Group Financial Summary

Summary of group results	2016 £'000s	2015 £'000s	2014 £'000s	2013 £'000s
Revenue from continuing operations	5,105	4,927	4,381	5,313
Gross profit from continuing operations	1,529	1,162	1,196	1,410
Gross profit margin	29.95%	23.60%	27.30%	26.50%
Operating profit/(loss) from continuing operations, before exceptional items, investment activities and depreciation	730	(75)	13	320
Profit on sale of property	-	8,161	-	-
Profit/(loss) before tax and minority interests	(399)	6,877	(1,408)	(197)
Profit/(loss) from continuing operations after tax	(426)	5,838	(1,401)	(210)
Earnings/(loss) per share from continuing operations	(5.60p)	76.74p	(18.41p)	(2.76p)
Earnings/(loss) per share from total operations	(5.60p)	76.74p	(18.41p)	(2.76p)

Overview

Governance

Financial Information

Chairman's Statement

I am delighted to have joined your Board during the year and pleased to present my first statement as Chairman of CH Bailey plc.

The Group has seen a continued recovery in the traditional engineering division, although our tourism business has still to pick up significantly. However, the main focus of the Group is to purchase, develop and operate property to provide high end accommodation, serviced office and retail space. During the year the company completed the purchase of two further development properties in Malta and a hospitality property in South Africa.

Results

Your Company in the year under review made a loss after tax of £0.4m (2015: profit £5.8million). This significant difference is attributable to the fact that the company made no property sales in the period under review. Underlying trading has improved with an operating profit of £33,400 compared to an operating loss before profit on sale of property in 2015 of £793,441.

Revenues over the period have increased by 4% to reach £5.2 million. The gross profit margin has increased to 29.95% which reflects the first full year following the completion of the Phase III development which houses The Oyster Bay Suites, serviced offices, a bank and a premium restaurant. Administration costs for the year have decreased by 21% to £1,711,538 due to increased efficiencies.

The overall loss per share was 5.60p (2015: earnings per share 76.74p).

Africa

Revenue derived from our business in Africa was £3,589,486, (2015: £3,173,552) representing approximately 62% (2015: 64%) of total Group revenue. It reflects the first full year following the completion of the Phase III development which houses the Oyster Bay Suites, serviced offices, a bank and a premium restaurant.

Our hospitality sales are now only 18% (2015:19%) of the Tanzanian revenues and we are hopeful that The Oyster Bay Suites will lead a recovery next year in Tanzania where the Board anticipate further growth in the serviced commercial and retail property market.

The sale of Mikumi Wildlife Camp has been agreed. We are now waiting for the final paperwork confirming the purchaser`s internal restructuring before we finalise the terms with the bank on the structure of the financing, bond and final payment.

During the year, a new hospitality venue in South Africa was purchased for £839,215. This started well as a hospitality unit and achieved break even in its early months of trading. We have taken advantage of the current low season in South Africa to enhance the existing property and are exploring further interesting development opportunities for the site.

Africa Corporate Social Responsibility

This year together with READ International and the Hassan Maajar Trust, we have continued our programme to renovate primary and secondary school classrooms and create school libraries at schools close to where we have operations.

Malta

The Malta division now has three development properties having completed on the purchase of two properties during the year for £1,260,543 following the purchase of 16-18 Charles Street in Valletta in the previous year. Applications have been made to the Malta Tourism Authority and MEPA for planning consent to develop boutique serviced accommodation. The Board believes that, given the proposed government upgrade to the surrounding area in Valletta, the developments will add to both the revenue and profitability of the Group within the next couple of years when planning and construction is complete.

Engineering
Revenue derived from our engineering division in the United Kingdom increased by 3% to £1,425,101 (2015: £1,388,891). The operating loss was reduced to £36,813 (2015: loss £74,819). Engineering in South Wales is experiencing significant uncertainty, with the situation at Tata Steel unclear, but we are cautiously optimistic, as other customers have increased their orders.

Board and senior management matters
During the year, I was appointed as a director and non-executive chairman of the Company and Christopher Fielding was appointed as a non-executive director. Christopher has brought strong financial, analytical and commercial skills which will contribute significantly to the continued development of the Group. He is a partner of Charme Capital Partners, the pan-European private equity fund, with a specific focus on UK investments, having previously spent 9 years at Doughty Hanson, working on the acquisition, transformation and exit of UUE Entertainment and the IPO of Tumi Holdings Inc, the board of which Christopher continues to sit.

Also, during the year, Mrs Sarah Bailey and Mr Rod Reynolds resigned as directors of the company. I would like to express the thanks of the board to them for their significant contribution to the Group

Dividend
The Board does not recommend the payment of a dividend for the year (2015: 20 pence per share). As previously mentioned we hope to now create consistent trading profits so that we can offer our shareholders a return via an increase in share price or, subject to profitability, a dividend payment.

People
As always, the success of any Group is down to the hard work and dedication of the people employed. I take this opportunity to thank the team on the Board's behalf for all of their collective efforts over the last year.

Outlook
The Group continues to face a number of challenges. The Board has considered the impact of Brexit and has concluded that its main impact on the Group will relate to the change in value of £ sterling against the US $. Tanzanian revenues are largely denominated in US $, which protects the revenue from £ Sterling falls.

The Board will seek to further invest in our existing asset base and will consider potential new investments. We are confident in our strategy to achieve and maintain profitability and the Board believes the Company is well positioned to grow in the future.

David Wilkinson
Chairman
05 August 2016

Strategic Report

Principal objectives and strategy

Your Company's principal objective is to achieve profitability from the existing asset base to allow further investment when opportunities arise and provide a return on investment to shareholders or increase the value of the investment to shareholders. The Board intends to do this through growth, by purchasing, developing, operating and trading in property in the existing geographical areas in which we operate or new areas where we have knowledge and with which we have associations. It is envisaged that such properties will be specifically targeted for their development and operating opportunities in the hospitality, leisure, residential, retail and commercial sectors. Our existing properties in Malta, Tanzania and South Africa all have the potential for significant increases in value.

Key performance indicators

	Revenue continuing operations	**Operating profit (loss) continuing operations**	**Depreciation and profit (loss) on sale of plant and equipment**	**Profit on sale of property**	**EBITDA**	**Total bank borrowing**	**Net assets**
	£	**£**	**£**	**£**	**£**	**£**	**£**
Classes of business							
Engineering:							
2016	1,425,101	(36,813)	76,912	-	40,099	(325,773)	183,086
2015	1,388,891	(74,819)	77,783	-	2,964	(296,733)	225,587
Tourism and serviced units - Africa and United Kingdom agent:							
2016	3,680,110	642,507	818,309	-	1,460,816	(4,891,130)	5,219,364
2015	3,287,599	292,193	824,475	-	1,116,668	(6,192,923)	4,758,607
Tourism and serviced units - Malta:							
2016	-	-	-	-	-	-	-
2015	251,072	7,482,795	17,720	8,160,535	(660,020)	125,183	-
					-		
Investment and development property - Malta:							
2016	-	126,137	17,705	-	143,842	-	3,799,978
2015	-	-	-	-	-	-	2,440,457
Management:					-		
2016	-	(698,371)	140	-	(698,231)	(245,901)	2,858,095
2015	-	(333,075)	238	-	(332,837)	(323,379)	7,985,970
Total:							
2016	**5,105,211**	**33,460**	**913,066**	**-**	**946,526**	**(5,462,804)**	**12,060,523**
2015	4,927,562	7,367,094	920,216	8,160,535	126,775	(6,687,852)	15,410,621

Key properties

The key properties owned by the group and their current uses are as follows:

Malta

- 30 St Barbara Bastions	Office
- 123 St Lucia Street	For office development
- 16-18 Charles Street	Planning permission in progress
- 149 Archbishop Street	Planning permission in progress

Tanzania

- Oyster Bay Hotel	Hospitality
- Oyster Bay Suites	Serviced apartments
- Oyster Bay offices	Serviced units
- Oyster Bay Shopping Centre	Retail

South Africa

- Hauts de Montagu	Hospitality
- Hauts de Montagu farm	Development land
- Little Bean Farm	Development land

Engineering operational performance

Revenue derived from our engineering division in the United Kingdom increased by 3% to £1,425,101 (2015: £1,388,891). The operating loss was reduced to £36,813 (2015: loss £74,819).

Africa operational performance

Commercial property continues to be the main driver of profitability in Tanzania, with occupancy levels at 93 % for the offices and 97% for the retail premises.

Sales in the Tanzanian hospitality division continue to be badly affected by numerous factors affecting tourism in the region. Sales decreased during the elections in Tanzania however, following this there has been a slow but steady improvement in forward bookings. The Board believe this is part of an African cycle and there will be continued growth in the future.

Malta operational performance

The Group now owns four properties in Malta. The property at 30 St Barbara Bastions is complete and is currently being used as the group's offices in Malta.

