



SUTTON  
HARBOUR  
HOLDINGS PLC

**2016**

INTERIM REPORT



# THE GROUP AT A GLANCE

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Sutton Harbour Holdings plc, listed on the Alternative Investment Market (AIM) of the London Stock Exchange since 1996, is the parent of a number of wholly owned subsidiary companies which include:

- Sutton Harbour Company, the statutory harbour authority company, which operates the Plymouth fishmarket (known as Sutton Harbour Fisheries), the Sutton Harbour Marina, together with a number of operations related properties;
- A number of other 'Sutton Harbour' group companies engaged in waterfront property regeneration, property investment, the operation of King Point Marina and car parking operational activities; and
- Plymouth City Airport Limited, the company holding the leasehold interest of the former airport site.

Details of the Group's operating segments, together with a description of current activities and latest developments are:

## MARINE

Sutton Harbour currently provides berthing for 523 vessels and receives a stable, core annual revenue stream in the form of dues, fees and rents from the established fisheries, marinas and property operations.

Plymouth Fisheries, the trading name of the fishmarket in Plymouth, is recognised as the second placed fishing port in England.

The location of Sutton Harbour, in central Plymouth and adjoining the historic Barbican quarter, has undergone two main phases of regeneration over the past 25 years. The first phase to unlock the potential of the area was realised when Sutton Lock was installed in 1992 creating a usable depth of water, followed by the relocation of the fishmarket to the eastern side in 1995.

In the second phase the development of high quality residential and commercial buildings overlooking the harbour, and improvements to berthing facilities, added to the attractiveness of the area to create a long term sustainable location for business, leisure and living. The Group is now focused on bringing forward the third phase with further regeneration to join together existing key attractions and to position Sutton Harbour as a destination of regional importance within the South West which is presented in the 'Vision' framework, see 'Regeneration' below.

## King Point Marina

In June 2011, the Group was selected by the English Cities Fund (ECF) to build and operate the new marina in the major urban regeneration area of Millbay in Plymouth. The new King Point Marina received its first berth-holders in September 2013 and has now operated for three years. The facility currently has 81 berths, with space to install a further 86 berths subject to configuration.

## REAL ESTATE

This division comprises the rentals from investment properties and is particularly focused on growing its annual income through asset enhancement.

Whilst property development continues to be challenging, the Group has continued to invest in and drive value from its investment portfolio, securing lettings in vacant premises in the Sutton Harbour estate.

The Group has a diverse mix of national and regional businesses as tenants as well as various independent operators. The National Marine Aquarium, a major visitor attraction in the region, is also a tenant.

The Group has been active in establishing a business community around the northern side of Sutton Harbour and has been successful in attracting a number of chartered accountants practices, legal firms and other professional services companies.

# THE GROUP AT A GLANCE

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## CAR PARKING

The Group has two major car parks at Sutton Harbour, a 340 space multi storey close to the National Marine Aquarium and a 51 space surface car park in the Barbican area. Additionally, the Group controls parking on the fishmarket complex, at the marina and adjoining various tenanted properties.

## REGENERATION

This division focuses on development for revenue and capital growth and for value realisation through specific land asset sale.

### Sutton Harbour

The Group has established a track record for the delivery of six major regeneration schemes around Sutton Harbour and a further two schemes in other locations elsewhere in the South West. A key feature of all these schemes was working in partnership with other public and private sector bodies. In July 2014, a new 'Vision' framework for future development around Sutton Harbour was launched. The 'Vision' included indicative development visuals for twelve waterfront schemes including the East Quay site. Planning consent for one cornerstone development, 'The Boardwalk' at Vauxhall Quay, was gained in February 2015.

### Former Airport Site

In 2000, the Group purchased Plymouth City Airport Limited and a long lease of the regional airport site. In 2003 the Group set up and operated the regional airline, Air Southwest which was subsequently sold in November 2010 to Eastern Airways International Limited (Eastern Airways). On 28 July 2011 Air Southwest (under the ownership of Eastern Airways) ceased flights in and out of Plymouth City Airport.

