



SUTTON  
HARBOUR  
HOLDINGS PLC

**2015**

INTERIM REPORT



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 and investment including the newly built King Point Marina and car parking operational activities; and
- Plymouth City Airport Limited, the company holding the leasehold interest of the former airport site.

### 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 with record fish landings achieved in the year ended 31 March 2015.

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' on facing page.

### 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 one complete season ending 31 March 2015. 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 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 includes regeneration activities and is focused on development for revenue and capital growth.

### 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.

### Former Airport Site

In 2000, the Group purchased Plymouth City Airport Limited and a long lease of the regional airport. 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 ratified the closure of the airport as of 23 December 2011. In accordance with its obligations under the lease, the Group has continued to pursue best value for the site from alternative use.

The Group is now working towards options to maximise value from the former airport site having developed 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.

## 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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Revenues and profitability from the core activities of marine, real estate, and car parking have progressed satisfactorily in the first six months compared to the same period last year. In addition the Group reports the following highlights:

- Completion of further lettings around Sutton Harbour boosting occupancy rate to 96.2% (31 March 2015: 93.3%)
- Grant supported infrastructure programme continuing with new chiller project completed November 2015
- Confirmed that the 2016 Trans Atlantic Race departs from Plymouth and is to be hosted at Sutton Harbour for the second time

## RESULTS AND FINANCIAL POSITION

The Group reports profit before taxation of £1.261m (2014:£ 0.861m). Excluding fair value adjustments, the adjusted profit before taxation for the first six month period was £0.249m (2014: £0.155m). These results continue to show stable trading from established businesses, although finance charges have increased to £0.552m (2014: £0.524m) as the Group has drawn further on the bank debt facility to fund infrastructure improvements and pre-planning work for new projects.

As at 30 September 2015, net assets were £41.530m (43.1 pence per share), having increased from £40.459m (42.0 pence per share) at 31 March 2015. This increase of £1.071m over the six month period incorporates the results of the independent external valuation of property assets as at 30 September 2015 which gave rise to an overall £1.015m surplus (2014: £0.563m), of which £1.012m (2014: £0.506m) is attributable to the investment property portfolio.

During the first half year net bank debt increased from £21.411m to £21.806m. Overall bank and lease financing increased by £0.798m between 1 April 2015 and 30 September 2015 to fund capital investment, most notably the new ice plant, and the

annual working capital peak in the Autumn. As at 30 September 2015 gearing stood at 53.6% (31 March 2015: 53.0%). The Group has confirmed banking facilities of £22.5m until October 2016, with positive re-financing discussions underway towards a new facility.

The Board does not recommend the payment of an interim dividend (2014: £nil).

## MARINE BUSINESSES

The Plymouth Fisheries business at Sutton Harbour has traded well. The new ice plant is now installed and is serving the market and boats.

The occupancy of the Marina at Sutton Harbour is slightly less than last year after a major customer downscaled bulk berthing requirements at the start of the season. At King Point Marina, occupancy has exceeded our expectations for the current season.

## REAL ESTATE

Occupancy has improved to 96.2% (31 March 2015: 93.3%) following the letting to Boston Tea Party. Additionally, improving tenant covenant strength and work to improve lease terms has assisted the increase in the investment portfolio valuation of £1.012m.

## CAR PARKING

The car parks have achieved improved revenues of £0.279m (2014: £0.251m) and operating profit of £0.171m (2014: £0.159m) as a result of successfully adopting seasonal pricing strategies.

## REGENERATION

Throughout the first half year the Group has been working through the next stage of each of its principal regeneration projects as follows:

## FORMER AIRPORT SITE

The Government's review of the former Plymouth airport, which was announced by the Chancellor in the March 2015 budget statement, is now expected

to be published in the New Year. We have made various reports and documents available for scrutiny to the Department for Transport. The local planning authority's work on the new planning framework for Plymouth, the 'Plymouth Plan', is progressing and the Group continues to prepare and submit its detailed representations to the consultation process. The airport closed in December 2011 after notice of closure on grounds of non-viability was ratified by Plymouth City Council at a full council meeting, and in the intervening four years the Company has worked in accordance with its contractual obligations to pursue best value for the site from alternative use. Plymouth City Council, in its role as the local planning authority, however, continues to express its desire in the draft 'Plymouth Plan' to preserve the former airport site for aviation use. The Company regards this draft policy as unsound as independent evidence repeatedly demonstrates unsuitability on environmental, physical and commercial grounds. The Group anticipates that land use allocation of the Former Airport Site will be determined by an independent government 'examination in public' in due course as part of the statutory planning process. The City of Plymouth urgently needs to identify suitable, previously developed, brownfield sites to address its chronic housing shortage with the Former Airport Site fitting this criteria and capable of delivering up to 10% of the new housing requirements together with much needed jobs.

