



SUTTON
HARBOUR
HOLDINGS PLC

2018

INTERIM REPORT



THE GROUP AT A GLANCE

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 summarised in the following tables:

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 a top three 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 is now trading in its fifth season.

THE GROUP AT A GLANCE

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.

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. Following the change of majority control of the Company in January 2018, a number of scheme proposals articulated in the 'Vision' have been redesigned. Planning consent was gained for regeneration schemes at Sugar Quay, Harbour Arch Quay and the extension of Harbour Car Park in November 2018.

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 submitted its representations for the site to the public hearing of the Plymouth and South West Devon Joint Local Plan, the outcome of which is expected later in 2018. 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

Philip H Beinhaker (*Executive Chairman*)

Natasha C. Gadsdon (*Finance Director*)

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

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

SECRETARY

Natasha C. Gadsdon

REGISTERED OFFICE

Tin Quay House,
Sutton Harbour,
Plymouth, PL4 0RA
Tel: 01752 204186

www.sutton-harbour.co.uk

COMPANY NUMBER

2425189

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CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT

Executive Chairman's Statement For the six-month period to 30 September 2018

Highlights:

- Unanimous planning approval for the Sugar Quay scheme
- Planning consent secured for Harbour Arch Quay Scheme and Harbour Car Park extension
- Open Offer to raise up to £3million (gross) to fund post planning pre-construction phase project costs, capital maintenance project costs and to provide cash headroom

RESULTS AND FINANCIAL POSITION

Excluding fair value adjustments, the adjusted profit before taxation for the six month period ending 30 September 2018 was £0.110m (30 September 2017: £0.136m).

As at 30 September 2018, net assets were £39.445m compared to £39.328m, as last reported as at 31 March 2018. No revaluation of assets has been undertaken as at 30 September 2018 following the approved resolution to instruct an independent external valuation once a year.

Net debt has increased to £23.459m, up by £1.631m, from £21.858m as at 31 March 2018. This was fully expected as the Company has invested £0.960m during the period into planning and professional fees in connection with the accelerated programme to implement a new phase of regeneration around Sutton Harbour which has resulted in the newly granted planning consents for

Sugar Quay, Harbour Arch Quay and the extension of Harbour Car Park. (see Regeneration Report below). The increase in net debt is amplified by the annual cash cycle whereby annual marina fees and other rents are payable before the start of the financial year. Overall, this has resulted in an increase in gearing from 55.6% (31 March 2018) to 59.2% as at 30 September 2018.

To continue to progress the pre-construction project costs and to fund essential infrastructure updating projects, the Company is notifying shareholders today of an Open Offer to existing shareholders to subscribe for £3 million new share capital (10,344,827, shares priced at 29p) on a 77 for 786 shares basis (rounded to nearest whole share). Net proceeds of the Open Offer will be utilised in the ongoing development of Company including pre-construction costs in respect of both Harbour Arch Quay and Sugar Quay, capital maintenance across the Company's assets, and to meet the Company's general funding requirements arising from its ordinary and development activities.

BOARD COMPOSITION UPDATE

Philip Beinhaker was appointed Executive Chairman early in the financial year and continues in this role. Jason Schofield, who had been the Chief Executive since 2011, left the Company in July

CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT

2018 and the board has continued its search for a new Executive Director and expects to be able to make an announcement about the appointment in the near future.

TRADING REPORT

Trading by the marine and car parking activity segments over the first half year have been consistent with the same period last year. Income from the real estate segment is slightly below that of the comparable period as a result of temporary voids. The outlook is improving for the second half year with interest in commercial property increased in recent months. Three new lettings recently completed and a further two are due to complete shortly.

REGENERATION

Led by Philip Beinhaker, the Company resubmitted its redesigned proposals for a mixed-use scheme to regenerate the long vacant site at Sugar Quay, Sutton Harbour. The scheme which gained unanimous approval from the committee of the Local Planning Authority earlier this month, comprises 170 apartments, 32,000 sq ft of commercial/retail space and basement parking for 106 cars with an additional 114 spaces being built at Harbour Car Park. Upon delivery, the development will be a landmark development in the Sutton Harbour area with its future occupiers contributing to the sustainability of the area as a place to visit, live and work in.

The Company also has consent to move forward with the smaller residential scheme at Harbour Arch Quay, Sutton Harbour. The scheme will provide 14 high quality apartments on the North East side of Sutton Harbour. The Company intends to start construction during the second calendar quarter of 2019 with completion due during the second calendar quarter of 2020.

SUMMARY

The Company's key focus in the first half year has resulted in the successful achievements of planning consents for a new phase of regeneration around Sutton Harbour. The collaborative approach with the Local Authority, stakeholders and the development team has enabled the formulation of a high profile scheme which will contribute to housing delivery targets as well as stimulate the social and economic vibrancy of the area. The Company is now actively progressing the funding strategy to bring the schemes to construction.