Facing unsustainable losses, in August 2011 Plymouth City Council agreed to the closure of the airport as of 23 December 2011. The Group is now working towards options to maximise value from the 113 acre former airport site through development of a masterplan for the area to show alternative uses. The Group has positioned its representations in the area planning policy debate and has engaged with the Local Planning Authority as part of the pre-application planning process. The Group previously achieved planning consent on 22 acres of surplus airport land which was sold in tranches to a residential developer between 2009 and 2011.

## DIRECTORS

Graham S. Miller  
*(Non-Executive Chairman)*

Jason W. H. Schofield  
*(Group Chief Executive)*

Natasha C. Gadsdon  
*(Finance Director)*

Sean J. Swales  
*(Non-Executive Director)*

Robert H. De Barr  
*(Non-Executive Director)*

## SECRETARY

Natasha C. Gadsdon

## REGISTERED OFFICE

Tin Quay House,  
Sutton Harbour,  
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## COMPANY NUMBER

2425189

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# CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT

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Excluding fair value adjustments, the adjusted profit before taxation for the six month period ending 30 September 2016 was £0.232m (2015: £0.249m). Gross profit generated by the trading activities (excluding impairment of assets) was £1.513m compared with £1.465m for the comparative period in 2015.

As at 30 September 2016, net assets were £40.025m (41.6p per share), having decreased slightly from £40.869m at 31 March 2016 (42.4p per share). The decrease of £0.844m (0.8p per share) incorporates the results of the independent property portfolio valuation as at 30 September 2016 which, despite a valuation adjustment surplus of £0.283m (2015: £1.012m) attributable to the investment property portfolio, gave rise to an overall deficit of £1.012m (2015: surplus £1.015m). This reflects the owner occupied portfolio valuation deficit of £1.295m (2015: surplus: £0.003m) due to more challenging trading conditions for the Marina at Sutton Harbour with general valuation sentiment towards marina assets impacting King Point Marina. The Fisheries valuation was unchanged and car parks showed a surplus in the six-month period since the previous external valuation.

Net debt (comprising net bank debt and outstanding finance leases) at 30 September 2016 increased slightly in the period to £22.737m from £22.213m at 31 March 2016. The increase in debt reflects investment into regeneration projects and also the annual cash cycle. This peaks in March annually when rents and marinas fees paid in advance are received. Gearing stood at 56.8% at 30 September 2016, up from 54.4% at 31 March 2016.

The Board does not recommend the payment of an interim dividend.

## MARINE BUSINESSES

Plymouth Fisheries at Sutton Harbour has traded well in the first half with landings in line with the same period last year. Trading so far in the second half year continues to be encouraging. Following the completion of the ice plant and chill chain upgrades the Group plans further investment alongside proposed grant funding to ensure Plymouth Fisheries retains its market leading position.

The Marina at Sutton Harbour hosted the start of the Transat race in April 2016 and other events in the summer season. The Group continues to invest in improved facilities for berth holders such as WiFi connectivity at both marinas. Occupancy at King Point Marina continues to grow and additional pontoons will shortly be installed to extend berthing space. The Marina at Sutton Harbour has experienced a modest drop in occupancy and a plan has been put in place in response.

## REAL ESTATE

At the start of the year four tenants served notice resulting in occupancy falling to 87%. The vacant premises are being marketed with negotiations in progress for the first new occupation expected early in the New Year. A number of rent reviews for existing tenancies are currently underway and are expected to result in an overall rental uplift.

# CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT

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## CAR PARKING

The car parks showed strong revenue growth during the summer season. Further improvements to overall presentation and signage will take place over the winter months, following the success of the new and efficient LED lighting installation.

## REGENERATION

An update on the major regeneration projects currently being promoted is as follows:

### FORMER AIRPORT SITE

The final Department for Transport Review of the viability of re-opening the former Plymouth Airport is still awaited and the Group will update investors as soon as it is available.

The case for alternative uses for the site to create much needed homes, jobs and first class community sports facilities in conjunction with a significant infrastructure upgrade to the University of St Mark and St John is compelling and clearly in the best interests of the people of Plymouth. The Plymouth and South West Devon Joint Local Plan will be subject to an independent Government Inspector's scrutiny at the 'Examination in Public' ('EIP') currently scheduled for Autumn 2017. The Group's case for justifying alternative use of the former airport site will set out clearly before the independent inspector at the EIP

The Group has freehold and long leasehold legal interests at the site and shareholders can be confident that the Board remains determined to realise the optimum value from this strategic asset.

