



SUTTON
HARBOUR
HOLDINGS PLC

2014

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 now provides berthing for 545 vessels and receives stable, core annual revenue stream in the form of dues, fees and rents from the established fisheries, marinas and property operations.

The location of Sutton Harbour, in central Plymouth and adjoining the historic Barbican quarter, has undergone two main phases of regeneration over the past two decades. 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. The Group has a framework masterplan and will submit planning applications on proposed developments within the overall plan.

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.

King Point Marina

In June 2011, the Group was selected by the English Cities Fund (ECF) to build and operate the new marina at Millbay in Plymouth. The new King Point Marina although not fully complete, at Millbay, received its first berth-holders in September 2013.

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 agreed to the closure of the airport as of 23 December 2011. The Group has put forward a vision for alternative use of the former airport site.

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. The Group also successfully 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,
 Plymouth, PL4 0RA
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COMPANY NUMBER

2425189

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During the first half year the Group has benefitted from improving activity levels across the core trading businesses and reports the following achievements:

- Two new significant lettings completed to high quality tenants on improved terms totalling 7,846 sq ft (729 m²) of space;
- Contractors on site to construct and commission a new c.£800,000, match grant funded, ice plant at Plymouth Fisheries as part of an infrastructure renewal programme to create additional capacity for growth;
- Launch of 'Vision' for Sutton Harbour; a framework for approximately 350,000 sq ft (32,516 m²) new mixed use space, to underpin the Sutton Harbour area as a more regionally and nationally recognised destination;
- Consolidation of the Group's representations on emerging planning policy to City of Plymouth to enhance position of real estate inventory.

RESULTS AND FINANCIAL POSITION

The Group reports profit before tax of £0.661m for the six months to 30 September 2014 (2013: £0.526m). Excluding fair value adjustment on investment properties the underlying profit before tax was £0.155m (2013: £0.123m). The steadily improving revenue reflects increasing occupancy rates of the marinas, investment properties and car parks and continued strong performance by the fisheries business.

The balance sheet as at 30 September 2014 incorporates valuation of the property portfolio as at the same date which has resulted in an overall increase in portfolio valuation of £0.563m since 31 March 2014. This increase is split £0.506m in respect of the investment portfolio and £0.057m in respect of the owner occupied portfolio. The positive revaluation reflects the improving quality of tenant covenants but we continue to experience a cautious approach to valuation of assets in provincial locations.

The Company's net assets as at 30 September 2014 increased to £39.169m (40.7 pence per share) from £38.554m (40.0 pence per share) as at 31 March 2014.

The increase in finance expense to £0.524m in the first six months (2013: £0.398m) reflects the re-classification of bank charges formerly charged to overheads and the cost to service increased net debt, compared to last year. As at 30 September 2014 net debt was £21.136m (30 September 2013: £20.154m and 31 March 2014: £20.225m). During the first six months net debt has increased due to the investment into capital infrastructure projects, instalments to pay the previously recognised back rating demand and the effects of the Group's seasonal working capital cycle. With additional payments due for infrastructure plant in the second half year, partly offset by match grant funding, and the final lease payment of £500,000 due in respect of King Point Marina, the Group expects reduced headroom on its maximum £22.5m bank facility during the second half of the year; although the Board remains committed to reducing this level of debt. The Group has met all of its banking covenants during the period and continues to maintain the support of its bankers. Gearing as at 30 September 2014 was 54.0% (31 March 2014: 52.5%).

No interim dividend is proposed by the board (2013:nil).

MARINE BUSINESSES

After opening in October 2013, King Point Marina has achieved 59% occupancy of the facility by 30 September 2014. Sutton Harbour Marina occupancy has also advanced to 86% with particularly strong demand for larger berths. We are encouraged that the new King Point Marina has not had an impact on the customer base of the mature Sutton Harbour Marina and that the offer differentiation has been recognised.

The Plymouth Fisheries business at Sutton Harbour has traded strongly throughout the first half year, albeit fuel sales margins achievable are still tight.

