SUTTON
HARBOUR
HOLDINGS PLC

2017

ANNUAL REPORT & FINANCIAL STATEMENTS

CONTENTS

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 Plymouth Fisheries), The Marina at Sutton Harbour, together with a number of operations related properties;
- a number of other 'Sutton Harbour' group companies engaged in waterfront property regeneration and investment including King Point Marina and car park operating activities; and
- Plymouth City Airport Limited, the company holding legal interests in the former airport site.

GROUP VISION

The Group aims to be the leading marine, waterfront regeneration and destination specialist in Southern England.

OUR OBJECTIVES

- To develop a mix of activities for long-term sustainable growth and to provide a balanced risk profile.
- To provide a secure investment proposition in a profitable company which has a strong asset base.
- To build on the Group's strength as a specialist in waterfront destination and regeneration in the South West region.
- To increase and improve the income earning asset portfolio of the Group.
- To provide a progressive dividend return to shareholders in the medium term.

CURRENT BUSINESS PLANS

- Growth of earnings from core divisions.
- Retention of assets and development of new assets for investment and revenue earning potential.
- Realisation of inventory assets through sale and development.
- Investment in infrastructure to increase capacity, improve service and enhance quality.
- Adherence to a rigorous cash management plan.
- Improve visibility of the Group's activities to target audiences through the increased use of electronic marketing channels.
- Maintain strong reputation for quality and customer service.

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

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 complete seasons ending 31 March 2017. 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.

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.

STRATEGIC REPORT

THE CHAIRMAN'S STATEMENT AND CHIEF EXECUTIVE'S REPORT

SHAREHOLDERS OVERVIEW

HIGHLIGHTS

- Marketing of the Sugar House, East Quay site for a mixed use scheme. The Group has signed Heads of Terms with a preferred development partner and discussions are underway to formulate the application to be submitted for planning consent.
- Completion of further capital investments to upgrade the Group's operations and asset base.
- Submission of representations supported by a detailed evidence base to the public consultation on the proposed new planning framework, the Plymouth and South West Devon Joint Local Plan, which will determine the land use allocation for the Former Airport Site and the area around Sutton Harbour which includes Plymouth Fisheries.

STRATEGIC REVIEW

The strategic review has continued throughout the financial year with the help of Rothschild to explore all options with the objective of maximising value for shareholders. In order to maximise the effectiveness of this strategic review, the Board is conducting this within the context of a formal sale process as set out in Note 2 of Rule 2.6 of the City Code on Takeovers and Mergers.

RESULTS AND FINANCIAL POSITION

The adjusted profit before taxation for the year was £0.331m (2016: £0.410m), which excludes non-cash fair value adjustments, the increase in the onerous lease provision and other impairments. Profit before taxation for the year under review as per the Income Statement, inclusive of the aforementioned adjustments, was £0.053m (2016: £1.590m).

As at 31 March 2017 net assets were £40.141m (2016: £40.869m), representing 41.7p per share (2016: 42.4p per share). The decrease reflects the fair value adjustment to the investment property portfolios of £0.110m surplus offset by valuation deficit of owner occupied property of £0.215m, a net £0.105m charge to the Income Statement (2016: £1.452m credit) and also the deficit on revaluation of other owner occupied assets of £0.765m (2016: £1.167m deficit) recorded to the Revaluation Reserve. Overall, these valuation movements which were determined by way of an independent valuation, decreased net assets by £0.870m (2016: £0.285m increase in net assets).

The non-cash onerous lease provision was increased by £0.173m to account for the potential future performance of the sub-letting of Salt Quay House until the lease expires in 2021.

During the year net debt (including finance leases) increased in line with expectations to £22.458m, up £0.245m from £22.213m at 31 March 2016, following expenditure on further asset additions and costs in connection with the promotion of the development land inventory. Gearing as at 31 March 2017 was 55.9% (31 March 2016: 54.4%). Finance costs fell from £1.057m (2016) to £0.957m following refinancing in March 2016 on better terms.

The board does not recommend payment of a dividend on the year's results.

DIRECTORS AND STAFF

During the year there have been no changes in the Company's directorships and staff numbers have fallen slightly due to consolidation of some roles. Headcount, excluding Non-Executive Directors, as at 31 March 2017 stood at 35 (31 March 2016: 38).

OPERATIONS REPORT

MARINE

Trading at Plymouth Fisheries Hub was strong throughout the year, with fish throughput valued at £19.7m, resulting in its most successful year. Fuel sales margins performed satisfactorily as a vital revenue source to the Fisheries Hub's business, although ice revenues were lower following the departure of a fish processing tenant from the Fisheries Hub complex.

During the year, the Company has reviewed the efficiency of the Plymouth Fisheries Hub, which is now 23 years old. Fish throughput has increased significantly during the life of the facility, resulting in increased articulated vehicle movements, whilst fish processing on-site has largely diminished resulting in underused processing unit space. To address the changing needs of fishing and to improve public accessibility to the area, the Company has submitted proposals for a reconfigured Fisheries 'Hub' complex to the public consultation on the Plymouth and South West Devon Joint Local Plan.

The Marina at Sutton Harbour saw annual berthing occupancy fall slightly compared to the previous season. During the last year wi-fi connectivity at the marina has been significantly improved and a refurbished reception has been relocated to a more prominent position at the front of the existing marina jetty. King Point Marina continued to gain customers during the period.

REAL ESTATE

Early on in the financial year under review, three tenants departed, two being long standing occupiers of premises at the Plymouth Fisheries Hub and one having occupied a floor of North Quay House. This space, while being actively marketed, currently remains vacant, although good occupier interest in the premises has improved in recent months.

CAR PARKING

The car parks performed strongly in the first half year although revenues flattened in the second half with overall income finishing marginally ahead of last year. The installation of energy efficient lighting has resulted in an energy consumption saving of over 60%. In early 2017, further enhancement works, including clearer signage, have been carried out and automatic number plate recognition equipment has been installed to improve management efficiency.

REGENERATION

Former Airport Site

Throughout the year the Company has been co-ordinating the preparation of a detailed evidence base to support representations to three stages of public consultation towards the formulation of the new local planning framework 'The Plymouth and South West Devon Joint Local (formerly 'Plymouth') Plan'. The local planning authority has remained of the view that the site should be safeguarded for general aviation use (such as private aircraft). This is despite a Department for Transport report on Plymouth Airport released in December 2016 that concluded that there is no realistic prospect that commercial passenger services would be economically viable from the site without significant public subsidy which it has been confirmed is not available.

Our evidence based submission includes independent reports on aviation which conclude that there is no financially sustainable case for commercial or general aviation uses, due to technical, environmental and commercial constraints, and presents the case for the best alternative use. This includes a concept masterplan for a 'Garden Suburb' known as Plym Vale anchored by education, sports, healthcare and employment uses with c.1,500 new homes on the currently redundant brownfield site.

The public hearing of the proposed Joint Local Plan is expected to take place in late 2017 with the independent Government Planning Inspector's Report planned to follow in 2018.

Sugar House, East Quay

Following reconfiguration of the proposed scheme to provide a mix of private residential units, student accommodation, car parking and commercial space, the site was re-marketed to targeted investors/developers. The Company has signed Heads of Terms with a preferred bidder and discussions are underway to formulate the application to be submitted for planning consent.

The 'Boardwalk', Vauxhall Quay

During the year the Company commissioned further ecology and geology surveys required by the Marina Management Organisation in order to obtain the requisite licensing to develop in a marine environment, a requirement in addition to planning consent. The licensing consent is currently awaited. This 7,800 sq ft scheme, to be built on a pier like structure and deliver two large restaurants and a small pavilion unit, gained planned consent in 2015.

OUTLOOK

The Company has made the strongest possible representations to the consultation on the Joint Local Plan in order to progress the stated regeneration strategy 'to realise land inventory assets through sale and development' for both the Former Airport Site and the area immediately around Sutton Harbour. A positive planning allocation outcome will be a key milestone event towards ultimate asset realisation and consequent debt reduction.

GRAHAM MILLER
CHAIRMAN
27 June 2017

JASON SCHOFIELD
CHIEF EXECUTIVE

STRATEGIC REPORT

KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS

The material Key Performance Indicators relevant to the Group's business are:

FINANCIAL HIGHLIGHTS	2017	2016	NOTE
Net Assets	£40.141m	£40.869m	
Net Asset value per share	41.7p	42.4p	
Profit before tax from continuing operations	£0.053m	£1.590m	1
Adjusted Profit before tax excluding fair value adjustments and impairments to inventory	£0.331m	£0.410m	
Profit after tax	£0.040m	£1.497m	
Basic Earnings per share	0.04p	1.55p	
Dividend per share	0.0p	0.0p	
Net Debt	£22.458m	£22.213m	
Gearing (Net Debt/Net Assets)	55.9%	54.4%	

PROPERTY METRICS	AS AT 31 MARCH 2017	AS AT 31 MARCH 2016
Total estate portfolio valuation	£45.135m	£46.102m
Owner occupied portfolio valuation	£25.675m	£26.752m
Investment portfolio valuation	£19.460m	£19.350m
Number of investment properties	71	71
Contracted rent (per annum)	£1.518m	£1.605m
Net initial yield	7.90%	8.30%
Reversionary yield	8.95%	9.20%
Occupancy rate	90.0%	96.2%
Estimated rental value (ERV) of vacant units	£0.120m	£0.039m
Average unexpired lease	9.8 years	10.0 years
Gross car parks revenue	£0.483m	£0.478m
Development Inventory		
Sites around Sutton Harbour	£8.303m	£8.104m
Portland	£0.200m	£0.200m
Former airport site	£12.009m	£11.721m
Total	£20.512m	£20.025m

NOTE

1 Includes a charge for fair value adjustments on investment property and property, plant equipment of £0.105m (2016: credit £1.452m), a charge to increase the onerous lease provision of £0.173m (2016: £ nil) and a charge for asset impairments of £nil (2016: £0.272m).

STRATEGIC REPORT

FINANCIAL REVIEW

ACCOUNTING

The Group's year end results are presented under International Financial Reporting Standards (IFRS) as adopted by the European Union.

ASSET VALUATION

During the year, independent valuation of the Group's investment and owner-occupied portfolio was undertaken at 30 September 2016 and at 31 March 2017. The valuation at 30 September 2016 gave rise to a net deficit of £1.012m in the first half year, with further adjustment in the second half year to give an overall net deficit for the year of £0.870m. This deficit is reconciled as £0.110m surplus on the investment portfolio and £0.980m deficit on the owner-occupied portfolio.

CARRYING VALUE OF FORMER AIRPORT SITE

The former airport site, a 113 acre site in which the Group holds an unexpired 138 year leasehold interest, is held as development inventory at a carrying value of £12.009m. At each balance sheet date, this carrying value is tested for impairment with the board needing to satisfy itself that the asset is included in inventory at the lower of cost and net realisable value, with net realisable value including developer's return where applicable. The carrying value of £12.009m is derived as follows:

- The land and building asset was independently valued twice yearly until 31 March 2013, when the asset was transferred to development inventory.
- As at 31 March 2013 the land and building asset was transferred to development inventory and combined with the pre-existing inventory total, which included the cost of building the Link Road and planning intellectual property costs.
- It was agreed at 31 March 2013 that the transfer was made at valuation, inclusive of historic revaluations. As at 31 March 2013 the carrying value of the former airport asset was £11.479m, inclusive of past revaluations totalling £3.969m. The net increase in former airport asset valuation from 31 March 2013 (£11.479m) to 31 March 2017 (£12.009m) of £530,000 represents the capitalised costs of developing the planning intellectual property less the cost attributed to sales of small plots.
- Net Realisable Value is estimated with reference to expected net proceeds for the 25% share of the leasehold interest. The mechanism for sharing of net proceeds with the freeholder, Plymouth City Council, is set out in the lease.
- The auditors, Nexia Smith and Williamson, included an Emphasis of Matter paragraph within the 2015, 2016 and 2017 Audit Reports due to uncertainty about the impact on Net Realisable Value of the planning process (Plymouth Plan/Joint Local Plan 2017-2034 currently being formulated) and the outcome of a Government Report about the future of Plymouth City Airport.
- In December 2016 the Department for Transport published the 'Plymouth Airport Study Report', which concluded that a lack of demand and a short runway mean commercially viable passenger services could not be run out of the former Plymouth Airport site as it would remain "financially vulnerable" in a "high risk environment".
- In April 2017, the Company submitted its representations and detailed evidence base in support of allocation of the former Airport Site for alternative use in advance of the Government Inspector's public hearing of proposed new local planning framework. The Company expects the hearing to take place during the 2017/18 financial year with the Inspector's decision to follow thereafter.

IMPAIRMENT OF ASSETS

The Directors have reviewed the carrying values of inventory in relation to regeneration projects, taking professional independent advice where applicable and taking into account the current market conditions, estimated delivery timescales and financial outcomes. In addition, the carrying cost of other fixed assets has been reviewed for any potential impairment. In this year the charges relate to a write down of development inventory of £nil (2016: £0.206m) and an impairment of airport assets of £nil (2016: £0.066m).