Work has now started on the property at 123 St Lucia Street, which is just behind the Valletta law courts, to create much needed legal office space. The Board expects this development to be completed by the end of the year and will commence marketing in the near future.

The process to obtain planning permission is currently in progress for the remaining two development properties.

Risk management

The group's principal risks are as follows:

Going concern

The board remains satisfied with the group's funding and liquidity position. The group has operated within its current bank facility both throughout the period under review and subsequently.

The group's forecasts and projections indicate that the group should continue to operate within current bank facilities. The board considers that the group has considerable financial resources together with a diverse base of operations across different geographical areas and industries. As a consequence, the board believes that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the board has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing this Annual Report & Financial Statements.

Strategic risk
The group faces a number of strategic risks. Management has developed long term business plans to manage the impact of these risks to ensure that the group delivers a satisfactory performance in future years. The main strategic risks faced by the business are:

- Competition: In order to remain competitive management recognises the need to make appropriate capital investments;
- Profit margin: In order to improve the margins management recognise the need to reduce fixed costs where appropriate and link them to a sustainable level of turnover.

Financial risks
There has been no change during the year, or since the year end, to the type of financial risks faced by the group or the group's management of those risks. The key risks, which are discussed in more detail in note 30 to the consolidated financial statements, are:

- Credit risk;
- Liquidity risk;
- Interest rate risk;
- Currency risk.

By order of the board
Bryan Warren
Secretary

Newport
South Wales
05 August 2016

Director's Report

The directors submit their report and accounts for the year ended 31 March 2016. The Statement of Corporate Governance on pages 9 to 11 forms part of this report.

Principal activities

C.H. Bailey plc is the holding company of subsidiary undertakings engaged in the development and operation of properties in the commercial, retail and hospitality sectors in the Mediterranean Basin and South and East Africa and engineering in the United Kingdom. The loss on these various activities which is attributable to the shareholders amounted to £426,314 (2015: profit £5,837,901).

A review of the group's business, development and prospects can be found in the chairman's statement on pages 2 to 3 and the strategic report on pages 4 to 6.

Dividend

The directors do not propose to pay a final dividend in respect of the year ended 31 March 2016 (2015: 20 pence).

Change in fixed assets

A summary of the changes in property, plant and equipment is given in note 13 to the accounts.

A summary of the changes in investments in subsidiary undertakings is given in note 14 to the accounts.

In the directors' opinion, the market value of and leasehold land and buildings is in excess of £24,000,000.

Investment in own shares

On 10 March 2016, the company issued 23,147 ordinary shares of 10 pence to the directors in lieu of fees payable. The company retains as treasury shares 704,511 shares of 10 pence at a cost of £929,955 (2015: 727,658 shares of 10 pence at a cost of £960,509).

Directors

The board of directors on 31 March 2016 consisted of Charles Bailey, Sir William McAlpine, David Wilkinson and Christopher Fielding. The director retiring by rotation and not offering himself for re-election is Mr Christopher Fielding. No director had, in the financial year to 31 March 2016, a material interest in any contract to which the company or a subsidiary undertaking was a party.

Charles Bailey is the only executive director. The non-executive directors are Sir William McAlpine, Mr David Wilkinson and Christopher Fielding.

The directors had the following interests in the company's issued ordinary share capital:

	05 Aug 2016	**31 March 2016**	**31 March 2015**
Charles Bailey	5,347,286	5,277,686	5,277,686
Sir William McAlpine, Bt.	32,631	28,000	28,000
David Wilkinson	6,130	-	-
Christopher Fielding	12,386	-	-

Substantial shareholdings

The company has been notified of the following interest in the company's issued ordinary share capital:

	05 Aug 2016	31 March 2016	31 March 2015
P. S. Allen	412,169	412,169	412,169
D. Newlands	229,000	229,000	229,000

Charitable and political contributions

During the year the group made a contribution of £9,581 (2015: £25,559) to charitable funds in Tanzania. No donations of a political nature were made (2015: £Nil).

Employees

The group is an equal opportunities employer. The group also makes every reasonable effort to give disabled applicants and existing employees, who became disabled, equal opportunities for work having regard to their individual aptitudes and abilities.

Employee reporting and involvement

The group recognises the need to ensure effective communication with employees to encourage involvement in the group's performance. Policies and procedures have been developed to achieve a common awareness of factors affecting the performance of the group.

Suppliers

The group agrees payment terms with suppliers prior to placing business. The group seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has supplied the goods or services in accordance with the agreed terms and conditions.

Health, safety, the environment and social policy

It is the group's policy to comply with relevant legislation in all countries in which it operates and to adopt responsible environmental and social practices. Training is provided to ensure that the group keeps abreast of changing business and regulatory requirements and technological advances.

Close company

In the opinion of the directors the company is, at the accounting date and the date of this report, a close company within the terms of the Income and Corporation Taxes Act 1988.

Auditors

In the case of each of the persons who are the directors of the company at the date when this report was approved:

- So far as each director is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware;
- Each director has taken all the steps that ought to be taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Haasco Limited is willing to continue in office and a resolution for their re-appointment will be proposed at the annual general meeting.

By order of the board
Bryan Warren
Secretary

Newport
South Wales
05 August 2016

Statement of Corporate Governance

The board

At 05 August 2016, the board comprised one executive director: Charles Bailey (chairman and managing director), and three non-executives: David Wilkinson, non-executive chairman, Sir William McAlpine and Christopher Fielding.

The board of directors is responsible to shareholders for the management and control of the group. The board operates within agreed matters reserved for its approval, which cover the key areas of the group's affairs, including all aspects of strategy, material property acquisitions, disposals and group financing arrangements.

Board meetings are held periodically during the year and each board member is provided in advance of the meeting with a board pack for each meeting which contains financial and operational information. The board is responsible for agreeing the major matters affecting the running of the business, as well as monitoring and reviewing performance and operating risks.

Year ended 31 March 2016	**Meeting type**		
Member	**Board**	**Audit & Risk Committee**	**Remuneration Committee**
Charles Bailey	4/4	-	1/1
Sir William McAlpine	4/4	2/2	1/1
David Wilkinson	4/4	-	1/1
Christopher Fielding	2/2	2/2	1/1
Bryan Warren	-	2/2	-

As of 05 August 2016, the board has two subcommittees: the Audit & Risk Committee and the Remuneration Committee. Christopher Fielding is chairman of the Audit & Risk Committee, and has relevant financial experience as suggested by Provision C.3.1 of the UK Corporate Governance Code. Christopher Fielding is also chairman of the Remuneration Committee. Written Terms of Reference for each Committee have been agreed.

Audit & Risk Committee

The Audit & Risk Committee comprises Christopher Fielding (chairman), Sir William McAlpine and Bryan Warren. The committee is tasked to meet at least twice a year, in respect of the following:

Audit and the auditors

- to assess annually the qualification, expertise and resources, and independence of the external auditor, taking account of relevant Ethical Standards, and to ensure that the Auditor's key partners are rotated at appropriate intervals;
- to assess annually the effectiveness of the audit process;
- to review with management the audit fee and to ensure that the provision of non audit services does not impair the external auditor's independence or objectivity;
- to develop and implement a policy on the supply of non audit services by the external auditor;
- to discuss with the external auditor, before the audit commences, the nature and scope of the audit and to review the auditor's quality control procedures and steps taken by the auditor to respond to changes in regulatory and other requirements;
- to make appropriate recommendations to the board, if considered necessary, regarding the continuation of the external auditor, to oversee the selection process for new auditors and, if an auditor resigns, to investigate the issues leading to this and decide whether any action is required;

- to consider the need to include the risk of withdrawal of the external auditor from the market in the committee's risk assessment process;
- to review the external auditor's management letter and management's response;

Risk and internal controls

- to review the effectiveness of the group's internal control and risk management framework, in relation to the core strategic objectives of the company;
- to consider the risks associated with proposed strategic acquisitions or disposals;
- to review regular risk management reports from management which enable the committee to assess the risks involved in the company's business and how they are controlled and monitored by management;
- to monitor and review the effectiveness of the risk management and internal audit functions, to review the internal audit programme, and to seek such assurance as it may deem appropriate that the functions are adequately resourced and have appropriate standing within the group; and
- to consider management's response to any recommendations made by the external auditor or internal audit and review with internal audit and the external auditor any fraudulent or illegal acts, deficiencies in internal control or other similar issue, including reviewing the results of management's investigation and follow up of any fraudulent acts.

Annual financial statements

- to review, and challenge where necessary, the actions and judgements of management in relation to the annual financial statements, paying particular attention to:
- critical accounting policies and practices, and any changes in them;
- decisions requiring a major element of judgement;
- the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed;
- the clarity of disclosures;
- significant adjustments resulting from the audit;
- the going concern assumption;
- compliance with accounting standards and related guidance;
- compliance with other legal requirements;
- to review treasury policies from time to time;
- to review the company's procedures for handling allegations from whistleblowers;
- to review mechanisms for informing and updating the board on independence issues, to receive reports on monitoring of independence and the handling of any issues relating to non compliance;
- to review tax compliance and tax planning initiatives of the company; and
- to perform other oversight functions, as requested by the board.