PHILIP BEINHAKER
**EXECUTIVE
CHAIRMAN**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	6 months to 30 September 2018 (unaudited) £000	6 months to 30 September 2017 (unaudited) £000	Year Ended 31 March 2018 (audited) £000
Revenue	3	3,717	3,473	6,503
Cost of sales		(2,390)	(2,155)	(4,367)
Gross Profit		1,327	1,318	2,236
Fair value adjustment on fixed assets and investment property		(8)	(838)	(626)
Administrative expenses		(711)	(720)	(1,374)
Exceptional costs of change in ownership		-	-	(1,741)
Operating profit/loss from continuing operations	3	608	(240)	(1,605)
Financial income		-	-	-
Financial expense		(498)	(462)	(897)
Net financing costs		(498)	(462)	(897)
Profit/(loss) before tax from continuing operations	3	110	(702)	(2,502)
Taxation (charge)/credit on profit from continuing operations	4	-	(27)	304
Profit/(loss) from continuing operations		110	(729)	(2,198)
Basic profit/(loss)/earnings per share	6	0.01p	(0.76)p	(2.24)p
Diluted profit/(loss)/earnings per share	6	0.01p	(0.76)p	(2.24)p
	Note	6 months to 30 September 2018 (unaudited) £000	6 months to 30 September 2017 (unaudited) £000	Year Ended 31 March 2018 (audited) £000
Profit/(loss) from continuing operations		110	(729)	(2,198)
Other comprehensive (expense)/income				
Continuing operations:				
Revaluation of property, plant and equipment		-	(374)	(1,624)
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		-	46	70
Total other comprehensive expense		-	(328)	(1,554)
Total comprehensive expense for the period attributable to equity shareholders		110	(1,057)	(3,752)

CONSOLIDATED BALANCE SHEET

	Note	6 months to 30 September 2018 (unaudited) £000	6 months to 30 September 2017 (unaudited) £000	Year Ended 31 March 2018 (audited) £000
Non-current assets				
Property, plant and equipment	7	23,899	24,966	23,973
Investment property	7	19,055	19,485	19,055
		42,954	44,451	43,028
Current assets				
Inventories		22,250	20,759	21,276
Trade and other receivables		2,122	2,030	2,170
Cash and cash equivalents	8	1,859	281	2,767
Tax recoverable		-	14	8
		26,231	23,084	26,221
Total assets	3	69,185	67,535	69,249
Current liabilities				
Other interest-bearing loans and borrowings		-	-	-
Trade and other payables		1,308	1,038	1,633
Finance lease liabilities		96	111	117
Deferred income		883	1,083	1,434
Provisions	9	69	70	70
Derivative financial instruments		-	-	6
		2,356	2,302	3,260
Non-current liabilities				
Other interest-bearing loans and borrowings		25,000	22,950	24,350
Finance lease liabilities		232	185	158
Deferred government grants		646	1,146	646
Deferred tax liabilities		1,338	1,670	1,338
Provisions	9	168	168	169
Derivative financial instruments		-	30	-
		27,384	26,149	26,661
Total liabilities	3	29,740	28,451	29,921
Net assets		39,445	39,084	39,328
Issued capital and reserves attributable to owners of the parent				
Share capital		16,162	16,069	16,162
Share premium		7,872	5,368	7,872
Other reserves		10,056	12,355	10,050
Retained earnings		5,355	5,292	5,244
Total equity		39,445	39,084	39,328

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Revaluation reserve	Merger reserve	Hedging reserve	Retained earnings	TOTAL
	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2018	16,162	7,872	6,183	3,871	(6)	5,246	39,328
Comprehensive income/(expense)							
Profit for the period	-	-	-	-	-	110	110
Other comprehensive income/(expense)							
Revaluation of property, plant and equipment	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	7	-	7
Total other comprehensive income/(expense)							
- period ended 30 September 2018	-	-	-	-	-	-	117
Total comprehensive income/(expense)							
- period ended 30 September 2018	-	-	-	-	-	-	117
Balance at 30 September 2018	16,162	7,872	6,183	3,871	1	5,2	39,445
Balance at 1 October 2017	16,069	5,368	8,514	3,871	(30)	5,292	39,084
Adjustment to opening balances	-	-	(1,079)	-	-	1,421	342
Comprehensive income/(expense)							
Profit for the period	-	-	-	-	-	(1,469)	(1,469)
Other comprehensive income/(expense)							
Revaluation of property, plant and equipment	-	-	(1,250)	-	-	-	(1,250)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	24	-	24
Total other comprehensive income/(expense)							
- period ended 31 March 2018	-	-	(1,250)	-	24	(1,469)	(2,695)
Total comprehensive income/(expense)							
- period ended 31 March 2018	-	-	(1,250)	-	24	(1,469)	(2,695)
Transactions with owners of the parent							
Purchase of shares	93	2,504	-	-	-	-	2,597
Balance at 31 March 2018	16,162	7,872	6,185	3,871	(6)	5,244	39,328
Balance at 1 April 2018	16,162	7,872	6,185	3,871	(6)	5,244	39,328
Comprehensive income/(expense)							
Loss for the period							
Other comprehensive income/(expense)							
Revaluation of property, plant and equipment	?	?	?	?	?	?	?
Effective portion of changes in fair value of cash flow hedges	?	?	?	?	?	?	?
Total other comprehensive income/(expense)							
- period ended 30 September 2017	?	?	?	?	?	?	?
Total comprehensive income/(expense)							
- period ended 30 September 2017	?	?	?	?	?	?	?
As at 30 September 2017	?	?	?	?	?	?	?

