RNS Number : 9112A
Sutton Harbour Group PLC
26 September 2025

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Sutton Harbour Group plc

("Sutton Harbour", the "Company" or, together with its subsidiaries, the "Group")

Final Results for the year ended 31 March 2025, Bank Facility Amendment Update and Related Party Loan Extension

Sutton Harbour, the AIM quoted 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 its audited annual results for the year ended 31 March 2025. The statutory accounts and annual report for 2024 ("Annual Report") are expected to be made available on the Company's website (www.suttonharbourgroup.com) later today, with hard copies sent to shareholders in due course.

Summary

- Sale of three investment properties during year ended 31 March 2025 and a further two since the year end.
- £1.455m bank loan repaid during year ended 31 March 2025 and a further £2.190m repaid since the year end.
- Impairments of property assets reflect emerging changes in economic and market conditions and in the case of the Sugar Quay site, the expiry of a planning consent for a material scheme.
- Strong trading from ongoing marina, car parking and property letting activities. The closure of the long-standing auctioneer has led to a decline in revenue from fisheries.
- The Company has appointed professional advisers to assist with its future debt financing strategy.

Financial Highlights

	2025	2024
Adjusted (loss) before tax*	(£1.889m)	(£3.330)m
Net financing costs	£2.007m	£1.992m
Net assets	£35.1m	£54.1m
Net asset per share	24.6p	37.8p
Valuation of estate property portfolio**	£46.5m	£53.7m
Development property inventory	£18.4m	£30.7m
Year-end net debt	£26.8m	£24.8m

**Excluding fair value adjustments of £0.200m relate to revaluations of property and exceptional items of £0.855m, as explained in the Chairman's Statement.*

***Comprises investment and owner-occupied portfolios. Excludes land held as development property inventory. Valuation as at 31 March 2025.*

Philip Beinhaker, Executive Chairman of the Company, commented:

"Against a backdrop of challenges presented by the macroeconomic environment, managing claims by third parties and suffering a major change to operations at Plymouth Fisheries, the Company has continued to make progress with pre-planning work on key projects to provide opportunities for value realisation when conditions allow. Improvements to Sutton Harbour Marina have been successfully completed to uphold the quality of the facility and to protect revenue. Completion of asset disposals that are currently in hand will allow the management team more time to work on new projects focused upon the regeneration and operations of the core Sutton Harbour asset."

Related Party Loan Extension

On 25 September 2025, the Company extended the existing related party loan finance, originally announced on 27 April 2022 and updated most recently on 1 April 2025, by £315,000 to provide additional headroom in the Company's cash resources, until targeted property disposals are completed, bringing the total shareholder loan facilities to £6.605m. The unsecured loan facilities are with Beinhaker Design Services Ltd ("BDSL") (the "Loan"). The Loans carry a fixed 8% gross annual interest rate with the option, at the discretion of the Company, to capitalise some or all of the interest at a fixed 10% annual interest rate. The repayment of the Loan, previously repayable in equal portions no earlier than each of 31 August 2025, 31 November 2025 and 28 February 2026, has been amended such that the Loan is now repayable in equal portions no earlier than each of 31 March 2026, 31 May 2026 and 31 August 2026.

The Loan extension and repayment variation constitutes a related party transaction for the purposes of the AIM Rules, as BDSL represents 56% of the holdings of FB Investors LLP, which has a 75.38% holding in the Company, and is controlled by the Beinhaker family. The directors, other than Philip Beinhaker and Corey Beinhaker, having consulted with the Company's nominated adviser, Strand Hanson, consider that the terms of Loan extension and repayment variation are fair and reasonable insofar as shareholders are concerned.

Bank Facility Amendment

National Westminster Bank plc has agreed to a further extension to the repayment dates of the Company's bank loan to allow asset sales to complete and additional bank loan repayments to be made. Further to the Company's announcements of 21 March 2024, 20 January 2025 and 1 July 2025, the amended bank loan agreement requires

£6.5m to be repaid by 31 March 2026, thereby reducing the bank loan to £11.565m from the disposal of assets. The facility's maturity date remains as 30 December 2026.

For further information, please contact:

Sutton Harbour Group plc	+44 (0) 1752 204186
Philip Beinhaker - Executive Chairman Corey Beinhaker - Chief Operating Officer Natasha Gadsdon - Finance Director	
Strand Hanson Limited (Nominated & Financial Adviser and Broker)	+44 (0) 20 7409 3494
Richard Johnson Rob Patrick Imogen Ellis	

Page number references in this announcement refer to the Annual Report, available as set out above on the Company's website.

Executive Chairman's Statement

Introduction

Trading performance during the year under review has been mixed reflecting a number of challenges faced during the year. Car parking has continued strongly, berthing levels at the marinas remained steady, property tenancies performed reliably and fisheries activity suffered after the closure of the long standing third party auctioneer company.

The Company's priority for the past financial year has been to market a number of assets for sale to permit repayments of the bank loan. Progress with this programme is reported later in this statement. Completions on sales achieved to date and offers for other assets have been taken into account in the annual valuation resulting in valuation deficits in many of the portfolio assets. The Company has found the sales market for specialised commercial property assets more difficult than expected. The timing of disposals during a period of ongoing higher interest rates and economic uncertainty has had a dampening effect on demand and the prices that can be obtained.

The Company has plans, some of which have been previously consented, to redevelop a number of its properties and the carrying value of development inventory has been reviewed, as is done each year. Based on latest market information, expected deliverability in current conditions and expiry of some planning consents, the board has decided to impair a number of projects (with independent professional input where required) which has resulted in a material reduction in the carrying value of project inventory. Further information is given later in this report.

The Company has continued to resource, at considerable cost and time, two legal matters, one concerning the management of Sutton Lock and the other concerning the lease of Plymouth City Airport. The costs of these matters are separately disclosed as exceptional items. Due to legal restrictions the Company is currently unable to disclose further detail about these matters although information has been made available to the Company's auditors to ensure reporting of the Company's position is fair.

The results for the year are therefore depressed by the non-cash impairment adjustments to investment, trading and development properties together with the mixed trading performance across different activities, exceptional costs of legal matters and ongoing high interest costs.

Results and Financial Position

FINANCIAL HIGHLIGHTS	2025	2024
Net Assets	**£35.104m**	£54.091m
Net Asset value per share	**24.6p**	37.8p
(Loss) before tax from continuing operations	**(£18.721m)**	(£4.385m)
Adjusted (loss) before tax excluding fair value adjustments and exceptional items*	**(£1.889m)**	(£3.330m)
(Loss) after tax	**(£16.811m)**	(£3.836m)
Basic (loss) after tax per share	**(11.76p)**	(2.71p)
Dividend per share	**0.0p**	0.0p
Total Comprehensive loss for the year attributable to shareholders	**(£18.987m)**	(£4.878m)
Total Comprehensive loss per share	**(13.3p)**	(3.4p)
Net Debt	**£26.809m**	£24.805m
Gearing (Net Debt/Net Assets)	**76.4%**	45.9%

*Fair value adjustments of £2.905m relate to revaluations of investment property and owner occupied property where there is a reduction in fair value and no previous surplus in the revaluation reserve (see note 14 and 15) and exceptional items of £0.504m (2024: £0.855m) (see note 10).

Gross profit for the year was £1.672m compared to £0.004m in the previous year.

The exceptional cost of £0.504m (2024: £0.855m) was incurred for legal costs in connection with future lock management costs and the airport lease (see note 10).

Net debt (including lease liabilities) increased to £26.809m as at 31 March 2025 from £24.805m at 31 March 2024, up by £2.004m. The key movements in net debt during the year include a repayment of the bank loan of £1.445m and an increase in related party loan financing (including rolled up interest) of £3.479m.

Gearing (net debt/net assets) as at 31 March 2025 stood at 76.4% (31 March 2024: 45.9%). Net finance costs of £2.077m in the year (2024: £1.992m) are stated after capitalisation of interest of £0.279m (2024: £0.427m).

