

1 August 2023

**Sutton Harbour Group Plc (the "Group")**

**Results for the year ended 31 March 2023**

Sutton Harbour Group plc ("Sutton Harbour", or the "Company"), the AIM listed owner and operator of Sutton Harbour in Plymouth and specialist in waterfront regeneration projects and operation of waterfront real estate, marinas and Plymouth Fisheries, announces audited results for the year ended 31 March 2023. The statutory accounts for 2023 are expected to be available on the Group's website ([www.suttonharbournroup.com](http://www.suttonharbournroup.com)) later today.

**Highlights**

- The first new development project at Sutton Harbour in a decade, Harbour Arch Quay, is under construction and due for completion in August 2023.
- Successful refurbishment of Old Barbican Market now fully let to three high quality national retail operators.
- Record trading year for the marinas with near capacity occupancy during year ended 31 March 2023.
- Strong trading by marinas and car parks reflected in increased valuation of the owner occupied property portfolio at £38.3m (2022: £36.1m).
- Investment property estate remains 89% occupied (2022: 89%).
- Energy price spike and higher interest costs have contributed to a loss during the year. Energy prices have declined at the start of the new financial year and the Company is securing more cost effective supplies.

**Financial Highlights**

	Note	2023	2022
Adjusted (loss)/profit before tax	*	£(0.096)m	£0.366m
Net financing costs		£1.150m	£0.789m
Net assets		£56.1m	£56.2m
Net asset per share		43.1p	43.3p
Valuation of property portfolio	**	£55.5m	£54.3m
Year-end net debt		£29.6m	£24.4m

*\*Before accounting for fair value adjustments to property asset valuation.*

*\*\*Comprises investment and owner occupied portfolios.*

*Excludes land held as development inventory.*

*Valuation as at 31 March 2023.*

**Philip Beinhaker, Executive Chairman, commented:**

"The Board is pleased with the successful delivery of new developments to meet objectives of sustaining and enhancing the attractiveness and amenity of the Sutton Harbour area and to create long term value growth from the assets. The investments made in the past year are proof that sustainable success is achievable with improvements to the Harbour environment for the benefit of visitors, workers and residents."

For further information, please contact

## Executive Chairman's Statement

### Introduction

I am pleased to report on a successful year of progress for the year ended 31 March 2023, notwithstanding the material challenges in the economy:

- The Company has been engaged in the delivery of two key property projects during the financial year, in line with the strategy to improve the quality, value and sustainability of the Sutton Harbour area:

Harbour Arch Quay - construction of the waterfront 14 apartment building is due to be substantially completed in August 2023, whereafter occupations of the 12 (of 14) apartments already exchanged will follow. This is the first new building developed by the Company at Sutton Harbour since 2009.

Old Barbican Market - the historic former fishmarket building has undergone a full refurbishment, including a new roof on the listed structure and separation of the 7,500 sq ft space into three c. 2,500 sq ft retail spaces. All three units are let to higher quality national operators: Cornish Bakery, Pavers and Loungers, stimulating footfall and adding to the diversity and vibrancy of the area.

- Marinas - the marinas achieved another record season with berths occupied effectively to capacity during the year.
- The nature of the Company's operations and level of debt carried has exposed the Company to significant cost increases as a result of rising interest rates and the extreme energy cost spike in the second half of the year. Energy costs have declined at the start of the current financial year and the Company is securing more cost effective contracts and with more stability in supply.
- To support repayment of a third party loan, the Company's progress with active and future property projects and to improve cash headroom Related Party Loans totalling £2.955m were drawn down from two major shareholders during the year. Post-period end, in May 2023, subscription for new equity shares by the major shareholder provided £2.923m (before expenses) to further support the Company's operations and projects in the face of ongoing higher costs and to permit reduction of bank loan debt.

### Results and Financial Position

FINANCIAL HIGHLIGHTS	2023	2022
Net Assets	£56.067m	£56.211m
Net Asset value per share	43.1p	43.3p
(Loss)/Profit before tax from continuing operations	(£2.021m)	£0.561m
Adjusted profit/(loss) before tax excluding fair value adjustments	(£0.096m)	(£0.366m)
(Loss) after tax	(£2.036m)	(£0.259m)
Basic (loss) after tax per share	(1.57p)	(0.20p)
Dividend per share	0.0p	0.0p
Total Comprehensive Income for the year attributable to shareholders	(£0.144m)	£5.641m
Total Comprehensive Income per share	(0.11p)	4.33p
Net Debt	£29.259m	£24.408m

Gearing (Net Debt/Net Assets)	52.2%	43.4%
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The adjusted loss before taxation for the year was £0.096m (2022: £0.366m profit before taxation) which excludes non-cash fair value adjustments. In this financial year these adjustments relate to property asset valuation, undertaken by external valuers as at 31 March 2023. The loss before taxation for the year under review as per the Income Statement, inclusive of the aforementioned adjustments, was £2.021m (2022: £0.561m profit before tax). Gross profit for the year was £2.246m down £0.102m compared to the previous period to 31 March 2022 (£2.348m), reflecting the impact of the higher energy costs in the second half year.