ONEROUS LEASES

The onerous lease provision was increased by £0.173m (2016: £ nil) to account for the expected future performance of the sub-letting of Salt Quay House until the lease expires in 2021.

CASH FLOW AND FINANCING

The Company had total borrowing net of cash and cash equivalents of £22.458m at 31 March 2017 (2016: £22.213m) with a gearing level of 55.9% (2016: 54.4%). The Company has operated within its authorised facilities and has met all bank covenants during the year. The bank facilities were renewed in March 2016, when the Company entered into a three year agreement. This banking agreement provides a maximum £25.0m committed facility with a revised confirmed expiry date of March 2019.

Debt servicing costs continue to be a major expense to the Group. To manage exposure to LIBOR movements, the Group has hedged LIBOR rate at 0.8737% on £10m core debt until March 2019.

TAXATION

The standard rate of tax applicable to the Group is 19% (2016: 20%). The overall tax charge for the year is £0.013m (2016: £0.093m). No current tax is due on the year's results with the tax charge resulting from restatement of prior year losses and a revision in the rate used for deferred tax.

NATASHA GADSDON
FINANCE DIRECTOR
27 June 2017

MANAGING BUSINESS RISKS

The Group maintains a register of risks which is updated as business risks change. The risk register is reviewed regularly by the Board to ensure that appropriate management processes are in place to manage business risks. Certain business risks are general to all Group activities whereas others are pertinent to particular business activities. Key business risks identified at present are:

GENERAL RISKS	RISK IDENTIFIED	RESPONSE TO RISK
Uncertainty of outcome of Strategic Review Process	Retention of commitment to Company from key stakeholders and employees.	The Board is obliged to manage the process in the best interests of shareholders and with full regard to the impact on employees and other stakeholders.
Financing	The availability of adequate borrowing and other funding facilities.	The Group's current banking facilities to a maximum of £25m expire in March 2019. The Board recognises that the Group is capital constrained thereby delaying progress with specific property development.
Financing	Compliance with bank terms and covenants	The Group maintains a regular dialogue with bankers over progress of the Group and operates to a business plan to remain within bank facility terms.
Financing	Interest rate rises	The Group has hedged LIBOR by way of an interest rate swap over £10m debt until March 2019.
Negative publicity	Increased use of social media can heighten the impact of negative publicity.	Media publicity about the Group is actively followed and reported where it is misleading or untrue.

REAL ESTATE, REGENERATION AND CAR PARKING DIVISIONS	RISK IDENTIFIED	RESPONSE TO RISK
Economic Cycles	Property markets in provincial areas such as Plymouth will lag the improvements achieved in other major centres.	The Group is developing its plans for various sites to prepare for new development as market conditions allow.
Planning	Obtaining viable planning permissions has become increasingly demanding resulting in increased cost and delay to submission of applications. The new local planning framework is due for final publication in 2018.	The Group prepares comprehensive representations and applications with supporting reports where required. Public consultation is frequently undertaken to solicit views about proposed schemes.
Tenant failure	The Group is exposed to the risk of loss of revenue and vacant properties should tenants' businesses fail.	The Group has a diverse tenant base encompassing national and independent occupiers to avoid high exposure to any single party.

REAL ESTATE, REGENERATION AND CAR PARKING DIVISIONS	RISK IDENTIFIED	RESPONSE TO RISK
Key Personnel	The Group is dependent on a limited number of skilled personnel in key positions.	The Group ensures that it has adequate staff with the necessary skills and experience. Competitive and realistic remuneration packages are paid. External consultants are used to support the team as necessary.
Financial Resource	Progress with projects is constrained by availability of financial resources.	Projects may be phased to spread cash flows.
Valuation Risk	The Group's assets may suffer value impairment, thereby reducing the Group net asset value, if carrying value not judged recoverable through use or realisation.	Regular external valuations of assets and value appraisals on inventory are undertaken The Group takes action to maintain and add value by developing property/land use proposals and seeking viable planning consents. Property assets are maintained to a good state of repair.
Public opinion	The closure of Plymouth City Airport has been opposed by some local interest groups. Schemes for other sites proposed by the Group have met with some opposition.	The Group takes independent professional advice to ensure decision and actions are justifiable on relevant facts. The Group meets with stakeholder groups and undertakes public consultation when appropriate.
External	The regulatory and legislative environment has continued to result in additional management and financial pressures.	The Group takes external advice as necessary to remain compliant and to assist with planning for future change.

MARINE ACTIVITIES

Lock Operations	Continuation of marine activities is dependent on reliability of lock operations and the integrity of the lock structure itself.	Maintenance of the Sutton Harbour lock, a key flood defence, is the responsibility of the Environment Agency and it is subject to daily checks. Lock controls have failsafe systems to prevent human errors.
	The pedestrian swing bridge over the lock structure is currently out of service and undergoing engineering survey to identify the extent of works required.	All properties remain accessibility by foot, however in some instances by a less direct route. Regular public announcements are made to update the public about access.
Pollution Incident	A major pollution incident could result from leakage from a fishing vessel or fuel supply tanks, or unlawful discharge into the harbour.	Emergency procedures are in place to contain and clear a spillage which includes closure of the lock gates.
Continuity of Operations	Failure of plant and equipment at the fishmarket has the potential to disrupt operations with the resultant loss of reputation.	The Group regularly reviews the condition of infrastructure to plan maintenance and replacement.

APPROVAL

The Strategic Report from pages 2 to 9 was approved by the Board of Directors on 27 June 2017 and signed on its behalf by

JASON SCHOFIELD
CHIEF EXECUTIVE

GOVERNANCE

DIRECTORS AND ADVISORS

Company Number	2425189
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 Tel: 01752 204186 www.suttonharbourholdings.co.uk
Independent Auditors	Nexia Smith & Williamson Portwall Place Portwall Lane Bristol BS1 6NA
Nominated Broker and Nominated Adviser	Arden Partners plc 125 Old Broad Street London EC2N 1AR
Financial Advisor	N M Rothschild & Sons Limited 67 Temple Row Birmingham B2 5LS
Registrar	Computershare Services plc PO Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH
Bankers	The Royal Bank of Scotland plc London EC2N 3UR

DIRECTORS' REPORT

The Directors present their Directors' Report and audited Consolidated Financial Statements for the year ended 31 March 2017. The review of activities during the year and future developments is contained in the Strategic Report.

MAJOR SHAREHOLDINGS

As at 27 June 2017 the Company's register of shareholdings showed the following interests in 3% or more of the Company's share capital:

	%	ORDINARY SHARES
Crystal Amber Fund Limited	29.27	28,084,178
Mr D.McCauley/Rotolok (Holdings) Limited	28.79	27,721,970
Mr T.R and Mrs M.E Winser	4.15	4,000,000
BS Pension Fund Trustee Limited	4.24	4,083,052

The Directors are not aware of any other interest in its share capital in excess of 3%.

DIRECTORS' INTERESTS

The interests of the Directors in the ordinary shares of the Company as at 31 March 2017 are set out below. There have been no changes in these interests between 1 April 2017 and 27 June 2017.

	2017	2016
Graham S. Miller	147,000	147,000
Jason W.H. Schofield	14,194	14,194
Natasha C. Gadsdon	104,026	104,026
Sean J. Swales	13,400	13,400
Robert H. De Barr	10,000	10,000

GRAHAM S. MILLER

Aged 54. Appointed Non-Executive Director and Chairman on 23 September 2013. He was appointed Chairman of the Audit Committee in November 2013 because the Board of Directors considered him best placed to chair the Audit Committee. He is also a member of the Remuneration Committee. He has a strong background in private equity, having held senior and director positions at Murray Johnstone Private Equity and 3i plc. Graham currently holds a number of other directorships.

JASON W.H. SCHOFIELD

Aged 51. Appointed Executive Director in December 2007 and Chief Executive in January 2012. He has been with the Group since June 2007. He is a Chartered Surveyor and previously held senior positions at Hammerson Plc and Crest Nicholson Plc.

NATASHA C. GADSDON

Aged 47. Appointed Executive Director in July 2004 and Finance Director in October 2004. She is a Chartered Accountant and has been with the Group since 1996. She has also been the Company Secretary since 2001.

SEAN J. SWALES

Aged 49. Appointed Non-Executive Director in December 2009, he is a Chartered Accountant and Group Managing Director of Rotolok (Holdings) Limited, the Group's second largest shareholder. He is also a member of the Audit and Remuneration Committees.

ROBERT H. DE BARR

Aged 66. Appointed Non-Executive Director in May 2012 and Chairman of the Remuneration Committee in October 2012. He is also a member of the Audit Committee. He is a Chartered Surveyor and principal of De Barr Associates which specialises in development consultancy and business opportunities. He was a senior Executive with Land Securities for 32 years.

In accordance with the Company's Articles of Association Sean J. Swales and Natasha C. Gadsdon retire by rotation at this year's Annual General Meeting, and being eligible, offer themselves for re-election.

DIRECTORS AND OFFICERS INSURANCE

The Group maintained a Directors' and Officers' liability insurance policy throughout the financial year.

FINANCIAL INSTRUMENTS

The Group's financial risk management objectives and policies are given in note 3, with additional information provided in the financial review on page 7.

DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By Order of the Board
NATASHA GADSDON
FINANCE DIRECTOR
27 June 2017

CORPORATE GOVERNANCE REPORT

The rules of the Financial Reporting Council do not require companies that have securities traded on the Alternative Investment Market to comply with the UK Corporate Governance Code (the Code). In managing the Group, the Board has regard to the UK Corporate Governance Code. The Chairmen of the Audit, Remuneration and Nomination Committees will be available to answer questions at this year's Annual General Meeting.

The Board continually monitors its procedures for reviewing the effectiveness of its systems of internal controls.

THE BOARD

The Board currently comprises three Non-Executive Directors, including the Chairman and two Executive Directors and is responsible for the proper management of the Company and for reporting the Company's progress to Shareholders. The Board has ten scheduled meetings annually for reviewing trading performance, ensuring adequate funding, monitoring strategy and examining acquisition possibilities. Additional meetings are held as required. The Board has a formal schedule of matters specifically reserved to it for decision. The roles of Chairman and Chief Executive are separate. Graham Miller was appointed Chairman on 23 September 2013, and Robert De Barr is the Senior Independent Non-Executive Director.

COMMITTEES

REMUNERATION COMMITTEE

The Remuneration Committee is chaired by Robert De Barr and its other members are Sean Swales and Graham Miller. The Committee, within its written terms of reference, determines and agrees with the Board the employment terms and remuneration packages of the Executive Directors. The Report on Remuneration is set out on pages 17 to 19. The Executive Directors make recommendations to the Board regarding the remuneration of Non-Executive Directors. Independent advice on remuneration is taken where considered appropriate.

AUDIT COMMITTEE

The Audit Committee is chaired by Graham Miller and its other members are Sean Swales and Robert De Barr. The Committee has written terms of reference and provides a forum for reporting by the Group's external auditors. All members of the Committee are Non-Executive Directors, although other individuals may be requested to attend all or part of any meeting as the Committee considers appropriate.

The Audit Committee is responsible for a wide range of financial matters including the half year and annual financial statements before submission to the Board and monitoring the internal controls and risk management systems which are in place to ensure the integrity of the financial information reported to the shareholders. The Committee is also responsible for making recommendations to the Board to be put to shareholders for approval at the AGM, in relation to the appointment and removal of the Group's external auditors, determining their remuneration and monitoring the auditors' performance and independence.

In relation to non-audit work, the Committee carefully reviews whether it is necessary for the auditors' firm to carry out such work and it will only grant approval for them to do so if we are satisfied that the auditors' independence is maintained. The Group's auditors assist in this by ensuring that the partner responsible for the external audit remains responsible for the audit for no more than five years and that there is a quality review partner who is involved in planning the audit and in the reviewing of the final accounts including assessing any critical matters identified in the audit. The auditors have also confirmed to the Audit Committee that they have complied with all relevant guidance issued by the Financial Reporting Council and have implemented appropriate safeguards including that non-audit related services are performed by personnel independent of the audit engagement team. The fees paid to the auditor for audit and non-audit services are disclosed in note 7.

NOMINATION COMMITTEE

Members of the Nomination Committee are Graham Miller and Jason Schofield. The Nomination Committee is responsible for proposing candidates to the Board having regard to its balance, expertise and structure. The Nomination Committee is also responsible for making recommendations to the Board regarding appointments to the Audit and Remuneration Committees.

RELATIONS WITH SHAREHOLDERS

The combined Chairman's Statement and Chief Executive's Report on pages 4 to 5 and the Financial Review on page 7 include a detailed review of the business and future developments. Shareholders are encouraged to pose questions to the Board at any time of the year and the Board uses the Annual General Meeting to communicate with all shareholders and welcomes their participation.