Remuneration Committee

The Remuneration Committee comprises Christopher Fielding (chairman), David Wilkinson, Sir William McAlpine and Charles Bailey. The committee is tasked to meet at least twice a year, in respect of the following:

- to determine and agree with the board the framework or broad policy for the remuneration of the company's chief executive, chairman, the executive directors, the company secretary and such other members of the executive management as it is designated to consider. The remuneration of non-executive directors shall be a matter for the chairman and the executive members of the board. No director or manager shall be involved in any decisions as to their own remuneration;

- in determining such policy, take into account all factors which it deems necessary. The objective of such policy shall be to ensure that members of the executive management of the company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the company;
- review the ongoing appropriateness and relevance of the remuneration;
- approve the design of, and determine targets for, any performance related pay schemes operated by the company and approve the total annual payments made under such schemes;
- review the design of all share incentive plans for approval by the board. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors and other senior executives and the performance targets to be used;
- determine the policy for, and scope of, pension arrangements for each executive director and other senior executives;
- ensure that contractual terms on termination, and any payments made, are fair to the individual, and the company;
- in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the Combined Code and the UK Listing Authority's Listing Rules and associated guidance;
- review and note annually the remuneration trends across the company or group;
- oversee any major changes in employee benefits structures throughout the company or group;
- agree the policy for authorising claims for expenses from the chief executive and chairman;
- ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;
- be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- obtain reliable, current information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

Statement on internal control

The directors are responsible for the system of internal control and for reviewing its effectiveness. This system is designed to manage as effectively as possible the risk of failure to achieve business objectives and can only provide reasonable rather than absolute assurance against material misstatement or loss.

Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report and the group and parent financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare group and parent company financial statements for each financial year.

As required by the AIM rules of London Stock Exchange, they are required to prepare the group financial statements in accordance with IFRSs as adopted by the European Union and applicable law, and have elected to prepare the parent company financial statements in accordance with IFRS.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- For the group and parent company financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the European Union;
- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and the group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions in which the group has undertakings.

Independent Auditor's Report

We have audited the group and individual company financial statements of C.H. Bailey plc for the year ended 31 March 2016 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and parent company balance sheets, the consolidated cashflow statement, the consolidated and parent company statements of changes in equity and the related notes 1 to 34.

The financial reporting framework that has been applied in the preparation of the group and company financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- The financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2016 and of the group's loss for the year then ended;

- The financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and

- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- Adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

- The parent company financial statements are not in agreement with the accounting records and returns; or

- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

HAASCO
Accountants, Auditors and Tax Advisors

Mr D.R. Thomas FCA
Senior Statutory Auditor

Statutory Auditor
Haasco Limited
Newport
South Wales
05 August 2016

Consolidated Income Statement
for the year ended 31 March 2016

	Notes	2016	2015
		£	£
Continuing operations			
Revenue	**4**	5,105,211	4,927,562
Cost of sales		(3,576,420)	(3,765,741)
Gross profit		1,528,791	1,161,821
Profit on sale of property	**8**	-	8,160,535
Administrative expenses		(1,711,538)	(2,157,371)
Trading (loss) profit		(182,747)	7,164,985
Investment activities and other income	**5**	216,207	202,109
Operating profit		33,460	7,367,094
EBITDA*		946,526	126,775
Depreciation		(918,920)	(920,216)
Profit on sale of plant and equipment		5,854	-
Normalised operating profit (loss)		33,460	(793,441)
Profit on sale of property		-	8,160,535
Operating profit		33,460	7,367,094
Finance income	**6**	25,846	54,622
Finance costs	**7**	(457,849)	(544,423)
(Loss) profit before taxation	**8**	(398,543)	6,877,293
Taxation	**11**	(28,115)	(969,082)
Minority interest		344	(70,310)
(Loss) profit for the financial year		(426,314)	5,837,901
(Loss) earnings per share from continuing and total operations	**12**	(5.60p)	76.74p

***Earnings before interest, taxation, depreciation, profit on sale of plant and equipment and profit on sale of property.

Consolidated Statement of
Comprehensive Total Income
for the year ended 31 March 2016

	Notes	2016	2015
		£	£
(Loss) profit for the financial year		(426,314)	5,837,901
Items that may be reclassified to profit and loss:			
Exchange differences		(1,543,976)	(872,267)
Total comprehensive (loss) income for the year		(1,970,290)	4,965,634

Balance Sheets
as at 31 March 2016

		Group		Company	
	Notes	**2016**	**2015**	**2016**	**2015**
		£	**£**	**£**	**£**
Non-current assets					
Property, plant and equipment	**13**	12,827,555	12,653,515	-	140
Operating leases		87,626	39,455	-	-
Investments in subsidiary undertakings	**14**	-	-	1,234,974	1,487,644
Trade and other receivables	**15**	694,617	605,888	153,600	-
Deferred tax asset	**16**	231,757	168,875	187,304	168,875
		13,841,555	13,467,733	1,575,878	1,656,659
Current assets					
Inventory	**17**	19,851	13,718	-	-
Trade and other receivables	**18**	2,334,371	1,816,811	4,599,770	5,348,394
Current asset investments	**19**	1,522,622	1,616,157	241,599	412,165
Cash and cash equivalents	**20**	2,183,225	7,653,913	555,909	1,611,247
		6,060,069	11,100,599	5,397,278	7,371,806
Assets classified as held for sale		178,112	211,635	-	-
		6,238,181	11,312,234	5,397,278	7,371,806
Current liabilities					
Trade and other payables	**21**	(2,287,285)	(2,290,396)	(720,080)	(559,049)
Bank loans and overdrafts	**22**	(2,049,180)	(2,331,959)	(245,901)	(323,379)
Obligations under finance leases	**23**	(1,934)	(29,894)	-	-
Provisions	**24**	(225,000)	(250,000)	(225,000)	(250,000)
		(4,563,399)	(4,902,249)	(1,190,981)	(1,132,428)
Net current assets		1,674,782	6,409,985	4,206,297	6,239,378
Total assets less current liabilities		15,516,337	19,877,718	5,782,175	7,896,037
Non-current liabilities					
Bank loans	**22**	(3,413,624)	(4,355,893)	-	-
Obligations under finance leases	**23**	-	(2,234)	-	-
Deferred tax liabilities	**25**	(42,190)	-	-	-
Net assets		12,060,523	15,519,591	5,782,175	7,896,037
Equity					
Called-up share capital	**26**	833,541	833,541	833,541	833,541
Share premium account	**27**	609,690	609,690	609,690	609,690
Capital redemption reserve	**27**	5,163,332	5,163,332	5,163,332	5,163,332
Investment in own shares	**27**	(929,955)	(960,509)	(929,955)	(960,509)
Translation reserve	**27**	54,470	51,307	-	-
Retained earnings	**27**	6,328,290	9,820,860	105,567	2,249,983
Surplus attributable to the parent's shareholders		12,059,368	15,518,221	5,782,175	7,896,037
Minority interest	**27**	1,155	1,370	-	-
Total equity		12,060,523	15,519,591	5,782,175	7,896,037

These financial statements were approved by the board of directors on 05 August 2016 and were signed on its behalf by:
David Wilkinson
C*hairman*

Consolidated Cash Flow Statement
for the year ended 31 March 2016

	Notes	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash flows from operating activities					
Cash generated from operations	**28**	(281,549)	(274,599)	493,427	591,283
Interest paid		(457,849)	(544,423)	(8,701)	(5,520)
Overseas tax paid		(48,807)	(1,230,328)	-	-
Net cash flow from operating activities		(788,205)	(2,049,350)	484,726	585,763
Investing activities					
Sale of property, plant and equipment		32,304	9,728,109	-	-
Purchase of property, plant and equipment		(2,263,358)	(1,400,271)	-	-
Sale of investments		809,533	1,382,134	8,000	-
Purchase of investments		(949,787)	(556,429)	-	-
Interest received		25,846	54,622	5	2,199
Net cash flow from investing activities		(2,345,462)	9,208,165	8,005	2,199
Financing activities					
Equity dividends paid		(1,521,551)	-	(1,521,551)	-
Dividend to minority interest		-	(123,111)	-	-
Investment in own shares		32,988	-	32,988	-
Movement in bank loans		(1,083,462)	(1,211,716)	-	-
Movement in directors' loans		(18,636)	(849,556)	17,972	(43,911)
Movement in other loans		-	(751,589)	-	-
Movement in capital element of finance leases		(30,194)	(29,894)	-	-
Net cash flow from financing activities		(2,620,855)	(2,965,866)	(1,470,591)	(43,911)
Net (decrease) increase in cash and cash equivalents		(5,754,522)	4,192,949	(977,860)	544,051
Cash and cash equivalents at beginning of year	**29**	5,321,954	1,257,948	1,287,868	743,817
Exchange differences		566,613	(128,943)	-	-
Cash and cash equivalents at end of year	**29**	134,045	5,321,954	310,008	1,287,868
Reconciliation of net cash flow to movement in net funds (debt) in the year					
Net (decrease) increase in cash and cash equivalents		(5,754,522)	4,192,949	(977,860)	544,051
Net cashflow from the movement in debt		1,113,656	1,993,199	-	-
Movement in net funds (debt) during the year		(4,640,866)	6,186,148	(977,860)	544,051
Net funds (debt) at the beginning of the year		933,933	(4,513,395)	1,287,868	743,817
Exchange differences		425,420	(738,820)	-	-
Net (debt) funds at the end of the year	**29**	(3,281,513)	933,933	310,008	1,287,868

