the directors consider the group to be one business segment assessable only by its performance as a whole and for the purpose of making decisions about its resources.

2 Adoption of new and revised standards and changes in accounting policies

Adoption of standards effective in 2023-24

There have been no standards, amendments, and interpretations to IFRSs that were effective for the first time in the current accounting period and have been adopted.

Standards and Interpretations issued but not yet effective

There are no standards, amendments and interpretations that have been issued but are not yet effective that are anticipated to have a material impact on the financial statements in the future.

3 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. 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 the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

- the recognition of revenue in relation to contracts which straddle the year end; and
- the valuation of goodwill, investments and other intangible assets

These estimates are discussed in more detail both above and in the relevant notes to the financial statements.

4 Revenue

	2024	2023
	£	£
Revenue analysed by class of business		
Provision of services	3,323,130	4,711,100

RAGLAN HOUSE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

5 Operating (loss)/profit

	2024	2023
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Depreciation of property, plant and equipment	134,959	139,868
(Profit)/loss on disposal of property, plant and equipment	-	787
Amortisation of intangible assets (included within administrative expenses)	5,754	5,754
	<u> </u>	<u> </u>

6 Auditor's remuneration

	2024	2023
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	25,500	18,000
Audit of the financial statements of the company's subsidiaries	-	7,500
	<u> </u>	<u> </u>
	25,500	25,500
	<u> </u>	<u> </u>
For other services		
Tax services	4,125	4,125
	<u> </u>	<u> </u>

7 Employees

The average monthly number of persons (including directors) employed by the group during the year was:

	2024	2023
	Number	Number
Directors	6	4
Administrative	4	6
Public Relations and Marketing Services	27	32
	<u> </u>	<u> </u>
Total	37	42
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2024	2023
	£	£
Wages and salaries	1,697,668	1,757,016
Social security costs	178,224	201,309
Pension costs	69,165	137,237
	<u> </u>	<u> </u>
	1,945,057	2,095,562
	<u> </u>	<u> </u>

RAGLAN HOUSE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

8 Investment income

	2024 £	2023 £
Interest income		
Financial instruments measured at amortised cost:		
Bank deposits	127	2,067

9 Finance costs

	2024 £	2023 £
Other interest payable	33,765	35,101

10 Income tax expense

	2024 £	2023 £
The charge for the year can be reconciled to the loss per the income statement as follows:		
	2024 £	2023 £
(Loss)/profit before taxation	(469,530)	195,256
Expected tax (credit)/charge based on a corporation tax rate of 25.00% (2023: 21.52%)	(117,383)	42,019
Effect of expenses not deductible in determining taxable profit	1,468	8,823
Effect of change in UK corporation tax rate	-	7,257
Deferred tax not recognised	115,915	(52,136)
Enhanced capital allowances	-	(5,963)
Taxation charge for the year	-	-

11 Dividends

	2024 per share £	2023 per share £	2024 Total £	2023 Total £
Amounts recognised as distributions:				
Final dividend paid	-	0.02	-	365,582

RAGLAN HOUSE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

12 Intangible assets

	Goodwill	Internal website	Total
	£	£	£
Cost			
At 1 September 2022	1,711,752	27,261	1,739,013
At 31 August 2023	1,711,752	27,261	1,739,013
At 31 August 2024	1,711,752	27,261	1,739,013
Amortisation and impairment			
At 1 September 2022	-	10,479	10,479
Charge for the year	-	5,754	5,754
At 31 August 2023	-	16,233	16,233
Charge for the year	-	5,754	5,754
At 31 August 2024	-	21,987	21,987
Carrying amount			
At 31 August 2024	1,711,752	5,274	1,717,026
At 31 August 2023	1,711,752	11,028	1,722,780

RAGLAN HOUSE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

12 Intangible assets

(Continued)

The group's goodwill is classified as having an indefinite useful life. See below notes on measurement of goodwill.

All amortisation charges are recognised as expenses in the statement of comprehensive income within administrative expenses. No intangible assets are pledged as security for the group's liabilities.

All intangible fixed assets are held in Freshwater UK Limited.

Impairment review

Impairment testing of cash generating units to which goodwill has been allocated.

The group is run as one cash generating unit. In accordance with the group's accounting policy, the carrying value of the cash generating unit operating assets including the carrying value of goodwill, has been tested for impairment. This was done by calculating its value in use using certain key assumptions. The key assumptions applied were as follows and were the same as last year:

- Future time period - 10 years
- A positive growth rate of 4.0%
- A discount factor of 13.0%
- Use of an EBITDA forecast, adjusted for forecast movements in working capital and capital expenditure as a reasonable estimate for future cash flow

Projected EBITDA is calculated based on a 4 year business plan of which the first year is prepared at a detailed level, and growth assumptions based on expected overall sector growth for up to 10 years. A 10 year period is broadly consistent with business life spans quoted by other organisations in the industry in their most recent statutory accounts. Expected future cash flows were based on the group's budget for the financial year ending 31 August 2025 and an assumption of growth thereafter at 4.0% per annum.