CONSOLIDATED CASH FLOW STATEMENT

	Note	6 months to 30 September 2018 (unaudited) £000	6 months to 30 September 2017 (unaudited) £000	Year Ended 31 March 2018 (audited) £000
Cash generated from total operating activities	10	(916)	95	(886)
Cash flows from investing activities				
Net expenditure on investment property		-	(2)	-
Expenditure on property, plant and equipment		(100)	(138)	(227)
Proceeds from sale of plant and equipment		-	-	12
Net cash used in investing activities		(100)	(140)	(215)
Cash flows from financing activities				
Proceeds from sale of shares		-	-	2,750
Expenses of share issuance		-	-	(152)
Interest paid		(498)	(462)	(897)
Loan drawdowns/(repayment of borrowings)		650	150	1,550
Net finance lease (payments)/receipts		(43)	(65)	(86)
Net cash generated from financing activities		109	(377)	3,165
Net increase/(decrease) in cash and cash equivalents		(907)	(422)	2,064
Cash and cash equivalents at beginning of period		2,766	703	703
Cash and cash equivalents at end of period	8	1,859	281	2,767

NOTES TO INTERIM REPORT

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 2018 were approved by the Board of Directors on 29 June 2018 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.

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 2018, 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 2018, 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 2017 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.

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 2018	Marine £000	Real Estate £000	Car Parking £000	Regeneration £000	Total £000
Revenue	2,665	747	305	-	3,717
Gross profit prior to non-recurring items	629	486	213	(57)	1,271
Segmental Operating Profit before Fair value adjustment and unallocated expenses	629	486	213	(57)	1,271
Fair value adjustment on fixed assets and investment property assets	-	-	-	-	-

Unallocated:

Administrative expenses	(662)
Operating profit from continuing operations	609
Financial income	-
Financial expense	(662)
Profit before tax from continuing operations	110
Taxation	-
Profit for the year from continuing operations	110

Depreciation charge

Marine	152
Car Parking	16
Administration	7
	175

NOTES TO INTERIM REPORT

3. SEGMENT INFORMATION (CONTINUED)

6 months to 30 September 2017	Marine £000	Real Estate £000	Car Parking £000	Regeneration £000	Total £000
Revenue	2,399	765	309	-	3,473
Gross profit prior to non-recurring items	602	573	197	(54)	1,318
Segmental Operating Profit before Fair value adjustment and unallocated expenses	602	573	197	(54)	1,318
Fair value adjustment on fixed assets and investment property assets	(861)	23	-		(838)
	(259)	596	197	(54)	480
<i>Unallocated:</i>					
Administrative expenses					(720)
Operating profit from continuing operations					(240)
Financial income					-
Financial expense					(462)
Loss before tax from continuing operations					(702)
Taxation					(72)
Loss for the year from continuing operations					(729)
Depreciation charge					
Marine					148
Car Parking					8
Administration					27
					184

NOTES TO INTERIM REPORT

3. SEGMENT INFORMATION (CONTINUED)

Year ended 31 March 2018	Marine £000	Real Estate £000	Car Parking £000	Regeneration £000	Total £000
Revenue	4,578	1,414	511	-	6'503
Gross profit prior to non-recurring items	971	946	318	(99)	2,136
Segmental Operating Profit before Fair value adjustment and unallocated expenses	971	946	318	(99)	2,136
Fair value adjustment on fixed assets and investment property assets	(221)	(405)	-	-	(626)
<i>Unallocated:</i>					
Administrative expenses					(1,374)
Exceptional costs of change in ownership					(1,741)
Operating profit from continuing operations					(1605)
Financial income					-
Financial expense					(897)
Profit before tax from continuing operations					(2,502)
Taxation					304
Profit for the year from continuing operations					(2,198)
Depreciation charge					
Marine					297
Car Parking					12
Administration					16
					325