As at 31 March 2025, net assets were £35.104m (31 March 2024: £54.091m), a net asset value of 24.6p per ordinary share (31 March 2024: 37.8p per ordinary share). The reduction in net assets of £18.987m includes the valuation adjustment of the Group's property portfolio and property development assets amounting to a reduction of £19.233m as shown in the table below. Valuations for assets obtained from independent professional valuers have been informed by prices obtained for recent property disposals by the Company and offers received for asset. Values have been dampened by high interest and caution of property buyers.

	Valuation Movement £m	**Accounting**
Owner Occupied Portfolio		
- Fisheries	(£1.849)	Fair valuation adjustment recorded in the Income Statement as no revaluation reserve available to absorb the deficit
- Marinas	(£1.217)	Debited to the Revaluation Reserve in the Balance Sheet
- Car Parks	(£1.688)	Debited to the Revaluation Reserve in the Balance Sheet
Investment Property Portfolio	(£1.460)	Fair valuation adjustment recorded in the Income Statement
TOTAL	(£6.214)	
Development Inventory Impairment	(£13.019)	Impairment adjustment recorded in the Income Statement
ASSET REDUCTION	(£19.233)	

Further details on financial performance can be found in the Financial Review on page 11.

Financing

During the year the following financing events occurred:

· August 2024 - New bank facility agreed with Nat West providing committed facilities until December 2026, maximum loan £21.7m reducing to £11.6m with repayments timetabled to follow asset disposals.

· October/November 2024 - £1.455m bank loan repaid from asset disposal proceeds.

· February 2025 - New asset financing agreement completed to finance the acquisition of the floating shower and toilet amenities for Sutton Harbour Marina. Finance drawdown of £213,000.

The Company has suffered the ongoing pressure of high interest rates during the year and delays to dispose of

The Company has suffered the ongoing pressure of high interest rates during the year and delays to dispose of property in a difficult market have resulted in the bank loan remaining higher than expected. Interest costs have consequently remained a burden to the Company. During the year the Company has successfully sought a number of facility amendments from its bankers to defer debt repayments to allow more time for property asset disposals to complete.

After the year end the Company repaid a further £2.190m against the bank loan following disposals of another two properties. This reduced the bank loan to £18.065m.

In June 2025 the Company secured a further facility amendment from the bank to extend the date for repayment of £6.5m to September 2025 and in September 2025 a further extension until 31 March 2026 was agreed. Once this repayment is made, the Company will have reduced the bank loan to £11.6m as required by the bank.

The Company met all operable bank covenants during the year.

As at 31 March 2025, related party loans, including rolled up interest owed to shareholders, were as follows:

	2025 **£**	2024 £
Beinhaker Design Services Limited	**£7.110m**	£2.530m
Rotolok (Holdings) Limited	**£0.246m**	£1.345m
Total	**£7.346m**	£3.875m

The majority shareholder has continued to support the Company and has made new related party loans of £2.885m during the year to permit normal company operations, progress with key projects, bank interest payments and the costs of legal actions underway. In due course, asset disposals are expected to release some cash for working capital after bank loan repayments are met. After the year end, the majority shareholder advanced new related party loans totalling £0.315m.

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

Directors and Staff

Headcount as at 31 March 2025 was 30 (31 March 2024: 30), excluding Non-Executive Directors.

After the year end, having given notice of his intention to step down from the board, Graham Miller retired on 30 June 2025. The Directors thank Graham for his wise counsel to board over the last twelve years which included five years as Chairman until 2018.

The board is pleased to report that on 1 July 2025 Paul Shackleton was appointed as Non-Executive Director. Paul is an experienced London based corporate finance adviser and broker who, since 1996, has specialised in both domestic and international AIM traded companies, including advising companies in the role of Nominated Adviser. He brings a wealth of knowledge and experience, particularly in transactions, fund raising, Corporate Governance and Regulation. He is currently the Non-Executive Chairman of GCM Resources plc and a Non-Executive Director of Rurelec plc. Paul is familiar with the Company, having previously advised the board on corporate and regulatory matters, and also takes on the roles of Audit Committee Chairman and Senior Independent Director. Paul will stand for election by shareholders at the next Annual General Meeting.

Operations Report

Marine

<u>Marinas</u>

Both marinas traded steadily during the year with gross berthing revenues 2% ahead of the previous year. Occupancy of the marinas declined very slightly which was offset by inflationary prices rises. Following a temporary relocation of the Sutton Harbour Marina office and temporary deployment of a Portakabin shower and toilet unit, the Company worked to have new permanent facilities in place before the start of the 2025/26 season which started on 1 April 2025. In February 2025, a new reception area, offices and crew room was completed and opened, taking space in a long term vacant unit owned by the Group, and the new floating shower and toilet facility was installed. Both new facilities significantly upgrade the customer experience and have been well received by berthholders.

The King Point Marina is one of the assets being marketed for sale which is being actively progressed having attracted some interest.. The preferred bidder is advancing due diligence work and further updates to shareholders will be made as appropriate.

The majority of berthing sales for the marinas are made in the pre-season selling period which operates through November and December. Ahead of this, the Group has noticed a slight softening in demand for the 2025/26 season with some berth holders deterred by the ongoing sales process at King Point Marina and others at Sutton Harbour Marina uncertain about the facilities renewal, which were not in place during the key selling period. The marina team attended the 2025 Southampton International Boat Show to promote Sutton Harbour Marina for the first time in recent years.

Fisheries

The activity level at Plymouth Fisheries has settled to a reduced level following the shock closure in May 2024 of the third party firm which operated the fish auction and other services. It has not been possible to re-establish the auction, to date, and auctioning of fish has consolidated to other ports in the South West. A significantly reduced number of fish are now landed at Plymouth and transported by road to other ports and accordingly landing fees at Plymouth Fisheries have decreased. Landings of shellfish and other non quota species are still landed at Plymouth Fisheries. Despite this change, fuel sales have remained almost exactly on par with the previous year which the Company still charges competitive rates. Demand for rental units at Plymouth Fisheries remains robust, with any vacancies soon filled.

The Company is currently working together with the Local Authority and industry stakeholders on future options for the port. In the meantime, the Company continues to support the operations at Plymouth Fisheries which are currently loss making on account of a fixed operating cost base that cannot be readily streamlined without a decision about the future operating model.

Real Estate and Car Parks

Real Estate

Tenant occupancy by 31 March 2025 stood at 85% (31 March 2024 89%). During the year, North Quay House became fully vacant. This is reflected in the slight fall in the occupancy rate. Three properties were sold during the third quarter and one vacant property was refurbished for use by the Company as a marina reception and office. The Company's investment properties are well let to a variety of tenants and excluding North Quay House, just one larger unit remains vacant and is being marketed for sale. Regeneration plans for the site are detailed further below.

Car Parks

The car parks have continued to trade robustly, particularly in the first half of the year which is a stronger season as the car parks are located close to the National Marine Aquarium, the harbour and waterfront.

Regeneration

Harbour Arch Quay

Following the completion and sale of all 14 apartments in 2024, the ground floor office space was completed early in the financial year and the Company's head office took up occupation in July 2024.

North Quay House

The Company has successfully completed the 'pre-application' phase of the planning process after having submitted a proposal to convert the existing vacant office building into ten high quality apartments and three commercial units together with car parking space. The Company is currently obtaining costings ready to market the development opportunity for sale or joint venture. The development is targeted for delivery during 2026.

Sugar Quay

A new lower density scheme is being designed to improve prospects for financing and market absorption in what is a difficult market. The scheme will be submitted to 'Pre-Application' during 2025. As a result of reduced density aspirations for the site, compared to the previously consented block of c. 150-170 apartments, the carrying value of the site has been reviewed and impaired by £9.388m, reflecting a site currently without planning consent but in a prominent waterfront location. The Company has previously secured a number of consents for different schemes for the site, the costs of which had been capitalised, and the site has foundations for a previously aborted scheme. These costs accounted for a higher carrying cost, which was previously judged recoverable with a high density development when prevailing economic and sales market conditions were more favourable.

