



Hardy Plc

Interim Financial Report

For the six months ended 30 September 2024

HARDY PLC
DIRECTORS, OFFICERS AND ADVISERS

DIRECTORS

Michael Bretherton *Chairman*
Richard Galvin *Non-Executive Director*

COMPANY SECRETARY

Christopher Stobart

COMPANY WEBSITE

www.hardyplc.com

COMPANY NUMBER

018168V (Isle of Man)

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HARDY PLC
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HARDY PLC
CHAIRMAN'S STATEMENT
FOR THE SIX MONTHS TO 30 SEPTEMBER 2023

Hardy reported a profit after tax of £4,000 for the six-month interim period to 30 September 2024 compared to a profit of £297,000 in the six months ended 30 September 2023.

This half-year profit result comprised net unrealised gains of £28,000 on portfolio investments, together with dividend income of £33,000 and interest income of £1,000, partially offset by unchanged administrative costs of £(58,000). The comparative 2023 half-year result included an investment return gain of £355,000 less administrative costs of £(58,000).

The Company did not undertake any investment transactions during the six-month period ended 30 September 2024.

Hardy held 5 portfolio investments, (exclusive of a derivative trading instrument which is no longer deemed to be of any value) as at 30 September 2024, 4 of which were quoted and 1 was private. The total carrying value of these investments at 30 September 2024 was £7,249,000 (31 March 2024: £7,221,000 represented by 6 investment holdings).

The Company held cash balances of £91,000 as at 30 September 2024, compared to cash balances of £102,000 at the previous 31 March 2024 year end.

Net assets amounted to £7.30 million (equivalent to 9.89p per share) at 30 September 2024, which was largely unchanged from the previous 31 March 2024 year end, reflecting the negligible gain reported for the half-year period.

Business model and investment strategy

Following evaluation of a range of strategic options for the Company in the previous year, the Hardy directors (the "Directors") formally agreed in the first quarter of 2024 to change the business strategy of the Company to that of an investment company.

Proposed realisation of investments and return of capital to shareholders

The Directors have continued to review the Company's strategy following a lacklustre investment return for the six-month interim period to 30 September 2024. They believe that this performance reflects, in part, a further deterioration in UK small-cap public markets and that there are no indications that these markets are expected to recover in the foreseeable future.

As a result and in consultation with the Company's 91% major shareholder, Richard Griffiths, the Directors have now concluded that that the Company's strategy, with a focus to invest in the small to middle market capitalisation sectors of the UK or Europe, is no longer sufficiently attractive. In addition, the Company only has a small capital base with total balance sheet net assets of approximately £7.30 million at 30 September 2024 and which severely limits the alternative investment strategy options available to it. The Directors have, therefore, come to the decision that the Company should not make any further investments and instead should pursue an orderly realisation of existing investments and a return of capital to shareholders, following which it is expected that the Company will be voluntarily wound up.

Investment portfolio

The portfolio investments held by the Company at 30 September 2024 comprised:

Telit IOT Solutions Limited - is a private company and a global leader in Internet of Things (IoT) enablement, with an extensive portfolio of wireless connectivity modules, software platforms and global IoT connectivity services. At 30 September 2024, the investment holding by Hardy in Telit represents 1.06 per cent. of Telit's issued share capital at that date.

HARDY PLC
CHAIRMAN'S STATEMENT (CONTINUED)

NIOX Group Plc – is an AIM listed global medical device company focused on point of care asthma diagnosis and management. The shareholding of Hardy at 30 September 2024 was and continues to be, 0.77 per cent. of the Niox shares in issue.

IQE Plc - is an AIM listed leading global supplier of compound semiconductor wafer products and advanced material solutions to the semiconductor industry. The shareholding of Hardy in IQE at 30 September 2024 was, and continues to be, 0.67 per cent. of the IQE shares in issue.

NCC Group Plc – is an FTSE All-Share listed global tech-enabled cyber and software escrow resilience business operating across multiple sectors, geographies and technologies. The shareholding of Hardy in NCC at 30 September 2024 was, and continues to be, 0.18 per cent. of the NCC shares in issue.

Cirata Plc – is an AIM listed proprietary technology company which accelerates data-driven revenue growth by automating data transfer and integration to modern cloud analytics and AI platforms without downtime or disruption. The shareholding of Hardy in Cirata at 30 September 2024 was, and continues to be, 0.30 per cent. of the Cirata shares in issue.

Outlook

Your directors intend to pursue an orderly realisation of existing investments and a return of capital to shareholders.

The Company's net assets at 30 September 2024 included equity investments with a carrying value of £7.25 million represented by 4 quoted investment holdings valued at £4.43 million and 1 private unquoted investment valued at £2.82 million.