Net debt (including lease liabilities) increased to £29.259m as at 31 March 2023 from £24.408m at 31 March 2022, an increase of £4.851m. This includes £2.372m at 31 March 2023 in respect of a specific development loan (maximum £5m facility) for the construction of Harbour Arch Quay. The increase in development property inventory during the year to £37.048m (31 March 2022: £31.861m), includes the Harbour Arch Quay development which amounted to £6.940m at the year end.

Gearing (Net debt: net assets) as at 31 March 2023 stood at 52.2% (31 March 2022: 43.4%). Net finance costs of £1.150m in the year (2022: £0.789m) are stated after capitalisation of interest of £0.555m (2022: £0.343m).

As at 31 March 2023, net assets were £56.067m (31 March 2022: £56.211m), a net asset value of 43.1p per ordinary share (31 March 2022: 43.3p per ordinary share). The movement includes the valuation of the Group's property assets which gave rise to an overall valuation surplus of £0.510m, as reconciled in the table below, of which a £1.925m deficit relates to the investment property portfolio and a net £2.435m surplus relates to the owner-occupied properties. These valuation results reflect the strength and continued strong performance of the marina and car park assets, set against the impact of a general weaker market sentiment towards office and retail space. The Company's investment portfolio has continued to be well let and with demand for the few available properties. During the year a 27 year old office building has been decanted as leases expired with refurbishment of the building intended.

	Valuation Surplus/(Deficit)	Accounting*
Owner Occupied Portfolio		
- Fisheries	-	
- Marinas	£2.024m	Credited to the Revaluation Reserve in the Balance Sheet
- Car Parks	£0.411m	Credited to the Revaluation Reserve in the Balance Sheet
Investment Property Portfolio	£(1.925)m	Fair valuation adjustment recorded in the Income Statement
TOTAL	£0.510m	

## Financing

In May 2022 the Company repaid a third party loan which had been drawn down in 2020 to purchase strategic land. Security provided to the lender was then released. This was funded by unsecured Related Party Loans from two major shareholders totalling £2.3m on better and more flexible terms than could be secured elsewhere. Later in the financial year (December 2022 and March 2023) the Related Party Loans were increased by £280,000 and £375,000 respectively to improve cash liquidity. Terms of the loans allow for interest to be rolled into the loan principal on a quarterly basis. The Related Party Loans expire in May 2024.

The Company's general banking facility has been extended by one year giving a new expiry date of December 2024. The committed facilities of £24.9m reduce to £21.7m by 31 August 2023. The Company is now preparing to put a new general banking facility in place within the current financial year. During the past financial year the Company met all banking covenant tests as agreed with the bank.

A £5m development facility was put in place to fund the construction costs of Harbour Arch Quay. This facility will be repaid with the completion of sales of the apartments before the expiry date of 13 September 2023.

During the financial year under review bank base rate rose from 0.75% as at 1 April 2022 to 4.25% at 31 March 2023. The progressive rises throughout the year have resulted in material increases in debt servicing costs. The board has discussed the merits of fixing the interest rate by way of a hedge instrument every month, but to date has not entered into any agreements due to the high cost of doing so relative to the rate ruling at the time of obtaining quotes and the expectation that rates are close to peaking.

Recognising the increasing cost of debt serving costs, the Company has a strategy to further reduce debt levels and to improve profitability:

- To continue to improve the attractiveness of the Sutton Harbour asset to benefit the Company's trading profitability and investment property rentals.

- Deliver profitable redevelopment of existing sites for sale to improve working capital headroom and to reduce debt, and/or for rent to improve revenue, profit and capital value growth
- Consideration of the sale of non-strategic assets that have achieved maturity and stability in value.
- And thus rebalancing the debt : equity ratio of Company to allow the reduction of debt and consequent saving of interest.

Taking into account the current level of bank borrowing, the board does not recommend payment of a dividend on the year's results.