INTERNAL CONTROL

The Directors are responsible for establishing and maintaining the Group's internal control systems. Internal control systems are designed to meet the particular needs of the Group and the risk to which it is exposed, and by their nature can provide reasonable, but not absolute, assurance against material misstatement or loss. The key procedures which the Directors have established with a view to providing effective internal controls are as follows:

- Corporate Accounting and Procedures:
  There are defined authority limits and controls over acquisitions and disposals. There are also clear reporting lines within the business and risk assessments are undertaken and regularly reviewed in all divisions and at all levels within the Group. Appropriate internal controls are set for all divisions of the business. Given the size and nature of the Group, no separate internal audit department is considered necessary.
- Quality of Personnel:
  The competence of personnel is ensured through high recruitment standards and subsequent training courses. High quality personnel are seen as an essential part of the control environment.
- Financial Reporting:
  The Group has a comprehensive system for reporting financial results to the Board and monitoring of budgets.
- Investment Appraisal:
  Capital expenditure is regulated by authorisation levels. For expenditure beyond specified levels, detailed written proposals are submitted to the Board. Reviews are carried out after the acquisition is complete and any overruns are investigated. Due diligence work is carried out if a business is to be acquired.

GOING CONCERN

The review of the Group's business activities is set out in the combined Chairman's Statement and Chief Executive's Report on pages 4 to 5 The financial position of the Group, its cash flows and financing position are described in the Financial Review on page 7. In addition, note 3 to the financial statements gives details of the Group's financial risk management.

The Group entered into a new three year banking facility effective from 31 March 2016. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of the facilities and covenants over a period of at least twelve months from the date of approval of these financial statements.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group, therefore, continues to adopt the going concern basis in preparing its financial statements.

By Order of the Board
NATASHA GADSDON
COMPANY SECRETARY
27 June 2017

CORPORATE, ENVIRONMENTAL AND SOCIAL RESPONSIBILITY REPORT

HEALTH AND SAFETY

The Board of Directors understands its responsibility to the health and safety of employees, customers and others who are directly or indirectly affected by the Group's operations.

The Group's Health and Safety Committee is chaired by Natasha Gadsdon and has representation from all Group activities. The Health and Safety Committee is an open forum and minutes of the meetings are made available to all staff upon request.

Committee meetings are also attended by the Group's Health and Safety Officer and an Independent Health and Safety Consultant. The Committee has a comprehensive agenda and is briefed on new legislation or regulation by the Independent Health and Safety Consultant.

The Group does not undertake direct construction on site. An excellent Health and Safety management record is a key criterion in the selection of contractors.

The Group has a good health and safety record with no enforcement notices and no prosecutions for breaches of Health and Safety legislation to report.

PORT MARINE SAFETY CODE

Sutton Harbour Company, a Statutory Harbour Authority, and a wholly owned subsidiary of the Company, is committed to undertaking statutory duties in accordance with the standards defined within the Port Marine Safety Code. To ensure full compliance with the code an internal audit of the Sutton Harbour Safety Management System is carried out annually. The last external audit carried out by the Maritime and Coastguard Agency took place in March 2016.

ENVIRONMENTAL ISSUES

The Group's Green Team Committee is chaired by Natasha Gadsdon and has representation from all Group activities. The Board has agreed the following Environmental Statement:

The environment plays a key role in the continuing success of the Group and the Group recognises that it needs to set itself high environmental standards.

We have looked at the areas of our business which could have both positive and negative impacts on the environment and have identified the following policy aims to enhance our overall environmental performance:

- Reduction of our Carbon Footprint by minimising energy use.
- Reduction of the amount of waste we create and to ensure that we maximise the recycling of the waste that we generate.
- To ensure that we meet, and where possible, exceed environmental legislative requirements.
- To set a high standard for the prevention of water pollution in Sutton Harbour.
- To review our purchasing requirements so as to make environmentally sound purchasing decisions and to increase local purchasing.

Independent audits of waste at The Marina at Sutton Harbour have been carried out and improvements put in place regarding the recycling of waste.

The Marina at Sutton Harbour has adopted waste recycling protocols of the National Maritime Recycling Scheme using standardised waste sorter recycling bags.

The Group monitors energy consumption at its trading facilities. This information is used to manage consumption through practical energy saving measures and targeted capital investment. The Group has installed LED energy efficient lighting at the car parks and plans plans to introduce metered power and water at the fisheries complex together with further installations of LED lighting during 2017/18.

Sutton Harbour is equipped to manage accidental fuel spills to minimise pollution of land and sea. The Marina at Sutton Harbour is equipped with black water tanks to facilitate the discharge of foul water.

COMMUNITY ENGAGEMENT AND CHARITABLE INVOLVEMENT

The area of Sutton Harbour is located in the heart of Plymouth, adjacent to the historic Barbican quarter and the City Centre. The Group supports city based arts, sports, community and tourist initiatives and liaises with Destination Plymouth, Plymouth City Centre Company, Plymouth City Council and other relevant public agencies and associations.

Sutton Harbour has hosted a number of yacht races in the recent past including the Fastnet finish, the start of the Transat race on two occasions, La Solitaire Du Figaro single handed yachting event as well as other local events. The Group has the twin objectives of stimulating tourism for the city's benefit, and also showcasing the developments around Sutton Harbour which have created a vibrant centre for leisure, commercial and residential use.

The Group supports local charities and this year has supported Young Enterprise.

The Group has a long established commitment to the community and its neighbourhood. Throughout its regeneration work, the Group has undertaken extensive public consultation exercises which have led to the reshaping and design of many successful quality regeneration projects surrounding the historic waterfront. The Group sees itself as the custodian of the harbour for future generations and as such believes that working with the local community is essential to achieve this aspiration.

NATASHA GADSDON
FINANCE DIRECTOR
27 June 2017

GOVERNANCE

REPORT ON REMUNERATION

REMUNERATION COMMITTEE AND REMUNERATION POLICY

The members of the Committee during the year were as follows:

Robert H. De Barr - Chairman
Graham S. Miller
Sean J. Swales

The Committee met several times during the year, within its terms of reference, to consider the remuneration packages of the Executive Directors and to make recommendations to the Board. The overriding objective is to ensure that salary, benefits and other remuneration is sufficient to attract, retain and motivate executives of high quality, capable of achieving the Group's objectives and creating value for our Shareholders. The Committee also takes into account the scale and complexity of the Group's operations and seeks independent advice, from specialist advisers, where appropriate.

COMPOSITION OF REMUNERATION

Executive Directors' pay comprises basic salary reviewed annually, pension scheme contributions to the Group's defined contribution pension scheme, annual bonus based on audited results of the Group, and other benefits in kind including provision of a company car and private medical healthcare. Salary is paid monthly and the annual bonus is accrued in the financial year to which it relates. Non-Executive Directors receive fees, do not have service contracts, are not eligible to join the pension scheme and have no entitlement to annual bonuses. It is a requirement that Directors purchase shares in the Company, although there is no specified minimum holding.

REMUNERATION FOR EXECUTIVE DIRECTORS

Profit share bonuses earned on the achievement of targets agreed by the Remuneration Committee for the year ended 31 March 2017 were £9,700 in respect of Jason W.H. Schofield (2016: £11,500) and £7,800 in respect of Natasha C. Gadsdon (2016: £9,250).

NON-EXECUTIVE DIRECTORS FEES

The fees for Non-Executive Directors are determined by the Board after taking independent advice.

TABLES OF DIRECTORS REMUNERATION

The total remuneration of the Directors of the Company is as follows:

	2017 £000	2016 £000
Fees	**83**	83
Other Emoluments	**276**	269
Pension Contributions	**57**	55
	416	407

The remuneration, excluding pension contributions, of the individual Directors is as follows:

FOR THE YEAR TO 31 MARCH 2017	Directors' salaries £000	Taxable benefits £000	Bonus Payments £000	Directors' fees £000	Total £000
Graham S. Miller	-	1	-	40	41
Jason W.H Schofield	130	22	10	-	162
Natasha C. Gadsdon	95	9	8	-	112
Sean J. Swales	-	-	-	20	20
Robert H. De Barr	-	-	-	23	23
	225	32	18	83	358

FOR THE YEAR TO 31 MARCH 2016	Directors' salaries £000	Taxable benefits £000	Bonus Payments £000	Directors' fees £000	Total £000
Graham S. Miller	-	1	-	40	41
Jason W.H. Schofield	127	19	12	-	158
Natasha C. Gadsdon	93	8	9	-	110
Sean J. Swales	-	-	-	20	20
Robert H. De Barr	-	-	-	23	23
	220	28	21	83	352

The pension contributions made in respect of the Executive Directors to the Group's defined contribution scheme were:

	2017 £000	2016 £000
Jason W.H. Schofield	27	26
Natasha C. Gadsdon	30	29
	57	55

CONTRACTS

On 30 August 2011, the Group entered into a service contract with Jason W.H. Schofield. Under this agreement he is employed as a full time Executive Director with a one year rolling contract. He was appointed Chief Executive of the Group on 30 January 2012.

On 30 August 2011, the Group entered into a service contract with Natasha C. Gadsdon. Under this agreement she is employed as a full time Executive Director with a one year rolling contract. She was appointed Finance Director in October 2004.

The Non-Executive Directors are appointed with one month's notice and the Chairman has a six month notice period.

On Behalf of the Board
ROBERT H DE BARR
DIRECTOR AND CHAIR OF
THE REMUNERATION COMMITTEE
27 June 2017

Statement of Directors' Responsibilities

For the year ended 31 March 2017

Statement of Directors' responsibilities in respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs, as adopted by the European Union and applicable UK Accounting Standards, subject to any material departures disclosed and explained in the Group and Parent Company financial statements respectively;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website, in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

By Order of the Board
NATASHA GADSDON
COMPANY SECRETARY

27 June 2017

Independent Auditor’s Report to the members of Sutton Harbour Holdings plc

We have audited the financial statements of Sutton Harbour Holdings plc for the year ended 31 March 2017 which comprise the Consolidated Income Statement, the Consolidated Statement of Other Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated and Parent Company Statements of Changes in Equity and the related consolidated and parent company notes. The financial reporting framework that has been applied in the preparation of the consolidated financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 101 "Reduced Disclosure Framework", as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors’ Responsibilities Statement set out on page 20, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council’s (FRC’s) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC’s website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group’s and of the parent company’s affairs as at 31 March 2017 and of the group’s profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – valuation of inventory

In forming our opinion, which is not modified, we have considered the adequacy of the disclosures made in the financial statements concerning the potential impact of government reports and Plymouth’s planning strategy upon the valuation of the former airport site, which is held as inventory. The conclusion of these reports and permissions could potentially lead to a material impairment of the airport asset, which currently has a value of £12m in the consolidated balance sheet. Details of the circumstances relating to this are described in note 4 to the financial statements.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors’ Report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Strategic Report and the Directors’ Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors’ Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Carl Deane
Senior Statutory Auditor, for and on behalf of Nexia Smith & Williamson Statutory Auditor
Chartered Accountants
27 June 2017

Portwall Place
Portwall Lane
Bristol
BS1 6NA

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2017

Consolidated Income Statement
for the year ended 31 March 2017

	Note	2017 £000	2016 £000
Revenue	5	**6,718**	6,509
Cost of sales before impairment of assets and onerous leases		**(4,130)**	(3,960)
Onerous leases		**(173)**	-
Impairment of assets	13,18	**-**	(272)
Cost of sales		**(4,303)**	(4,232)
Gross profit		**2,415**	2,277
Administrative expenses		**(1,300)**	(1,082)
Fair value adjustments on investment properties and fixed assets	13,14	**(105)**	(1,452)
Operating profit	5,6	**1,010**	2,647
Finance income	9	**-**	2
Finance costs	9	**(957)**	(1,059)
Net finance costs		**(957)**	(1,057)
Profit before tax from continuing operations		**53**	1,590
Taxation charge on profit from continuing operations	10	**(13)**	(93)
Profit for the year from continuing operations		**40**	1,497
Profit for the year attributable to owners of the parent		**40**	1,497
Basic and diluted earnings per share from continuing operations	12	**0.04p**	1.55p

Consolidated Income Statement
for the year ended 31 March 2017

	Note	2017 £000	2016 £000
Profit for the year		**40**	1,497
Items that will not be reclassified subsequently to profit or loss:			
Revaluation of property, plant and equipment	13	**(765)**	(1,167)
Items that may be reclassified subsequently to profit or loss:			
Effective portion of changes in fair value of cash flow hedges		**(3)**	80
Other comprehensive income for the year, net of tax		**(768)**	(1,087)
Total comprehensive income for the year attributable to owners of the parent		**(728)**	(410)

The notes on pages 26 to 53 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

As at 31 March 2017

SUTTON HARBOUR HOLDINGS PLC

	Note	2017 £000	2016 £000
Non-current assets			
Property, plant and equipment	13	**26,289**	27,295
Investment property	14	**19,460**	19,350
		45,749	46,645
Current assets			
Inventories	18	**20,569**	20,097
Trade and other receivables	19	**2,060**	2,038
Cash and cash equivalents	20	**703**	686
Tax recoverable		**13**	19
		23,345	22,840
Total assets		**69,094**	69,485
Current liabilities			
Trade and other payables	23	**1,173**	1,118
Finance lease liabilities	24	**123**	105
Deferred income	22	**1,479**	1,542
Provisions	26	**71**	53
Derivative financial instruments	16	**-**	33
		2,846	2,851
Non-current liabilities			
Bank loans	21	**22,800**	22,500
Finance lease liabilities	24	**238**	294
Deferred government grants	22	**1,169**	1,214
Deferred tax liabilities	17	**1,642**	1,629
Provisions	26	**182**	88
Derivative financial instruments	16	**76**	40
		26,107	25,765
Total liabilities		**28,953**	28,616
Net assets		**40,141**	40,869
Issued capital and reserves attributable to owners of the parent			
Share capital	27	**16,069**	16,069
Share premium		**5,368**	5,368
Other reserves		**12,683**	13,451
Retained earnings		**6,021**	5,981
Total equity		**40,141**	40,869

The notes on pages 26 to 53 are an integral part of these consolidated financial statements.