An orderly realisation of the 4 quoted investment holdings should be achievable in the short term, but this may take longer for the 1 private unquoted investment.

The return of capital to shareholders is expected to be by way of 1 or more capital distributions as and when funds permit but there can be no certainty on the timing or monetary amounts of such distributions. The capital distributions will have the effect of reducing the capital and reserves of the Company and which reduction is permitted under section 58 of the Companies Act 2006 of the Isle of Man and regulation 7 of the Company's articles of association.

Whilst the Directors hope that the total value of such distributions will be not less than the Company's net asset value per share of 9.89 pence at 30 September 2024, there can be no certainty that the total value of such distributions will not be materially less than or be materially greater than 9.89 pence per share.

Since 30 September 2024, the quoted market values of some of our listed investments has declined considerably such that the Company's net assets are now estimated to amount to approximately £6.71 million, equivalent to 9.10p per share, and with a resultant year to date loss of approximately £0.58 million.

Michael Bretherton

Chairman
29 November 2024

HARDY PLC
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS TO 30 SEPTEMBER 2024

STATEMENT OF COMPREHENSIVE INCOME

	Notes	6 months ended 30 September 2024 (Unaudited) £'000	6 months ended 30 September 2023 (Unaudited) £'000	Year ended 31 March 2024 (Audited) £'000
Investment return	2	61	355	385
Administrative expenses		(58)	(58)	(121)
Operating gain		3	297	264
Finance income		1	-	6
Profit before taxation		4	297	270
Taxation		-	-	-
Profit after taxation		4	297	270
Profit per ordinary share				
Basic and diluted	4	0.01p	0.40p	0.37p

All activities are in respect of continuing operations and there are no other items of comprehensive income.

HARDY PLC
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	Share capital £'000	Retained earnings reserve £'000	Total £'000
At 31 March 2023	738	6,288	7,026
Total comprehensive gain	-	297	297
At 30 September 2023	738	6,585	7,323
Total comprehensive loss	-	(27)	(27)
At 31 March 2024	738	6,558	7,296
Total comprehensive gain	-	4	4
At 30 September 2024	738	6,562	7,300

HARDY PLC
CONDENSED STATEMENT OF FINANCIAL POSITION
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

		At 30 September 2024 (Unaudited) £'000	At 30 September 2023 (Unaudited) £'000	At 31 March 2024 (Audited) £'000
	Notes			
ASSETS				
Non-current assets				
Investments	3	-	7,272	7,221
Current assets				
Portfolio investments	3	7,249	-	-
Trade and other receivables		3	3	43
Cash and cash equivalents		91	89	102
Current assets		7,343	921	145
Total assets		7,343	7,364	7,366
LIABILITIES				
Current liabilities				
Trade and other payables		(43)	(41)	(70)
Total liabilities		(43)	(41)	(70)
NET ASSETS		7,300	7,323	7,296
Shareholders' equity				
Share capital	5	738	738	738
Retained earnings		6,562	6,585	6,558
TOTAL EQUITY		7,300	7,323	7,296

Approved by the Board and authorised for issue on 29 November 2024.

Michael Bretherton
Chairman

HARDY PLC
CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	Notes	6 months ended 30 September 2024 (Unaudited) £'000	6 months ended 30 September 2023 (Unaudited) £'000	Year ended 31 March 2024 (Audited) £'000
Cash flow from operating activities				
Profit before tax		4	297	270
Adjustments for:				
Interest Income		(1)	-	(6)
Realised loss on sale of investments	2	-	3	120
Unrealised (gains) on revaluation of investments	2	(28)	(276)	(420)
Operating cashflow pre working capital movement		(25)	24	(36)
Purchase of portfolio investments	3	-	(207)	(1,621)
Proceeds realised from sale of investments		-	92	1,584
Decrease in trade and other receivables		40	87	47
(Decrease)/increase in trade and other payables		(27)	(8)	21
Net cash used in operations		(12)	(12)	(5)
Financing activities				
Interest income received		1	-	6
Net cash generated from financing activities		1	-	6
Net (decrease)/increase in cash and cash equivalents		(11)	(12)	1
Cash and cash equivalents at beginning of the period		102	101	101
Cash and cash equivalents at end of the period		91	89	102

HARDY PLC
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

1) BASIS OF PREPARATION

The interim financial statements of Hardy Plc are unaudited condensed financial statements for the six months ended 30 September 2024. These include unaudited comparatives for the six months ended 30 September 2023 together with audited comparatives for the year ended 31 March 2024.

The financial information for the six months ended 30 September 2024 does not constitute statutory financial statements within the meaning of the Isle of Man Companies Act 2006. A copy of the audited financial statements for the year ended 31 March 2024 is available on the Company's website. The auditor's opinion on those financial statements was unqualified and did not draw attention to any matters by way of an emphasis of matter paragraph.