#### **Directors and Staff**

There have been no Board changes during the year. Headcount as at 31 March 2023 was 30 (31 March 2022: 32).

#### **Operations Report**

##### **Marine**

Both Sutton Harbour Marina and King Point Marinas achieved record revenues for the year to 31 March 2023 with respective average occupancies of 97% and 96%. The Company saw high demand for berthing following the trend of the previous year and more customers paying some 5 months in advance of the start of the season to secure their preferred berth. In response to the increased level of business some additional staffing resource has been introduced to support the administrative and operational functions running the marinas.

The outlook for the marinas remains strong with King Point Marina fully let and a new 5 year lease for approximately one third of the total berthing space to Princess Yachts completed in June 2023. The Company has increased fees, in line with inflation, as have competitor marinas. Berth-holders at Sutton Harbour Marina have been offered a discount to reflect the disruption of the forthcoming lock work and occupancy is slightly lower this season at 95%. Normal operations will resume by May 2024 once these works are complete with the expectation that major lock works will not be required for another 12-15 years (more information on these works is given below).

Fisheries trading followed the slow trend of the last couple of years with high fuel prices, competition from other south western ports, intermittent poor weather and lower fish stocks all contributing to a decline in the trading position. Landings of fish in value terms were slightly lower than the previous year although the volume of fish sold was up on last year, albeit at a lower overall margin charged by the Company to support fishermen to go to sea and improve competitiveness. Against this trading picture, demand for commercial units at Plymouth Fisheries has been strong, such that all units are now let to fisheries related businesses and there are no void premises. Rental incomes and related service charges have therefore improved in the last year.

The energy price spike that affected the second half of the financial year under review which took hold after the previous fixed price expired increased energy prices to 3.5-4 times as much as previously charged, even after allowing for the Government energy price relief discount. Since 1 April 2023 energy prices have halved from where they were, although this is still close to double the price as pre October 2022. The Company will continue to be a significant energy consumer to operate the harbour, lock and fisheries plant as well as general heating and lighting consumption across the estate which is recharged to tenants and other users based on meter readings in the case of specific supply. To manage the risk of volatility in energy prices the Company is in the process of entering into a 5 year capped buying arrangement for the procurement of gas and electricity requirements which offers greater protection against future price volatility.

Starting in Autumn 2023 the Environment Agency will embark on a six month programme to replace the cills of the Sutton Harbour Lock, which is a flood defence to protect the City. These essential works result in restrictions to harbour users at certain times when passage through the lock will be constrained. The Group is arranging for back-up alternatives to facilitate some of the landing of fish at nearby locations which can be transported to the Fishery Complex for fish processing and auction. This was the same some 13 years previously when works were undertaken on the lock gates, however the costs relating to the works themselves is being funded by the Environment Agency.

##### **Real Estate and Car Parking**

Tenant occupancy by 31 March 2023 stood at 89% (31 March 2022 89%). There has been little change in the tenants mix over the reporting year. The main changes have been the decanting of North Quay House (a 17,750 sq ft 5-floor) office building and the letting of the refurbished Old Barbican Market.

The Old Barbican Market is fully let with three new national scale tenants with material covenants and has visibly stimulated increased visitor footfall to the area. The sensitive and complete restoration of the listed historic building has

enhanced the quality of the built environment and amenity in the Sutton Harbour/Barbican area for years to come.

North Quay House has been continuously let to office tenants for 27 years. Following the vacation by most tenants the Company is reviewing options for the building which would achieve best value for the Company and to stimulate activity at Sutton Harbour. Demand for office space in Plymouth has weakened and the Company judges that the cost of refurbishment to modern standard office space is unlikely to generate returns sufficient to justify the investment. Following the success of the Harbour Arch Quay residential development, the Company now intends to submit a planning application to convert the building to residential accommodation with ground floor commercial space. Subject to planning consent and financing this development, which could provide 10 high quality apartments over 5 floors together with on site parking, could be delivered in 2024.

The car parks traded successfully throughout the financial year achieving the best revenues to date. Prices have been raised in line with inflation and other local parking facilities for the new season. The car parks management agreement is due for renewal at the end of 2023 and discussions with specialist management companies will take place over the next few months to secure the best terms for the Company.

The normal events programme organised, by the City Council and other stakeholders, for the waterfront and nearby City Centre areas have resumed, increasing visitor numbers which in turn support the trading operations of many of our tenants. Together with the Company's new developments and improvements these events promote the vibrancy and popularity of the Sutton Harbour area for visitors, workers and residents, thereby supporting the sustainability of the Harbour and values of the Company's property assets.