The Financial Statements on pages 22 to 53 were approved and authorised by the Board of Directors on 27 June 2017 and were signed on its behalf by:

Jason W.H. Schofield
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2017

	Notes	Share capital	Share premium	Revaluation reserve	Merger reserve	Hedging reserve	Retained earnings	Total equity
				---------- Other reserves	----------	----------		
		£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2015		16,069	5,368	10,820	3,871	(153)	4,484	40,459
Comprehensive income/(expense)								
Profit for the year		-	-	-	-	-	1,497	1,497
Other comprehensive income/(expense)								
Revaluation of property, plant and equipment	13	-	-	(1,167)	-	-	-	(1,167)
Effective portion of changes in fair value of cash flow hedges		-	-	-	-	80	-	80
Total other comprehensive income/(expense)		-	-	(1,167)	-	80	-	(1,087)
Total comprehensive income/(expense)		-	-	(1,167)	-	80	1,497	410
Total balance at 31 March 2016		16,069	5,368	9,653	3,871	(73)	5,981	40,869
Balance at 1 April 2016		16,069	5,368	9,653	3,871	(73)	5,981	40,869
Comprehensive income/(expense)								
Profit for the year		-	-	-	-	-	40	40
Other comprehensive income/(expense)								
Revaluation of property, plant and equipment	13	-	-	(765)	-	-	-	(765)
Effective portion of changes in fair value of cash flow hedges	3	-	-	-	-	(3)	-	(3)
Total other comprehensive income/(expense)		**-**	**-**	**(765)**	**-**	**(3)**	**-**	**(768)**
Total comprehensive income/(expense)		**-**	**-**	**(765)**	**-**	**(3)**	**40**	**(728)**
Total balance at 31 March 2017		**16,069**	**5,368**	**8,888**	**3,871**	**(76)**	**6,021**	**40,141**

The cumulative deferred tax relating to items that are charged to equity is £nil (2016: £nil).

The notes on pages 26 to 53 are an integral part of these consolidated financial statements.

Further information in relation to the other reserves set out within the statement of changes in equity can be found in note 27.

Consolidated Cash Flow Statement

For the year ended 31 March 2017

	Note	2017 £000	2016 £000
Cash generated from total operating activities	29	**1,008**	621
Cash flows from investing activities			
Net expenditure on investment property		**-**	(8)
Expenditure on property, plant and equipment		**(296)**	(561)
Interest received		**-**	2
Net cash used in investing activities		**(296)**	(567)
Cash flows from financing activities			
Interest paid		**(957)**	(1,059)
Loan drawdown/(repayment of borrowings)		**300**	850
Net (repayment)/drawdown of capital element of finance leases		**(38)**	353
Proceeds of government grants		**-**	249
Net cash generated (used in)/generated from financing activities		**(695)**	393
Net decrease in cash and cash equivalents		**17**	447
Cash and cash equivalents at beginning of the year	20	**686**	239
Cash and cash equivalents at end of the year	20	**703**	686

The notes on pages 26 to 53 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2017

1. General information

Sutton Harbour Holdings plc ('the Company') and its subsidiaries are together referred to as 'the Group'. The Group is headquartered at Sutton Harbour, Plymouth and owns and operates the harbour and its ancillary facilities. The other principal activities of the Group are marine operations, waterfront real estate regeneration, investment and development and also provision of public car parking.

The Company is a public limited company which is listed on the Alternative Investment Market of the London Stock Exchange, is incorporated and domiciled in the UK and registered in England and Wales with number 02425189. The address of its registered office is Tin Quay House, Sutton Harbour, Plymouth, Devon, PL4 0RA.

2. Group accounting policies

Basis of preparation

The Group financial statements consolidate those of the Company and its subsidiaries.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and International Financial Reporting Interpretation Committee (IFRIC) interpretations as adopted by the European Union, and the Companies Act 2006 applicable to companies reporting under IFRS.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

Judgements made by the Directors in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 4 to these financial statements.

Going concern

The review of the Group's business activities is set out in the combined Chairman's Statement and Chief Executive's Report on pages 4 to 5. The financial position of the Group, its cash flows and financing position are described in the Financial Review on page 7. In addition, note 3 to the financial statements gives details of the Group's financial risk management.

The Group's forecasts and projections, taking account of reasonably foreseeable possible changes in trading performance, show that the Group should be able to operate within the level of the facilities and covenants over a period of at least twelve months. The covenants measure interest cover, debt to fair value and capital expenditure.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group, therefore, continues to adopt the going concern basis in preparing its financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis as modified by the fair value of share based payments, financial assets and financial liabilities (including derivative instruments) at fair value through the profit or loss. Investment property and other property are carried at fair value. Non-current assets held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

The functional currency of the Group and its subsidiaries is pounds sterling and therefore balances are shown in the financial statements in thousands of pounds sterling, unless otherwise stated.

Basis of consolidation

The consolidated financial statements include the financial statements of Sutton Harbour Holdings plc and its subsidiaries at each reporting date. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised profits and losses are also eliminated.

Property, plant and equipment

Property, plant and equipment can be divided into the following classes:

Land and buildings
Assets in the course of construction
Plant, machinery and equipment
Fixtures and fittings

Land and buildings
Land and buildings include:

- Freehold and leasehold land. Where a lease has an unexpired term of more than 50 years it is considered to share the same characteristics as freehold land and is shown as such.

- Properties that are mainly owner-occupied, or that are an integral part of the Group's trading operations (marina including the lock, quays, marina buildings, the fishmarket building and car parks).

Owner occupied assets are initially recorded at cost and are subsequently revalued and stated at their fair values. Fair value is based on regular valuations by an external independent valuer and is determined from market-based evidence by appraisal. Valuations are performed with sufficient regularity (at least annually) to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Where owner occupied assets (such as marinas, the fishmarket and car parks) comprise land, buildings, plant and machinery the valuation is of the asset as a whole. Any valuation movement is allocated to land and buildings only in proportion to their carrying values: plant and machinery continue to be carried at cost less accumulated depreciation (see below).

Any revaluation surplus is credited to the revaluation reserve except to the extent that it reverses a decrease in the carrying value of the same asset previously recognised in the income statement, in which case the increase is recognised in the income statement. Any revaluation deficits are recognised in the income statement, except to the extent of any existing surplus in respect of that asset in the revaluation reserve.

Assets in the course of construction
Assets in the course of construction are held at cost. Depreciation commences when the asset is fully operational as intended.

Plant, machinery and equipment, fixtures and fittings
Plant, machinery and equipment includes items used in the operation of marina, fishmarket and car park trading operations (such as pontoons, piles, ice making equipment and chillers, car parking meters). Fixtures and fittings includes building fit outs. Plant, machinery and equipment, fixtures and fittings are all stated at cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Leased assets
Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where buildings are held under finance leases the accounting treatment of leases of any associated land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets are depreciated over the shorter of the lease term and useful economic life. The lease liability is included in the balance sheet as a finance lease liability. Lease payments are apportioned between finance charges and the reduction of lease liabilities so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the income statement. Leased properties are subsequently revalued to their fair value.

The treatment of assets held under operating leases where the lessor maintains the risks and rewards of ownership is described in the operating lease payments accounting policy below.

Depreciation
Depreciation is charged to the income statement over the estimated useful lives of each part of an item of property, plant, machinery and equipment, fixtures and fittings. Estimated useful lives and residual values are reassessed annually. Where parts of an item of property, plant, machinery and equipment, fixtures and fittings have different useful lives, they are accounted for as separate items. Freehold land is not depreciated. The estimated useful lives and depreciation basis of assets are as follows:

Freehold buildings	(straight line)	10 to 50 years
Leasehold buildings	(straight line)	50 years or remaining period of lease
Plant, machinery and equipment	(straight line)	4 to 30 years
Fixtures and fittings	(straight line)	4 to 10 years

Investment property
Investment properties are properties which are held to earn rental income and/or for capital appreciation. Investment properties are initially measured at cost and subsequently revalued to fair value which reflects market conditions at the balance sheet date. Any gains or losses arising from changes in fair value are recognised in the income statement in the period in which they arise. Fair value is the estimated amount for which a property could be exchanged, on the date of valuation, between a willing buyer and a willing seller, in an arm's length transaction, after proper marketing, in which both parties had acted knowledgeably, prudently and without compulsion.

Some properties are held both to earn rental income and for the supply of goods and services and administration purposes. Where the different portions of the property cannot be sold separately, the property is accounted for as an investment property only if an insignificant portion is held for the production and supply of goods and services and administration purposes.

The portfolio is valued on a six-monthly basis by an external independent valuer, who is RICS qualified. The valuer will also have recent experience in the location and category of property being valued.

The valuations, which are supported by market evidence, are prepared by considering the aggregate of the net annual rents receivable from the properties and where relevant, associated costs. A yield which reflects the specific risks inherent in the net cash flows is then applied to the net annual rentals to arrive at the property valuation.

Rental income from investment property is accounted for as described in the revenue accounting policy.

Investment property that is redeveloped for continued future use as an investment property remains classified as an investment property while the redevelopment is being carried out. While redevelopment is taking place, the property will continue to be valued on the same basis as an investment property.

All tenant leases have been examined to determine if there has been any transfer of the risks and rewards of ownership from the Group to the tenant in accordance with IAS 17 'Leases'. All tenant leases were determined to be operating leases. Accordingly, all the Group's leased properties are classified as investment properties and included in the balance sheet at fair value.

In accordance with IAS 40 'Investment Property', no depreciation is provided in respect of investment properties.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Where inventory has been transferred from fixed assets, deemed cost includes revaluation. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Inventories – development property
Land identified for development and sale, and properties under construction or development and held for resale, are included in current assets at the lower of cost and net realisable value. Cost includes all expenditure related directly to specific projects, including capitalised interest, and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity. Net realisable value is estimated selling value less estimated costs of completion and estimated costs necessary to make the sale and includes developer's return where applicable.

Cash and cash equivalents
Cash in the balance sheet comprises cash at bank and in hand. Bank overdrafts and similar borrowings that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Offset arrangements across Group businesses are applied to arrive at the net cash figure.

Impairment
The carrying amounts of the Group's assets other than investment property and inventories are considered at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where the carrying amount of an asset exceeds its recoverable amount it is impaired and is written down to its recoverable amount. Impairment losses are recognised in the income statement.

The recoverable amount of the Group's financial assets is calculated as the present value of estimated future cash flows, discounted at an appropriate effective interest rate taking into account the time value of money and the risks associated with future cash flows. The recoverable amount of non-financial assets is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of the recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

Derivative financial instruments and hedging activities
Derivative financial instruments, comprising interest rate swaps, are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows or fair values of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 16. Movements on the hedging reserve in shareholders' equity are shown in the Statement of Changes in Equity and the Statement of Comprehensive Income. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The fair values are calculated by reference to active market prices, forward exchange rates and LIBOR rates.

Cash flow hedges
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within cost of sales for any foreign exchange derivatives and fuel hedging derivatives and within financing costs for any interest rate swaps. Amounts accumulated in equity are recycled to the income statement in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Derivatives at fair value through profit and loss and accounted for at fair value through profit or loss
Where derivative instruments do not qualify for hedge accounting, changes in fair value are recognised immediately in the income statement.

The Group has applied hedge accounting for all hedge contracts entered into in both the current and prior year. The effective part of any gain or loss on the cash flow hedges is recognised directly in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the income statement.

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Own shares
Ordinary and Deferred shares are classified as equity. Incremental costs directly attributable to the issue of Ordinary and Deferred shares and share options are recognised as a deduction from equity.

