C H Bailey Plc

21 December 2015

Chairman's statement and unaudited financial results for the six months ended 30th September 2015

C.H. Bailey plc ("CH Bailey", the "Company" or together with its subsidiaries the "Group"), announces its unaudited interim results for the half year ended 30th September 2015.

Interim Statement and Results

Our interim results for the 6 month period ended 30th September 2015 show a loss after tax of £717,182 (2014: profit £32,457), which also reflects a foreign currency swing of £471,271 (a loss of £248,755 compared to a gain of £222,516 in 2014) and fair value reductions on investments of £142,060 (2014: gain £13,906).

Revenue has decreased by 12.5% to £2.4m (2013: £2.7m) due largely to difficult hospitality trading conditions in Africa and the disposal of the hotel in Malta.

Key Highlights

- Trading loss £133k (2014 loss £35k);
- Bank debt (non current) reduced by £737k;
- Total External debt reduction by £ 1.4M;
- Special dividend paid of £0.20p per share paid on 16th October 2015; and
- Over £2.0 million spent on development properties in Malta and Les Hauts de Montagu, the hospitality property, with development potential, in Montagu, South Africa.

UK Operations

Bailey Industrial Engineering based in Newport, South Wales, is the Group's specialist heavy engineering operation. Last year the company saw a slight recovery in sales and reported a profit for the period.

We have seen some success in attracting business from new markets but the steel industry has been badly affected by cheap imported steel and high energy costs, which has led to much reduced levels of work sent out for repair. However, we are hopeful that this is a short term issue and we are cautiously optimistic for the future of this division.

Tanzania

The completion of Phase III at the Oyster Bay has seen an increase in revenues from the fully serviced, commercial, hospitality and retail accommodation. The East Africa economy has been badly affected this year with tourist numbers down in some instances by 50% but our commercial offices and retail outlets are still at 90% occupancy and account for 80% of the Group's Tanzanian revenues. There is currently a slowdown in trade and investment in the region but with our term leases in place we feel our business will maintain its position until the economic climate improves.

Malta

Having reported the purchase of Charles Street earlier in the year, we can now confirm that we have purchased two further properties in Valletta, 140 Arch Bishop Street and 123 St Lucia Street. We are in discussions with architects on all the buildings and the Board is evaluating redevelopment opportunities. We have in principal an agreement with Lombard Bank to finance the development of these projects, which will provide the group with a total of four buildings that will offer serviced, commercial, hospitality and residential accommodation. The first of the three projects is expected to be completed in 2016 and should start generating revenues in Q3.

South Africa

During the period under review, the Company invested in two large adjoining farms (450 hectares) in Montagu, on the Route 62, in the Klein Karoo. The site is two hours from Cape Town, next to the Robertson wine valley. The property has an ongoing hospitality business and boutique olive farm producing its own oil and olives, which are sold in the region. Operations will start in Q3 when the Company will further assess the existing business and potential development opportunities of the land.

Overall Development Strategy

To date, the company has purchased the Maltese and South African properties outright. We intend to use local financing to develop the respective properties and grow the businesses. This model has been successful elsewhere and offers security to shareholders and financiers of the projects. When developed, some of the projects will be operated by the local subsidiaries of the group and some of the properties may be traded to maintain cash flow and the liquidity of the ongoing developments.

Directors

At the end of September 2015, Mrs S A Bailey and Mr R Reynolds retired from the Board and I would like to take this opportunity to thank them for their hard work during their time in office.

Following the Annual General Meeting I took over the position as Non Executive Chairman with Mr Charles Bailey moving into the role of Chief Executive Officer, which allows him greater freedom to concentrate on the operations of the Group and I am looking forward to forging a close working relationship with Mr Bailey in order to maximise shareholder value and growth of the group.

In December 2015, Mr Christopher Fielding also joined the Board as a Non Executive director. Mr Fielding brings a wealth of experience in cross-border investments and a very commercial mindset, which will enhance the capabilities of the board.

Outlook

We continue to put in place measures to control costs whilst being vigilant about maintaining high levels of client service. We are conscious that there are difficult market conditions associated with the countries and sectors in which the Group operates in and so sales are always difficult to increase in the short term and require a team effort to achieve increases in a sustainable way.

Your Group is a diverse group of international businesses, with investments and operations in leisure, property and engineering with its current key markets being Tanzania, Malta, the UK and, now, South Africa.

I am confident that the Group is well placed in these countries and the sectors in which we operate to offer a platform for growth. We also believe that the strategies that have been put in place to diversify our revenue streams will start to bear fruit.