Former Airport Site - Planning

Work to support the Pre Application process for the masterplan of the site has continued and expert planning and technical advice has been sought during the year to assist ongoing discussions with the Local Planning Authority. Local politicians continue to voice their support for aviation at the site, even though no financially substantiated proposals have been put forward in over 13.5 years since the facility closed in December 2011. The Company remains committed to its view that the greatest benefit from the site can be derived from redevelopment for housing (affordable and market), institutional uses and business space. The 113 acre site is surrounded by residential areas and businesses and is well served by established highway and urban infrastructure. The site is, however, very constrained as an aviation site. In the meantime, the Company continues to maintain and secure the site, which has been and is a major undertaking and cost burden. The Company continues to engage with the Local Authority with regard to the provisions of the long lease.

Financial Position and Outlook

The Company has not been able to progress the financial restructuring plan to the extent it had expected, having targeted to have completed the disposals of assets by the third quarter of the year under review. The ongoing high interest rates have impacted demand for specialised commercial property and prospective purchasers have repeatedly cited difficulties and slowness to secure funding to allow transactions to progress.

The Company's bankers and related party funders have been understanding of the current position whilst also being closely briefed on the progress with each asset disposal and have agreed to extend the dates for agreed loan repayments to take account of delays with disposals. Based on current progress with the disposals programme, the Company does not anticipate that the bank loan will be reduced to the target of £11.6m by 30 September 2025.

The sales of good yielding assets is progressively eroding profitability as interest saved is lower than the relevant contributions. The Company has engaged professional advisors with the objective of establishing options and putting place funding facilities which best meet the Company's current and future needs.

Summary

Against a backdrop of challenges presented by the macroeconomic environment, managing claims by third parties and suffering a major change to operations at Plymouth Fisheries, the Company has continued to make progress with pre-planning work on key projects to provide opportunities for value realisation when conditions allow. Improvements to Sutton Harbour Marina have been successfully completed to uphold the quality of the facility and to protect revenue. Completion of asset disposals that are currently in hand will allow the management team more time to work on new projects focused upon the regeneration and operations of the core Sutton Harbour asset.

Philip Beinhaker
EXECUTIVE CHAIRMAN
25 September 2025

Consolidated Income Statement for the year ended 31 March 2025

	Note	2025 £000	2024 £000
Revenue	5	**9,240**	16,353
Cost of sales		**(7,568)**	(16,349)
Gross profit		**1,672**	4
Impairment adjustment to development property inventory	5	**(13,019)**	-
Fair value adjustments to investment properties and fixed assets	14,15	**(3,309)**	(200)
Administrative expenses		**(1,484)**	(1,342)
Exceptional costs	10	**(504)**	(855)
Operating (loss)/profit	5,6	**(16,644)**	(2,393)
Finance income		**5**	8
Finance costs	9	**(2,082)**	(2,000)
Net finance costs		**(2,077)**	(1,992)
(Loss before tax from continuing operations		**(18,721)**	(4,385)
Taxation (credit/(charge) on (loss) from continuing operations	11	**1,910**	549

(Loss) for the year from continuing operations		**(16,811)**	(3,836)
(Loss) for the year attributable to owners of the parent		**(16,811)**	(3,836)
Basic and Diluted (loss) per share			
from continuing operations	13	**(11.76p)**	(2.71p)

Consolidated Statement of Other Comprehensive Income for the year ended 31 March 2025

	Note	2025 £000	2024 £000
(Loss) for the year		**(16,811)**	(3,836)
Items that will not be reclassified subsequently to profit or loss:			
Revaluation of property, plant and equipment	14	**(2,905)**	(1,404)
Deferred tax in respect of property revaluation	11	**729**	362
Items that may be reclassified subsequently to profit or loss:			
Other comprehensive income for the year, net of tax		**(2,176)**	(1,042)
Total comprehensive (loss) for the year attributable to owners of the parent		**(18,987)**	(4,878)

The notes on pages 36 to 64 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet as at 31 March 2025

	Note	2025 £000	2024 £000
Non-current assets			
Property, plant and equipment	14	**31,589**	36,890
Investment property	15	**15,230**	17,542
Inventories	18	**13,741**	13,518
		60,560	67,950
Current assets			
Inventories	18	**4,720**	17,295
Trade and other receivables	19	**1,112**	1,310
Tax recoverable		**2**	3
Cash and cash equivalents	20	**1,034**	782
		6,868	19,390
Total assets		**67,428**	87,340
Current liabilities			
Bank Loans	21	**8,690**	21,700
Other Loans	21	**7,354**	3,875
Trade and other payables	23	**1,633**	2,194
Lease liabilities	24	**41**	12
Deferred income	22	**2,202**	2,183

	Notes		
		19,920	29,964
Non-current liabilities			
Bank loans	21	**11,565**	-
Lease liabilities	24	**193**	-
Deferred government grants	22	**646**	646
Deferred tax liabilities	17	**-**	2,639
		12,404	3,285
Total liabilities		**32,324**	33,249
Net assets		**35,104**	54,091
Issued capital and reserves attributable to owners of the parent			
Share capital	26	**16,536**	16,536
Share premium		**16,744**	16,744
Other reserves		**20,854**	23,030
Retained earnings		**(19,030)**	(2,219)
Total equity		**35,104**	54,091

The notes on pages 36 to 64 are an integral part of these consolidated financial statements.

The Financial Statements on pages 32 to 64 were approved and authorised by the Board of Directors on 25 September 2025 and were signed on its behalf by:

Philip Beinhaker
Director

Company number 02425189

Consolidated Statement of Changes in Equity
For the year ended 31 March 2025

	Notes	Share capital	Share premium	Revaluation reserve	Merger reserve	Retained earnings	Total equity
		£000	£000	£000	£000	£000	£000
Balance at 1 April 2023		16,406	13,972	20,201	3,871	1,617	56,067
Comprehensive income							
Loss for the year		-	-	-	-	(3,836)	(3,836)
Other comprehensive income							
Share Issue		130	2,772		-	-	-
Revaluation of property, plant and equipment	14	-	-	(1,404)	-	-	(1,404)
Deferred tax on revaluation	11	-	-	362	-	-	362
Total comprehensive income		130	2,772	(1,042)	-	(3,836)	(1,976)
Balance at 1 April 2024		16,536	16,744	19,159	3,871	(2,219)	54,091
Comprehensive income							
Loss for the year		**-**	**-**	**-**	**-**	**(16,811)**	**(16,811)**
Other comprehensive income							
Revaluation of property, plant	14	**-**	**-**	**(2,905)**	**-**	**-**	**(2,905)**

and equipment							
Deferred tax on revaluation	11,17	-	-	729	-	-	729
Total comprehensive income		**-**	**-**	**(2,176)**	**-**	**(16,811)**	**(18,987)**
Total balance at 31 March 2025		**16,536**	**16,744**	**16,983**	**3,871**	**(19,030)**	**35,104**

Consolidated Statement of Cashflows

For the year ended 31 March 2025

	Note	2025 £000	2024 £000
Cash generated (used in)/from total operating activities	28	**(874)**	4,550
Cash flows from investing activities			
Expenditure on investment property	15	**(240)**	(131)
Expenditure on property, plant and equipment	14	**(338)**	(136)
Proceeds from disposal		**1,525**	6
Cash generated/(used) in investing activities		**947**	(261)
Cash flows from financing activities			
Interest paid		**(1,488)**	(2,415)
Interest received		**5**	-
Bank loan drawdown		**-**	100
Bank loan repaid		**(1,445)**	(3,200)
Related party loans		**2,885**	450
Development loan repaid		**-**	(4,240)
Development loan drawdown		**-**	1,868
Lease finance drawdown		**240**	-
Cash payments of lease liabilities		**(18)**	(66)
Net proceeds from issue of share capital		**-**	2,901
Net cash generated/(used) from financing activities		**179**	(4,602)
Net increase in cash and cash equivalents		**252**	(313)
Cash and cash equivalents at beginning of the year		**782**	1,095
Cash and cash equivalents at end of the year	20	**1,034**	782

Reconciliation of financing activities for the year ended 31 March 2025

	2025 £000	**Cash flow £000**	2024 £000	Cash flow £000	2023 £000
Bank loans	**20,255**	**1,445**	21,700	(3,100)	24,800
Other loans	**7,354**	**(3,479)**	3,875	(1,602)	5,477
Lease liabilities	**234**	**(222)**	12	(64)	76
Total debt	**27,843**	**(2,256)**	25,587	(4,766)	30,353

The notes on pages 36 to 64 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1. General information

Sutton Harbour Group plc 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 Group is a public limited company which is quoted on the AIM 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 Sutton Harbour Office, 2B North East Quay, Sutton Harbour, Plymouth, Devon, PL4 0BN.