Revenue
Revenue comprises the fair value of the consideration received or receivable, net of value-added-tax, rebates and discounts. Revenue is recognised once the value of the transaction can be reliably measured and the significant risks and rewards of ownership have been transferred. The following criteria must also be met before revenue is recognised:

Rent and marina and berthing fees
Rent from investment property and marina and berthing fees are typically invoiced in advance and are accounted for as deferred income and recorded to revenue during the period to which they are earned.

Lease incentives and costs associated with entering into tenant leases are amortised over the lease term. These are held in the balance sheet within accrued income.

Other marine related revenue
Fuel sales, landing dues and other ancillary incomes, are recorded to revenue at the point of sale.

Car park revenue
Car park revenue is recognised at the point that a car parking ticket is paid for.

Property sales
Revenue from property sales is recognised when the significant risks and rewards of ownership and effective control of the asset have passed to the buyer. This will be at the point of legal completion.

Interest Income
Interest income is recognised as it becomes receivable.

Government grants
Government grants are recognised when there is reasonable assurance that the grant will be received and that the Group will comply with all conditions associated with the grant. Government grants in respect of capital expenditure are credited to reduce the initial carrying value of the related asset. Grants of a revenue nature are credited to a deferred income account and released to the income statement so as to match them with the expenditure to which they relate.

Operating lease payments
Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense over the term of the lease.

Net financing costs
Net financing costs comprise interest payable, commitment fees on unused portion of bank facilities, amortisation of prepaid bank facility arrangement fees, unwinding of discount on provisions, finance charge component of minimum lease payments made under finance leases and interest receivable on funds invested. Interest payable and interest receivable are recognised in profit or loss as they accrue, unless capitalised as described under "borrowing costs" below, using the effective interest method. The fair value movement of derivative financial instruments and any ineffective portion of cash flow hedges are also included within net financing costs.

Borrowing costs
Borrowing costs are capitalised on qualifying assets. A qualifying asset is one that takes more than twelve months to complete. The borrowing rate applied is that specifically applied to fund the development. In the case of bank borrowings this is the weighted average cost of debt capital. Capitalisation ceases when substantially all the activities that are necessary to get the property ready for use are complete.

Employee benefits: defined contribution plans
Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

Employee benefits: share-based payment transactions
The share option programme allows Group employees to acquire shares of the Company; these awards are granted by the Company. The share-based payments are all equity-settled and are measured at fair value. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is due only to share prices not achieving the threshold for vesting.

Provisions
A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Taxation
Tax on the profit for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax is recognised on all temporary differences except on the initial recognition of goodwill or on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Dividends
Interim dividends are recognised when paid, final dividends are recognised when approved by the shareholders. Dividends unpaid at the balance sheet date are only recognised as a liability at that date if they have been approved. Unpaid dividends that have not yet been approved are disclosed in the notes to the financial statements.

Segment reporting
An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses and whose results are regularly reviewed by the Board.

The following business segments have been identified:

Marine
Real Estate
Car Parking
Regeneration

Revenue included within each segment is as follows:

Marine:
Marina and commercial berthing fees
Fishmarket landing dues
Other marine related revenue including fuel sales and other ancillary income

Car Parking:
Car park revenue

Real Estate:
Rent

Regeneration:
Property sales

Costs, assets and liabilities are allocated to each business segment based on the revenue that they are used to generate.

Trade Receivables
Trade receivables are amounts due from customers for items sold or services performed in the ordinary course of business. If settlement is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. They are initially recognised at fair value and subsequently carried at amortised cost.

Trade Payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. They are initially recognised at fair value and subsequently carried at amortised cost.

IFRS not yet applied
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. The directors are currently considering the impact of these new standards and amendments which are not expected to be adopted early:

IFRS 16 Leases: * 1 January 2019
IFRS 15 Revenue from Contracts with Customers – Amendments * 1 January 2018

Amendments to existing standards and new standards which may apply to the Group in future accounting periods include:
IAS 40 Transfers of Investment Property – Amendments effective 1 January 2018 (not yet EU endorsed)
IFRS 9 Financial Instruments: Classification and Measurement effective 1 January 2018
IFRS 12 Disclosure of Interests in Other Entities – Amendments effective 1 January 2016
IAS 7 Statement of Cash Flows Disclosure Initiative – Amendments effective from 1 January 2017 (not yet EU endorsed)
* mandatory effective date is periods commencing on or after

3. Financial risk management

Fair values

IFRS 13 requires disclosure of fair value measurements for balance sheet financial instruments by level according to the following measurement hierarchy:

Level 1: Quoted prices unadjusted in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly as prices or indirectly derived from prices; and

Level 3: Inputs for the asset or liability that are not based on observable market data.

The Group does not hold any Level 1 balance sheet financial instruments.

The fair values together with the carrying amounts of the Group's financial instruments shown in the balance sheet are as follows:

	Fair value 1 April 2016 £000	Income Statement £000	Other Comprehensive Income £000	Cash-flow Movements £000	**Total (Level 2) 31 March 2017 £000**
Financial assets					
Derivative financial instruments	**-**	-	-	-	-
Financial liabilities					
Derivative financial instruments	**73**	-	58	(55)	**76**

Capital risk management

The capital structure of the Group consists of net debt which includes the borrowings disclosed in notes 20 and 21 and shareholders' equity comprising issued share capital, reserves and retained earnings.

The capital structure of the Group is reviewed annually with reference to the costs applicable to each element of capital, future requirements of the Group, flexibility of capital drawdown and availability of further capital should it be required.

The Group has a target gearing ratio of approximately 50% but gearing may exceed these levels where a project is in final stages before ultimate disposal or becoming fully operational. The Group structures borrowings into general facilities and secures specific financing for individual property projects as deemed appropriate.

The Board is not recommending the payment of a dividend for the year ended 31 March 2017.

The gearing ratio at the year end was as follows:

	2017 £000	2016 £000
Borrowings and loans	**(22,800)**	(22,500)
Finance lease liabilities	**(361)**	(399)
Cash and cash equivalents	**703**	686
Net debt	**(22,458)**	(22,213)
Equity	**40,141**	40,869
Net debt to equity ratio	**55.9%**	54.4%

Bank borrowing facilities and financial covenants

In March 2016 the Group renewed its banking facilities for three years to 10 March 2019, with two term loans totalling £22.5m and a £2.5m revolving credit facility. No amounts of any loan are due before 10 March 2019.

The banking facilities include financial covenants, including (i) a measure of EBITDA to interest covenant (ii) a debt to fair value of property valuation covenant and (iii) a capital expenditure covenant. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group will be able to operate within the level of the facilities and covenants over a period of at least twelve months.

Liquidity risk

The Group uses financial instruments, comprising bank borrowing and various items including trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations. The main risk arising from the Group financial instruments is liquidity risk. The Group seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved by overdraft facilities. The Group has the ability to manage its liquidity through the timing of development projects and also the timing of the sale of assets.

Contractual maturity

The following tables analyse the Group's financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the tables are the contractual undiscounted cash flows including principal.

As at 31 March 2017:

	Total £000	0 to <1 year £000	1 to <2 years £000	2 to <5 years £000
Bank loans*	(25,235)	(714)	(24,521)	-
Trade and other payables	(1,173)	(1,173)	-	-
Finance lease liabilities*	(392)	(137)	(114)	(141)
Derivative financial instruments**	(76)	-	(76)	-
	(26,876)	(2,024)	(24,711)	(141)

As at 31 March 2016:

	Total £000	0 to <1 years £000	1 to < 2 years £000	2 to <5 years £000
Bank loans*	(24,698)	(754)	(754)	(23,190)
Trade and other payables	(1,118)	(1,118)	-	-
Finance lease liabilities*	(437)	(121)	(109)	(207)
Derivative financial instruments**	(125)	(54)	(37)	(34)
	(26,378)	(2,047)	(900)	(23,431)

* financial liabilities at amortised cost
** financial liabilities at fair value

Interest rate risk

Since June 2016, LIBOR rates have been hedged on £10m of borrowings until March 2019.

Credit risk

Many of the Group's customers are required to pay for services in advance of supply which reduces the Group's exposure to credit risk. Property rentals and marina berthing are examples of this. The Group pursues debtors vigorously where credit terms have been exceeded. The credit quality of the Group's financial assets can be summarised as follows:

	2017 £000	2016 £000
Trade receivables:		
New customers (less than 12 months)	33	19
Existing customers (more than 12 months) with no defaults in the past	408	513
Existing customers (more than 12 months) with some defaults in the past	46	34
Total trade receivables net of provision for impairment	487	566

Commodity price risk

The Group experiences volatile fuel prices throughout the year. The Group only acts as a reseller of fuel at the fishmarket and marina.
The sales prices are derived from the price paid for fuel and therefore fuel price exposure is no longer considered a risk.

Sensitivity analysis

Interest rates

In managing interest rate risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer-term, however, permanent changes in interest rates would have an impact on consolidated earnings.

At 31 March 2017, it is estimated that a general increase of half a percentage point in interest rates (being the best estimate of future anticipated changes in interest rates), ignoring hedging, would have decreased the Group's profit before tax from continuing operations by approximately £110,000 (2016: £110,000). Net assets would have decreased by the same amount.

Valuation of investment property and property held for use in the business

Land & buildings valuations are complex, require a degree of judgement and are based on data some of which is publicly available and some that is not. We have classified the valuations of our property portfolio as level 3 as defined by IFRS 13 Fair Value Measurement. Level 3 means that the valuation model cannot rely on inputs that are directly available from an active market. All other factors remaining constant, an increase in trading income would increase valuation, whilst an increase in equivalent nominal yield would result in a fall in value and vice versa.

In establishing fair value the most significant unobservable input is considered to be the appropriate yield to apply to the trading income. This is based on a number of factors including the maturity of the business and trading and economic outlook.

Yields applied across the trading and investment assets are in the range of 4.35% – 10.45% with the average yield being 7.25%. Assuming all else stayed the same; a decrease of 1.0% in the average yield would result in an increase in fair value of £6.750m. An increase of 1.0% in the average yield would result in a corresponding decrease in fair value of £5.113m.

These assets were independently valued by Jones Lang LaSalle ("JLL") at 31 March 2017. The valuation by JLL was in accordance with the Practice Statements in the Valuations Standards (The Red Book) published by the Royal Institution of Chartered Surveyors, on a market-based evidence approach, which is consistent with the required IFRS 13 methodology.

4. 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 following are the areas that require the use of estimates and judgement that may impact the Group's balance sheet and income statement:

a) The valuation of investment property and property held for use in the business as at 31 March 2017 was £19,460,000 and £25,675,000 respectively; (2016: £19,350,000 and £26,752,000 respectively). In determining the fair value of properties, the Board relies on external valuations carried out by professionally qualified independent valuers in accordance with the Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors. The valuation of investment properties uses estimated rental yields for each property based on market evidence at the date the valuation is carried out. Judgement is exercised in determining future rental income or profitability of the relevant properties. Within the valuation of property held for use in the business, judgment is required to allocate the valuation between land and buildings.

b) The Board exercises judgement in determining the useful life of fixed assets. The useful lives of fixed assets range from 4 to 50 years and are reviewed regularly to ensure they continue to be appropriate.

c) The Board exercises judgement in determining whether properties should be classified as investment property or development inventory and this is done by reference to criteria including whether the property is being marketed for sale in the ordinary course of business and the nature of the development activity ongoing (including planning applications and development of proposals for submission to the relevant authorities).

d) Determining the net realisable value of development property (2017: £20,512,000; 2016: £20,025,000)
The Board has exercised judgement in determining the net realisable value of development property, taking into account expected costs to complete and future sale proceeds, and hence whether any write-down of development property is required. Incorporated in the appraisal of net realisable value are judgements about: disposal revenue and/or investment value at completion; project formulation (including mix of development uses and development density); full development cost; amounts payable to third parties (for example, sharing of proceeds with local authority and repayment of grants in the case of development of the former airport site); financing costs; time value of money; and, allowance for contingency. Included in development inventory is the Former Airport Site and the Secretary of State for Transport has commissioned another report into the viability of re-opening the airport, which is expected to be published within the year. The Local Planning Authority is currently in the process of formulating a new planning policy framework to guide Plymouth's planning strategy for the 2017 to 2031 period. The Group has positioned its representations that the former airport site is ideally suited to the delivery of a range of new uses to Plymouth with significant economic, social and employment benefits. There is uncertainty about the outcome of the government report and planning strategy which, subject to the result, could affect the value and timing of any development of the site. The current carrying value of the asset is based on this strategy. Should the board change its strategy with a view to a shorter term alternative, this may have an effect on the carrying value of the asset. No write down has been included in the current year.