Consolidated Statement of Changes in Equity
for the year ended 31 March 2016

	Called-up share capital	Share premium account	Capital redemption reserve	Investment in own shares	Translation reserve	Retained earnings	Minority interest	Total
	£	**£**	**£**	**£**	**£**	**£**	**£**	**£**
Group								
At 31 March 2014	833,541	609,690	5,163,332	(960,509)	323,167	4,583,366	71,523	10,624,110
Transactions with owners recorded directly in equity								
Dividend to minority interest	-	-	-	-	-	-	(123,111)	(123,111)
Income statement								
Profit for the financial year	-	-	-	-		5,837,901	70,310	5,908,211
Items that may be reclassified to profit and loss								
Exchange differences	-	-	-	-	(271,860)	(600,407)	(17,352)	(889,619)
At 31 March 2015	833,541	609,690	5,163,332	(960,509)	51,307	9,820,860	1,370	15,519,591
Transactions with owners recorded directly in equity								
Equity dividends paid	-	-	-	-	-	(1,521,551)	-	(1,521,551)
Sale of investment in own shares	-	-	-	-	-	32,988	-	32,988
Cost of investment in own shares	-	-	-	30,554	-	(30,554)	-	-
Income statement								
(Loss) for the financial year	-	-	-	-	-	(426,314)	(344)	(426,658)
Items that may be reclassified to profit and loss								
Exchange differences	-	-	-	-	3,163	(1,547,139)	129	(1,543,847)
At 31 March 2016	833,541	609,690	5,163,332	(929,955)	54,470	6,328,290	1,155	12,060,523
Company								
At 31st March 2014	833,541	609,690	5,163,332	(960,509)	-	(831,393)	-	4,814,661
Income statement								
Profit for the financial year	-	-	-	-	-	3,081,376	-	3,081,376
At 31st March 2015	833,541	609,690	5,163,332	(960,509)	-	2,249,983	-	7,896,037
Transactions with owners recorded directly in equity								
Equity dividends paid	-	-	-	-	-	(1,521,551)	-	(1,521,551)
Sale of investment in own shares	-	-	-	-	-	32,988	-	32,988
Cost of investment in own shares	-	-	-	30,554	-	(30,554)	-	-
Income statement								
(Loss) for the financial year	-	-	-	-	-	(625,299)	-	(625,299)
At 31st March 2016	833,541	609,690	5,163,332	(929,955)	-	105,567	-	5,782,175

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Notes to the Accounts

1. General information

Legal status and country of incorporation
C. H. Bailey plc, company number 190106, is incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on page 38. The principal activities are set out in the Directors' Report on pages 7 to 12.

Basis of preparation
These financial statements have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the European Union and with the Companies Act 2006. Therefore these financial statements comply with the AIM rules.

The financial statements are prepared using the historical cost basis of accounting except for:

- Properties held at the date of transition to IFRS which are stated at deemed cost; and

- Assets held for sales which are stated at the lower of fair value less anticipated disposal costs and carrying value.

Going concern
The directors have prepared these financial statements on the fundamental assumption that the group is a going concern and will continue to trade for at least 12 months following the date of approval of the financial statements.

Further information explaining why the directors believe the group is a going concern is given in the financial review section of the Directors' Report.

Accounting period
The current period is for 12 months ended 31 March 2016 and the comparative period is for the 12 months ended 31 March 2015

Functional and presentational currency
The financial statements are presented in pounds sterling because that is the functional currency of the primary economic environment in which the group operates.

Initial Adoption of International Financial Reporting Standards
These are the group's eighth consolidated financial statements that have been prepared in accordance with IFRS. The group's transition date for adoption of IFRS is 1st April 2006. The group has taken advantage of the following exemptions on transition to IFRS as permitted by paragraph 13 of IFRS 1:

- The requirements of IFRS 3 – Business Combinations – have not applied to business combinations that occurred before the date of transition to IFRS;

- The carrying value of freehold and leasehold properties are based on previously adopted UK GAAP valuations and these are now taken as deemed cost on transition to IFRS.

International Financial Reporting Standards adopted for the first time this accounting period

There were no new standards or amendments to standards adopted for the first time this year that had a material impact on the results or the group. The prior year comparatives have not been restated for any changes in accounting policies that were required due to the adoption of new standards this year.

Future adoption of International Financial Reporting Standards

A number of new standards, amendments to standards and interpretations are being considered, but have yet to be endorsed by the EU. These include the following standards:

- IFRS 9 (Amendment): Financial instruments;
- IFRS 15 (Amendment): Revenue from contracts with customers;
- IFRS 16 (Amendment): Leases.

The above standards have not been applied in the preparation of these financial statements as they are not yet effective and have not been endorsed by the EU. The company will assess the potential impact of these standards once the final version has been endorsed by the EU. Whilst work has not yet been completed on the above standards, the directors do not currently foresee any material impact on the financial statements of the group as a result of adopting these standards.

2. Significant accounting policies

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries) made up to 31 March 2016. Control is achieved where the company has the power to govern the financial and operating policies of an investee so as to obtain benefits from its activities.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination (see below) and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Business combinations and goodwill

The acquisition of subsidiaries is accounted for using the acquisition method. The assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at their acquisition date except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 which are recognised and measured at fair value less costs to sell. Any excess of the cost over the asset valuation as calculated above is recognised as goodwill.

In accordance with the options that are available under IFRS 1 on transition to IFRS, the group elected not to apply IFRS 3 retrospectively to past business combinations that occurred before the date of transition to IFRS.

Accordingly goodwill that had previously been offset against reserves under UK GAAP has not been recognised in the opening IFRS balance sheet. The interest of any minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Investments in associates and trade investments

The results of entities over which the group is not in a position to be able to exercise significant influence despite holding a significant shareholding are not accounted for as associates and therefore are not equity accounted. The companies are classified as trade investments and are carried as available for sale financial assets which are measured at cost, as the directors consider that fair value cannot be reliably measured, other than impairment losses which are recognised in the income statement. Dividend income is recognised in the income statement on a cash basis when received.

Property, plant and equipment

Property is carried at deemed cost at the date of transition to IFRS based on the previous UK GAAP valuations. Plant and equipment held at the date of transition and subsequent additions to property, plant and equipment are stated at purchase cost including directly attributable costs. The group does not have a revaluation policy. Freehold land is not depreciated. Depreciation of other property, plant and equipment is provided on a straight line basis using rates calculated to write down the cost of each asset over its estimated useful life as follows:

Property:	
Freehold buildings	Between 2% and 5%
Leasehold buildings	Period of the lease
Plant and equipment	Between 10% and 25%

Annual reviews are made of estimated useful lives and material residual values.

Investment and development property

Properties are externally valued on the basis of fair value at the balance sheet date. Investment property is recorded at valuation whereas trading property is stated at the lower of cost and net realisable value. Any surplus or deficit arising is recognised in investment activities in the income statement.

The cost of properties in the course of development includes attributable interest and other associated outgoings. Interest is calculated on the development expenditure by reference to specific borrowings. Interest is not capitalised where no development activity is taking place. A property ceases to be a development property on practical completion.

Investment property disposals are recognised on completion. Profits and losses are recognised in investment activities in the income statement. The profit on disposal is determined as the difference between the net sale proceeds and the carrying amount of the asset at the commencement of the accounting period plus capital expenditure in the period.

Where investment properties are appropriated to trading stock, they are transferred at market value. If properties held for trading are appropriated to investment, they are transferred at book value.

Lessee accounting

Initial rental payments in respect of operating leases are included in current and non-current assets as appropriate and amortised to the income statement over the period of the lease. Ongoing rental payments are charged as an expense in the income statement on a straight line basis until the date of the next rent review. Finance leases are capitalised and depreciated in accordance with the accounting policy for property, plant and equipment. As permitted by IFRS 1 at the date of transition to IFRS, the carrying value of long leasehold properties are based on the previous UK GAAP valuations and this has been taken as deemed cost. Rental costs arising from operating leases are charged as an expense in the income statement on a straight line basis over the period of the lease.