## SUGAR HOUSE, EAST QUAY

The Group is actively marketing the site to potential joint venture partners for the development of a residential led scheme together with the potential for car parking, retail, restaurant and student accommodation.

### 'THE BOARDWALK' AT VAUXHALL QUAY

Following the success in achieving detailed planning permission for 'The Boardwalk' scheme, a pier-like structure arranged as two large restaurant units and a small pavilion unit totalling approximately 7,800 sq ft (724.3m<sup>2</sup>), the Group is still awaiting final consents from the Marine Management Organisation which it anticipates will be forthcoming during the early part of 2017. Strong interest remains from potential tenants on a pre-let basis.

## OUTLOOK

The Board has continued to work with its advisers, Rothschild, on the Strategic Review of Options for the future of the Group. The process remains ongoing and the Board will update shareholders in due course.

The Group has clear priorities: to pursue vigorously the planning allocation for the Former Airport Site, to accelerate the progress of other regeneration projects and to grow revenue and profits at the marine businesses and from the investment property portfolio.

GRAHAM S MILLER  
**CHAIRMAN**

JASON W H SCHOFIELD  
**CHIEF EXECUTIVE**

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	6 months to 30 September 2016 (unaudited) £000	6 months to 30 September 2015 (unaudited) £000	Year Ended 31 March 2016 (audited) £000
<b>Revenue</b>	<b>3</b>	<b>3,633</b>	3,674	6,509
Cost of sales before impairment of assets		(2,120)	(2,209)	(3,960)
Impairment of assets		(553)	-	(272)
<b>Cost of sales</b>		<b>(2,673)</b>	(2,209)	(4,232)
<b>Gross profit</b>		<b>960</b>	1,465	2,277
Fair value adjustment on investment property		283	1,012	1,452
Administrative expenses		(770)	(664)	(1,082)
<b>Operating profit from continuing operations</b>	<b>3</b>	<b>473</b>	1,813	2,647
Financial income		-	-	2
Financial expense		(511)	(552)	(1,059)
<b>Net financing costs</b>		<b>(511)</b>	(552)	(1,057)
<b>(Loss)/Profit before tax from continuing operations</b>	<b>3</b>	<b>(38)</b>	1,261	1,590
Taxation on profit from continuing operations	4	7	(252)	(93)
<b>(Loss)/Profit from continuing operations</b>		<b>(31)</b>	1,009	1,497
<b>Basic (loss)/earnings per share</b>	<b>6</b>	<b>(0.03)p</b>	1.05p	0.68p
<b>Diluted (loss)/earnings per share</b>	<b>6</b>	<b>(0.03)p</b>	1.05p	0.68p

		6 months to 30 September 2016 (unaudited) £000	6 months to 30 September 2015 (unaudited) £000	Year Ended 31 March 2016 (audited) £000
<b>(Loss)/Profit from continuing operations</b>		<b>(31)</b>	1,009	1,497
<b>Other comprehensive income</b>				
<b>Continuing operations:</b>				
Revaluation of property, plant and equipment		(742)	3	(1,167)
Deferred taxation on income and expenses recognised directly in the consolidated statement of comprehensive income		-	-	-
Effective portion of changes in fair value of cash flow hedges		(71)	59	80
<b>Total other comprehensive (expense)/income</b>		<b>(813)</b>	62	(1,087)
<b>Total comprehensive (expense)/income for the period attributable to equity shareholders</b>		<b>(844)</b>	1,071	410