The Group has recently published independently researched information to demonstrate the socio-economic benefits of developing the former airport site and a similar review of the 'Vision' framework for the significant contribution to the city and regional economy that development around Sutton Harbour could deliver. Realisation of the value carried in the Former Airport Site would accelerate the delivery of the development opportunities around the Harbour

## SUGAR HOUSE, EAST QUAY

The Group is working on a new proposal comprising a mix of residential, student accommodation, car parking and commercial uses for this site. The

most marketable and deliverable scheme will be formulated prior to approaching potential funding and delivery partners to optimise the risk/reward profile for the Group.

## 'THE BOARDWALK' AT VAUXHALL QUAY

The Group previously reported that this 7,800 sq ft scheme has been granted planning consent. Pre-construction works are currently in progress to test ground conditions and seabed ecology to gain the necessary additional statutory consents. The Group has agreed heads of terms with potential occupiers on a pre-let basis.

## OUTLOOK

The Group has successfully improved the profitability and sustainability of core activities. The renewal of essential operational infrastructure has been, and will continue to be, a key part of this strategy. The Group remains focused on work towards realisation of key inventory sites, including the Former Airport Site and Sugar House to facilitate a planned reduction in debt in due course.

Graham Miller  
Chairman

Jason Schofield  
Chief Executive

01 December 2015

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	6 months to 30 September 2015 (unaudited) £000	6 months to 30 September 2014 (unaudited) £000	Year Ended 31 March 2015 (audited) £000
<b>Revenue</b>	<b>3</b>	<b>3,674</b>	3,837	6,955
Cost of sales before impairment of assets		(2,209)	(2,513)	(4,528)
Impairment of assets		-	-	(403)
<b>Cost of sales</b>		<b>(2,209)</b>	(2,513)	(4,931)
<b>Gross profit</b>		<b>1,465</b>	1,324	2,024
Fair value adjustment on investment property		1,012	506	917
Administrative expenses		(664)	(645)	(1,153)
<b>Operating profit from continuing operations</b>	<b>3</b>	<b>1,813</b>	1,185	1,788
Financial income		-	-	1
Financial expense		(552)	(524)	(928)
<b>Net financing costs</b>		<b>(552)</b>	(524)	(927)
<b>Profit before tax from continuing operations</b>	<b>3</b>	<b>1,261</b>	661	861
Taxation on profit from continuing operations	<b>4</b>	(252)	(132)	(206)
<b>Profit from continuing operations</b>		<b>1,009</b>	529	655
<b>Basic earnings per share</b>	<b>6</b>	<b>1.05p</b>	0.55p	0.68p
<b>Diluted earnings per share</b>	<b>6</b>	<b>1.05p</b>	0.55p	0.68p

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months to 30 September 2015 (unaudited) £000	6 months to 30 September 2014 (unaudited) £000	Year Ended 31 March 2015 (audited) £000
<b>Profit from continuing operations</b>	<b>1,009</b>	529	655
<b>Other comprehensive income</b>			
<b>Continuing operations:</b>			
Revaluation of property, plant and equipment	3	57	1,271
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	59	29	(21)
<b>Total other comprehensive income</b>	<b>62</b>	86	1,250
<b>Total comprehensive income for the period attributable to equity shareholders</b>	<b>1,071</b>	615	1,905