## Regeneration

### Harbour Arch Quay

The development construction is due to be completed by mid August 2023, with occupation of sold apartments due to take place immediately thereafter. Of the 14 apartments, including 2 penthouses, 12 are sold and the remaining two are being marketed. The Company will be relocating its head office to the ground floor space of the building. This is the first new development that the Company has delivered at Sutton Harbour in 14 years and re-establishes the Company's reputation as an active developer.

### North Quay House

This asset has been described in more detail further above.

### Sugar Quay

The Company has consent for a 170 apartment building on the eastern quay of Sutton Harbour. Taking into account the market absorption rate for the Harbour Arch Quay apartments, the length of the build programme and the current economic outlook, the Company is now working on modifying the approved plan for this site that will allow for the development to be delivered in three distinct phases.

### Former Airport Site

The 5 year safeguard protecting against non-aviation uses of the site, as recommended by the Government's Inspectors of planning policy when the new Local Plan was determined in 2019, expires in March 2024. Since the airport closed in December 2011, no funded plan to resume airport operations from the site has been received. The Company maintains that the site could be put to better use for the economic and social benefit of the City by mixed use redevelopment to include institutional, business space and housing provision with the possibility of an aviation component. The Company intends to submit a planning application to the Local Planning Authority setting out the plan for development later this year.

The Company has a long-term lease on the Property of the Former Airport site with over 130 years remaining. In addition, the Company has the right for an extension of the said lease. Since the closure of the Airport in December 2011 the Company, under the terms of the agreement with the Plymouth City Council, has been managing the property faithfully. This management includes the security of the land assets against trespassers, groundskeeping and environmental management and site safety, all at considerable cost to the Company, c £200,000 per annum.

The Company has also collaborated with the local authority (Plymouth City Council or PCC) and other public bodies to enable them to make productive use of the property. Some examples are:

- Agreement via sublease to enable the PCC to have a cycle path on the property alongside some of the adjacent roads;
- Agreement with the local authority to enable the construction contractor of the PCC to store large reinforced concrete bridge beams on the property needed for the construction of a major new highway; and
- Use of the site by the Police and other public security services for various training exercises.

Recently, the Company received a request from the NHS Derriford Hospital to accommodate part of their need for parking of cars on the site. This need arose from the construction works on the hospital site, funded by the National Government, which displaced staff parking. The Company approached the local authority as free-holder of the site for this temporary use for a few years for the benefit of the NHS/Derriford Hospital, which request was not granted by Plymouth City Council.

The Company has more recently been approached by the construction contractor of the Hospital works, to use some of the land on a temporary basis to store construction related materials, vehicles and equipment with commitment to return the site in the same state as before this temporary use. The Company is making an application to the PCC regarding this request, notwithstanding the previous temporary car parking rejection, in the hope that the PCC will recognise the importance of this need to deliver the essential hospital improvements.

#### Financial Outlook

Trading at the start of the new financial year is steady and consistent with recent trading. Demand for the Company's property, services and facilities continues to be robust. The Company will continue to be challenged with higher energy prices (although these continue to fall from the winter peak), general inflation and the consequential costs resulting from the lock cill replacement. Higher interest rates represent the single biggest cost pressure.

#### Summary

The Board is pleased with the successful delivery of new developments to meet objectives of sustaining and enhancing the attractiveness and amenity of the Sutton Harbour area and to create long term value growth from the assets. The investments made in the past year are proof that sustainable success is achievable with improvements to the Harbour environment for the benefit of visitors, workers and residents. This positive achievement is set against the emergence of economic challenges of higher energy and interest costs which have undermined profitability in the past year. Looking to the future, in order to maintain the momentum with current strategic plans, the Company is in discussions with the current development funder, based on the productive results of the work to date, towards securing the additional financing for development of the Company's existing land assets in the coming year. We look forward to updating the market in due course.