These interim condensed financial statements have been prepared on the basis of the accounting policies expected to apply for the financial year to 31 March 2025 which are based on the recognition and measurement principles of International Financial Reporting Standards (IFRS) as adopted by the United Kingdom (UK), in accordance with the provisions of the Isle of Man Companies Act 2006, applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention. The Company's presentation and functional currency is Sterling.

The interim financial statements do not include all of the information required for full annual financial statements and do not comply with all the disclosures in IAS 34 'Interim Financial Reporting' and should be read in conjunction with the Company's annual financial statements to 31 March 2024. Accordingly, whilst the interim statements have been prepared in accordance with IFRS, they cannot be construed as being in full compliance with IFRS.

The preparation of financial statements in conformity with IFRS as adopted by the United Kingdom requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Accounting policies

The accounting policies adopted are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 March 2024.

The business strategy of the Company was changed in the first quarter of 2024 to that of an investment company. This did not result in any changes to accounting policies, but certain presentational changes were made in the Annual Report and accounts for the year to 31 March 2024. These included presenting investment return as top line income and providing more detailed disclosures in respect of the portfolio investment assets. Those presentational changes have been continued in this Interim Report and the comparative 2023 half-year financials have also been represented in the same manner.

During September 2024, the Company adopted a strategy not make any further investments and instead pursue an orderly realisation of existing investments and a return of capital to shareholders, Consequently, portfolio investments have now been presented as current, rather than non-current, assets in the statement of financial position at 30 September 2024. Presentation of portfolio investment comparatives at 30 September 2023 and 31 March 2024 remain unchanged as non-current assets.

Going concern

Information on the business environment, financial position and the factors underpinning the Company's prospects are included in the Chairman's Statement. The Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in the preparation of the financial statements.

HARDY PLC
NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

2) INVESTMENT RETURN

	6 months ended 30 September 2024 (Unaudited) £'000	6 months ended 30 September 2023 (Unaudited) £'000	Year ended 31 March 2024 (Audited) £'000
Unrealised gains/(losses) on investments	28	276	420
Realised gains/(losses) on investment disposals	-	(3)	(120)
Dividend income	33	82	85
Investment Return	61	355	385

3) PORTFOLIO INVESTMENTS

	Quoted equity shares £'000	Unquoted equity shares £'000	Total £'000
At 30 September 2022	4,191	2,823	7,014
Additions	759	-	759
Disposals	(1,235)	-	(1,235)
Unrealised gain	346	-	346
At 31 March 2023	4,061	2,823	6,884
Additions	207	-	207
Disposals	(95)	-	(95)
Unrealised gain	276	-	276
At 30 September 2023	4,449	2,823	7,272
Additions	1,414	-	1,414
Disposals	(1,609)	-	(1,609)
Unrealised gain	144	-	144
At 31 March 2024	4,398	2,823	7,221
Unrealised gain	28	-	28
At 30 September 2024	4,426	2,823	7,249

The fair value of these investment holdings approximates their book values as at 30 September 2024, 31 March 2024 and 30 September 2023.

The Company also holds a derivative trading asset which reflects share warrants in an unlisted company and which are currently considered to have a nil value.

As set out in Note 1, portfolio investments have now been presented as current, rather than non-current, assets in the statement of financial position at 30 September 2024. Presentation of portfolio investment comparatives at 30 September 2023 and 31 March 2024 remain unchanged as non-current assets.

HARDY PLC
NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

4) EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the gain attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

For diluted earnings or loss per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. There were no dilutive ordinary shares in issue during the period.

	6 months ended 30 September 2024 (Unaudited)	6 months ended 30 September 2023 (Unaudited)	Year ended 31 March 2024 (Audited)
Profit for the period (£'000)	4	297	270
Weighted average no. of shares ('000)	73,764	73,764	73,764
Earnings per ordinary share	0.01p	0.40p	0.37p

5) SHARE CAPITAL

Ordinary Shares of £0.01	Number	£'000
Authorised ordinary shares		
At 30 September 2024, 30 September 2023 and March 2024	200,000,000	2,000
Allotted, issued and fully paid ordinary shares		
At 30 September 2024, 30 September 2023 and March 2024	73,764,035	738

6) RELATED PARTY TRANSACTIONS

During the period the Company paid remuneration to the Directors' in accordance with their service contracts and letters of appointment.

7) EVENTS AFTER THE BALANCE SHEET DATE

There were no material events after the balance sheet date which require reporting or adjustment through the interim report.

8) HALF YEAR INTERIM REPORT

A copy of this half year interim report, as well as the annual statutory accounts to 31 March 2024, are available on the Company's website at www.hardyplc.com.