# CONSOLIDATED BALANCE SHEET

	Note	As at 30 September 2016 (unaudited) £000	As at 30 September 2015 (unaudited) £000	As at 31 March 2016 (audited) £000
<b>Non-current assets</b>				
Property, plant and equipment	7	26,153	28,741	27,295
Investment property	7	19,460	18,530	19,350
		<b>45,613</b>	<b>47,271</b>	<b>46,645</b>
<b>Current assets</b>				
Inventories		20,389	20,012	20,097
Trade and other receivables		1,781	1,645	2,038
Cash and cash equivalents	8	123	154	686
Tax recoverable		37	26	19
		<b>22,330</b>	<b>21,837</b>	<b>22,840</b>
<b>Total assets</b>	<b>3</b>	<b>67,943</b>	<b>69,108</b>	<b>69,485</b>
<b>Current liabilities</b>				
Other interest-bearing loans and borrowings		-	-	-
Trade and other payables		1,010	1,126	1,118
Finance lease liabilities		100	103	105
Deferred income		979	981	1,542
Provisions	9	26	44	53
Derivative financial instruments		-	-	33
		<b>2,115</b>	<b>2,254</b>	<b>2,851</b>
<b>Non-current liabilities</b>				
Other interest-bearing loans and borrowings		22,500	21,960	22,500
Finance lease liabilities		260	347	294
Deferred government grants		1,193	1,018	1,214
Deferred tax liabilities		1,622	1,789	1,629
Provisions	9	84	116	88
Derivative financial instruments		144	94	40
		<b>25,803</b>	<b>25,324</b>	<b>25,765</b>
<b>Total liabilities</b>	<b>3</b>	<b>27,918</b>	<b>27,578</b>	<b>28,616</b>
<b>Net assets</b>		<b>40,025</b>	<b>41,530</b>	<b>40,869</b>
<b>Issued capital and reserves attributable to owners of the parent</b>				
Share capital		16,069	16,069	16,069
Share premium		5,368	5,368	5,368
Other reserves		12,638	14,600	13,451
Retained earnings		5,950	5,493	5,981
<b>Total equity</b>		<b>40,025</b>	<b>41,530</b>	<b>40,869</b>



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Revaluation reserve	Merger reserve	Hedging reserve	Retained earnings	Total
	£000	£000	£000	Other Reserves £000	£000	£000	£000
Balance at 1 April 2015	16,069	5,368	10,820	3,871	(153)	4,484	40,459
<b>Comprehensive income/(expense)</b>							
Profit for the period	-	-	-	-	-	1,009	1,009
<b>Other comprehensive income/(expense)</b>							
Revaluation of property, plant and equipment	-	-	3	-	-	-	3
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	59	-	59
<b>Total other comprehensive income/(expense) – period ended 30 September 2015</b>	-	-	3	-	59	-	62
<b>Total comprehensive income/(expense) – period ended 30 September 2015</b>	-	-	3	-	59	1,009	1,071
<b>Balance at 30 September 2015</b>	<b>16,069</b>	<b>5,368</b>	<b>10,823</b>	<b>3,871</b>	<b>(94)</b>	<b>5,493</b>	<b>41,530</b>
Balance at 1 October 2015	16,069	5,368	10,823	3,871	(94)	5,493	41,530
<b>Comprehensive income/(expense)</b>							
Profit for the period	-	-	-	-	-	488	488
<b>Other comprehensive income/(expense)</b>							
Revaluation of property, plant and equipment	-	-	(1,170)	-	-	-	(1,170)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	21	-	21
<b>Total other comprehensive income/(expense) – period ended 31 March 2016</b>	-	-	(1,170)	-	21	-	(1,149)
<b>Total comprehensive income/(expense) – period ended 31 March 2016</b>	-	-	(1,170)	-	21	488	(661)
<b>Balance at 31 March 2016</b>	<b>16,069</b>	<b>5,368</b>	<b>9,653</b>	<b>3,871</b>	<b>(73)</b>	<b>5,981</b>	<b>40,869</b>
Balance at 1 April 2016	16,069	5,368	9,653	3,871	(73)	5,981	40,869
<b>Comprehensive income/(expense)</b>							
Profit for the period	-	-	-	-	-	(31)	(31)
<b>Other comprehensive income/(expense)</b>							
Revaluation of property, plant and equipment	-	-	(742)	-	-	-	(742)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(71)	-	(71)
<b>Total other comprehensive income/(expense) – period ended 30 September 2016</b>	-	-	(742)	-	(71)	-	(813)
<b>Total comprehensive income/(expense) – period ended 30 September 2016</b>	-	-	(742)	-	(71)	(31)	(844)
<b>As at 30 September 2016</b>	<b>16,069</b>	<b>5,368</b>	<b>8,911</b>	<b>3,871</b>	<b>(144)</b>	<b>5,950</b>	<b>40,025</b>