Philip Beinhaker

**EXECUTIVE CHAIRMAN**

31 July 2023

#### Consolidated Income Statement for the year ended 31 March 2023

	2023 £000	2022 £000
<b>Revenue</b>	<b>8,161</b>	7,194
<b>Cost of sales</b>	<b>(5,915)</b>	(4,846)
<b>Gross profit</b>	<b>2,246</b>	2,348
Fair value adjustments on investment properties and fixed assets	(1,925)	195
Administrative expenses	(1,193)	(1,193)
<b>Operating (loss)/profit</b>	<b>(872)</b>	1,350
Finance income	1	-
Finance costs	(1,150)	(789)
<b>Net finance costs</b>	<b>(1,149)</b>	(789)
<b>(Loss)/Profit before tax from continuing operations</b>	<b>(2,021)</b>	561
Taxation charge on (loss)/profit from continuing operations	(15)	(820)
<b>(Loss) for the year from continuing operations</b>	<b>(2,036)</b>	(259)
<b>(Loss) for the year attributable to owners of the parent</b>	<b>(2,036)</b>	(259)

<b>Basic and diluted (loss) per share</b>		
from continuing operations	<b>(1.57p)</b>	(0.20p)
<b>Diluted (loss) per share</b>		
From continuing operations	<b>(1.57p)</b>	(0.20p)

**Consolidated Statement of Other Comprehensive Income for the year ended 31 March 2023**

	<b>2023</b>	2022
	<b>£000</b>	£000
<b>(Loss) for the year</b>	<b>(2,036)</b>	(259)
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
Revaluation of property, plant and equipment	<b>2,435</b>	7,016
Deferred tax in respect of property revaluation	<b>(543)</b>	(1,116)
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Effective portion of changes in fair value of cash flow hedges	-	-
<b>Other comprehensive income for the year, net of tax</b>	<b>1,892</b>	5,900
<b>Total comprehensive (loss)/income for the year attributable to owners of the parent</b>	<b>(144)</b>	5,641

**Consolidated Balance Sheet  
As at 31 March 2023**

	<b>2023</b>	2022
	<b>£000</b>	£000
<b>Non-current assets</b>		
Property, plant and equipment	<b>38,540</b>	36,398
Investment property	<b>17,205</b>	18,195
Inventories	<b>13,363</b>	13,216
	<b>69,108</b>	67,809
<b>Current assets</b>		
Inventories	<b>23,749</b>	18,734
Trade and other receivables	<b>2,092</b>	1,810
Tax recoverable	<b>5</b>	9
Cash and cash equivalents	<b>1,095</b>	970
	<b>26,941</b>	21,523
<b>Total assets</b>	<b>96,049</b>	89,332
<b>Current liabilities</b>		
Bank Loans	<b>3,200</b>	-
Other Loans	<b>5,477</b>	2,275
Trade and other payables	<b>3,301</b>	1,880
Lease liabilities	<b>66</b>	165
Deferred income	<b>2,132</b>	2,225

	<b>14,176</b>	<b>6,545</b>
<b>Non-current liabilities</b>		
Bank loans	<b>21,600</b>	22,863
Lease liabilities	<b>10</b>	75
Deferred government grants	<b>646</b>	646
Deferred tax liabilities	<b>3,550</b>	2,992
	<b>25,806</b>	<b>26,576</b>
<b>Total liabilities</b>	<b>39,982</b>	<b>33,121</b>
<b>Net assets</b>	<b>56,067</b>	<b>56,211</b>
<b>Issued capital and reserves attributable to owners of the parent</b>		
Share capital	<b>16,406</b>	16,406
Share premium	<b>13,972</b>	13,972
Other reserves	<b>24,072</b>	22,180
Retained earnings	<b>1,617</b>	3,653
<b>Total equity</b>	<b>56,067</b>	<b>56,211</b>

**Consolidated Statement of Changes  
in Equity  
For the year ended 31 March 2023**

	Share capital	Share premium	Revaluation reserve	Merger reserve	Hedging reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2021	16,266	10,695	12,409	3,871	-	3,912	47,153
<b>Comprehensive income</b>							
Loss for the year	-	-	-	-	-	(259)	(259)
<b>Other comprehensive income</b>							
Share Issue	140	3,277	-	-	-	-	3,417
Revaluation of property, plant and equipment	-	-	7,016	-	-	-	7,016
Deferred tax on revaluation	-	-	(1,116)	-	-	-	(1,116)
<b>Total comprehensive income</b>	<b>140</b>	<b>3,277</b>	<b>5,900</b>	<b>-</b>	<b>-</b>	<b>(259)</b>	<b>9,058</b>
Balance at 1 April 2022	16,406	13,972	18,309	3,871	-	3,653	56,211
<b>Comprehensive income</b>							
Loss for the year	-	-	-	-	-	(2,036)	(2,036)
<b>Other comprehensive income</b>							
Share issue	-	-	-	-	-	-	-
Revaluation of property, plant and equipment	-	-	2,435	-	-	-	2,435
Deferred tax on revaluation	-	-	(543)	-	-	-	(543)
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,892</b>	<b>-</b>	<b>-</b>	<b>(2,036)</b>	<b>(144)</b>
<b>Total balance at 31 March 2023</b>	<b>16,406</b>	<b>13,972</b>	<b>20,201</b>	<b>3,871</b>	<b>-</b>	<b>1,617</b>	<b>56,067</b>