Non-current assets held for sale

Non-current assets are reclassified as assets held for sale if they are immediately available for sale in their current condition and their carrying value will be recovered through a sale transaction on which is highly probable to be completed within 12 months of the initial classification. Assets held for sale are valued at the lower of carrying value at the date of initial classification and fair value less costs to sell.

Impairment of non-financial assets

Goodwill is tested annually for impairment or more frequently if there are any changes in circumstances or events that indicate that a potential impairment may exist. Goodwill impairments cannot be reversed. Property, plant and equipment are reviewed for indications of impairment when events or changes in circumstances indicate that the carrying amount may not be recovered. If there are indications then a test is performed on the asset affected to assess its recoverable amount against carrying value. An asset impaired is written down to the higher of value in use or its fair value less cost to sell.

Deferred and current taxation

The charge for taxation is based on the taxable profit or loss for the year and takes into account taxation deferred because of differences between the treatment of certain items for taxation and for accounting purposes. Full provision is made for the tax effects of these differences. Deferred tax is provided on unremitted earnings from overseas subsidiaries where it is probable that these earnings will be remitted to the UK in the foreseeable future. Deferred tax is measured using tax rates that have been enacted, or substantively enacted, by the year end balance sheet date. The measurement of deferred tax reflects the tax consequences that would follow the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying value of its assets and liabilities. Deferred tax assets and liabilities are not discounted.

The carrying amount of the deferred tax assets is reviewed at each reporting balance sheet date to ensure that it is probable that sufficient taxable profits will be available to allow the asset to be recovered. Assets and liabilities, in respect of both deferred and current tax, are only offset when there is a legally enforceable right to offset and the assets and liabilities relate to taxes levied by the same taxation authority.

Deferred and current tax is charged or credited in the income statement except when it relates to items charged directly to equity in which case the associated tax is also dealt with in equity.

Stocks

Stocks are valued at the lower cost of purchase and net realisable value. Cost comprises actual purchase price and, where applicable, associated direct costs incurred bringing the stock to its present location and condition. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated balance sheet when the group becomes a party to the contractual provisions of the instrument.

Financial assets are recognised and derecognised on a trade date where the purchase or sale of an asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned. Financial assets are classified as “loans and receivables”, “held to maturity” investments, “available for sale” investments or “assets at fair value through the profit and loss” depending upon the nature and purpose of the financial asset. The classification is determined at the time of the initial recognition.

Financial assets are normally classified as “loans and receivables” and are initially measured at fair value including transaction costs incurred. The only financial assets currently held at “fair value through profit or loss” are the current asset investments.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. There are currently no financial liabilities held at “fair value through profit or loss”.

Loans and receivables

Trade receivables, loans and other receivables are measured on initial recognition at fair value and, except for short term receivables where the recognition of interest would be immaterial, are subsequently re-measured at amortised cost using the effective interest rate method. Allowances for irrecoverable amounts, which are dealt with in the income statement, are calculated based on the difference between the asset’s carrying amount and the present value of estimated future cash flows, calculated based on past default experience, discounted at the effective interest rate computed at initial recognition where material.

Derivative financial instruments and hedge accounting

The group has loans held in US dollars which are disclosed in borrowings and are at fixed rates of 6.25% and 8%. The other group loans and overdrafts are subject to floating interest rates based on LIBOR plus the most competitive margin available. The group’s policy is not to hedge its international assets with respect to foreign currency balance sheet translation exposure, nor against foreign currency transactions. The group generally does not enter into any forward exchange contracts and it does not use financial instruments for speculative purposes. The group does not hold any derivative financial instruments or embedded derivative financial instruments at either period end.

Cash and cash equivalents

Cash and cash equivalents includes cash-in-hand, cash at bank and short term highly liquid investments that are readily convertible into known amounts of cash within three months from the date of initial acquisition with an insignificant risk of a change in value.

Impairment of financial assets

Financial assets, other than those designated as “assets at fair value through the profit and loss” are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investment have been impacted.

Other financial liabilities

Other financial liabilities, including trade payables, are measured on initial recognition at fair value and, except for short term payables where the recognition of interest would be immaterial, are subsequently re-measured at amortised cost using the effective interest rate method.

Bank loans

Interest bearing bank loans are recorded at the proceeds received less capital repayments made. Finance charges are accounted for on an accruals basis in the profit and loss account using the effective interest rate method. They are included within accruals to the extent that they are not settled in the period in which they arise.

Provisions

Provisions are created where the group has a present obligation (legal or constructive) as a result of a past event where it is probable that the group will be required to settle that obligation. Provisions are measured at the directors’ best estimate of the expenditure required to settle the obligation at the balance sheet date. Provisions are only discounted to present value where the effect is material.

Net funds

Net funds is defined as cash and cash equivalents, bank and other loans including finance lease obligations and derivative financial instruments stated at current fair value.

Revenue recognition

Revenue

Revenue represents the fair value of the consideration received and receivable for services provided and goods supplied to third party customers. In respect of long term contracts and contracts for on-going services, revenue is recognised as the contract progresses on the basis of work completed. Revenue excludes value added tax.

Investment and interest income

Dividend income is recognised in the income statement when the shareholder's right to receive payment has been established. Interest income from bank deposit accounts is accrued on a time basis calculated by reference to the principal on deposit and effective interest rate applicable.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into pounds sterling at the financial reporting year end rates. Non monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. The results of overseas subsidiary undertakings, associates and trade investments are translated into pounds sterling at average rates for the year unless exchange rates fluctuate significantly during that year in which case exchange rates at the date of transactions are used.

The closing balance sheets are translated at the year end rates and the exchange differences arising are transferred to the group's translation reserve as a separate component of equity and are reported within the consolidated statement of changes in equity. All other exchange differences are included within the consolidated income statement in the year. In accordance with IFRS 1, the translation reserve has been set to zero at the date of transition to IFRS.

Operating profit

Operating profit is defined as the profit for the year from continuing operations after all operating costs and income but before finance income, finance costs, and taxation. Operating profit is disclosed as a separate line on the face of the income statement.

Normalised operating profit is the same as the above but excludes non-recurring items, for example profit on the sale of property. Normalised operating profit is reconciled to operating profit on the face of the income statement.

Other gains and losses

Other gains and losses are material items that arise from unusual non-recurring events. They are disclosed separately, in aggregate, on the face of the income statement after operating profit where, in the opinion of the directors, such disclosure is necessary in order to fairly present the results for the financial period.

Finance costs

Finance costs are recognised in the income statement on the accruals basis in the year in which they are incurred.

3. Use of critical accounting assumptions and estimates

Estimates and judgements are continually evaluated and assessed based on historical experience and other factors, including expectations of future events that are believed to be reasonable given the circumstances prevailing when the accounts are approved.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The directors are not aware of any estimates and assumptions that have significant risk of causing a material adjustment to the carrying value of assets and liabilities.

4. Segmental information

	Revenue continuing operations	Operating profit (loss) continuing operations	Depreciation and profit (loss) on sale of plant and equipment	Profit on sale of property	EBITDA	Net assets
	£	£	£	£	£	£
Classes of business						
Engineering:						
2016	1,425,101	(36,813)	76,912	-	40,099	183,086
2015	1,388,891	(74,819)	77,783	-	2,964	225,587
Tourism and serviced units:						
2016	3,680,110	642,507	818,309	-	1,460,816	5,219,364
2015	3,538,671	7,774,988	842,195	8,160,535	456,648	4,867,877
Investment and development property:						
2016	-	126,137	17,705	-	143,842	3,799,978
2015	-	-	-	-	-	2,440,457
Management:						
2016	-	(698,371)	140	-	(698,231)	2,858,095
2015	-	(333,075)	238	-	(332,837)	7,985,970
Total:						
2016	**5,105,211**	**33,460**	**913,066**	**-**	**946,526**	**12,060,523**
2015	4,927,562	7,367,094	920,216	8,160,535	126,775	15,519,891
Geographical segments						
United Kingdom:						
2016	1,515,725	(468,844)	77,052	-	(391,792)	530,105
2015	1,502,938	(352,352)	78,021	-	(274,331)	1,723,287
Africa:						
2016	3,589,486	276,840	818,309	-	1,095,149	5,107,786
2015	3,173,552	(69,893)	825,325	-	755,432	4,758,607
Malta and Rest of the World:						
2016	-	225,464	17,705	-	243,169	6,422,632
2015	251,072	7,789,339	16,870	8,160,535	(354,326)	9,037,697
Total:						
2016	**5,105,211**	**33,460**	**913,066**	**-**	**946,526**	**12,060,523**
2015	4,927,562	7,367,094	920,216	8,160,535	126,775	15,519,591

5. Investment activities and other income

	2016	**2015**
	£	**£**
Income from current asset investments	91,907	92,411
(Loss) on sale of current asset investments	(37,098)	(37,928)
(Increase) in provision on current asset investments	(32,735)	(44,871)
Net foreign exchange gain	6,509	55,038
Current asset investments valuation movement	(163,956)	137,459
Investment and development property valuation movement	351,580	-
	216,207	202,109

6. Finance income

	2016	2015
	£	£
Bank deposits	25,846	54,622

7. Finance costs

	2016	2015
	£	£
Bank loans	448,980	451,788
Directors' loans	-	48,135
Other loans	-	35,631
Finance leases	8,869	8,869
	457,849	544,423

8. Profit (loss) before taxation

The following have been charged (credited) in arriving at the profit (loss) before taxation:

	2016	2015
	£	£
Depreciation - owned assets	918,850	908,554
Depreciation - finance leased assets	1,366	11,662
Profit on sale of property	-	8,160,535
Operating lease rental payments	44,121	52,320

The profit on the sale of property arises on the sale of the hotel complex in Malta.