During October 2014, Plymouth Fisheries recorded its most successful month since the facility opened 20 years ago with over £2.1m fish landed (auctioned value).

Maintenance and renewal of the infrastructure that serves the Harbour and its marine businesses is essential to ensure we can continue to provide reliable service and meet capacity requirements. The capital expenditure programme to renew the ice plant, chilling equipment, power metering and lighting infrastructure is now underway, with the new ice plant expected to be operational early in the New Year. The new walkways, on the inside of the lock structure, that rise and fall with the tide for vessels to tie up alongside, will be completed this month. These are high profile projects within the fishing and marine industry and have attracted positive media interest.

REAL ESTATE

Letting of 4,028 sq ft (374 m²) vacant office space at North Quay House on a 15 year lease was completed in August 2014 to Rame Energy plc, and a new 15 year lease was completed on 3,818 sq ft (355 m²) waterfront premises to 'The Stable' (which is part owned by Fuller, Smith & Turner PLC), a craft cider and artisan pizza concept bar/restaurant, last month. These new lettings bring the occupancy rate to 89%, with the ready-to-let office accommodation now full reinforcing the success of promoting Sutton Harbour as the central business district for professional services in Plymouth.

CAR PARKING

The car parking business benefitted from a good summer season and first half year revenues were boosted to £0.251m, a 15% increase from the comparative period (2013: £0.219m). We continue to work to improve yields using variable seasonal pricing and deploying additional credit card payment machines.

REGENERATION

In July 2014 the Group launched the 'Vision' for Sutton Harbour, the framework for creation of approximately 350,000 sq ft (32,516m²) of accommodation with gross development value of c.£75m. Following the launch, the management team has embarked on an ambitious programme to present the 'Vision' to a wide range of potential end users, local stakeholders and possible joint venture partners to position the opportunities offered by the waterfront location. Open forum public consultation sessions have been held with particular focus on proposals for 'The Boardwalk' scheme at Vauxhall Quay and for Sugar House, East Quay, which is the largest development site in the Group's ownership located at Sutton Harbour. Following further consultation of local stakeholders' views, which has led to additional changes in the overall design, 'The Boardwalk' is due for resubmission to the local planning authority in the near future.

The Group has continued to promote the 113 acre former airport site as a regeneration project with rich potential within the framework of emerging planning policy for the area. The Group's clear objective is to realise value from its interest in this site in order to reduce debt and move forward with the 'Vision' led development projects around Sutton Harbour.

OUTLOOK

Reduction in the level of the Group's debt remains a high priority. In addition, the Group continues to focus on its strategy to release value from its regeneration stock, and with a further revaluation of the Company's net assets, the outlook for the Group is encouraging with better prospects to grow revenues as business conditions improve and new infrastructure adds capacity.

Graham Miller
Chairman

Jason Schofield
Chief Executive

2 December 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	6 months to 30 September 2014 (unaudited) £000	6 months to 30 September 2013 (unaudited) £000	Year Ended 31 March 2014 (audited) £000
Revenue	3	3,837	3,709	7,045
Cost of sales before impairment of assets		(2,513)	(2,491)	(4,554)
Onerous leases, Impairment of assets		-	-	(354)
Cost of sales		(2,513)	(2,491)	(4,908)
Gross profit		1,324	1,218	2,137
Fair value adjustment on investment property		506	403	311
Administrative expenses		(645)	(698)	(1,324)
Operating profit from continuing operations	3	1,185	923	1,124
Financial income		-	1	1
Financial expense		(524)	(398)	(860)
Net financing costs		(524)	(397)	(859)
Profit before tax from continuing operations	3	661	526	265
Taxation on profit from continuing operations	4	(132)	(508)	1,058
Profit from continuing operations		529	18	1,323
Basic earnings per share	6	0.55p	0.00p	1.37p
Diluted earnings per share	6	0.55p	0.00p	1.37p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months to 30 September 2014 (unaudited) £000	6 months to 30 September 2013 (unaudited) £000	Year Ended 31 March 2014 (audited) £000
Profit from continuing operations	529	18	1,323
Other comprehensive income			
Continuing operations:			
Revaluation of property, plant and equipment	57	2,296	993
Deferred taxation on income and expenses recognised directly in the consolidated statement of comprehensive income	-	-	(374)
Effective portion of changes in fair value of cash flow hedges	29	(30)	50
Total other comprehensive income	86	2,266	669
Total comprehensive income for the period attributable to equity shareholders	615	2,284	1,992