# CONSOLIDATED CASH FLOW STATEMENT

	Note	6 months to 30 September 2016 (unaudited) £000	6 months to 30 September 2015 (unaudited) £000	Year Ended 31 March 2016 (audited) £000
Cash generated from continuing operating activities	10	99	17	621
<b>Cash generated from total operating activities</b>		<b>99</b>	<b>17</b>	<b>621</b>
Tax received		-	-	-
<b>Net cash generated from operating activities</b>		<b>99</b>	<b>17</b>	<b>621</b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of property, plant and equipment		-	-	-
Net Expenditure on investment property		-	(5)	(8)
Expenditure on property, plant and equipment		(111)	(292)	(561)
Interest received		-	-	2
<b>Net cash used in investing activities</b>		<b>(111)</b>	<b>(297)</b>	<b>(567)</b>
<b>Cash flows from financing activities</b>				
Interest paid		(512)	(553)	(1,059)
Loan drawdowns/(repayment of borrowings)		-	310	850
Net finance lease (payments)/receipts		(39)	403	353
Proceeds of government grants		-	35	249
<b>Net cash generated from financing activities</b>		<b>(551)</b>	<b>195</b>	<b>393</b>
Net (decrease)/increase in cash and cash equivalents		<b>(563)</b>	<b>(85)</b>	<b>447</b>
Cash and cash equivalents at beginning of period		<b>686</b>	<b>239</b>	<b>239</b>
<b>Cash and cash equivalents at end of period</b>	<b>8</b>	<b>123</b>	<b>154</b>	<b>686</b>

# NOTES TO INTERIM REPORT

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## I. GENERAL INFORMATION

This consolidated interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2016 were approved by the Board of Directors on 27 June 2016 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain any statement under section 498 of the Companies Act 2006.

Copies of the Group's financial statements are available from the Company's registered office, Tin Quay House, Sutton Harbour, Plymouth, PL4 0RA and on the Company's website [www.sutton-harbour.co.uk](http://www.sutton-harbour.co.uk).

This consolidated interim financial information has not been audited.

## 2. BASIS OF PREPARATION

The consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretation Committee (IFRIC) interpretations as endorsed by the European Union, and those parts of the Companies Acts 2006 as applicable to companies reporting under IFRS.

### Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2016, as described in those annual financial statements.

### Adoption of new International Financial Reporting Standards

The following new standards, amendments to standards or interpretations have been issued, but are not effective for the financial year beginning 1 April 2016 and have not been adopted early:

IFRS 15 Revenue from Contracts with Customers: \* 1 January 2018

IFRS 9 Financial Instruments: \* 1 January 2018

\* mandatory effective date is periods commencing on or after

### Accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements that are not readily apparent from other sources. 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 only significant change to estimates and judgements since the signing of the financial statements for the year ended 31 March 2016 is that King Point Marina is now carried at an independent external valuation rather than its value in use.

# NOTES TO INTERIM REPORT

## 3. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board of Directors considers the business from an operational perspective as having only one

geographical segment, with all operations being carried out in the United Kingdom.

The Board of Directors considers the performance of the operating segments using operating profit. The segment information provided to the Board of Directors for the reportable segments for the period ended 30 September 2016 is as follows:

6 months to 30 September 2016 (unaudited)	Marine £000	Real Estate £000	Car Parking £000	Regeneration £000	Total £000
Revenue	2,529	808	296	-	3,633
Gross profit prior to non-recurring items	761	628	180	(56)	1,513
Non-recurring items: Impairment of assets	(553)	-	-	-	(553)
Segmental Operating Profit before Fair value adjustment and unallocated expenses	208	628	180	(56)	960
Fair value adjustment on investment properties and fixed assets	-	111	172	-	283
					1,243
<b>Unallocated:</b>					
Administrative expenses					(770)
Operating profit from continuing operations					473
Financial income					-
Financial expense					(511)
Loss before tax from continuing operations					(38)
Taxation					7
Loss for the year from continuing operations					(31)
<b>Depreciation charge:</b>					
Marine					142
Real Estate					-
Car Parking					3
Regeneration					-
Administration					16
					<b>161</b>