2. Group accounting policies

Basis of preparation

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

The consolidated financial statements have been prepared in accordance with UK adopted IAS, 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.

Changes in accounting policies and disclosures

There are no new accounting standards this year. There are no changes to accounting standards expected in the coming 12 months that would have a material impact on the accounts.

Going concern

The review of the Group's business activities is set out in the Executive Chairman's Report on pages 4 to 7. The financial position of the Group, its cash flows and financing position are described in the Financial Review on pages 11 and 12. In addition, note 3 to the financial statements gives details of the Group's financial risk management.

The Group is reliant on bank finance which is conditional on the debt reductions and other covenants. The Group's forecasts and projections, taking account of reasonably foreseeable possible changes in trading performance and on the basis that asset disposals meet the values and timelines agreed with the bank, 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 the approval of the accounts. The covenants measure interest cover, debt to fair value and capital expenditure.

Within the next 12 months, the Group has the following commitments to repayments of loans:

- The Group's banking facility with Natwest agreed on 8 August 2024 extends to 30 December 2026. This agreement (together with subsequent amendments) provides committed facilities of £20.255m (as at 31 March 2025) and sets out milestone debt repayments of £0.810m by 30 June 2025, £1.380m by 30 July 2025 and £6.50m by 31 March 2026 to reduce bank debt to £11.6m. The interest cover covenant is suspended until 30 June 2026. Thereafter it is tested on a quarterly basis.

quarterly basis.

- The debt reduction plan, through the sale of assets, is underway and the bank is regularly updated on the progress with selected assets placed for sale. Selection of assets identified for disposal will be based on market conditions and progress is being made towards the target debt level of £11.6m 31 March 2026, to date, progress is encouraging. The board recognises the challenges that the Group faces to deliver the debt reduction plan to satisfy the conditions of the banking facility agreement. The board is satisfied that all necessary actions are being taken to achieve this objective, whilst recognising the uncertainty that will remain until asset sales, the timings of which are not within the Group's control, are achieved.
- The related party loans advanced by the majority shareholder of the parent company are repayable no earlier than 31 March 2026 under the current agreement. The Directors are satisfied that these repayments can be funded from the actions noted above, and the majority shareholder has confirmed that it will agree to deferment if necessary.

The Board has explored options available to it to mitigate the risk of asset sales not completing in line with the agreed milestone debt repayments. These mitigating actions are considered significant judgements and have been disclosed in note 4. The Board has concluded that, whilst there are uncertainties, the mitigating actions that could be implemented if required are judged to be sufficient to make the going concern status of the group appropriate. The Board has therefore concluded that there are no material uncertainties relating to events or conditions that individually or collectively may cast significant doubt on the Group's ability to continue as a going concern for a period of at least 12 months from the date the financial statements are authorised for issue.

Measurement convention

The financial statements are prepared on the historical cost basis as modified by the fair value of property except for investment property which is measured at fair value and land and buildings which are measured at revalued amount.

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 Group 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 to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-Group 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 is 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 (marinas including the lock, quays, marina buildings, the fish market 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 (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 fish market 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; 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 capable of being operated as intended.

Plant, machinery and equipment, fixtures and fittings
Plant, machinery and equipment includes items used in the operation of marina, fish market 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
Leased assets acquired 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. 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 where the lessor maintains the risks and rewards of ownership is described in the 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 an annual 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 where the Group intends to retain the 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 IFRS 16 '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.

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 non-current or current assets, depending on the estimated time of ultimate realisation, 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 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.

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.

Revenue

Revenue comprises the fair value of the consideration received or receivable, net of value-added-tax, rebates and discounts. Revenue is recognised in accordance with the transfer of promised goods or services to customers (i.e. when the customer gain control of ownership that has 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 the tenant had control of the service.

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 on the transfer of goods to the customer.

Car park revenue

Car park revenue is recognised at the point that a car parking ticket is paid for, normally a maximum of one day's parking. Where seasonal parking permits are sold for longer periods the income is spread over the period the permit relates to.

Property sales

Revenue from property sales is recognised when effective control of the asset has 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.

Lease payments

The Directors have considered the application of IFRS 16 on its leasing arrangements. The Group has a small number of short term leases and leases of low value items and therefore continues to recognise payments made under these agreements on a straight line basis 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 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.

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 and is paused when a project pauses.

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 Group; these awards are granted by the Group. 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.

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.

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 operating 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 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 initially measured at the transaction price less impairment. In measuring the impairment, the Group has applied the simplified approach to expected credit losses as permitted by IFRS9. Expected credit losses are assessed by considering the Group's historical credit loss experience, factors specific for each receivable, the current economic climate and expected changes in forecasts of future events. Changes in expected credit losses are recognised in the Group income statement.

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.

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.

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 the final stages, before start of construction and development refinancing or ultimate disposal. The Group structures borrowings into general facilities and secures specific financing for individual property projects as deemed appropriate.

The gearing ratio at the year-end was as follows:

	2025	2024
	£000	£000
Borrowings and loans	**(27,609)**	(25,575)
Lease liabilities	**(234)**	(12)
Cash and cash equivalents	**1,034**	782

Cash and cash equivalents	[illegible]	[illegible]
Net debt	**(26,809)**	(24,805)
Equity	**35,104**	54,091
Net debt to equity ratio	**76.4%**	45.9%

Bank borrowing facilities and financial covenants

The Group had total borrowing net of cash and cash equivalents of £26.809m at 31 March 2025 (2024: £24.805m) with a gearing level of 76.4% (2024: 45.9%). The rise in gearing is principally due to the accounting write downs of property and assets of the Group. The Group has operated within its authorised facilities and has secured deferrals of covenants during the year when necessary.

In August 2024 the Company entered into a new agreement with NatWest to initially provide a maximum committed facility of £21.7m until December 2026. The agreement has been amended to facilitate more time to achieve property disposals to allow reduction of debt to £11.6m by 31 March 2026.

The banking facilities include financial covenants, including (i) a measure of EBITDA to interest covenant from June 2026 a cashflow to interest coverage test (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 ii) and iii) over a period of at least twelve months. The interest coverage test is not expected to be achievable in the life of the current facility and discussions continue with the company's banker on this matter.

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 2025:

	Total £000	**0 -1year £000**	**1 to 2years £000**	**2 to 5years £000**
Bank loans*	**(20,255)**	**(8,690)**	**(11,565)**	**-**
Other loans*	**(7,354)**	**(7,354)**	**-**	**-**
Trade and other payables*	**(1,633)**	**(1,633)**	**-**	**-**
Lease liabilities*	**(234)**	**(41)**	**(45)**	**(148)**
	(29,476)	**(17,718)**	**(11,610)**	**(148)**

As at 31 March 2024:

	Total £000	**0 to 1years £000**	**1 to 2years £000**	**2 to 5years £000**
Bank loans*	(21,700)	(21,700)	-	-
Other loans*	(3,875)	(3,875)	-	-
Trade and other payables*	(2,194)	(2,194)	-	-
Lease liabilities*	(12)	(12)	-	-
	(27,781)	(27,781)	-	-

*	financial liabilities at amortised cost

Interest rate risk

There is currently no SONIA swap in place to fix interest on any of the Group's bank debt. The Board has considered the merits of an instrument to fix interest rates at regular intervals during the year but has not entered into any hedging agreement due to the high cost of doing so at each review.