CONSOLIDATED BALANCE SHEET

	Note	As at 30 September 2014 (unaudited) £000	As at 30 September 2013 (unaudited) £000	As at 31 March 2014 (audited) £000
Non-current assets				
Property, plant and equipment	7	27,691	27,723	27,104
Investment property	7	16,055	15,656	15,575
		43,746	43,379	42,679
Current assets				
Inventories		19,809	19,600	19,688
Trade and other receivables		1,996	1,381	1,572
Cash and cash equivalents	8	166	246	205
Tax recoverable		-	-	-
		21,971	21,227	21,465
Total assets	3	65,717	64,606	64,144
Current liabilities				
Other interest-bearing loans and borrowings		-	-	-
Trade and other payables		1,809	1,142	1,369
Finance lease liabilities		19	-	-
Deferred income		907	821	1,413
Provisions	9	33	-	53
		2,768	1,963	2,835
Non-current liabilities				
Other interest-bearing loans and borrowings		21,245	20,400	20,430
Finance lease liabilities		38	-	-
Deferred government grants		767	693	706
Deferred tax liabilities		1,463	2,492	1,330
Provisions		164	-	157
Derivative financial instruments		103	212	132
		23,780	23,797	22,755
Total liabilities	3	26,548	25,760	25,590
Net assets		39,169	38,846	38,554
Issued capital and reserves attributable to owners of the parent				
Share capital		16,069	16,069	16,069
Share premium		5,368	5,368	5,368
Other reserves		13,374	14,511	13,288
Retained earnings		4,358	2,898	3,829
Total equity		39,169	38,846	38,554

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
Balance at 1 April 2013	16,069	5,368	8,556	3,871	(182)	2,880	36,562
Comprehensive income/(expense)							
Profit for the period	-	-	-	-	-	18	18
Other comprehensive income/(expense)							
Revaluation of property, plant and equipment	-	-	2,296	-	-	-	2,296
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(30)	-	(30)
Total other comprehensive income/(expense) – period ended 30 September 2013	-	-	2,296	-	(30)	-	2,266
Total comprehensive income/(expense) – period ended 30 September 2013	-	-	2,296	-	(30)	18	2,284
Balance at 30 September 2013	16,069	5,368	10,852	3,871	(212)	2,898	38,846
Balance at 1 October 2013	16,069	5,368	10,852	3,871	(212)	2,898	38,846
Comprehensive income/(expense)							
Profit for the period	-	-	-	-	-	1,305	1,305
Other comprehensive income/(expense)							
Revaluation of property, plant and equipment	-	-	(1,303)	-	-	-	(1,303)
Deferred taxation on revaluation of property, plant and equipment	-	-	-	-	-	(374)	(374)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	80	-	80
Total other comprehensive income/(expense) – period ended 31 March 2014	-	-	(1,303)	-	80	(374)	(1,597)
Total comprehensive income/(expense) – period ended 31 March 2014	-	-	(1,303)	-	80	931	(292)
Balance at 31 March 2014	16,069	5,368	9,549	3,871	(132)	3,829	38,554
Balance at 1 April 2014	16,069	5,368	9,549	3,871	(132)	3,829	38,554
Comprehensive income/(expense)							
Profit for the period	-	-	-	-	-	529	529
Other comprehensive income/(expense)							
Revaluation of property, plant and equipment	-	-	57	-	-	-	57
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	29	-	29
Total other comprehensive income/(expense) – period ended 30 September 2014	-	-	57	-	29	-	86
Total comprehensive income/(expense) – period ended 30 September 2014	-	-	57	-	29	529	615
As at 30 September 2014	16,069	5,368	9,606	3,871	(103)	4,358	39,169