The cash generating unit value in use was calculated using average annual discounted cash flows reflective of its cash generation throughout each future financial year and using a pre-tax discount factor of 13.0%.

The group's carrying value of goodwill is unchanged from its carrying value as at 31 August 2024, as the value in use of the cash generating unit exceeds its carrying value by £2.7m.

Sensitivity analysis

As described above, the test performed did not result in the impairment of goodwill with the estimated recoverable amount exceeding the carrying value.

As part of the impairment review management tested the key growth, EBITDA forecast and future time period assumptions. Management found that if the rate of growth reduced to 1.5% for 5 years based on a reduction of 60% EBITDA forecast, the outcome from the review meant that the company still had headroom of £0.5m.

RAGLAN HOUSE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

13 Property, plant and equipment

	Leasehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 September 2022	830,740	198,021	1,028,761
Additions	-	198,674	198,674
Disposals	(278,487)	(22,710)	(301,197)
At 31 August 2023	552,253	373,985	926,238
Additions	-	11,127	11,127
At 31 August 2024	552,253	385,112	937,365
Accumulated depreciation and impairment			
At 1 September 2022	272,963	58,585	331,548
Charge for the year	65,351	74,517	139,868
Eliminated on disposal	(278,487)	(21,922)	(300,409)
At 31 August 2023	59,827	111,180	171,007
Charge for the year	55,226	79,733	134,959
At 31 August 2024	115,053	190,913	305,966
Carrying amount			
At 31 August 2024	437,200	194,199	631,399
At 31 August 2023	492,426	262,805	755,231

14 Subsidiaries

Details of the company's subsidiaries at 31 August 2024 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct Indirect
Freshwater UK Limited	Hodge House 114 - 116 St Mary Street Cardiff CF10 1DY United King	Ordinary	100.00 -
Freshwater (UK Regions) Limited	Hodge House 114 - 116 St Mary Street Cardiff CF10 1DY United King	Ordinary	- 100.00
The Waterfront Conference Company Limited	Hodge House 114 - 116 St Mary Street Cardiff CF10 1DY United King	Ordinary	- 100.00

RAGLAN HOUSE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

15 Investments

	Current 2024 £	2023 £	Non-current 2024 £	2023 £
Investments in subsidiaries	-	-	2,481,841	2,481,841
Classified as part of a disposal group held for sale	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

Fair value of financial assets carried at amortised cost

The directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

Investment in subsidiary undertakings

Details of the company's principal operating subsidiaries are included in note 14.

Movements in non-current investments

	Shares in subsidiaries £
Cost or valuation	
At 1 September 2023 & 31 August 2024	2,481,841
	<u> </u>
Carrying amount	
At 31 August 2024	2,481,841
	<u> </u>
At 31 August 2023	2,481,841
	<u> </u>

RAGLAN HOUSE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

16 Financial assets and liabilities

The following table analyses the carrying value of financial assets and liabilities in the group's statement of financial position. Further information on the classes that make up each category is provided in the notes indicated. The carrying value of each category is considered a reasonable approximation of its fair value. All amounts are due within one year.

	2024	2023
	£	£
Trade receivables	714,161	608,240
Other receivables and prepayments	309,788	299,340
Cash and cash equivalents	216,556	379,523
Total financial assets	1,240,505	1,287,103
Trade payables	202,299	131,533
Other payables and accrued expenses	146,214	273,306
Financial liabilities at amortised cost	348,513	404,839
Total financial liabilities	348,513	404,839

The group faces credit risk and liquidity risk as a result of its financial assets and liabilities. There have been no significant changes in the risks, the objectives, processes and policies for managing the risks or the methods used to measure the risks since the last financial year.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The group faces credit risk as a result of offering credit terms to its customers. The group also faces credit risk as a result of advancing funds to other group members and as a result of holding cash and cash equivalents with financial institutions. The group seeks to mitigate the risk that arises from offering credit terms by performing credit checks before terms are advanced and thereafter actively monitoring amounts receivable and denying additional credit when appropriate. The risk that arises as a result of holding cash and cash equivalents with financial institutions is mitigated by the company holding the majority of such amounts with a recognised UK high street bank. The group's maximum exposure to credit risk is equal to the value of loans and receivables.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The group's financial liabilities include its trade and other payables. Within the group the responsibility for monitoring liquidity risk and for ensuring that group members are adequately funded has been centralised and lies with Raglan House Holdings Limited, which leads all capital raising activities.