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:

	2025 £000	2024 £000
Trade receivables:		
New customers (less than 12 months)	**24**	83
Existing customers (more than 12 months) with no defaults in the past	**430**	482
Existing customers (more than 12 months) with some defaults in the past	**37**	80
Total trade receivables net of provision for impairment	**491**	645

Commodity price risk

The Group experiences volatile fuel prices throughout the year. The Group only acts as a reseller of fuel at the fish market and marinas. 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, higher interest rates would have an impact on consolidated earnings.

As at 31 March 2025, it is estimated that a general increase of a percentage point in interest rates (being the best estimate of adverse future anticipated changes in interest rates), would have decreased the Group's profit before tax from continuing operations by approximately £203,000 (2024: £217,000). 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 using a discounted cashflow. This is based on a number of factors including the maturity of the business and trading and economic outlook.

Yields applied across the investment assets are in the range of 4.85% - 12.65% with the average yield being 8.86%. Assuming all else stayed the same; a decrease of 1.0% in the average yield would result in an increase in fair value of £2.459m. An increase of 1.0% in the average yield would result in a corresponding decrease in fair value of £1.331m.

Trading assets are valued using a discounted cashflow model which uses budgeted cashflows and appropriate discounts rates to reach a valuation. Market evidence is then considered in determine if the valuation is appropriate. Discount rates are judgemental and a change in the discount rate could results to different valuations being reported. An increase of 1% in the discount rate would result in a decrease in fair value of £2.325m. A decrease of 1% in the discount rate would results in an increase of the fair value of £2.200m.

These assets were independently valued by Jones Lang LaSalle ("JLL") at 31 March 2025. 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 UK adopted IAS 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.

Estimates

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

The valuation of investment property and property held for use in the business as at 31 March 2025 was £15,230,000 and £31,589,000 respectively; (2024: £17,543,000 and £36,889,000 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 at industry wide rates, varied by sector, 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. In the case of North Quay House, an office building where most tenants have vacated, the valuation is based on the price a purchaser might pay for the re-development opportunity. Properties held for use in the business (fishmarket, marinas and car parks) are valued using a discounted cash flow model with recent actuals and budgeted future results (fair maintainable operating profits) generated by the business activities operated from each owner-occupied property (some costs are reallocated between businesses for the discounted cashflow, but this has no impact on the overall valuations). Judgement is exercised in the preparation of the budgets and also in the discount factor multipliers applied to the fair maintainable operating profit to derive a valuation. Market evidence of values of similar assets is taken into account in the valuation process. Within the valuation of property held for use in the business, judgement is required to allocate the valuation between land and buildings. Any impact upon the valuation is therefore unknown at present. Further detail about the property valuation can be found in the Financial Review on page 11.

Judgements

The following are the areas that require the use of judgements that may impact the Group's balance sheet and income statement:

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).

Determining the net realisable value of development property 2025: £18,461,000 see note 18; (2024: £30,813,000)

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, contributions to the local authority under section 106 agreements, 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.

The board has exercised judgement that the Former Airport Site is held as development inventory and that the net realisable value at 31 March 2025 is £13.741m (2024: £13.518m). The former airport site, a 113 acre site of which the Group directly owns c.8 acres and holds c.105 acres through an unexpired 129 year leasehold interest, with a right to renew for a further 150 years, totalling 279 years, is held as development inventory at a carrying value of £13.741m. 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 £13.741m 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. The airport closed in December 2011.
- 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 would be 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 2024 (£13.518m) of £2.120m represents the capitalised costs of developing the planning intellectual property less the cost attributed to sales of small plots. £13.741m represents the historic cost of the airport asset as at 31 March 2025.
- In addition to the net cash expenditure on the airport asset, the former aviation operations, ongoing site maintenance and security, together with interest costs thereon (Present Value of total cash expended) is more than double the £13.741m.

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".

Plymouth City Council prepared its new local plan to for submission to the Government Planning Inspectorate in which they called for the retention of the airport site for a possible reopening.

In April 2017, the Group submitted its representations and detailed evidence base in support of allocation of the former Airport Site for alternative use in advance of the Government Inspectors' public hearing of proposed new local planning framework.

The public hearing took place in early 2018, with the Government Inspectors' report subsequently issued in March 2019. The Government Inspectors supported a 'safeguard' of the former airport site for a maximum of five years. The Inspectors advised that a safeguarding period longer than five years would not be appropriate given the strategic value of this brown-field site and based on their determination that five years should be more than enough time to realize a viable business plan for aviation activity, if such activity was viable.

The Group has continued to prepare its masterplan for alternative use of the site, reflecting the guidance of the Government Planning Inspectors that presided over the 2019 new Local Plan, for submission to the Local Authority in good time to allow full participation in the forthcoming 5-year review of the Local Plan.

In 2024, PCC advised that the five year review of the Local Plan had been made and that the former airport site would continue to be safeguarded for aviation uses for a further five years. The Group submitted the pre-application for a masterplan in March 2024 with proposed phased development that respects the Local Authority's policy. A committee formed of representatives of both the Group and Plymouth City Council has been engaged in discussions on the plan. In February 2024, the Group received a notice from Plymouth City Council claiming that the Group was in breach of its lease. After taking senior legal advice the Group has responded to strongly refute this claim. A further letter was received in August 2024 to which the Company provided clarification in a letter sent in September 2024 on some points raised and reiterated its view that the notice had been served wrongfully and again refuting the claim. The Group remains in discussion with the Council over the matter. Ongoing legal costs have been recorded as exceptional costs - refer to note 10. At present there is no indication of the likelihood, nor the resultant cost in connection with this claim.

The Group does not regard the carrying value of the former airport site to be reflective of its value for alternative use, which is in turn significantly less than the value that can be earnt from redevelopment of this strategic asset. The Group regards the value that can be earned from this strategic asset is significantly greater than both the carrying value and the Present Value of total cash expended.

The second largest development inventory item relates to the Sugar Quay (East Quay / former Boatyard) site at Sutton Harbour. Refer to the Chairman's Statement for further information. The board has decided to impair the carrying value of the site based on an appraisal of a lower density scheme which will better suit current market conditions and expected sales absorption rate. The planning consent secured for a much more densely built scheme expired in June 2025.

Uncertainties in relation to going concern

As explained in the going concern section, the Group has agreed a planned debt reduction programme with its bankers with set repayment dates up to 31 March 2026. This debt reduction programme is dependent on the realisation of certain assets within that period. In determining whether the uncertainties over the Group's ability to meet the conditions of the bank facility are considered material uncertainties, the board has exercised significant judgement to consider the relationship with the bank and alternative mitigating actions to be operable and effective:

- A constructive relationship with the Group's bankers towards achieving the debt reduction plan and the bank's indicated flexibility over debt repayment dates subject to evidence of progress with asset sales and formal agreement from Credit.
- The possibility to dispose of alternative or additional assets, with flexibility in response to market conditions, to repay debt and/or raise additional capital
- The availability of alternative funding to refinance part/all of the bank facility finance
- The confirmed support from the major shareholder for ongoing company trading operations by way of additional Related Party Loans if necessary

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. 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 2025 is as follows:

Year ended 31 March 2025	**Marine**	**Real Estate**	**Real Estate Disposals**	**Car Park**	**Regeneration**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Revenue	5,461	1,291	1,525	963	-	9,240
Segmental Gross Profit before Fair value adjustment and	1,024	690	(105)	516	(453)	1,672

unallocated expenses						
Development inventory impairment					(13,019)	(13,019)
Fair value adjustment on investment properties and fixed assets		(3,309)				(3,309)
Segmental Result	1,024	(2,619)	(105)	516	(13,019)	(14,656)
Unallocated: Administrative expenses						(1,484)
Exceptional note 10						(504)
Operating loss						(1,988)
Financial income						5
Financial expense						(2,082)
Loss before tax from continuing activities						(18,721)
Taxation						1,910
Loss for the year from continuing operations						(16,811)
Depreciation charge						
Marine						336
Car Parking						13
Administration						-
						346

Year ended 31 March 2024	Marine	Real Estate	Car Parking	Regeneration	Total
	£000	£000	£000	£000	£000
Revenue	5,692	1,450	930	8,281	16,353
Segmental Gross Profit before Fair value adjustment and unallocated expenses	1,151	975	507	(2,629)	4
Fair value adjustment on investment properties and fixed assets	-	(200)	-	-	(200)
Segmental Profit	1,151	775	507	(2,629)	(196)
Unallocated: Administrative expenses					(1,342)
Exceptional costs					(855)
Operating loss					(2,393)
Financial income					8
Financial expense					(2,000)
Loss before tax from continuing activities					(4,385)
Taxation					549
Loss for the year from continuing operations					(3,836)
Depreciation charge					
Marine					383
Car Parking					13

Car Parking	15
Administration	1
	397

Assets and liabilities

	2025	2024
	£000	£000
Segment assets:		
Marine	**25,803**	29,050
Real Estate	**15,451**	17,865
Car Parking	**6,464**	8,179
Regeneration	**18,472**	31,259
Total segment assets	**66,190**	86,353
Unallocated assets:		
Property, plant & equipment	**33**	32
Trade & other receivables	**171**	172
Cash and cash equivalents	**1,034**	783
Total assets	**67,428**	87,340

	2025	2024
	£000	£000
Segment liabilities:		
Marine	**2,494**	2,520
Real Estate	**375**	374
Car Parking	**42**	51
Regeneration	**1,122**	1,474
Total segment liabilities	**4,033**	4,419
Unallocated liabilities:		
Bank overdraft & borrowings	**27,843**	25,587
Trade & other payables	**446**	603
Deferred tax liabilities	**-**	2,639
Tax payable	**2**	1
Total liabilities	**32,324**	33,249

Additions to property, plant and equipment

Marine	**(328)**	(125)
Car Parking	**(-)**	(1)
Unallocated	**(10)**	(10)
Total	**(338)**	(136)

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:

	2025	2024
	£000	£000
Sale of goods	**2,299**	2,442
Rental income and service recharges	**1,512**	1,662
Provision of services	**3,904**	3,968
Sale of property	**1,525**	8,281
	9,240	16,353

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):

	2025 £000	2024 £000
Staff costs (note 8)	**1,588**	1,571
Rental income from investment property (note 27)	**(1,291)**	(1,450)
Loss on sale of development (Harbour Arch Quay)	**129**	2,629
Loss on disposal of investment property (note 5)	**105**	-
Direct operating expenses of investment properties (including repairs and maintenance)	**610**	499
Loss/ (gain) on re-measurement of investment property to fair value (note 15)	**1,460**	(356)
Loss on re-measurement of fixed assets (note 14)	**1,848**	556
Depreciation of property, plant and equipment (note 14)	**349**	397
Impairment adjustment relating to development inventory (note 18)	**(13,019)**	-

7. Services provided by the Group's auditors

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

	2025 £000	2024 £000
Fees payable to Group's auditors for the audit of Parent company and consolidated financial statements	**40**	35
Fees payable to the Group's auditors for other services:		
Other advisory services	**97**	23
The audit of Group's subsidiaries pursuant to legislation	**66**	33

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	
	2025	2024
Marine Activities	**23**	24
Administration	**7**	6
	30	30

The aggregate payroll costs of these persons were as follows:

	2025 £000	2024 £000
Wages and salaries	**1,238**	1,255
Social security costs	**131**	132
Other pension costs (note 25)	**219**	184
	1,588	1,571

The total remuneration of the key management personnel, all of whom are directors, of the Group was as follows:

	2025 £000	2024 £000
Fees	**144**	144
Other Emoluments	**297**	305
Pension Contributions	**36**	25
	477	474

Details of the highest paid Director are detailed in the remuneration report on page 23.

9. Finance income and finance costs

	2025 £000	2024 £000
Interest payable on bank loans and overdrafts	**1,951**	1,885
Bank facility fees	**131**	115
Finance costs	**2,082**	2,000

Finance costs are net of borrowing costs capitalised in the year. See note 18.

10. Exceptional costs

Exceptional costs charged to the income statement relate to temporary back up fish landing facilities during the Environment Agency's work on the lock cills and expensing of costs in relation to the preparation for the Arbitration Hearing with the Environment Agency in relation to the future maintenance of the lock and costs of expert legal advice in connection with a claim made by Plymouth City Council that the Group is in breach of its long lease of the Former Airport Site.

	2025 £000	2024 £000
Expert lease legal costs	**172**	82
Temporary fish landing facility costs	**-**	236
Arbitration hearing costs	**332**	537
	504	855

11. Taxation

	2025 £000	2024 £000
Deferred tax		
Adjustments in respect of previous years	**634**	2
Origination and reversal of temporary differences	**(2,544)**	(551)
Total tax charge in income statement (note 17)	**(1,910)**	(549)

The tax assessed for the year uses the standard rate of corporation tax in the UK of 25% (2024: 25%).

The deferred tax credit recognised in other comprehensive income is £729,000 (2024: credit £362,000)

Reconciliation of effective tax rate

	2025 £000	2024 £000
(Loss) before tax	**(18,721)**	(4,385)
Tax on profit at standard corporation tax rate of 25% (2024: 25%)	**(4,680)**	(1,096)
Fixed assets differences	**291**	-
Expenses not deductible for tax purposes	**1,356**	23
Income not taxable for tax purposes	**(381)**	-
Adjustments respect of prior periods	**1,380**	21
Unrecognised deferred tax assets in respect of losses	**-**	300
Capital gains and (losses)	**(1,567)**	203
Movement in deferred tax not recognised	**1,691**	-
Total tax charge/(credit) on continuing operations	**(1,910)**	(549)

12. Share based payment

An Inland Revenue approved Company Share Option plan (CSOP) has been established by Sutton Harbour Group plc whereby the Group may at the discretion of the Remuneration Committee grant options over ordinary shares in the Group to key management personnel. The options are issued for nil consideration and are granted in accordance with the Scheme's rules at the absolute discretion of the Remuneration Committee. Option holders may exercise options after a minimum 3 year and maximum 10 year holding period, subject to the provisions and exceptions of the scheme rules. There are no other performance conditions governing the holder's right to exercise the options after the minimum holding period. Share options may only be exercised for shares. The fair value of the options was calculated using the Black Scholes model and the credit to the income statement for the year ended 31 March 2025 was £17,394 (2024: credit £849). The cumulative charge to the Income Statement of the CSOP scheme is £28,580 as at 31 March 2025.

A weight averaged volatility input to the Black Scholes of 64% was applied being the average % fluctuations (positive and negative) of the share price compared to the grant price of share options issued.

Set out below is a summary of options granted under the CSOP plan:

Grant Date	Expiry Date	Exercise Price	Balance at start of year	Granted	Exercised	Expired	Balance at end of year	Life of options remaining
27 Nov 2019	26 Nov 2029	22p	0	102,273	0	0	102,273	1,701 days
8 July 2020	8 July 2030	19p	102,273	115,790	0	0	218,063	1,925 days
23 Jun 2021	23 Jun 2031	25p	218,063	24,000	0	0	242,063	2,275 days
20 Jun 2022	20 Jun 2032	22p	242,063	30,000	0	0		2,638 days
-	23 Jun 2022	22p	-	-	0	34,091	237,972	-
6 June 2023	6 June 2033	20p	237,972	20,000	0	0	257,972	2,989 days
31 Mar 2025							257,972	

The weighted average exercise price at 31 March 2025 was 20.78 pence (31 March 2024: 20.78 pence).