CONSOLIDATED CASH FLOW STATEMENT

	6 months to 30 September 2014 (unaudited) £000	6 months to 30 September 2013 (unaudited) £000	Year Ended 31 March 2014 (audited) £000
	Note		
Cash generated from/(used in) continuing operating activities	10	85	(294)
Cash generated from/(used in) from total operating activities		85	(294)
Tax received		-	-
Net cash generated from/(used in) operating activities		85	(294)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		1	-
Expenditure on investment property		-	(32)
Expenditure on property, plant and equipment		(553)	(2,122)
Interest received		-	-
Net cash used in investing activities		(552)	(2,154)
Cash flows from financing activities			
Interest paid		(524)	(351)
Loan drawdowns/(repayment of borrowings)		815	2,550
Finance lease receipts		57	-
grants received		80	-
Net cash generated from financing activities		428	2,199
Net decrease in cash and cash equivalents		(39)	(249)
Cash and cash equivalents at beginning of period		205	495
Cash and cash equivalents at end of period	8	166	246

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.

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 2014, 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 2014, 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 11 April 2014 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 2014.

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 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:	712	1,025	159	(66)	1,830
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
Depreciation charge					
Marine					28
Real Estate					-
Car Parking					4
Regeneration					-
Administration					10
					42

NOTES TO INTERIM REPORT

6 months to 30 September 2013	Marine £000	Real Estate £000	Car Parking £000	Regeneration £000	Total £000
Revenue	2,713	777	219	-	3,709
Gross profit prior to non-recurring items	715	449	152	(98)	1,218
Non-recurring items:					
Onerous leases	-	-	-	-	-
Gross profit	715	449	152	(98)	1,218
Fair value adjustment on investment property	-	403	-	-	403
Unallocated:	715	852	152	(98)	1,621
Administrative expenses					(698)
Operating profit from continuing operations					923
Other gains and losses					
Financial income					1
Financial expense					(398)
Profit before tax from continuing operations					526
Taxation					(508)
Profit for the year from continuing operations					18
Depreciation charge					
Marine					16
Real Estate					-
Car Parking					1
Regeneration					-
Administration					6
					23

3 | SEGMENT INFORMATION (CONTINUED)

Year ended 31 March 2014	Marine £000	Real Estate £000	Car Parking £000	Regeneration £000	Total £000
Revenue	4,801	1,440	374	430	7,045
Gross profit prior to non-recurring items	1,024	1,040	258	169	2,491
Non-recurring items:					
Onerous leases	-	(354)	-	-	(354)
Gross profit	1,024	686	258	169	2,137
Fair value adjustment on investment property	-	311	-	-	311
Unallocated:	1,024	997	258	169	2,448
Administrative expenses					(1,324)
Operating profit from continuing operations					1,124
Other gains and losses					
Financial income					1
Financial expense					(860)
Profit before tax from continuing operations					265
Taxation					1,058
Profit for the year from continuing operations					1,323

Depreciation charge

Marine				49
Real Estate				-
Car Parking				8
Regeneration				-
Administration				14
				71

	30 September 2014 £000	30 September 2013 £000	31 March 2014 £000
Segment assets:			
Marine	24,763	24,644	23,788
Real Estate	16,431	16,394	15,859
Car Parking	3,444	3,137	3,421
Regeneration	20,520	19,562	20,508
Total segment assets	65,158	63,737	63,576
Unallocated assets:			
Property, plant and equipment	90	190	90
Trade & other receivables	303	433	273
Cash & cash equivalents	166	246	205
Total assets	65,717	64,606	64,144

3 | SEGMENT INFORMATION (CONTINUED)