The second largest development inventory item relates to the Sugar House/East Quay site at Sutton Harbour. At the present time, uncertainty about the final project formulation, planning status, implications of proceeds sharing with any potential third parties and timing of development delivery in relation to this site persist.

e) Impairments
The Board exercises judgement in identifying cash-generating units and utilises assumptions, which are often subject to uncertainty, in determining the recoverable amount of assets (or cash-generating units) to assess whether an asset (or cash-generating unit) is impaired. In the year fixed assets totalling £nil (2016: £66,000) and development inventory totalling £nil (2016: £206,000) have been impaired.

f) The calculation of deferred tax assets and liabilities (2017: Liability of £1,642,000; 2016: Liability of £1,629,000)
The Group has not recognised deferred tax assets in respect of certain properties due to a high degree of uncertainty of the timing of when the asset may be realised.

g) The calculation of provisions for onerous leases (2017: £253,000; 2016: Liability of £141,000)
In calculating provisions for onerous leases, the Board has exercised judgment in assessing future rental shortfalls, timing, and the discount rate to be used.

h) The calculation of provisions for bad and doubtful debts.
In exercising its judgment in whether to provide for bad or doubtful debts the Board considers the nature and amount of the debt as well as the ability of the debtor to pay.

5. Segment results

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 the Group has only one geographical segment, with all operations being carried out in the United Kingdom. Details of the types of revenue generated by each segment are given in note 2.

The Board of Directors assesses performance using segmental operating profit. The segment information provided to the Board of Directors for the reportable segments for the year ended 31 March 2017 is as follows:

Year ended 31 March 2017	**Marine £000**	**Real Estate £000**	**Car Parking £000**	**Regeneration £000**	**Total £000**
Revenue	4,626	1,609	483	-	6,718
Gross profit prior to non-recurring items	1,207	1,211	291	(121)	2,588
Non-recurring items:					
Onerous leases	-	(173)	-	-	(173)
Impairment of plant, property and equipment	-	-	-	-	-
Segmental Operating Profit before Fair value adjustment and unallocated expenses	1,207	1,038	291	(121)	2,415
Fair value adjustment on investment properties and fixed assets	(428)	110	213		(105)
					2,310
Unallocated:					
Administrative expenses					(1,300)
Operating profit					1,010
Financial income					-
Financial expense					(957)
Taxation					(13)
Profit for the year from continuing operations					40
Depreciation charge					
Marine					308
Car Parking					12
Administration					16
					336

Year ended 31 March 2016	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 plant, property and equipment	-	-	-	(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					2,647
Financial income					2
Financial expense					(1,059)
Taxation					(93)
Profit for the year from continuing operations					1,497
Depreciation charge					
Marine					231
Car Parking					6
Administration					36
					273

Assets and liabilities

	2017 £000	2016 £000
Segment assets:		
Marine	**22,865**	24,312
Real Estate	**20,165**	20,014
Car Parking	**4,178**	3,620
Regeneration	**20,668**	20,207
Total segment assets	**67,876**	68,153
Unallocated assets:		
Property, plant & equipment	**100**	121
Trade & other receivables	**432**	525
Cash and cash equivalents	**686**	686
Total assets	**69,094**	69,485

	2017 £000	2016 £000
Segment liabilities:		
Marine	**2,361**	2,329
Real Estate	**531**	622
Car Parking	**121**	78
Regeneration	**932**	825
Total segment liabilities	**3,945**	3,854
Unallocated liabilities:		
Bank overdraft & borrowings	**23,161**	22,500
Trade & other payables	**129**	560
Financial derivatives	**76**	73
Deferred tax liabilities	**1,642**	1,629
Tax payable	**-**	-
Total liabilities	**28,953**	28,616
Additions to property, plant and equipment		
Marine	**175**	584
Car Parking	**120**	-
Unallocated	**26**	27
Total	**321**	611

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

Unallocated expenses include central administrative costs that cannot be split between the various business segments because they are incurred in assisting the Group generate revenues across all business segments.

Revenue can be divided into the following categories:

	2017 £000	2016 £000
Sale of goods	**2,265**	2,063
Sale of land and property	**-**	-
Rental income	**1,733**	1,740
Provision of services	**2,720**	2,706
	6,718	6,509

No revenues from any one customer represented more than 10% of the Group's revenue for the year.

6. Operating result

The following items are included within operating profit/(loss):

	Note	2017 £000	2016 £000
Staff costs	8	**1,455**	1,372
Increase/(decrease) in provisions	26	**112**	(36)
Rental income from investment property	28	**(1,588)**	(1,582)
Loss on sale of property, plant and equipment		**9**	6
Direct operating expenses of investment properties (including repairs and maintenance)		**129**	206
Gain on remeasurement of investment property to fair value	14	**(110)**	(1,829)
Loss on remeasurement of fixed assets	13	**215**	377
Depreciation of property, plant and equipment	13	**336**	273
Operating lease payments	28	**224**	221
Release of deferred grant	22	**(45)**	(29)
Impairment of property, plant, and equipment	13	**-**	66
Write down of inventory	18	**-**	206

The impairments reflect the difference between the recoverable amount (based upon fair value less costs to sell and further costs to completion) and book value.

7. Services provided by the Company's auditors

During the year the Group obtained the following services from the Company's auditors:

	2017 £000	2016 £000
Fees payable to Company's auditors for the audit of Parent Company and consolidated financial statements	**15**	7
Fees payable to the Company's auditors for other services:		
The audit of Company's subsidiaries pursuant to legislation	**15**	32
Tax compliance services	**10**	9

8. Staff numbers and costs and Directors' remuneration

The average number of persons employed by the Group (including Executive Directors, excluding Non-Executive Directors) during the year, analysed by category, was as follows:

	Number of employees	
	2017	2016
Marine Activities	**23**	24
Property and Regeneration	**3**	3
Administration	**7**	8
	33	35

The aggregate payroll costs of these persons were as follows:		**2017**	2016
	Note	**£000**	£000
Wages and salaries		**1,185**	1,103
Social security costs		**117**	116
Other pension costs	25	**153**	153
		1,455	1,372

The total remuneration of the Directors of the Company was as follows:

	2017	2016
	£000	£000
Fees	**83**	83
Other Emoluments	**276**	260
Pension Contributions	**57**	55
	416	398

Further details of Directors' remuneration are given in the Remuneration Report on pages 17 to 19, which forms part of these financial statements.

9. Finance income and finance costs

	2017	2016
	£000	£000
Other finance income	**-**	2
Finance income	**-**	2
Interest payable on bank loans and overdrafts	**820**	897
Interest payable on finance leases	**17**	13
Unwinding of provisions	**12**	17
Other finance costs	**108**	132
Finance costs	**957**	1,059

Borrowing costs capitalised in the year amounted to £23,000 (2016: £50,000).

The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation was 4.4% (2016: 4.4%).

10. Taxation

	Note	2017 £000	2016 £000
Deferred tax			
Adjustments in respect of previous years		**(165)**	(656)
Origination and reversal of temporary differences		**268**	902
Change in tax rate to 17% (2016: 18%)		**(90)**	(153)
Total deferred tax		**13**	93
Total tax in income statement	17	**13**	93

The reduction in the corporation tax rate to 19% from 1 April 2017 and 17% from 1 April 2020 was enacted on 15 September 2016. As this rate was enacted at the balance sheet date, and reduces the tax rate expected to apply when temporary differences reverse, it has the effect of reducing the UK deferred tax balance.

The tax assessed for the year is lower (2016: lower) than the standard rate of corporation tax in the UK of 20% (2016: 20%).

Reconciliation of effective tax rate

	2017 £000	2016 £000
Profit before tax	**53**	1,590
Tax on profit at standard corporation tax rate of 20% (2016:20%)	**11**	318
Expenses not deductible and income not chargeable for tax purposes	**22**	(284)
Adjustments to tax charge in respect of previous periods – deferred tax	**71**	212
Adjust closing deferred tax to average rate of 17% (2016: 18%)	**(91)**	(153)
	13	93
Total tax credit on continuing operations	**13**	93
	13	93

11. Dividends paid on equity shares

During the year ended 31 March 2017 no dividends have been paid in respect of previous periods (2016: £nil) or proposed (2016: £nil).

The Board of Directors does not propose a final dividend for the year ended 31 March 2017 (2016: £nil).

12. Earnings per share

	2017 Pence	2016 Pence
Continuing operations:		
Basic earnings per share	**0.04**	1.55
Diluted earnings per share	**0.04**	1.55

Basic earnings per share

Basic earnings per share have been calculated using the profit for the year of £40,000 (2016: profit of £1,497,000) for the continuing operations. The average number of ordinary shares in issue, excluding those options granted under the SAYE scheme, of 96,277,086 (2016: 96,277,086) has been used in the calculation.

Diluted earnings per share

Diluted earnings per share uses an average number of 96,277,086 (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'. The weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of nil (2016: nil), is calculated as follows:

	2017	2016
Weighted average number of shares at 31 March	**96,277,086**	96,277,086
Effect of share options in issue	**-**	-
Weighted average number of ordinary shares (diluted) at 31 March	**96,277,086**	96,277,086

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 both the current and prior year.

13. Property, plant and equipment

	Land and buildings £000	Assets in the course of Construction £000	Plant, machinery equipment, fixtures and fittings £000	Total £000
Cost or valuation				
Balance at 1 April 2015	25,212	-	6,301	31,513
Additions	419	-	192	611
Revaluations to income statement	(377)	-	-	(377)
Revaluations	(1,167)	-	-	(1,167)
Impairment	-	-	(66)	(66)
Transfers	-	-	-	-
Transfer to investment property (note 14)	(899)	-	(10)	(909)
Disposals	-	-	(16)	(16)
Balance at 31 March 2016	**23,188**	**-**	**6,401**	**29,589**
Balance at 1 April 2016	23,188	-	6,401	29,589
Additions	132	71	118	321
Revaluations to income statement	(215)	-	-	(215)
Revaluations	(765)	-	-	(765)
Impairment	-	-	-	-
Transfers	-	-	-	-
Disposals	-	-	(48)	(48)
Balance at 31 March 2017	22,340	71	6,471	28,882
Accumulated depreciation				
Balance at 1 April 2015	66	-	1,968	2,034
Depreciation charge for the year	50	-	223	273
Impairment	-	-	-	-
Transfers	-	-	-	-
Disposals	-	-	(13)	(13)
Balance at 31 March 2016	**116**	**-**	**2,178**	**2,294**
Balance at 1 April 2016	116	-	2,178	2,294
Depreciation charge for the year	134	-	202	336
Impairment	-	-	-	-
Transfers	-	-	-	-
Disposals	-	-	(37)	(37)
Balance at 31 March 2017	**250**	**-**	**2,343**	**2,593**
Net book value				
At 31 March 2016	23,072	-	4,223	27,295
At 31 March 2017	**22,090**	**71**	**4,128**	**26,289**

Included in Land and Buildings is long leasehold land at a value of £2,200,000 (2016: £2,050,000).

Revaluations

Land and buildings are measured using the revaluation model as set out in note 2. These assets were independently valued by Jones Lang LaSalle ("JLL") at 31 March 2017. The valuation by JLL was in accordance with the Practice Statements in the Valuations Standards (The Red Book) published by the Royal Institution of Chartered Surveyors, on a market-based evidence approach.

At 31 March 2017, had the freehold land and buildings been measured using the cost model (historical cost less accumulated depreciation and accumulated impairment losses), their carrying value would be £24,438,000 (2016: £23,440,000).

At 31 March 2017, had the leasehold land and buildings been measured using the cost model (historical cost less accumulated depreciation and accumulated impairment losses), their carrying value would be £919,000 (2016: £919,000).

Assets in the course of construction, plant, machinery and equipment and fixtures and fittings are all measured using the cost model, as set out in note 2.

The Group's obligations under finance leases are secured by the lessor's title to the fixed assets. The carrying value of plant, machinery and equipment which is subject to finance leases is £921,000 (2016: £916,000).

14. Investment property

At fair value:	Notes	**2017** **£000**	2016 £000
Balance at the beginning of the year		**19,350**	16,605
Additions – arising from capitalised subsequent expenditure		**-**	7
Fair value adjustments		**110**	1,829
Items transferred from property, plant and equipment	13	**-**	909
Balance at the end of the year		**19,460**	19,350

Investment property is measured using the fair value model as set out in note 2. The fair value of the Group's investment property at 31 March 2017 has been determined by a valuation carried out at that date by independent, external valuers, JLL in accordance with the Practice Statements in the Valuation Standards (The Red Book) published by the Royal Institution of Chartered Surveyors. JLL is a member of the Royal Institution of Chartered Surveyors and have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The valuations, which are supported by market evidence, are prepared by considering the aggregate of the net annual rents receivable from the properties and, where relevant, associated costs. A yield which reflects the specific risks inherent in the net cash flows is then applied to the net annual rentals to arrive at the property valuation.

All of the Group's investment property is held under freehold interests with the exception of four (2016: four) properties which are held under long leaseholds.