13. Earnings per share

	2025 Pence	2024 Pence
Continuing operations:		
Basic earnings/(loss) per share	**(11.76p)**	(2.71p)
Diluted earnings/(loss) per share	**(11.76p)**	(2.71p)

Basic earnings per share

Basic earnings per share have been calculated using the loss for the year of £16,811,000 (2024: loss of £3,836,000) for the continuing operations using the average number of 142,938,478 ordinary shares (2024: 141,731,347 ordinary shares) in issue.

Diluted earnings per share

Diluted earnings per share uses an average number of 143,196,450 shares (2024: 141,895,767) ordinary shares in issue in accordance with IAS 33 'Earnings per Share' based on a positive earnings per share result.

14. Property, plant and equipment

	Land and buildings £000	**Assets in the course of Construction £000**	**Plant, machinery and equipment, fixtures and fittings £000**	**Total £000**
Cost or valuation				
Balance at 1 April 2023	37,060	84	5,058	42,202
Additions	72	-	64	136
Revaluation to income statement	(556)	-	-	(556)
Revaluations to revaluation reserve	(1,404)	-	-	(1,404)
Transfers	84	453	41	578

Disposals	-	-	(7)	(7)
Balance at 31 March 2024	35,256	537	5,156	40,949
Balance at 1 April 2024	**35,256**	**537**	**5,156**	**40,949**
Additions	328	-	10	338
Revaluation to income statement	(1,848)	-	-	(1,848)
Revaluations to revaluation reserve	(2,905)	-	-	(2,905)
Transfers	-	(537)	-	(537)
Disposals	-	-	-	-
Balance at 31 March 2025	**30,831**	**-**	**5,166**	**35,997**
Accumulated depreciation				
Balance at 1 April 2023	943	-	2,719	3,662
Depreciation charge for the year	136	-	261	397
Transfers	-	-	-	-
Disposals	-	-	-	-
Balance at 31 March 2024	1,079	-	2,980	4,059
Balance at 1 April 2024	**1,079**	**-**	**2,980**	**4,059**
Depreciation charge for the year	75	-	274	349
Disposals	-	-	-	-
Balance at 31 March 2025	**1,154**	**-**	**3,254**	**4,408**
Net book value				
At 31 March 2024	34,177	537	2,176	36,890
At 31 March 2025	**29,677**	**-**	**1,912**	**31,589**

Included in Land and Buildings is long leasehold land at a value of £2,200,000 (2024: £2,200,000).

Transfers relate to the ground floor unit at Harbour Arch Quay which is being retained as an owner occupied property for the purpose of the head office. The cost transferred was made from development property inventory.

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 2025 (see Strategic Report page 4). 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. Further detail about property revaluation is included in the Financial Review on page 11.

At 31 March 2025, 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 £23,745,000 (2024: £23,492,000).

At 31 March 2025, 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 £1,110,000 (2024: £1,110,000).

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 leases are secured by the lessor's title to the fixed assets. The carrying value of floating vessel which is subject to lease is £327,000 (2024: £44,000).

15. Investment property

	2025	2024
	£000	£000
At fair value:		
Balance at beginning of the year	**17,543**	17,205
Additions during the year	**240**	131
Disposals during the year	**(1,630)**	-
Fair value adjustments	**(1,460)**	356
Transfers from/(to) fixed assets	**537**	(150)
Balance at the end of the year	**15,230**	17,543

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 2025 has been determined by a valuation carried out on that date by independent, external valuers (see Strategic Report page 4), 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. Further detail about property valuation is included in the Financial Review on page 11.

All of the Group's investment property is held under freehold interests with the exception of four (2024: four) properties which are held under long leaseholds.

16. Investments

At 31 March 2025 the Parent company has the following subsidiaries:

	Class of shares held	Ownership		Nature of Business
		2025	2024	
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 Owner
Harbour Arch Quay Limited	Ordinary	**100%**	100%	Property Developer
Sutton Harbour Projects Limited	Ordinary	**100%**	100%	Property Owner
Harbour Arch Quay Management Company Limited	Ordinary	**100%**	100%	Property Management
Sutton Harbour Car Parks Limited	Ordinary	**100%**	100%	Car Park Operator
Sugar Quay Holdings Limited	Ordinary	**100%**	100%	Investment Company
Sugar Quay Limited	Ordinary	**100%**	100%	Property Developer
Sutton East Holdings Limited	Ordinary	**100%**	100%	Property Developer
Sutton East Developco No1 Limited	Ordinary	**100%**	100%	Property Developer

All of the above companies were incorporated in the United Kingdom and registered in England and Wales and for each the registered address is Sutton Harbour Office, Ground Floor, 2B North East Quay, Sutton Harbour, Plymouth PL4 0BN.

All subsidiaries are included in the Group consolidated financial statements.

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	
	2025	2024	**2025**	2024	**2025**	2024
	£000	£000	**£000**	£000	**£000**	£000
Property, plant and equipment	**-**	-	**(1,672)**	(1,709)	**(1,672)**	(1,709)
Investment property	**-**	-	**(843)**	(2,255)	**(843)**	(2,255)
Change in tax rate	**-**	-	**-**	-	**-**	-
Losses carried forward	**2,515**	1,325	**-**	-	**2,515**	1,325
Tax assets / (liabilities)	**2,515**	1,325	**(2,515)**	(3,964)	**-**	(2,639)

Movement in deferred tax during the year

Recognised

	1 April 2024 £000	Recognised in income statement £000	Recognised in equity £000	31 March 2025 £000
Property, plant and equipment	(1,709)	**37**	**-**	**(1,672)**
Investment property	(2,255)	**683**	**729**	**(843)**
Losses carried forward	1,325	**1,190**	**-**	**2,515**
	(2,639)	**1,910**	**729**	**-**

The deferred tax asset of £3.178m relating to losses carried forward is not recognised, in the balance sheet.

18. Inventories

	2025 £000	2024 £000
Stores and materials	**30**	29
Goods for resale	**23**	51
Former Airport Site	**13,741**	13,518
Development property	**4,667**	17,215
	18,461	30,813

Included within inventories is £18,408,000 (2024: £30,733,000) expected to be recovered in more than 12 months. £13,741,000 (2024: £13,518,000) of the Development Property, being the carrying value of the former airport site, is classified in the Balance Sheet as a non-current asset as realisation of the asset may be in more than five years' time.

Interest capitalised during the year in relation to development property was £279,000 (2024: £427,000). The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation was 10.0% (2024: 8.91%).

In the course of the year, £13,019,000 of development property inventory was written down (2024: £nil).

19. Trade and other receivables

	2025 £000	2024 £000
Trade receivables	**525**	697
Provision for impairment of trade receivables	**(34)**	(52)
	491	645
Expected loss rate of trade receivables	**7%**	7%
Other receivables	**35**	31
Prepayments and accrued income	**586**	634
	1,112	1,310

Included within other receivables is £291,000 (2024: £555,000) 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 provision for impairment of trade receivables is arrived at by using the historical loss rate and adjusting for current expectations, customer base and economic conditions. With historic and expected future losses being low, the Directors consider it appropriate to apply a single average rate for expected credit losses to the overall population of trade receivables.

20. Cash and cash equivalents

	2025 **£000**	2024 £000
Cash and cash equivalents per Consolidated Balance Sheet	**1,034**	782
Cash and cash equivalents per cash flow statement	**1,034**	782

Security over the assets of the Group has been given in relation to the bank facilities. Bank facilities are fully drawn as at 31 March 2025.

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 risk, see note 3.