# CONSOLIDATED BALANCE SHEET

	Note	As at 30 September 2015 (unaudited) £000	As at 30 September 2014 (unaudited) £000	As at 31 March 2015 (audited) £000
<b>Non-current assets</b>				
Property, plant and equipment	7	28,741	27,691	29,479
Investment property	7	18,530	16,055	16,605
		<b>47,271</b>	<b>43,746</b>	<b>46,084</b>
<b>Current assets</b>				
Inventories		20,012	19,809	19,894
Trade and other receivables		1,645	1,996	1,527
Cash and cash equivalents	8	154	166	239
Tax recoverable		26	-	17
		<b>21,837</b>	<b>21,971</b>	<b>21,677</b>
<b>Total assets</b>	<b>3</b>	<b>69,108</b>	<b>65,717</b>	<b>67,761</b>
<b>Current liabilities</b>				
Other interest-bearing loans and borrowings		-	-	-
Trade and other payables		1,126	1,809	1,241
Finance lease liabilities		103	19	19
Deferred income		981	907	1,504
Provisions	9	44	33	48
		<b>2,254</b>	<b>2,768</b>	<b>2,812</b>
<b>Non-current liabilities</b>				
Other interest-bearing loans and borrowings		21,960	21,245	21,650
Finance lease liabilities		347	38	28
Deferred government grants		1,018	767	994
Deferred tax liabilities		1,789	1,463	1,536
Provisions	9	116	164	129
Derivative financial instruments		94	103	153
		<b>25,324</b>	<b>23,780</b>	<b>24,490</b>
<b>Total liabilities</b>	<b>3</b>	<b>27,578</b>	<b>26,548</b>	<b>27,302</b>
<b>Net assets</b>		<b>41,530</b>	<b>39,169</b>	<b>40,459</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		14,600	13,374	14,538
Retained earnings		5,493	4,358	4,484
<b>Total equity</b>		<b>41,530</b>	<b>39,169</b>	<b>40,459</b>



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Revaluation reserve	Merger reserve	Hedging reserve	Retained earnings	Total
	-----Other Reserves-----						
	£000	£000	£000	£000	£000	£000	£000
<b>Balance at 1 April 2014</b>	16,069	5,368	9,549	3,871	(132)	3,829	38,554
<b>Comprehensive income/(expense)</b>							
Profit for the period	-	-	-	-	-	529	529
<b>Other comprehensive income/(expense)</b>							
Revaluation of property, plant and equipment	-	-	57	-	-	-	57
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	29	-	29
<b>Total other comprehensive income/(expense) – period ended 30 September 2014</b>	-	-	57	-	29	-	86
<b>Total comprehensive income/(expense) – period ended 30 September 2014</b>	-	-	57	-	29	529	615
<b>Balance at 30 September 2014</b>	<b>16,069</b>	<b>5,368</b>	<b>9,606</b>	<b>3,871</b>	<b>(103)</b>	<b>4,358</b>	<b>39,169</b>
Balance at 1 October 2014	16,069	5,368	9,606	3,871	(103)	4,358	39,169
<b>Comprehensive income/(expense)</b>							
Profit for the period	-	-	-	-	-	126	126
<b>Other comprehensive income/(expense)</b>							
Revaluation of property, plant and equipment	-	-	1,214	-	-	-	1,214
Deferred taxation on revaluation of property, plant and equipment	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(50)	-	(50)
<b>Total other comprehensive income/(expense) – period ended 31 March 2015</b>	-	-	1,214	-	(50)	-	1,164
<b>Total comprehensive income/(expense) – period ended 31 March 2015</b>	-	-	1,214	-	(50)	126	1,290
<b>Balance at 31 March 2015</b>	<b>16,069</b>	<b>5,368</b>	<b>10,820</b>	<b>3,871</b>	<b>(153)</b>	<b>4,484</b>	<b>40,459</b>
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>As 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>

# CONSOLIDATED CASH FLOW STATEMENT

	6 months to 30 September 2015 (unaudited) £000	6 months to 30 September 2014 (unaudited) £000	Year Ended 31 March 2015 (audited) £000
Note			
Cash generated from continuing operating activities	10	17	85
<b>Cash generated from total operating activities</b>		<b>17</b>	<b>85</b>
Tax received		-	-
<b>Net cash generated from/(used in) operating activities</b>		<b>17</b>	<b>85</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		-	1
Expenditure on investment property		(5)	-
Expenditure on property, plant and equipment		(292)	(553)
Interest received		-	1
<b>Net cash used in investing activities</b>		<b>(297)</b>	<b>(552)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(553)	(524)
Loan drawdowns/(repayment of borrowings)		310	815
Finance lease receipts		403	57
Grants received		35	80
<b>Net cash generated from financing activities</b>		<b>195</b>	<b>428</b>
Net decrease in cash and cash equivalents		(85)	(39)
Cash and cash equivalents at beginning of period		239	205
<b>Cash and cash equivalents at end of period</b>	<b>8</b>	<b>154</b>	<b>166</b>