	30 September 2014 £000	30 September 2013 £000	31 March 2014 £000

Segment liabilities:			
Marine	1,741	985	1,930
Real Estate	861	1,126	519
Car Parking	51	31	18
Regeneration	878	232	1,068
Total segment liabilities	3,531	2,374	3,535

Unallocated liabilities:			
Bank overdraft & borrowings	21,245	20,400	20,430
Trade & other payables	205	253	162
Financial Derivatives	103	212	132
Tax Payable	1	29	1
Deferred tax liabilities	1,463	2,492	1,330
Total liabilities	26,548	25,760	25,590

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% (2013: 23%) based on management's best estimate of the tax rate expected for the full financial year.

5 | DIVIDENDS

The Board of Directors do not propose an interim dividend (2013: nil).

6 | EARNINGS PER SHARE

	6 months to 30 September 2014 (unaudited) pence	6 months to 30 September 2013 (unaudited) pence	Year Ended 31 March 2014 (audited) pence

Continuing operations			
Basic earnings per share	0.55p	0.00p	1.37p
Diluted earnings per share	0.55p	0.00p*	1.37p*

Basic Earnings per Share:

Basic earnings per share have been calculated using the profit for the period of £529,000 (2013: profit £18,000, year ended 31 March 2014 profit £1,323,000). The average number of ordinary shares in issue, excluding those options granted under the SAYE scheme, of 96,277,086 (2013: 96,277,086; year ended 31 March 2014: 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 (2013: 96,277,086; year ended 31 March 2014: 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 2014, the year ended 31 March 2014, and the 6 months ended 30 September 2013, 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 2014, 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 2014 (unaudited) £000	As at 30 September 2013 (unaudited) £000	As at 31 March 2014 (audited) £000
Cash and cash equivalents per balance sheet and cash flow statement	166	246	205

9 | PROVISIONS

	Onerous Leases £000	Airport works £000	Total £000
Balance at 1 April 2013	-	100	100
Provisions made during the year	-	-	-
Provisions utilised during the year	-	(100)	(100)
Balance at 30 September 2013	-	-	-
Provisions made during the year	354	-	354
Provisions utilised during the year	(144)	-	(144)
Balance at 31 March 2014	210	-	210
Provisions made during the year	-	-	-
Provisions utilised during the year	(13)	-	(13)
Balance at 30 September 2014	197	-	197
Current	33	-	33
Non-current	164	-	164
	197	-	197

10 | CASH FLOW STATEMENTS

	6 months to 30 September 2014 (unaudited) £000	6 months to 30 September 2013 (unaudited) £000	Year Ended 31 March 2014 (audited) £000
Cash flows from operating activities			
Profit for the period	529	18	1,323
Adjustments for:			
Taxation	132	508	(1,058)
Financial income	-	-	(1)
Financial expense	524	351	860
Fair value adjustments on owner occupied and investment property	(506)	(403)	(311)
Depreciation	42	23	71
Amortisation of grants	(2)	(2)	(8)
Impairment of development property	-	-	29
Loss on sale of property, plant and equipment	7	3	27
Cash generated from operations before changes in working capital and provisions	726	498	932
Increase in inventories	(121)	(141)	(229)
Increase in trade and other receivables	(424)	(289)	(480)
Increase/(decrease) in trade and other payables	440	270	(50)
(Decrease)/increase in deferred income	(523)	(532)	78
(Decrease)/increase in provisions	(13)	(100)	(110)
Cash generated from/(used in) operations	85	(294)	361

11 | CAPITAL COMMITMENTS

In December 2012, the Group contracted with three companies to construct a new 171 berth marina facility together with shoreside facilities, car parking and a wave protection gate structure. At 30 September 2014 the Group is contractually committed to a further £503,000 to complete the project.

In June 2014, the Group contracted to construct a replacement ice plant for the Fishmarket and replacement floating walkways for Sutton Harbour Lock. The Group is currently contractually committed to £464,000 to complete these projects and grant match funding of up to 50% and 37.5% respectively will be available to offset these costs.



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