	2025 **£000**	2024 £000
Non-current liabilities		
Secured bank loans	**11,565**	-
Current liabilities		
Secured bank loans	**8,690**	21,700
Unsecured related party loan	**7,354**	3,875
	27,609	25,575

Secured bank loans:

After the year end the Group entered into a new facility with NatWest for an initial single loan facility expiring on 30 December 2026 with amended conditions subsequent to make repayments from asset disposals of £0.810m by 30 June 2025, £1.380m by 30 July 2025 and £6.5m by 31 March 2026.

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. 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**	
	2025 **£000**	2024 £000	**2025** **£000**	2024 £000
At the beginning of the year	**2,183**	2,132	**646**	646
Adjustment to opening balances		-	**-**	-
Released to the income statement	**(2,183)**	(2,132)	**-**	-
Income and grants received and deferred	**2,183**	2,132	**-**	-
At the end of the year	**2,202**	2,183	**646**	646
Current	**2,202**	2,183	**-**	-
Non-current	**-**	-	**646**	646
	2,202	2,183	**646**	646

23. Trade and other payables

	2025 **£000**	2024 £000
[illegible]	[illegible]	[illegible]

Trade payables	**855**	1,164
Other payables	**173**	252
Other taxation and social security costs	**206**	158
Accruals	**399**	620
	1,633	2,194

The ageing of trade payables is as follows:

	2025	2024
	£000	£000
Not yet due:		
0 - 29 days	**412**	671
Overdue:		
30 - 59 days	**294**	278
60 - 89 days	**31**	63
90 - 119 days	**41**	109
120 + days	**77**	43
	855	1,164

24. Lease liabilities

	Minimum lease payments		**Capital element of lease payments**	
	2025	2024	**2025**	2024
	£000	£000	**£000**	£000
Amounts payable under lease liabilities:				
Within one year	**41**	13	**-**	-
In the second to fifth years inclusive	**193**	-	**-**	-
	234	13	**-**	-
Less: future finance charges	**-**	(1)	**-**	-
Present value of lease obligations	**-**	12	**-**	-
Current			**-**	12
Non-current			**-**	-
			-	12

It is the Group's policy to procure certain of its property, plant and equipment under leases. The average lease term is 5 years (2024: 0.9 years). For the year ended 31 March 2025, the average effective borrowing rate was 8.0% (2023: 5.0%). Interest rates are fixed at the contract date. All 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 £219,000 (2024: £184,000). There were no amounts outstanding or prepaid at the year end (2024: £nil).

26. Capital and reserves

Share capital

	Ordinary shares		**Deferred shares**		**Total shares**	
Thousands of shares	**2025**	2024	**2025**	2024	**2025**	2024
In issue at the beginning of the financial year - fully paid	**142,939**	129,944	**62,944**	62,944	**205,883**	192,888
Issued for cash	**-**	12,995	**-**	-	**-**	12,995
In issue at the end of the financial year - fully paid	**142,939**	142,939	**62,944**	62,944	**205,883**	205,883

	2025	2024	**2025**	2024	**2025**	2024
	£000	£000	**£000**	£000	**£000**	£000
Allotted, called up and fully paid						
142,938,478 (2024:142,938,478) Ordinary shares of 1p each (2024: 1p each)	**1,430**	1,430	**-**	-	**1,430**	1,430
62,943,752 (2024: 62,943,752) Deferred shares of 24p each (2024: 24p each)	**-**	-	**15,106**	15,106	**15,106**	15,106

24p each (2024: 24p each)	-	-	**15,106**	15,106	**15,106**	15,106
	1,430	1,430	**15,106**	15,106	**16,536**	16,536

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 Group. 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 Group. 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 less transaction costs.

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 Group was incorporated into the holding Group, Sutton Harbour Group plc. It was further increased when a cash box placing of shares occurred on 4 September 2009, creating an additional £3.6m.

Retained earnings
Retained earnings represent retained earnings attributable to owners of the parent. Retained earnings include £4.909m (2024: £4.466m) in respect of unrealised valuation surpluses on the Investment property assets.

27. Leases

Leases
During the year £nil was recognised in respect of lease rentals in the income statement (2024: £nil): £nil in cost of sales (2024: £nil) and £nil in administrative expenses (2024: £nil).

During the year £9,000 (2024: £7,000) was recognised in the income statement in respect of short term and low value operating leases for photocopiers, telephony equipment and vending machines.

Leases as lessor
The Group leases certain properties (see notes 14 and 15). The future minimum lease rentals receivable under non-cancellable leases are as follows:

	2025	2024
	£000	£000
Investment property:		
Less than one year	**1,036**	1,184
Between one and two years	**1,008**	1,106
Between two and three years	**985**	1,073
Between three and four years	**928**	1,052
Between four and five years	**879**	996
More than five years	**22,404**	23,524
	27,240	28,935
Owner-occupied properties:		
Less than one year	**3**	37
Between one and two years	**3**	23
Between two and three years	**3**	22
Between three and four years	**3**	22
Between four and five years	**3**	22

More than five years	**-**	15
	15	141

During the year ended 31 March 2025 £1,291,000 (2023: £1,450,000) was recognised as rental income in the income statement. Repair and maintenance expense recognised in cost of sales for the year to 31 March 2025 was £300,000 (2023: £294,000).

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.

28. Cash flow statements

	2025	2024
	£000	£000
Cash flows from operating activities		
Loss for the year from continuing operations	**(16,811)**	(3,836)
Adjustments for:		
Profit / loss on disposal	**105**	-
Taxation on loss from continuing activities	**(1,910)**	(549)
Net Financial expense	**2,077**	1,992
Fair value adjustments on investment property	**1,460**	(357)
Revaluation of property, plant and equipment	**1,848**	556
Depreciation	**349**	397
Cash (used)/generated from continuing operations before changes in working capital and provisions	**(12,882)**	(1,797)
Decrease/(Increase) in inventories	**12,352**	6,218
Decrease/(increase) in trade and other receivables	**198**	864
(Decrease)/Increase in trade and other payables	**(561)**	(786)
(Increase)/decrease in deferred income	**19**	51
(Increase)/decrease in provisions	**-**	-
Cash (outflow)/inflow from continuing operations	**(874)**	4,550

29. Related Parties

The parent of the Group is Sutton Harbour Group plc. The ultimate controlling party is FB Investors LLP, which is owned jointly by Beinhaker Design Services Limited and 1895 Management Group ULC. In the course of the year, Beinhaker Design Services Limited provided services to the value of £165,000 (2024: £161,000).

Unsecured related party loans, with a revised expiry date of 31 March 2026, advanced by Beinhaker Design Services Limited and Rotolok (Holdings) Limited total £7,354,000 (including interest rolled up of £593,000). Interest is accrued at 10% pa calculated on a quarterly basis and rolled into the loan balance owed.

Transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note.

Transactions with key management personnel:
Executive Directors of the Group and their immediate relatives control 75.38% (2024 75.38%) of the voting shares of the Group, see note 26.

The compensation of key management personnel (the Executive and Non-Executive Directors) is set out on the Remuneration Report on page 23.

30. Commitments

There are no capital commitments at 31 March 2025.

31. Contingent Liabilities

Plymouth City Airport - Plymouth City Council has made a claim against the Group alleging breach of lease. At present there is no indication of the likelihood, nor the resultant value of the claim, if any.

Further details are given in the Executive Chairman's Statement in respect of this matter.

32. Post Balance Sheet Events

Bank Facility - After the year end the Company agreed an amendment to the Nat West bank facility to extend dates for debt repayment as follows : £1.380m by 30 July 2025 and £6.5m by 31 March 2026. After the year bank loan repayment of £2.190m were made.

Related Party Loan - After the year end the Company agreed with Beinhaker Design Services to increase the Related Party Loan by £0.315m on the same terms as previous Related Party Loan drawdowns.

Property Sales - After the year end the Group placed a number of assets sale by agency marketing and auction. Proceeds from sales
will be applied to reducing the bank loan and for working capital purposes. After the year end two properties were sold and other properties continue to be actively marketed.