9. Auditors' remuneration

A detailed analysis of auditors' remuneration on a worldwide basis is as follows:

	2016	2015
	£	£
Auditor's fees		
- statutory audit of the consolidated accounts	28,975	28,975
- statutory audit of the group's subsidiaries	9,000	9,000
- interim review	9,280	9,280
Overseas auditors' fees		
- statutory audit	23,398	28,973

10. Employee information

The average number of employees employed during the year was:

	2016	2015
Management	18	14
Administration	9	10
Production	86	95
	113	119

Staff costs, including directors' remuneration:

	2016	2015
	£	£
Wages and salaries	1,540,094	2,021,965
Social security costs	133,872	123,578
Pensions (defined contribution schemes)	5,215	10,843
	1,679,181	2,156,386

Total directors' emoluments were as follows:

	Fees	Salary	Benefits	Total emoluments	
	2016	2016	2016	2016	2015
	£	£	£	£	£
Charles Bailey	12,900	132,582	-	145,482	225,291
Mrs Sarah Bailey	4,200	4,816	2,888	11,904	14,578
Sir William McAlpine, Bt.	18,000	-	-	18,000	6,000
Rod Reynolds	3,000	-	-	3,000	6,000
David Wilkinson	12,000	-	-	12,000	-
Christopher Fielding	24,000	-	-	24,000	-
David Orchard	-	-	-	-	3,700
	74,100	137,398	2,888	214,386	255,569
The number of directors accruing retirement benefits under defined contribution schemes				1	1

In 2015, a bonus was paid to Charles Bailey for the completion of the sale of St Georges Bay Hotel in Malta. The bonus was signed off by the Remuneration Committee on the 9th December 2014. The group does not operate any other profit share or bonus schemes for directors.

Mrs Sarah Bailey and Mr Rod Reynolds retired as a director on 30 September 2015.

11. Taxation

	2016	2015
	£	£
Current tax - overseas tax based on taxable profit for the year	48,807	1,230,328
Deferred tax (credit) on the origination and reversal of temporary differences	(20,692)	(261,246)
Total tax charge for the financial year attributable to total operations	28,115	969,082

The tax charge for the financial year can be reconciled to the profit before tax per the income statement multiplied by the standard applicable corporation tax rate in the UK of 20% as follows:

	2016	2015
	£	£
(Loss) profit before taxation	(398,543)	6,877,293
Tax at the UK effective corporation tax rate of 20% (2015: 21%)	(79,709)	1,444,232
Effects of:		
Non-deductable expenses	9,232	9,792
Movement in overseas trading losses and effect of different overseas tax rates	44,822	(761,746)
Differences arising on capital sales and investment income	37,852	(22,033)
Deferred tax on losses not recoverable	7,354	80,908
Effect of change in tax rate	8,564	217,929
Total tax charge for the financial year	28,115	969,082

12. Earnings (loss) per share

The earnings per share has been calculated by reference to the weighted average number of ordinary shares of 10p each in issue of 7,609,083 (2015: 7,607,755) which excludes own shares held. The share options in issue have no dilutive effect on the weighted average number of ordinary shares.

	Continuing earnings	Number of shares
2016		
Basic earnings / weighted average number shares	(426,314)	7,609,083
Basic earnings per share (pence)	(5.60p)	
2015		
Basic earnings / weighted average number shares	5,837,901	7,607,755
Basic loss per share (pence)	76.74p	

13. Property, plant and equipment

	Freehold land and buildings	Leasehold land and buildings under 50 years	Plant and equipment	Investment and development property	Total
	£	£	£	£	£
Cost					
At 1 April 2015	1,303,417	11,505,951	3,877,677	444,623	17,131,668
Exchange differences	123,191	(1,706,695)	(441,035)	42,023	(1,982,516)
Additions	839,215	7,115	156,485	1,260,543	2,263,358
Valuation movement	-	-	-	351,580	351,580
Disposals	-	(12,309)	(28,510)	-	(40,819)
At 31 March 2016	2,265,823	9,794,062	3,564,617	2,098,769	17,723,271
Depreciation					
At 1 April 2015	15,641	2,560,483	1,902,029	-	4,478,153
Exchange differences	1,478	(296,438)	(192,028)	-	(486,988)
Charge for year	14,836	448,199	455,885	-	918,920
Disposals	-	-	(14,369)	-	(14,369)
At 31st March 2016	31,955	2,712,244	2,151,517	-	4,895,716
Carrying value					
2016	**2,233,868**	**7,081,818**	**1,413,100**	**2,098,769**	**12,827,555**
2015	1,287,776	8,945,468	1,975,648	444,623	12,653,515

At 31 March 2016 the group's carrying value of plant and equipment held under finance leases and similar agreements was £8,198 (2015: £81,637).

At 31 March 2016 the group did not have any non-cancellable contractual commitments for the acquisition of property, plant and equipment.

At 31 March 2016 the company had plant and equipment at cost of £,1378 (2015: £1,378) and net book value of £Nil (2015: £140).

14. Investments in subsidiary undertakings

Company	**£**
At 31 March 2015	1,976,619
Disposal and impairment provisions	(488,975)
At 31 March 2015	1,487,644
Disposal and impairment provisions	(252,670)
At 31 March 2016	1,234,974

A list of the significant investments in subsidiaries, including the country of incorporation, is given in note 34.

15. Trade and other receivables

	Group		Company	
	2016	**2015**	**2016**	**2015**
	£	**£**	**£**	**£**
Prepayments and accrued income	153,600	-	153,600	-
Social security and other taxes	541,017	605,888	-	-
	694,617	605,888	153,600	-

16. Deferred tax asset

	Tax losses recognised	Unremitted overseas earnings	Short term timing differences	Total
	£	**£**	**£**	**£**
Group				
At 1 April 2015 at 20%	217,678	(48,803)	-	168,875
Credited to income statement	56,532	4,598	1,752	62,882
At 31 March 2016 at 19%	274,210	(44,205)	1,752	231,757
Company				
At 1 April 2015 at 20%	217,678	(48,803)	-	168,875
Credited to income statement	13,831	4,598	-	18,429
At 31 March 2016 at 19%	231,509	(44,205)	-	187,304

Deferred tax at 31 March 2016 has been calculated using the substantively enacted rate of tax that is expected to apply when timing differences reverse. At 31 March 2016 the group had unused capital losses of £427,420 (2015: £282,979) available for offset against future capital gains. The utilisation of capital losses is only recognised following the actual crystallisation of a taxable gain. The deferred tax asset is expected to be recovered after more than 12 months. Deferred tax assets have not been recognised in respect of overseas tax losses where it is uncertain that future taxable profits will be available, against which the group can utilise them.

17. Inventory

	Group		Company	
	2016	**2015**	**2016**	**2015**
	£	**£**	**£**	**£**
Raw materials and consumables	19,851	13,718	-	-

18. Trade and other receivables

	Group		Company	
	2016	**2015**	**2016**	**2015**
	£	**£**	**£**	**£**
Trade debtors	1,506,622	1,116,743	-	-
Amounts recoverable on long term contracts	137,981	82,215	-	-
Loans to group undertakings	-	-	4,534,206	5,204,037
Other debtors	123,169	236,838	10,976	3,725
Operating leases	143,263	118,389	-	-
Prepayments and accrued income	192,274	220,756	49,957	136,527
Social security and other taxes	231,062	41,870	4,631	4,105
	2,334,371	1,816,811	4,599,770	5,348,394

19. Current asset investments

	Group		Company	
	2016	**2015**	**2016**	**2015**
	£	**£**	**£**	**£**
Listed investments	1,504,486	1,556,286	235,599	376,565
Unlisted investments	18,136	59,871	6,000	35,600
	1,522,622	1,616,157	241,599	412,165

Investments are carried at fair value at the balance sheet date.