# NOTES TO INTERIM REPORT

## 3. SEGMENT INFORMATION (CONTINUED)

6 months to 30 September 2015 (unaudited)	Marine £000	Real Estate £000	Car Parking £000	Regeneration £000	Total £000
Revenue	2,617	778	279	-	3,674
Gross profit prior to non-recurring items	742	616	171	(64)	1,465
Non-recurring items: Impairment of assets	-	-	-	-	-
Gross profit	742	616	171	(64)	1,465
Fair value adjustment on investment property	-	1,012	-	-	1,012
					2,477
Unallocated: Administrative expenses					(664)
Operating profit from continuing operations					1,813
Financial income					-
Financial expense					(552)
Profit before tax from continuing operations					1,261
Taxation					(252)
Profit for the year from continuing operations					1,009
<b>Depreciation charge:</b>					
Marine					112
Real Estate					-
Car Parking					3
Regeneration					-
Administration					8
					<b>123</b>

# NOTES TO INTERIM REPORT

## 3. SEGMENT INFORMATION (CONTINUED)

Year ended 31 March 2016 (audited)	Marine £000	Real Estate £000	Car Parking £000	Regeneration £000	Total £000
Revenue	4,449	1,580	480	-	6,509
Gross profit prior to non-recurring items	1,255	1,196	276	(178)	2,549
Non-recurring items:					
Impairment of assets	-	-	-	(272)	(272)
Segmental Operating Profit before Fair value adjustment and unallocated expenses	1,255	1,196	276	(450)	2,277
Fair value adjustment on investment properties and fixed assets	(229)	1,829	(148)	-	1,452
					3,729
Unallocated:					
Administrative expenses					(1,082)
Operating profit from continuing operations					2,647
Other gains and losses					
Financial income					2
Financial expense					(1,059)
Profit before tax from continuing operations					1,590
Taxation					(93)
Profit for the year from continuing operations					1,497
<b>Depreciation charge</b>					
Marine					231
Real Estate					-
Car Parking					6
Regeneration					-
Administration					36
					<b>273</b>
	<b>30 September 2016 £000</b>	<b>30 September 2015 £000</b>	<b>31 March 2016 £000</b>		
<i>Segment assets:</i>					
Marine	22,591	25,623	24,312		
Real Estate	20,106	19,103	20,014		
Car Parking	3,995	3,652	3,620		
Regeneration	20,506	20,116	20,207		
<b>Total segment assets</b>	<b>67,198</b>	<b>68,494</b>	<b>68,153</b>		
Unallocated assets:					
Property, plant and equipment	107	131	121		
Trade & other receivables	515	329	525		
Cash & cash equivalents	123	154	686		
<b>Total assets</b>	<b>67,943</b>	<b>69,108</b>	<b>69,485</b>		

# NOTES TO INTERIM REPORT

## 3. SEGMENT INFORMATION (CONTINUED)

	30 September 2016 £000	30 September 2015 £000	31 March 2016 £000
<i>Segment liabilities:</i>			
Marine	2,128	1,575	2,329
Real Estate	387	609	622
Car Parking	64	39	78
Regeneration	843	846	825
<b>Total segment liabilities</b>	<b>3,422</b>	<b>3,069</b>	<b>3,854</b>
<i>Unallocated liabilities:</i>			
Bank overdraft & borrowings	22,500	22,410	22,500
Trade & other payables	230	215	560
Financial derivatives	144	94	73
Tax payable	-	1	-
Deferred tax liabilities	1,622	1,789	1,629
<b>Total liabilities</b>	<b>27,918</b>	<b>27,578</b>	<b>28,616</b>

Unallocated assets included in total assets and unallocated liabilities included in total liabilities are not split between segments as these items are centrally managed.

## 4. TAXATION

The Company has applied an effective tax rate of 20% (2015: 20%) based on management's best estimate of the tax rate expected for the full financial year and is reflected in a movement in deferred tax.