**Consolidated Cash Flow Statement  
For the year ended 31 March 2023**



	£000	£000
<b>Cash (used in)/generated from total operating activities</b>	<b>(2,658)</b>	<b>59</b>
<b>Cash flows from investing activities</b>		
Net expenditure on investment property	(935)	(52)
Expenditure on property, plant and equipment	(97)	(196)
Proceeds from disposal	-	262
<b>Cash (used)/(generated) in investing activities</b>	<b>(1,032)</b>	<b>14</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	-	3,417
Interest paid	(1,009)	(1,033)
Loan drawdown	7,263	(2,337)
Loan repaid	(2,275)	-
Lease finance received	-	62
Cash payments of lease liabilities	(164)	(148)
Grants received	-	8
<b>Net cash generated/(used) from financing activities</b>	<b>3,815</b>	<b>(31)</b>
Net increase in cash and cash equivalents	125	42
Cash and cash equivalents at beginning of the year	970	928
<b>Cash and cash equivalents at end of the year</b>	<b>1,095</b>	<b>970</b>

#### Reconciliation of financing activities for the year ended 31 March 2023

	2023	Cash flow	2022	Cash flow	2021
	£000	£000	£000	£000	£000
Bank loans	24,800	2,000	22,800	(2,400)	25,200
Other loans	6,306	3,968	2,338	63	2,275
Lease liabilities	76	(164)	240	(87)	327
<b>Total debt</b>	<b>31,182</b>	<b>5,804</b>	<b>25,378</b>	<b>(2,424)</b>	<b>27,802</b>

#### Segment results

##### For the year ended 31 March 2023

	Marine £000	Real Estate £000	Car Parking £000	Regeneration £000	Total £000
Revenue	6,016	1,374	771	-	8,161
Segmental Gross Profit before Fair value adjustment and unallocated expenses	974	965	449	(142)	2,246
Fair value adjustment on investment properties and fixed assets		(1,925)	-	-	(1,925)
Segmental Profit					321
Unallocated:					
Administrative expenses					(1,193)
Operating profit					(872)
Financial income					1
Financial expense					(1,150)
Profit before tax from continuing activities					(2,021)
Taxation					(15)
Loss for the year from continuing operations					(2,036)

<b>Depreciation charge</b>	
Marine	355
Car Parking	19
Administration	16
	<u>390</u>

<b>Year ended 31 March 2022</b>	<b>Marine £000</b>	<b>Real Estate £000</b>	<b>Car Parking £000</b>	<b>Regeneration £000</b>	<b>Total £000</b>
Revenue	4,771	1,427	736	260	7,194
Gross profit prior to non-recurring items	1,199	922	389	(162)	2,348
Fair value adjustment on investment properties and fixed assets	(185)	380	-	-	195
Segment profit					2,543
Unallocated:					
Administrative expenses					(1,193)
Operating profit					1,350
Finance income					-
Finance expenses					(789)
Loss before tax from continuing activities					561
Taxation					(820)
Loss for the year from continuing operations					(259)
<b>Depreciation charge</b>					
Marine					335
Car Parking					40
Administration					17
					<u>392</u>

## Notes to the Consolidated Financial Statements

### 1. General Accounting Policies

#### Basis of preparation

The results for the year to 31 March 2023 have been extracted from the audited consolidated financial statements, which are expected to be published by mid-August 2023.

The financial information set out above does not constitute the Company's statutory accounts for the years to 31 March 2023 or 2022 but is derived from those accounts. Statutory accounts for the year ended 31 March 2022 were delivered to the Registrar of Companies following the Annual General Meeting on 22 September 2022 and the statutory accounts for 2023 are expected to be published on the Group's website ([www.suttonharbournroup.com](http://www.suttonharbournroup.com)) shortly, posted to shareholders at least 21 days ahead of the Annual General Meeting ("AGM") to be held on 13 September 2023 and, after approval at the AGM, delivered to the Registrar of Companies.

The auditor, PKF Francis Clark, has reported on the accounts for the year ended 31 March 2023; their report includes a reference to the valuation of Plymouth City Airport (former airport site) to which the auditors drew attention by way of emphasis of matter without qualifying their report.

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