RAGLAN HOUSE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

17 Trade and other receivables

	Current 2024 £	2023 £
Trade receivables	714,161	608,240
	<u>714,161</u>	<u>608,240</u>
VAT recoverable	31,875	-
Other receivables	36	4,100
Prepayments and accrued income	309,752	295,237
	<u>1,055,824</u>	<u>907,577</u>

None of the balances bear interest. An aged analysis of unimpaired trade receivables is provided below. An amount is considered past due if the counterparty has failed to make payment when contractually due. All other receivables are due within one year.

	Total £	Not past due or impaired £	< 30 days £	Past due but not impaired 30-60 days £	60-90 days £	> 90 days £
31 August 2024	714,161	293,234	284,547	72,166	31,140	33,074
	<u>714,161</u>	<u>293,234</u>	<u>284,547</u>	<u>72,166</u>	<u>31,140</u>	<u>33,074</u>
31 August 2023	608,240	278,212	213,153	64,492	17,937	34,446
	<u>608,240</u>	<u>278,212</u>	<u>213,153</u>	<u>64,492</u>	<u>17,937</u>	<u>34,446</u>

18 Trade and other payables

	2024 £	2023 £
Trade payables	202,299	131,532
Accruals	130,454	116,679
Social security and other taxation	209,503	156,626
Other payables	15,760	-
	<u>558,016</u>	<u>404,837</u>

None of the balances bear interest. All other payables are due within one year.

19 Liabilities of the company

	Notes	2024 £	2023 £
Trade and other payables		406,503	406,503
		<u>406,503</u>	<u>406,503</u>

RAGLAN HOUSE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

20 Lease liabilities

	2024 £	2023 £
Maturity analysis		
Within one year	47,996	48,354
In two to five years	408,940	457,550
	<hr/>	<hr/>
Total undiscounted liabilities	456,936	505,904
	<hr/>	<hr/>

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2024 £	2023 £
Current liabilities	47,996	48,354
Non-current liabilities	408,940	457,550
	<hr/>	<hr/>
	456,936	505,904
	<hr/>	<hr/>

	2024 £	2023 £
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	22,948	25,103
	<hr/>	<hr/>

21 Deferred revenue

	2024 £	2023 £
Arising from Contract agreements that span year end	405,392	184,379
	<hr/>	<hr/>

All deferred revenues are expected to be settled within 12 months from the reporting date.

22 Share capital

	2024 Number	2023 Number	2024 £	2023 £
Ordinary share capital				
<i>Issued and fully paid</i>				
of 10p each	15,920,128	15,920,128	1,592,013	1,592,013
	<hr/>	<hr/>	<hr/>	<hr/>

23 Share capital of company

Refer to note 22 of the group financial statements.

RAGLAN HOUSE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

24 Share premium account

	2024 £	2023 £
At the beginning of the year	281,437	276,481
Issue of new shares	-	4,956
At the end of the year	281,437	281,437

25 Other leasing information

Lessee

Amounts recognised in profit or loss as an expense during the period in respect of lease arrangements are as follows:

	2024 £	2023 £
Information relating to lease liabilities is included in note 20.	-	-

26 Capital risk management

The group is not subject to any externally imposed capital requirements.

Capital is defined as equity plus borrowings. The group's capital structure is driven by the parent company which drives all assessment of risk and leads in all capital raising activity. In managing its capital structure, the group's objective is to safeguard the group's ability to continue as a going concern, managing cash flows so that it can provide returns for shareholders, subject to approval from its bankers where necessary. In order to maintain or adjust the capital structure the group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

27 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including directors, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	2024 £	2023 £
Short-term employee benefits	502,515	547,682

RAGLAN HOUSE HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

28 Cash (absorbed by)/generated from operations

	2024 £	2023 £
(Loss)/profit for the year before income tax	(469,530)	195,256
Adjustments for:		
Finance costs	33,765	35,101
Investment income	(127)	(2,067)
(Gain)/loss on disposal of property, plant and equipment	-	787
Amortisation and impairment of intangible assets	5,754	5,754
Depreciation and impairment of property, plant and equipment	134,959	139,868
Movements in working capital:		
Increase in trade and other receivables	(148,247)	(907,577)
Increase in trade and other payables	153,179	404,837
Increase in deferred revenue outstanding	221,013	184,379
Cash (absorbed by)/generated from operations	(69,234)	56,338



**RAGLAN HOUSE
HOLDINGS LIMITED**

Report to Shareholders and
Audited Annual Report and Accounts 2024