20. Cash and cash equivalents

	Group		Company	
	2016	**2015**	**2016**	**2015**
	£	**£**	**£**	**£**
Cash at bank and in hand	1,969,385	7,230,242	555,909	1,611,247
Deposit accounts	213,840	423,671	-	-
	2,183,225	7,653,913	555,909	1,611,247

Deposit accounts comprise short term bank deposits with an original maturity of three months or less.

21. Trade and other payables

	Group		Company	
	2016	**2015**	**2016**	**2015**
	£	**£**	**£**	**£**
Trade creditors	352,330	431,569	44,063	28,477
Deferred consideration on long term contracts	917,557	800,467	-	-
Loans from group undertakings	-	-	222,446	184,374
Social security and other taxes	213,971	171,558	25,678	13,442
Directors' loans	21,044	39,680	19,590	1,618
Accruals and deferred income	275,230	361,477	107,949	29,315
Other creditors	507,153	485,645	300,354	301,823
	2,287,285	2,290,396	720,080	559,049

22. Borrowings

	Group		Company	
	2016	**2015**	**2016**	**2015**
	£	**£**	**£**	**£**
Current liabilities				
Bank loans and overdrafts	2,049,180	2,331,959	245,901	323,379
Non- current liabilities				
Bank loans	3,413,624	4,355,893	-	-
Bank loans				
Over one year and under two years	2,264,726	2,137,708	-	-
Over two years and under five years	1,148,898	2,218,185	-	-
	3,413,624	4,355,893	-	-

Cordura Limited (Tanzania) has loans of $7,202,872 translated to £5,008,834 (2015: $9,194,302 translated to £6,192,923). The loans are as follows:

			Maturity date	2016 £
I&M Bank Limited Kenya	Fixed loan	6.25%	See below	3,020,671
I&M Bank Limited Tanzania	Fixed loan	8.00%	See below	1,394,323
I&M Bank Limited Tanzania	Overdraft	8.00%	On demand	593,840
				5,008,834

The fixed loan from I&M Bank Kenya is repayable in monthly installments between 31 August 2014 and 31 July 2019. The fixed loan from I&M Bank Tanzania is repayable in monthly installments from 30 September 2016 to 31 October 2021

All other group bank borrowings are at a floating charge based on the relevant LIBOR equivalent.

At the 31 March 2016 the group had £7,202,872 (2015: £7,706,364) of committed facilities of which £5,462,804 (2015: £6,687,852) was utilised.

The group's UK bank loans are secured by a charge over certain assets of the group and by cross guarantees between the UK undertakings. These borrowings at 31 March 2016 were £453,970 (2015: £494,929). Industrial Investment Corporation Limited has provided guarantees of £500,000 to Barclays Bank plc in respect of UK bank borrowings.

Cordura Limited (Tanzania) had borrowings at 31 March 2016 of £5,008,834 (2015: £6,192,923) secured by a fixed and floating charge over its assets. Industrial Investment Corporation Limited has provided guarantees of $500,000 in respect of Tanzanian bank borrowings and provided a promissory note for $900,000 as security for an overdraft. CH Bailey Plc has provided a guarantee in respect of Tanzanian bank borrowings.

23. Obligations under finance leases

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Amounts payable under finance leases:				
Within one year	2,234	38,103	-	-
Over one year and under five years	-	2,847	-	-
	2,234	40,950	-	-
Less future finance charges	(300)	(8,822)	-	-
Present value of lease obligations	1,934	32,128	-	-
Current liabilities	-	(29,894)	-	-
Non-current liabilities	1,934	2,234	-	-

The carrying value of obligations under finance leases approximates to the present value of minimum lease payments.

24. Provisions

	Legal £
Group	
At 1 April 2015	250,000
Release of provision in the period	(25,000)
At 31 March 2016	225,000
Company	
At 1 April 2015	250,000
Release of provision in the period	(25,000)

The directors anticipate that the provisions will be utilised in full within 12 months and therefore the provisions have been included in current liabilities payable within one year.

25. Deferred tax liabilities

	Revaluation surplus £
Group	
At 1 April 2015	-
Exchange differences	-
Charged to income statement	42,190
At 31 March 2016	42,190

Deferred tax has been calculated using the substantively enacted rate of tax that is expected to apply when timing differences reverse. The deferred tax liability is expected to be recovered after more than 12 months.

26. Called-up share capital

	2016 £	2015 £
Issued and fully paid:		
8,335,413 ordinary shares of 10p each	833,541	833,541

On 10 March 2016, the company issued 23,147 ordinary shares of 10 pence to the directors in lieu of fees payable. The company retains as treasury shares 704,511 shares of 10 pence at a cost of £929,955 (2015: 727,658 shares of 10 pence at a cost of £960,509). The company did not buy back any shares for cancellation during the year. At 31 March 2016, the company has one class of ordinary shares, which carry no right to fixed income. The share options outstanding have been recognised in accordance with IFRS 2. The movements in share options were as follows:

	Number	Market price and date of exercise
Outstanding at 31 March 2015 and 31 March 2016	45,000	£2.00
Exercisable at 31 March 2015 and 31 March 2016	-	28th June 2016 to 28th June 2023

27. Share capital and reserves

	Called-up share capital	Share premium account	Capital redemption reserve	Investment in own shares	Translation reserve	Retained earnings	Minority interest	Total
	£	£	£	£	£	£	£	£
Group								
At 1 April 2015	833,541	609,690	5,163,332	(960,509)	51,307	9,820,860	1,370	15,519,591
Equity dividends paid	-	-	-	-	-	(1,521,551)	-	(1,521,551)
Sale of investment in own shares	-	-	-	-	-	32,988	-	32,988
Cost of investment in own shares	-	-	-	30,554	-	(30,554)	-	-
(Loss) for the financial year	-	-	-	-	-	(426,314)	(344)	(426,658)
Exchange differences	-	-	-	-	3,163	(1,547,139)	129	(1,543,847)
At 31 March 2016	833,541	609,690	5,163,332	(929,955)	54,470	6,328,290	1,155	12,060,523
Company								
At 1 April 2015	833,541	609,690	5,163,332	(960,509)	-	2,249,983	-	7,896,037
Equity dividends paid	-	-	-	-	-	(1,521,551)	-	(1,521,551)
Sale of investment in own shares	-	-	-	-	-	32,988	-	32,988
Cost of investment in own shares	-	-	-	30,554	-	(30,554)	-	-
(Loss) for the financial year	-	-	-	-	-	(625,299)	-	(625,299)
At 31 March 2016	833,541	609,690	5,163,332	(929,955)	-	105,567	-	5,782,175

The translation reserve represents the cumulative translation differences on the foreign currency net investments since the date of transition to IFRS.

28. Cash generated from operations

	2016	2015
	£	£
Operating profit continuing operations	33,460	7,367,094
Depreciation	918,920	920,216
(Profit) on the sale of property, plant and equipment	(5,854)	(8,160,535)
Loss on sale of current asset investments	37,098	37,928
Fair value movement of investments	(187,624)	(137,459)
Provision on current asset investments	32,735	44,871
Exchange differences	(433,966)	(51,810)
Cash generated from operations before movements in working capital	394,769	20,305
Operating leases	(54,421)	79,335
(Increase) decrease in inventories	(6,133)	2,843
(Increase) in trade and other receivables	(606,289)	(489,040)
(Decrease) increase in trade and other payables	(9,475)	111,958
Cash generated from operations	(281,549)	(274,599)

29. Analysis of net funds (debt)

	2016	2015
	£	£
Cash and cash equivalents	2,183,225	7,653,913
Bank loans and overdrafts	(2,049,180)	(2,331,959)
	134,045	5,321,954
Bank loans - non-current	(3,413,624)	(4,355,893)
Obligations under finance leases	(1,934)	(32,128)
Net (debt) funds	(3,281,513)	933,933

30. Financial instruments

Capital risk management

The group manages capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of debt and equity balance. The capital structure of the group consist of debt, which is analysed in note 29, and equity comprising issued share capital, reserves and retained earnings as disclosed in note 27. The gearing ratio is:

	2016	2015
	£	£
Net (debt) funds	(3,281,513)	933,933
Equity	12,060,523	15,519,591
Net funds (debt) to equity percentage	(27.2%)	6.0%

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset and liability are disclosed in note 2 to the financial statements.