# NOTES TO INTERIM REPORT

## 1 | 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 2014 were approved by the Board of Directors on 17 June 2014 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 2015, 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 2015, 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 2015 and have not been adopted early:

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38):

\*1 January 2016

Amendment to IFRS 11 Joint Arrangements: \*1 January 2016

IFRS 15 Revenue from Contracts with Customers: \*1 January 2017

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.

There have been no significant changes to estimates and judgements since the signing of the financial statements for the year ended 31 March 2015.

## 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 2014 is as follows:

6 months to 30 September 2015	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: Onerous leases	-	-	-	-	-
Gross profit					1,465
Fair value adjustment on investment property	-	1,012	-	-	1,012
Unallocated: Administrative expenses					(664)
Operating profit from continuing operations					1,813
Other gains and losses Financial income					(552)
Financial expense					-
Profit before tax from continuing operations					1,261
Taxation					(252)
Profit for the year from continuing operations					1,009

### Depreciation charge

Marine	112
Real Estate	-
Car Parking	3
Regeneration	-
Administration	8
	<b>123</b>

# NOTES TO INTERIM REPORT

6 months to 30 September 2014	Marine £000	Real Estate £000	Car Parking £000	Regeneration £000	Total £000
Revenue	2,773	813	251	-	3,837
Gross profit prior to non-recurring items	712	519	159	(66)	1,324
Non-recurring items:					
Onerous leases	-	-	-	-	-
Gross profit	712	519	159	(66)	1,324
Fair value adjustment on investment property	-	506	-	-	506
Unallocated:					
Administrative expenses					(645)
Operating profit from continuing operations					1,185
Other gains and losses					
Financial income					-
Financial expense					(524)
Profit before tax from continuing operations					661
Taxation					(132)
Profit for the year from continuing operations					529
<b>Depreciation charge</b>					
Marine					28
Real Estate					-
Car Parking					4
Regeneration					-
Administration					10
					<b>42</b>

## 3 | SEGMENT INFORMATION (CONTINUED)

Year ended 31 March 2015	Marine £000	Real Estate £000	Car Parking £000	Regeneration £000	Total £000
Revenue	5,020	1,513	422	-	6,955
Gross profit prior to non-recurring items	1,445	971	240	(229)	2,427
Non-recurring items:					
Onerous leases	(303)	-	-	(100)	(403)
Gross profit	1,142	971	240	(329)	2,024
Fair value adjustment on investment property	-	864	53	-	917
Unallocated:					
Administrative expenses					(1,153)
Operating profit from continuing operations					1,788
Other gains and losses					
Financial income					1
Financial expense					(928)
Profit before tax from continuing operations					861
Taxation					(206)
Profit for the year from continuing operations					655
<b>Depreciation charge</b>					
Marine					118
Real Estate					-
Car Parking					7
Regeneration					-
Administration					18
					<b>143</b>

	30 September 2015 £000	30 September 2014 £000	31 March 2015 £000
<i>Segment assets:</i>			
Marine	25,623	24,763	26,348
Real Estate	19,103	16,431	17,012
Car Parking	3,652	3,444	3,577
Regeneration	20,116	20,520	20,179
<b>Total segment assets</b>	<b>68,494</b>	<b>65,158</b>	<b>67,116</b>
Unallocated assets:			
Property, plant and equipment	131	90	123
Trade & other receivables	329	303	283
Cash & cash equivalents	154	166	239
<b>Total assets</b>	<b>69,108</b>	<b>65,717</b>	<b>67,761</b>