	30 September 2018 £000	30 September 2017 £000	31 March 2018 £000
<i>Segment assets:</i>			
Marine	20,580	21,463	20,882
Real estate	19,704	20,259	19,460
Car Parking	4,196	4,182	4,233
Regeneration	22,335	20,802	21,414
Total segment assets	66,815	66,706	65,989
<i>Unallocated assets:</i>			
Property, plant and equipment	72	94	78
Trade & other receivables	439	454	415
Cash & cash equivalents	1,859	281	2,767
Total assets	69,185	67,535	69,249

NOTES TO INTERIM REPORT

3. SEGMENT INFORMATION (CONTINUED)

	30 September 2018 £000	30 September 2017 £000	31 March 2018 £000
<i>Segment assets:</i>			
Marine	1,134	2,059	1,858
Real estate	607	449	705
Car Parking	79	75	131
Regeneration	996	830	938
Total segment assets	2,816	3,413	3,632
Bank overdraft & borrowings	25,232	23,246	24,625
Trade & other payables	354	92	320
Financial Derivatives	(2)	30	6
Tax payable	-	-	-
Deferred tax liabilities	1,340	1,670	1,338
Total liabilities	29,740	28,451	29,921

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 19% (2017: 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 (2017: nil).

6. EARNINGS PER SHARE

	6 months to 30 September 2018 (unaudited) p ^{en}	6 months to 30 September 2017 (unaudited) p ^{ence}	Year Ended 31 March 2018 (audited) p ^{ence}
<i>Continuing operations</i>			
Basic earnings per share	0.01p	(0.76)	(2.24)
Diluted earnings per share*	0.01p	(0.76)	(2.24)

Basic Earnings per Share:

Basic earnings per share have been calculated using the profit for the period of £110,000 (2017: loss £729,000, year ended 31 March 2018 loss £2,198,000). The average number of ordinary shares in issue, excluding those options granted under the SAYE scheme, of 105,599,120 (2017: 96,277,086; year ended 31 March 2018: 98,320,272) has been used in our calculation.

Diluted Earnings per Share:

Diluted earnings per share uses an average number of 105,599,120 (2017: 96,277,086; year ended 31 March 2018 98,320,272) ordinary shares in issue, and takes account of the outstanding options under the SAYE scheme in accordance with IAS 33 'Earnings per share'. There are no outstanding options under expire SAYE schemes.

NOTES TO INTERIM REPORT

7. PROPERTY VALUATION

Freehold land and buildings and investment property have been independently valued by Jones Lang LaSalle as at 31 March 2018, 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 2019, as in previous years.

8. CASH AND CASH EQUIVALENTS

	As at 30 September 2018 (unaudited) £000	As at 30 September 2017 (unaudited) £000	As at 31 March 2018 (audited) £000
Continuing operations			
Cash and cash equivalents per balance sheet and cash flow statement	1,859	281	2,767

9. PROVISIONS

	Onerous leases £000	Total £000
Balance at 1 April 2017	253	253
Provisions made	-	-
Provisions utilised	(15)	(15)
Balance at 30 September 2017	238	238
Provisions made	-	-
Provisions utilised	1	1
Balance at 31 March 2018	239	239
Provisions made	-	-
Provisions utilised	71	71
Balance at 30 September 2018	168	168
Current	168	168
Non-current	-	-
	168	168

NOTES TO INTERIM REPORT

10. CASH FLOW STATEMENTS

	6 months to 30 September 2018 (unaudited) £000	6 months to 30 September 2017 (unaudited) £000	Year Ended 31 March 2018 (audited) £000
Cash flows from operating activities			
Profit/(loss) for the period	110	(729)	(2,198)
Adjustments for:			
Taxation	-	27	(304)
Financial income	-	-	-
Financial expense	498	462	897
Fair value adjustment on fixed assets and investment property	-	838	626
Depreciation	175	184	325
Amortisation of grants	-	(23)	-
Loss on sale of property, plant and equipment	(16)	4	(10)
Cash generated from operations before changes in working capital and provisions	767	763	(664)
Increase in inventories	(959)	(151)	(707)
Decrease/(increase) in trade and other receivables	57	29	82
(Decrease)/increase in trade and other payables	(229)	(135)	462
Decrease in deferred income	(551)	(396)	(45)
(Decrease)/increase in provisions	(1)	(15)	(14)
Cash generated from operations	(916)	95	(886)

11. CAPITAL COMMITMENTS

At 30 September 2018 the Group has engaged contractors to perform £0.2m of work in the Fisheries complex. Some of this cost will be set off by grant contribution.



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