Categories of financial instruments

	2016	2015
	£	£
Cash and cash equivalents	2,183,225	7,653,913
Bank loans and overdrafts - current	(2,049,180)	(2,331,959)
Bank loans - non-current	(3,413,624)	(4,355,893)
Obligations under finance leases	(1,934)	(32,128)
Net funds (debt)	(3,281,513)	933,933
Current assets investments	1,522,622	1,616,157
Other net operating assets	13,819,414	12,969,501
Total net assets	12,060,523	15,519,591

		2016	2015
Net funds (debt)	Sterling	26,551	(92,782)
	Euro	(3,947,246)	6,321,449
	US Dollar	757,342	(5,297,821)
	Japanese Yen	(68,149)	-
	Norwegian Krone	-	115
	South African Rand	89,706	-
	Swiss Franc	(150,605)	3,609
	Tanzanian Shilling	10,888	(637)
		(3,281,513)	933,933
Current asset investments	Sterling	278,943	459,507
	Euro	117,085	107,382
	US Dollar	928,452	884,508
	Japanese Yen	58,637	60,990
	Swiss Franc	139,505	103,770
		1,522,622	1,616,157

The directors consider that the fair value of all assets and liabilities is not materially different from the book value.

Financial risk management

The key risks that potentially impact on the group's results are credit risk, liquidity risk, interest rate risk and currency risk. The group's exposure to each of these risks and the management of that exposure is discussed below. There has been no change during the year, or since the year end to the type of financial risks faced by the group or to the management of those risks.

Credit risk management

Credit risk refers to the risk that a customer will default on its contractual obligations resulting in financial loss to the group. The group has adopted a policy of only dealing with creditworthy customers as a means of mitigating the risk of financial loss from defaults. Creditworthiness is verified by independent rating agencies when available. Credit exposure is controlled by credit limits that are reviewed and approved by senior management on a regular basis.

Trade receivables consist of a large number of customers spread across diverse industries and geographical locations. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The group does not have any significant credit risk exposure to any single counterparty or connected counterparties at the reporting date. The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the group's maximum exposure to credit risk.

Liquidity risk management

The group manages liquidity risk by maintaining adequate cash reserves, by operating within its agreed banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of monetary assets and liabilities.

Interest rate risk management

The group's activities expose it to the financial risks of changes in interest rates, however, interest charged on bank loans totalling $7,202,872 is at fixed rates of 6.25% and 8%. Other group interest charged on bank loans is at floating rates based on the relevant LIBOR equivalent and the group endeavours to obtain the most competitive rates available.

Currency risk management

The group's policy is not to hedge its international assets with respect to foreign currency balance sheet translation exposure, nor against foreign currency transactions. The group generally does not enter into forward exchange contracts and it does not use financial instruments for speculative purposes.

31. Operating lease arrangements

At the balance sheet date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases that fall due as follows:

	2016	**2015**
	£	**£**
Within one year	44,425	40,135
In the second to the fifth year inclusive	-	13,185
	44,425	53,320

Property lease payments represent rentals payable by the group for certain of its operating locations and offices. Leases are negotiated over various terms to suit the particular requirements at that time. Break clauses are included wherever appropriate and the above liability has been calculated from the balance sheet date to either the end of the lease or the first break clause, whichever is the earlier.

32. Related party transactions

At 31 March 2016, the group owed Charles Bailey £21,044 (2015: £39,680) on which there was no interest charged to the income statement (2015: £48,135).

Transactions between the company and its subsidiary undertakings, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

33. Dividend payments

	2016		2015	
	Per share Pence	**Total £**	**Per share Pence**	**Total £**
Final dividend for the year ended 31 March 2015 declared on 8 September 2015 and paid to shareholders on the register as at 23 October 2015 on 16 November 2015	20p	1,521,551	-	-

The directors do not propose to pay a final dividend in respect of the year ended 31 March 2016 (2015: 20 pence per ordinary share resulting in a total payment of £1,521,551).

34. Significant investment in subsidiaries

	Percentage of ordinary share capital held	**Principle activities**
Industrial:		
Bailey Industrial Engineering Limited (UK)	100%	Engineering
Leisure:		
Bay Travel Limited (UK)	100%	Travel agency
Industrial Investment Corporation SA Property (Proprietary) Limited (South Africa)	100%	Operation of hotel
St. George's Bay Hotel Limited (Malta)	99%	Operation of hotel
Leonardo Da Vinci Knowledge Tourism Ltd (Malta)	99%	Property development
IIC (Malta) Ltd (Malta)	100%	Property development
Cordura Limited (Tanzania)	100%	Operation of hotel and safari camps
Kimbiji Bay Limited (Tanzania)	100%	Property development
Other activities:		
Industrial Investment Corporation Limited (Bermuda)	100%	Holding company
Kimbiji Bay Limited (Malta)	100%	Holding company

Shareholder Information

Five Year Financial Summary

	2016 £	2015 £	2014 £	2013 £	2012 £
Continuing operations					
Revenue	**5,105,211**	**4,927,562**	4,380,696	5,312,962	4,339,390
Continuing operations					
Operating profit (loss) before exceptional items, investments activities and depreciation	**730,319**	**(75,334)**	**12,889**	319,535	63,793
Investment activities and other income	**216,207**	**202,109**	**(469,412)**	478,979	(355,379)
Depreciation	**(918,920)**	**(920,216)**	**(654,622)**	(726,610)	(384,387)
Profit (loss) on sale of plant and equipment	**5,854**	**-**	**(518)**	4,300	(1,023)
Profit on sale of property		**8,160,535**	-	-	9,625,213
	33,460	7,367,094	(1,111,663)	76,204	8,948,217
Net finance costs	**(432,003)**	**(489,801)**	**(296,743)**	(273,574)	(40,945)
(Loss) profit before taxation	**(398,543)**	6,877,293	(1,408,406)	(197,370)	8,907,272
Taxation	**(28,115)**	**(969,082)**	**5,676**	(11,832)	(1,113,748)
Minority interest	**344**	**(70,310)**	**1,882**	(425)	(93,939)
(Loss) profit for the financial year	**(426,314)**	5,837,901	(1,400,848)	(209,627)	7,699,585
(Loss) earnings per share	**(5.60p)**	**76.74p**	**(18.41p)**	(2.76p)	93.99p

Registered Office	C.H. Bailey plc Alexandra Docks Newport South Wales NP20 2NP	***Directors***	Mr Charles H. Bailey Sir William McAlpine, Bt Mr David Wilkinson Mr Christopher Fielding	***Auditors***	Haasco Limited Chartered Accountants 24 Bridge Street Newport South Wales NP20 4SF
Registered Number	190106	***Secretary***	Mr Bryan J. Warren	***AIM symbol***	BLEY
Principal Bankers	Barclays Bank plc 14 Commercial Street Newport South Wales NP20 1YG	***Financial Advisors and Brokers***	Arden Partners plc 125 Old Broad Street London EC2N 1AR	***Solicitors***	Squire Patton Boggs (UK) LLP Rutland House 148 Edmund Street Birmingham B3 2JR
Registrar	Computershare Investor Services plc P.O. Box 82 The Pavilions Bridgewater Road Bristol BS99 7NH	***Company Website***	www.chbaileyplc.co.uk		

Notice of Annual General Meeting

Notice is hereby given that the ninety-second annual general meeting of C.H. Bailey plc will be held at the Sofitel Hotel, Terminal 5 London Heathrow Airport, Hounslow, Middlesex TW6 2GD on the 13th September 2016 at 2.00pm. You will be asked to consider and pass resolutions 1-3 as ordinary resolutions and resolution 4 below as a special resolution.

Ordinary resolutions

1. To receive and adopt the report of directors and the audited financial statements for the year ended 31 March 2016.
2. To re-appoint the auditors and authorise the directors to determine their remuneration.
3. To re-elect as a director of the Company Mr Christopher Fielding.

Special resolution

4. That, the directors of the Company be given the general power to allot equity securities (as defined by section 560 of the Companies Act 2006 (the "**Act**")) for cash as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

(a) the allotment of equity securities in connection with an offer of equity securities:

(i) to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and

(ii) to holders of other equity securities as required by the rights of those securities or as the directors of the Company otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

(b) the allotment (otherwise than pursuant to the paragraph above) of equity securities up to an aggregate nominal amount of £41,677.

The power granted by this resolution 4 will expire on the date that is 15 months from the date of this notice or, if earlier, the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the directors of the Company to allot equity securities as if either section 89(1) of the Companies Act 1985 or section 561(1) of the Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

By order of the board
Bryan Warren
Secretary

Newport
South Wales
05 August 2016

Notes:

1 *Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Computershare Investor Services plc on 0870 889 3277. You may complete your proxy form online at www.investorcentre.co.uk in accordance with the on screen instructions.*

2 *To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the offices of the Company's registrars, Computeshare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY or at the electronic address provided in Note 1, in each case no later than 2.00pm on the 9th September 2016*

3 *The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described below) will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.*

4 *If you wish to attend the meeting in person, please attend at 2.00pm on the 13th September 2016 bringing appropriate identification so that you can be identified by the Company's registrars. It is recommended that you arrive at least 15 minutes before the time appointed for the meeting to begin.*

5 *To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members of the Company at close of business on the 9th September 2016.*

6 *CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.*

7 *In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by 2.00pm on the 9th September 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.*

8 *CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.*

9 *The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.*

10 *Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.*