15. Investments

At 31 March 2017 the Group has the following subsidiaries:

	Class of shares held	Ownership **2017**	2016	**Nature of Business**
Subsidiaries				
Sutton Harbour Company	Ordinary	100%	100%	Harbour Authority
Sutton Harbour Services Limited	Ordinary	100%	100%	Marine Leisure & Property
Plymouth City Airport Limited	Ordinary	100%	100%	Property Developer
Sutton Harbour Property and Regeneration Limited	Ordinary	100%	100%	Property
Sutton Harbour Commercial Limited	Ordinary	100%	100%	Property
Sutton Harbour Projects Limited	Ordinary	100%	100%	Property
Sutton Harbour Car Parks Limited	Ordinary	100%	100%	Car Park Operator
Sutton Harbour Projects (No 2) Limited	Ordinary	100%	100%	Investment Company

All of the above companies were incorporated in the United Kingdom and registered in England and Wales and for each the registered address is Tin Quay House, Sutton Harbour, Plymouth PL4 0RA.

All subsidiaries are included in the Group consolidated financial statements.

16. Derivative financial instruments

The Group utilises a hedge of interest payments by interest rate swaps hedging future interest rate risk. All hedges are remeasured to fair value as at the balance sheet date.

	Assets		Liabilities	
	2017	2016	**2017**	2016
	£000	£000	**£000**	£000
Current				
Interest rate swaps – cash flow hedges	**-**	-	**-**	(33)
Total current derivative financial instruments	**-**	-	**-**	(33)

	Assets		Liabilities	
	2017	2016	**2017**	2016
	£000	£000	**£000**	£000
Non-current				
Interest rate swaps – cash flow hedges	**-**	-	**(76)**	(40)
Total non-current derivative financial instruments	**-**	-	**(76)**	(40)

The fair value of hedges as at 31 March 2017 was as follows:

Hedges of interest payments by interest rate swaps hedging future interest rate risk:
Fair value of financial liability of £76,000, contract for £10.0m at 0.87% based on the GBP LIBOR rate ruling each month between 19 June 2016 and 31 March 2019.

The fair value of hedges as at 31 March 2016 was as follows:

Hedges of interest payments by interest rate swaps hedging future interest rate risk:
Fair value of financial liability of £33,000, contract for £15.0m at 1.45% based on the GBP LIBOR rate ruling each month between 18 June 2013 and 18 June 2016.

Fair value of financial liability of £40,000, contract for £10.0m at 0.87% based on the GBP LIBOR rate ruling each month between 19 June 2016 and 31 March 2019.

17. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2017	2016	**2017**	2016	**2017**	2016
	£000	£000	**£000**	£000	**£000**	£000
Property, plant and equipment	**-**	-	**(1,208)**	(1,164)	**(1,208)**	(1,164)
Investment property	**-**	-	**(441)**	(645)	**(441)**	(645)
Employee benefits	**-**	-	**-**	-	**-**	-
Losses carried forward	**7**	180	**-**	-	**7**	180
Tax assets / (liabilities)	**7**	180	**(1,649)**	(1,809)	**(1,642)**	(1,629)

Movement in deferred tax during the year	1 April 2016 £000	Change in deferred tax rate £000	Recognised in income £000	Recognised in equity £000	31 March 2017 £000
Property, plant and equipment	**(1,164)**	65	(109)	**-**	**(1,208)**
Investment property	**(645)**	35	169	**-**	**(441)**
Employee benefits	**-**	-	-	-	-
Losses carried forward	**180**	(10)	(163)	**-**	**7**
	(1,629)	**90**	**(103)**	**-**	**(1,642)**

The Directors believe the deferred tax asset relating to losses carried forward will be utilised by future taxable profits.

18. Inventories

	2017	2016
	£000	£000
Stores and materials	**24**	44
Goods for resale	**33**	28
Development property	**20,512**	20,025
	20,569	20,097

Included within inventories is £20,512,000 (2016: £20,023,000) expected to be recovered in more than 12 months.
Inventories to the value of £1,855,000 were recognised as an expense in the year (2016: £1,675,000).
Interest capitalised during the year in relation to development property was £23,000 (2016: £35,000).
In the course of the year, £nil of development property inventory was written down (2016: £206,000).

19. Trade and other receivables

	2017 £000	2016 £000
Trade receivables	**539**	626
Provision for impairment of trade receivables	**(52)**	(60)
	487	566
Other receivables	**145**	96
Prepayments and accrued income	**1,428**	1,376
	2,060	2,038

Included within trade and other receivables is £906,000 (2016: £761,000) expected to be recovered in more than 12 months.

The fair value of trade and other receivables classified as loans and receivables are not materially different to their carrying values.

The Group regularly reviews the ageing profile of trade receivables and actively seeks to collect any amounts that have fallen outside the defined credit terms. The Group provides, in full, for any debts it believes have become non-recoverable. Movements on the Group specific provision for impairment of trade receivables are as follows:

	2017 £000	2016 £000
As at the beginning of the year	**60**	46
Provision for receivables impairment	**24**	14
Receivables written off during the year as uncollectable	**(32)**	-
As at the end of the year	**52**	60

The ageing of trade receivables that have not been provided for are:

	2017 £000	2016 £000
Not yet due:		
0 – 29 days	**278**	333
Overdue:		
30 – 59 days	**148**	166
60 – 89 days	**-**	3
90 – 119 days	**10**	11
120 + days	**51**	53
	487	566

As at 31 March 2016, trade receivables of £210,000 (2016: £233,000) were past due but not impaired (as disclosed in the above table). These relate to a number of independent customers for whom there is no recent history of default.

20. Cash and cash equivalents

	2017 £000	2016 £000
Cash and cash equivalents per balance sheet	**703**	686
Cash and cash equivalents per cash flow statement	**703**	686

At 31 March 2017, the Group had an agreed bank facility of £25.0m (2016: £25.0m) which expires on 10 March 2019. The facility incurs interest charged at rates over LIBOR during the term of the facilities. LIBOR rates have been hedged on £10m of the £25.0m facility until 31 March 2019 by way of interest rate swaps.

Security over the assets of the Group has been given in relation to the bank facilities.

Undrawn facilities:

	2017 £000	2016 £000
Expiring within one year	**-**	-
Expiring within one to two years	**2,200**	-
Expiring between two and five years	**-**	2,500
	2,200	2,500

21. Bank loans

This note provides information about the contractual terms of the Group's interest-bearing loans. For more information about the Group's exposure to interest rate, see note 3.

	2017 £000	2016 £000
Non-current liabilities		
Secured bank loans	**22,800**	22,500
	22,800	22,500

Secured bank loans:

The current secured bank loans relate to a facility of £25.0m comprising four loans which incur interest at various rates over LIBOR during the term of the facilities and fall due for renewal more than 12 months from the Balance Sheet date. LIBOR rates have been hedged on £10.0m of the £25.0m facility until 31 March 2019 by way of an interest rate swap (see note 16). Assets with a carrying amount of £55.0m (2016: £55.5m) have been pledged to secure borrowings of the Group.

22. Deferred income and deferred government grants

Deferred income classified as current liabilities comprises advance rental income and advance marina fees.
Deferred government grants relate to grants received in relation to the Airport runway and lighting surrounding the runway, fit out of units at the fishmarket, floating walkways within the lock and for construction of the new ice plant and chill chain. The grant liability relating to the airport runway and lighting will not be released prior to any future sale of the site.

	Deferred income		Deferred government grants	
	2017	2016	**2017**	2016
	£000	£000	**£000**	£000
At the beginning of the year	**1,542**	1,504	**1,214**	994
Released to the income statement	**(1,542)**	(1,504)	**(45)**	(29)
Income and grants received and deferred	**1,479**	1,542	**-**	249
At the end of the year	**1,479**	1,542	**1,169**	1,214
Current	**1,479**	1,542	**-**	-
Non-current	**-**	-	**1,169**	1,214
	1,479	1,542	**1,169**	1,214

23. Trade and other payables

	2017	2016
	£000	£000
Trade payables	**770**	754
Other payables	**97**	64
Other taxation and social security costs	**122**	108
Accruals	**184**	192
	1,173	1,118

The ageing of trade payables is as follows:

	2017	2016
	£000	£000
Not yet due:		
0 – 29 days	**578**	516
Overdue:		
30 – 59 days	**173**	174
60 – 89 days	**5**	26
90 – 119 days	**5**	3
120 + days	**9**	35
	770	754

24. Finance lease liabilities

	Minimum lease payments		Capital element of lease payments	
	2017	2016	**2017**	2016
	£000	£000	**£000**	£000
Amounts payable under finance leases:				
Within one year	**137**	121	**123**	105
In the second to fifth years inclusive	**255**	316	**238**	294
At the end of the year	**392**	437	**361**	399
Less: future finance charges	**(31)**	(38)	**n/a**	n/a
Present value of lease obligations	**361**	399	**361**	399
Current			**123**	105
Non-current			**238**	294
			361	399

It is the Group's policy to lease certain of its property, plant and equipment under finance leases. The average lease term is 3.1 years (2016: 4.0 years). For the year ended 31 March 2017, the average effective borrowing rate was 4.5% (2016: 4.6%). Interest rates are fixed at the contract date. All finance leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. All lease obligations are denominated in sterling and the fair value of the Group's lease obligations approximates to their carrying amount.

25. Employee benefits

Pension plans
Defined contribution plans
The Group operates a number of defined contribution pension plans.The total expense relating to these plans in the current year was £153,000 (2016: £153,000). There were no amounts outstanding or prepaid at the year end (2016: £nil).

26. Provisions for other liabilities and charges

	Onerous leases £000	Total £000
Balance at 1 April 2015	177	177
Provisions made during the year	-	-
Provision utilised during the year	(36)	(36)
Balance at 31 March 2016	**141**	**141**
Balance at 1 April 2016	141	141
Provisions made during the year	173	173
Provisions utilised during the year	(61)	(61)
Balance at 31 March 2017	**253**	**253**
Current	71	71
Non-current	182	182
	253	253

Onerous leases are those where expected rents payable exceed rents receivable on sub-let office space in respect of two leases expiring in 2021.

27. Capital and reserves

Share capital

	Ordinary shares		Deferred shares		Total shares	
Thousands of shares	**2017**	2016	**2017**	2016	**2017**	2016
In issue at the beginning and end of the financial year - fully paid	**96,277**	96,277	**62,944**	62,944	**159,221**	159,221

	2017 £000	2016 £000	**2017 £000**	2016 £000	**2017 £000**	2016 £000
Authorised Ordinary share capital 100,000,000 Ordinary shares of 1p each (2016: 100,000,000 Ordinary shares of 1p each)	**1,000**	1,000	**-**	-	**1,000**	1,000
Allotted, called up and fully paid 96,277,086 (2016: 96,277,086) Ordinary shares of 1p each (2016: 1p each)	**963**	963	**-**	-	**963**	963
62,943,752 (2016: 62,943,752) Deferred shares of 24p each (2016: 24p)	**-**	-	**15,106**	15,106	**15,106**	15,106
	963	963	**15,106**	15,106	**16,069**	16,069

There is no limit to the authorised deferred share capital.

The holders of Ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. On a winding up each Ordinary share shall rank in priority to the Deferred shares.

The holders of Deferred shares are not entitled to receive dividends nor are they entitled to vote at meetings of the Company. On a winding up each Deferred share shall only be entitled to the nominal capital paid up or credited as paid up after paying the nominal capital paid up or credited as paid up on the Ordinary shares, the Deferred shares and/or any other shares in issue, together with the sum of £1,000,000 on each Ordinary share.

Other reserves

Share premium account
The share premium account represents premiums paid over the nominal value of share capital issued.

Revaluation reserve
The revaluation reserve relates to the revaluation of land and buildings included within property, plant and equipment.

Merger reserve
The merger reserve was created when Sutton Harbour Company was incorporated into the holding company, Sutton Harbour Holdings plc. It was further increased when a cash box placing of shares occurred on 4 September 2009, creating an additional £3.6m.

Hedging reserve
The hedging reserve contains the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges.

Retained earnings
Retained earnings represent retained earnings attributable to owners of the parent.

28. Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2017 £000	2016 £000
Less than one year	**225**	219
Between one and five years	**507**	815
Greater than five years	**-**	98
	732	1,132

During the year £224,000 was recognised in respect of operating leases expense in the income statement (2016: £221,000): £196,000 in cost of sales (2016: £196,000) and £28,000 in administrative expenses (2016: £25,000).

Included within operating lease rentals is an amount of £880,000 (2016: £1,078,000) due in relation to the lease of part of a property which has been sublet. Income will therefore be generated to offset some of these lease rental amounts.

Leases as lessor

The Group leases certain properties under operating leases (see notes 13 and 14). The future minimum lease rentals receivable under non-cancellable leases are as follows:

	2017 £000	2016 £000
Investment property:		
Less than one year	**1,490**	1,446
Between one and five years	**5,446**	5,653
More than five years	**26,011**	27,395
	32,947	**34,494**
Owner-occupied properties:		
Less than one year	**43**	37
Between one and five years	**139**	142
More than five years	**222**	257
	404	436

Total contingent rents recognised in the year were £39,000 (2016: £60,000). Contingent rents are determined by reference to specific clauses within the leases.