## 5. DIVIDENDS

The Board of Directors do not propose an interim dividend (2015: nil).

## 6. EARNINGS PER SHARE

	6 months to 30 September 2016 (unaudited) pence	6 months to 30 September 2015 (unaudited) pence	Year Ended 31 March 2016 (audited) pence
<i>Continuing operations</i>			
Basic earnings per share	(0.03)p	1.05p	1.55p
Diluted earnings per share*	(0.03)p	1.05p	1.55p

### Basic Earnings per Share:

Basic earnings per share have been calculated using the loss for the period of £31,000 (2015: profit £1,009,000, year ended 31 March 2016 profit £1,497,000). The average number of ordinary shares in issue, excluding those options granted under the SAYE scheme, of 96,277,086 (2015: 96,277,086; year ended 31 March 2016: 96,277,086) has been used in our calculation.

### Diluted Earnings per Share:

Diluted earnings per share uses an average number of 96,277,086 (2015: 96,277,086; year ended 31 March 2016 96,277,086) ordinary shares in issue, and takes account of the outstanding options under the SAYE scheme in accordance with IAS 33 'Earnings per share'.

\* For the 6 months ended 30 September 2016, the year ended 31 March 2016, and the 6 months ended 30 September 2015, there is no adjustment for the effect of all dilutive potential ordinary shares because the exercise prices of the options are greater than the average market price of the shares during the year.

# NOTES TO INTERIM REPORT

## 7. PROPERTY VALUATION

Freehold land and buildings and investment property have been independently valued by Jones Lang LaSalle as at 30 September 2016, in accordance with the Practice Statements in the Valuations Standards (The Red Book) published by the Royal Institution of Chartered Surveyors.

A further valuation will be commissioned for the year ending 31 March 2017, as in previous years.

## 8. CASH AND CASH EQUIVALENTS

	As at 30 September 2016 (unaudited) £000	As at 30 September 2015 (unaudited) £000	As at 31 March 2016 (audited) £000
Cash and cash equivalents per balance sheet and cash flow statement	123	154	686

## 9. PROVISIONS

	Onerous Leases £000	Total £000
Balance at 1 April 2015	177	177
Provisions made during the year	-	-
Provisions utilised during the year	(17)	(17)
<b>Balance at 30 September 2015</b>	<b>160</b>	<b>160</b>
Provisions made during the year	-	-
Provisions utilised during the year	(19)	(19)
<b>Balance at 31 March 2016</b>	<b>141</b>	<b>141</b>
Provisions made during the year	-	-
Provisions utilised during the year	(31)	(31)
<b>Balance at 30 September 2016</b>	<b>110</b>	<b>110</b>
Current	26	26
Non-current	84	84
	<b>110</b>	<b>110</b>



# NOTES TO INTERIM REPORT

## 10. CASH FLOW STATEMENTS

	6 months to 30 September 2016 (unaudited) £000	6 months to 30 September 2015 (unaudited) £000	Year Ended 31 March 2016 (audited) £000
<b>Cash flows from operating activities</b>			
(Loss)/Profit for the period	(31)	1,009	1,497
Adjustments for:			
Taxation	(7)	252	93
Financial income	-	-	(2)
Financial expense	511	552	1,009
Fair value adjustments on owner occupied and investment property	(111)	(1,012)	(1,829)
Revaluation of property, plant and equipment	(172)	-	377
Depreciation	161	123	273
Amortisation of grants	(23)	(8)	(29)
Impairment of development property	553	-	66
Loss on sale of property, plant and equipment	11	-	6
<b>Cash generated from operations before changes in working capital and provisions</b>	<b>892</b>	<b>916</b>	<b>1,461</b>
Increase in inventories	(332)	(118)	(202)
Decrease/(increase) in trade and other receivables	240	(126)	(514)
Decrease in trade and other payables	(107)	(115)	(126)
(Decrease)/increase in deferred income	(563)	(523)	38
Decrease in provisions	(31)	(17)	(36)
<b>Cash generated from operations</b>	<b>99</b>	<b>17</b>	<b>621</b>

## 11. CAPITAL COMMITMENTS

At 30 September 2016 the Group has no capital commitments.



SUTTON  
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