# NOTES TO INTERIM REPORT

## 3 | SEGMENT INFORMATION (CONTINUED)

	30 September 2015 £000	30 September 2014 £000	31 March 2015 £000
<i>Segment liabilities:</i>			
Marine	1,575	1,741	2,058
Real Estate	609	861	804
Car Parking	39	51	67
Regeneration	846	878	933
<b>Total segment liabilities</b>	<b>3,069</b>	<b>3,531</b>	<b>3,862</b>
<i>Unallocated liabilities:</i>			
Bank overdraft & borrowings	22,410	21,245	21,650
Trade & other payables	215	205	101
Financial derivatives	94	103	153
Tax payable	1	1	-
Deferred tax liabilities	1,789	1,463	1,536
<b>Total liabilities</b>	<b>27,578</b>	<b>26,548</b>	<b>27,302</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% (2014: 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 (2014: nil).

## 6 | EARNINGS PER SHARE

	6 months to 30 September 2015 (unaudited) pence	6 months to 30 September 2014 (unaudited) pence	Year Ended 31 March 2015 (audited) pence
<i>Continuing operations</i>			
Basic earnings per share	1.05p	0.55p	0.68p
Diluted earnings per share	1.05p	0.55p*	0.68p

### Basic Earnings per Share:

Basic earnings per share have been calculated using the profit for the period of £1,009,000 (2014: profit £529,000, year ended 31 March 2015 profit £655,000). The average number of ordinary shares in issue, excluding those options granted under the SAYE scheme, of 96,277,086 (2014: 96,277,086; year ended 31 March 2015: 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 (2014: 96,277,086; year ended 31 March 2015: 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'.

## 6 | EARNINGS PER SHARE (CONTINUED)

\* For the 6 months ended 30 September 2015, the year ended 31 March 2015, and the 6 months ended 30 September 2014, 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.

## 7 | PROPERTY VALUATION

Freehold land and buildings and investment property have been independently valued by Jones Lang LaSalle as at 30 September 2015, 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 2015, as in previous years.

## 8 | CASH AND CASH EQUIVALENTS

	As at 30 September 2015 (unaudited) £000	As at 30 September 2014 (unaudited) £000	As at 31 March 2015 (audited) £000
Cash and cash equivalents per balance sheet and cash flow statement	154	166	239

## 9 | PROVISIONS

	Onerous Leases £000	Total £000
Balance at 1 April 2014	210	210
Provisions made during the year	-	-
Provisions utilised during the year	(13)	(13)
<b>Balance at 30 September 2014</b>	<b>197</b>	<b>197</b>
Provisions made during the year	-	-
Provisions utilised during the year	(20)	(20)
<b>Balance at 31 March 2015</b>	<b>177</b>	<b>177</b>
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>
Current	44	44
Non-current	116	116
	<b>160</b>	<b>160</b>



## 10 | CASH FLOW STATEMENTS

	6 months to 30 September 2015 (unaudited) £000	6 months to 30 September 2014 (unaudited) £000	Year Ended 31 March 2015 (audited) £000
<b>Cash flows from operating activities</b>			
Profit for the period	1,009	529	655
Adjustments for:			
Taxation	252	132	206
Financial income	-	-	(1)
Financial expense	552	524	928
Fair value adjustments on owner occupied and investment property	(1,012)	(506)	(864)
Revaluation of property, plant and equipment	-	-	(53)
Depreciation	123	42	143
Amortisation of grants	(8)	(2)	(4)
Impairment of development property	-	-	403
Loss on sale of property, plant and equipment	-	7	9
<b>Cash generated from operations before changes in working capital and provisions</b>	<b>916</b>	<b>726</b>	<b>1,422</b>
Increase in inventories	(118)	(121)	(207)
(Increase)/decrease in trade and other receivables	(126)	(424)	28
(Decrease)/increase in trade and other payables	(115)	440	(78)
(Decrease)/increase in deferred income	(523)	(523)	73
Decrease in provisions	(17)	(13)	(33)
<b>Cash generated from operations</b>	<b>17</b>	<b>85</b>	<b>1,205</b>

## 11 | CAPITAL COMMITMENTS

At 30 September 2015 the Group was contractually committed to construct new and refurbished chillers at a further cost of £197,000. Grant match funding of up to 50% is available to offset these costs.



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