During the year ended 31 March 2017 £1,588,000 (2016: £1,582,000) was recognised as rental income in the income statement. Repair and maintenance expense recognised in cost of sales for the year to 31 March 2017 was £46,000 (2016: £60,000).

Owner-occupied property is classified within property, plant and equipment on the balance sheet, reflecting their principal use in the business.

Operating leases on the properties have terms between 5 years and 125 years in length and cannot be cancelled before the end of the lease, unless there is a break clause. Rent reviews usually occur at five year intervals.

29. Cash flow statements

	2017 £000	2016 £000
Cash flows from operating activities		
Profit for the year from continuing operations	**40**	1,497
Adjustments for:		
Taxation on loss from continuing activities	**13**	93
Financial income	**-**	(2)
Financial expense	**934**	1,009
Fair value adjustments on investment property	**(110)**	(1,829)
Revaluation of property, plant and equipment	**215**	377
Depreciation	**336**	273
Amortisation of grants	**(45)**	(29)
Impairment of assets	**-**	66
Loss on sale of property, plant and equipment	**9**	6
Cash generated from continuing operations before changes in working capital and provisions	**1,392**	1,461
Increase in inventories	**(472)**	(202)
Increase in trade and other receivables	**(18)**	(514)
Increase/(decrease) in trade and other payables	**57**	(126)
(Decrease)/increase in deferred income	**(63)**	38
Increase/(decrease) in provisions	**112**	(36)
Cash generated from continuing operations	**1,008**	621

30. Related parties

The parent of the Group is Sutton Harbour Holdings plc. There is no ultimate controlling party. Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Transactions with key management personnel:
Executive Directors of the Company and their immediate relatives control 0.12% (2016: 0.12%) of the voting shares of the Company.

The compensation of key management personnel (the Executive and Non Executive Directors) is as follows:	**2017** **£000**	2016 £000
Fees	**83**	83
Short term employee benefits including taxable benefits	**276**	260
Social security costs	**39**	36
Company contributions to money purchase pension schemes	**57**	55
	455	434

Mr D McCauley/Rotolok (Holdings) Limited ("Rotolok") is the Group's second largest shareholder, holding 28.79% of the issued share capital of Sutton Harbour Holdings plc, and also has representation on the Board of Directors by virtue of Sean Swales, the Group Managing Director of Rotolok (Holdings) Limited. As a consequence, Rotolok is considered to have significant influence over the Group as defined in IAS 24 'Related party transaction' and hence transactions with Rotolok are required to be disclosed. In the year there were no transactions with Rotolok.

30. Capital commitments

At March 2017 the Group has no capital commitments.

Historical Financial Information

For the year ended 31 March 2017

	2017 £000	2016 £000	2015 £000	2014 £000	2013 £000
Net Assets	**40,141**	40,869	40,459	38,554	36,562
Revenue	**6,718**	6,509	6,955	7,045	7,039
Operating profit before fair value adjustments, impairments and onerous leases	**1,288**	1,467	1,274	1,167	1,391
Fair value adjustments on investment property and fixed assets	**(105)**	1,452	917	311	(3,426)
Impairment of assets, onerous leases	**(173)**	(272)	(403)	(354)	(978)
Operating profit/(loss) after fair value adjustments and impairments	**1,010**	2,647	1,788	1,124	(3,013)
Other gains and losses	**-**	-	-	-	69
Net financing costs (excludes joint ventures/associates)	**(957)**	(1,057)	(927)	(859)	(735)
Profit/(loss) before tax on continuing activities	**53**	1,590	861	265	(3,679)
Loss from discontinued activities	**-**	-	-	-	-
Profit/(loss) attributable to equity shareholders	**40**	1,497	655	1,323	(2,849)
Dividends paid	**-**	-	-	-	-
Basic earnings/(loss) per share	**0.04p**	1.55p	0.68p	1.37p	(2.96)p
Diluted earnings/(loss) per share	**0.04p**	1.55p	0.68p	1.37p	(2.96)p
Dividends paid and proposed per ordinary share (adjusted for changes in issued share capital)	**-**	-	-	-	-

Company Balance Sheet

As at 31 March 2017

	Note	2017 £000	2016 £000
Fixed assets			
Investments	5	**4,657**	4,657
		4,657	4,657
Current assets			
Debtors	6	**42,953**	41,373
Cash at bank and in hand		**10**	8
		42,963	41,381
Current liabilities			
Creditors: amounts falling due within one year	7	**28**	21
Net current assets		**42,935**	41,360
Total assets less current liabilities		**47,592**	46,017
Creditors: amounts falling due after more than one year	8	**19,951**	18,834
Net assets		**27,641**	27,183
Capital and reserves			
Called up share capital	9	**16,069**	16,069
Share premium account	11	**5,368**	5,368
Merger Reserve	11	**3,620**	3,620
Profit and loss account	11	**2,584**	2,126
Total shareholders' funds		**27,641**	27,183

The notes on pages 57 to 61 are an integral part of these financial statements. In the year the Company made a profit of £458,000 (2016: profit of £699,000).

The Financial Statements were approved and authorised by the Board of Directors on 27 June 2017 and were signed on its behalf by:

Jason W. H. Schofield
Director
Company number: 2425189

Company Statement of Changes in Equity

As at 31 March 2017

	Called up capital £000	Share premium account £000	Merger reserve £000	Profit and loss account £000	Total £000
Balance at 1 April 2015	16,069	5,368	3,620	1,427	26,484
Profit for the year	-	-	-	699	699
Balance at 31 March 2016	16,069	5,368	3,620	2,126	27,183
Balance at 1 April 2016	16,069	5,368	3,620	2,126	27,183
Profit for the year	-	-	-	458	458
Balance at 31 March 2017	16,069	5,368	3,620	2,584	27,641

1. General information

Sutton Harbour Holdings plc ("the Company") is a limited company incorporated in the United Kingdom under the Companies Act 2006. These financial statements cover the financial year from 1 April 2016 to 31 March 2017, with comparatives for the year 1 April 2015 to 31 March 2016 and are compliant with FRS101.

2. Accounting policies

Basis of preparation
The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2017.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosure;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement,
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16,, 38(a), 38(b), 38(c), 38(d), 40(a), 40(b), 40(c), 40(d), 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

Going concern
The Company meets its day to day working capital requirements through intercompany funding and is therefore reliant on bank finance in the form of Group wide term loan and revolving credit facilities. In March 2016, Sutton Harbour Holdings plc and subsidiary companies (the "Group") renewed its banking facilities for three years, with two term loans totalling £22.5m and a £2.5m revolving credit facility.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of the facilities and covenants over a period of at least twelve months from the date of approval of these financial statements.

It has been confirmed that the intercompany balances in place will not be requested for repayment in the foreseeable future.

In light of the above and considering the Group's forecast covenant compliance, in the Directors' opinion it remains appropriate to adopt the going concern basis of preparation for these financial statements.

Measurement convention
The financial statements are prepared on the historical cost basis as modified by the fair value of share based payments, financial assets and financial liabilities (including derivative instruments) at fair value through the profit or loss. Investment property and other property are carried at fair value. Non-current assets held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

The functional currency of the Company is pounds sterling and therefore balances are shown in the financial statements in thousands of pounds sterling, unless otherwise stated.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements:

Cash and cash equivalents
Cash in the balance sheet comprises cash at bank and in hand.

Impairment
The carrying amounts of the Company's assets are considered at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where the carrying amount of an asset exceeds its recoverable amount it is impaired and is written down to its recoverable amount.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Own shares

Ordinary and Deferred shares are classified as equity. Incremental costs directly attributable to the issue of Ordinary and Deferred shares and share options are recognised as a deduction from equity.

Taxation

Tax on the profit for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax is recognised on all temporary differences except on the initial recognition of goodwill or on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Dividends

Interim dividends are recognised when paid, final dividends are recognised when approved by the shareholders. Dividends unpaid at the balance sheet date are only recognised as a liability at that date if they have been approved. Unpaid dividends that have not yet been approved are disclosed in the notes to the financial statements.

Financial instruments

Trade and other debtors, trade and other creditors and all intercompany balances are financial instruments and are carried at amortised cost.

3. Services provided by the Company's auditors

During the year the Company obtained the following services from the Company's auditors:

Current auditors:	**2017 £000**	2016 £000
Fees payable to Company's auditor for the audit of Parent Company financial statements	**6**	6
Fees payable to the Company's auditor for other services:		
Tax services	**1**	1

For further details on other services provided by the Company's auditors, see note 7 of the main Group consolidated financial statements.

4. Employees and Directors

The Company has no employees. The Directors are not remunerated for their services to the Company. Remuneration in respect of subsidiary undertakings is disclosed in note 8 to the consolidated financial statements.

5. Investments

	Investment in subsidiary undertakings £000	Total £000
Cost and net book value		
As at the beginning and end of the financial year	4,657	4,657

Subsidiary companies:

At 31 March 2017, the Company has the following investments in subsidiaries:

	Class of shares held	Ownership 2017	2016	Nature of Business
Subsidiaries				
Sutton Harbour Company	Ordinary	**100%**	100%	Harbour Authority
Sutton Harbour Services Limited	Ordinary	**100%**	100%	Marine Leisure & Property
Plymouth City Airport Limited	Ordinary	**100%**	100%	Property Developer
Sutton Harbour Property and Regeneration Limited	Ordinary	**100%**	100%	Property
Sutton Harbour Commercial Limited	Ordinary	**100%**	100%	Property
Sutton Harbour Projects Limited	Ordinary	**100%**	100%	Property
Sutton Harbour Car Parks Limited	Ordinary	**100%**	100%	Car Park Operator
Sutton Harbour Projects (No 2) Limited	Ordinary	**100%**	100%	Investment Company

All of the above companies were incorporated in the United Kingdom and registered in England and Wales and for each the registered address is Tin Quay House, Sutton Harbour, Plymouth PL4 0RA.

Notes to the Company Financial Statements

For the year ended 31 March 2017

6. Debtors

	2017 £000	2016 £000
Amounts owed by subsidiary undertakings	**42,604**	40,797
Deferred tax	**6**	126
Other debtors and prepayments	**343**	450
Total debtors	**42,953**	41,373

Amounts owed by subsidiary companies are all due in more than one year.

7. Creditors: amounts falling due within one year

	2017 £000	2016 £000
Other creditors	**28**	21
Total creditors	**28**	21

Security over the assets of the Group has been given in relation to the bank facilities.

8. Creditors: amounts falling due after more than one year

	2017 £000	2016 £000
Amounts owing to subsidiary undertakings	**19,651**	18,834
Bank borrowings	**300**	-
	19,951	18,834

Interest is charged at rates over LIBOR during the term of the bank facilities.

9. Called up share capital

	Ordinary Shares		Deferred Shares		Total	
Thousands of shares	**2017**	2016	**2017**	2016	**2017**	2016
In issue at the beginning and end of the financial year – fully paid	**96,277**	96,277	**62,944**	62,944	**159,221**	159,221

	Ordinary Shares		Deferred Shares		Total	
	2017 £000	2016 £000	**2017 £000**	2016 £000	**2017 £000**	2016 £000
Allotted, called up and fully paid						
96,277,086 (2016: 96,277,086) Ordinary shares of 1p each (2016: 25p each)	**963**	963	**-**	-	**963**	963
62,943,752 (2016: 62,943,752) Deferred shares of 24p each (2016: 24p each)	**-**	-	**15,106**	15,106	**15,106**	15,106
Total	**963**	963	**15,106**	15,106	**16,069**	16,069

The holders of Ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The holders of Deferred shares are not entitled to receive dividends nor are they entitled to vote at meetings of the Company. On a winding up each Deferred share shall only be entitled to the nominal capital paid up or credited as paid up after paying the nominal capital paid up or credited as paid up on the Ordinary shares, the Deferred shares and/or any other shares in issue, together with the sum of £1,000,000 on each Ordinary share.

10. Contingencies

The Company has given an unlimited guarantee in respect of bank borrowings of all subsidiary companies. At 31 March 2017, these borrowings amounted to £22,800,000 (2016: £22,500,000).

11. Description of reserves

Called up share capital
The called up share capital and share premium accounts represent equity share capital (see note 27 to the consolidated financial statements).

Share premium account
The share premium account represents premiums paid over the nominal value of share capital issued (see note 27 to the consolidated financial statements).

Merger reserve
The merger reserve was created when a cash box placing of shares occurred on 4 September 2009. In the opinion of the Directors, this reserve is distributable (see note 27 to the consolidated financial statements).

Profit and loss account
The profit and loss account represents retained profits.

12. Ultimate controlling party

Sutton Harbour Holdings plc is the ultimate Parent Company of the Group and there is no separate controlling party. The consolidated financial statements of the Group headed by Sutton Harbour Holdings plc are presented separately on pages 22 to 53 of this document. The results of the Company are not consolidated in any other group's financial statements.