David Wilkinson
18 December 2015

Further information:

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Consolidated Income Statement
for the six months ended 30 September 2015

	Notes	September 2015 £	September 2014 £	March 2015 £
Continuing operations				
Revenue	**4**	2,395,441	2,738,916	4,927,562
Cost of sales		(1,767,144)	(1,906,278)	(3,765,741)
Gross profit		628,297	832,638	1,161,821
Profit on sale of property	**10**	-	-	8,160,535
Administrative expenses		(761,232)	(867,429)	(2,157,371)
Trading (loss) profit		(132,935)	(34,791)	7,164,985
Investment activities and other income	**5**	(360,588)	264,647	202,109
Operating (loss) profit		(493,523)	229,856	7,367,094
EBITDA*		(51,924)	635,916	126,775
Depreciation		(440,767)	(406,060)	(920,216)
(Loss) profit on sale of plant and equipment		(832)	-	8,160,535
Operating (loss) profit		(493,523)	229,856	7,367,094
Finance income	**6**	14,103	24,434	54,622
Finance costs	**7**	(239,012)	(224,406)	(544,423)
(Loss) profit before taxation		(718,432)	29,884	6,877,293
Taxation		945	2,379	(969,082)
Minority interest		305	194	(70,310)
(Loss) profit for the financial year		(717,182)	32,457	5,837,901
Earnings (loss) per share from continuing and total operations	**8**	(9.43p)	0.43p	76.74p

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

Consolidated Statement of
Comprehensive Total Income
for the six months ended 30 September 2015

	September 2015 £	**September 2014 £**	**March 2015 £**
(Loss) profit for the financial period	(717,182)	32,457	5,837,901
Items that may be reclassified to profit and loss:			
Exchange differences	(1,654,433)	(215,814)	(872,267)
Total comprehensive (loss) profit for the period	(2,371,615)	(183,357)	4,965,634

Balance Sheets
as at 30 September 2015

	Notes	September 2015	September 2014	March 2015	2013
		£	£	£	£
Non-current assets					
Property, plant and equipment	9	12,455,865	12,587,281	12,653,515	1,171
Operating leases		35,175	134,471	39,455	-
Deferred tax asset		187,272	146,823	168,875	133,927
		12,678,312	12,868,575	12,861,845	135,098
Current assets					
Inventory		15,622	15,634	13,718	-
Trade and other receivables		2,618,450	2,219,425	2,422,699	3,424,572
Current asset investments		1,889,234	1,561,373	1,616,157	443,494
Cash and cash equivalents		4,418,838	2,649,734	7,653,913	1,270,493
		8,942,144	6,446,166	11,706,487	5,138,559
Assets classified as held for sale		171,850	2,257,084	211,635	-
		9,113,994	8,703,250	11,918,122	5,138,559
Current liabilities					
Trade and other payables		(2,292,295)	(3,267,920)	(2,290,396)	(808,994)
Bank loans and overdrafts	13	(1,663,368)	(1,387,951)	(2,331,959)	(308,039)
Other loans	13	(793,787)	(767,938)	-	-
Obligations under finance leases		(17,181)	(29,894)	(29,894)	-
Provisions		(225,000)	(250,000)	(250,000)	(250,000)
		(4,991,631)	(5,703,703)	(4,902,249)	(1,367,033)
Net current assets		4,122,363	2,999,547	7,015,873	3,771,526
Total assets less current liabilities		16,800,675	15,868,122	19,877,718	3,906,624
Non-current liabilities					
Trade and other payables		-	(317,512)	-	-
Bank loans	13	(3,652,976)	(4,823,047)	(4,355,893)	-
Obligations under finance leases		-	(31,129)	(2,234)	-
Deferred tax liabilities		-	(258,650)	-	-
Net assets		13,147,699	10,437,784	15,519,591	3,906,624
Equity					
Called-up share capital	11	833,541	833,541	833,541	833,541
Share premium account		609,690	609,690	609,690	609,690
Capital redemption reserve		5,163,332	5,163,332	5,163,332	5,163,332
Investment in own shares		(960,509)	(960,509)	(960,509)	(960,509)
Translation reserve		50,978	237,308	51,307	-
Retained earnings		7,449,574	4,485,868	9,820,860	799,936
Surplus attributable to the parent's shareholders		13,146,606	10,369,230	15,518,221	6,445,990
Minority interest		1,093	68,554	1,370	-
Total equity		13,147,699	10,437,784	15,519,591	6,445,990

Consolidated Cash Flow Statement

for the six months ended 30 September 2015

	Notes	September 2015 £	September 2014 £	March 2015 £
Cash flows from operating activities				
Cash generated from operations	12	30,868	370,136	(274,599)
Interest paid		(239,012)	(224,406)	(544,423)
Overseas tax paid		(17,452)	(1,033)	(1,230,328)
Net cash flow from operating activities		(225,596)	144,697	(2,049,350)
Investing activities				
Sale of property, plant and equipment		11,330	-	9,728,109
Purchase of property, plant and equipment		(2,194,701)	(888,590)	(1,400,271)
Sale of investments		117,431	1,039,517	1,382,134
Purchase of investments		(574,800)	(237,878)	(556,429)
Interest received		14,103	24,434	54,622
Net cash flow from investing activities		(2,626,637)	(62,517)	9,208,165
Financing activities				
Dividend to minority interest		-	-	(123,111)
Movement in bank loans		(625,876)	(273,090)	(1,211,716)
Movement in directors' loans		(15,533)	236,552	(849,556)
Movement in other loans		793,787	16,349	(751,589)
Movement in capital element of finance leases		(14,947)	(999)	(29,894)
Net cash flow from financing activities		137,431	(21,188)	(2,965,866)
Net (decrease) increase in cash and cash equivalents		(2,714,802)	60,992	4,192,949
Cash and cash equivalents at beginning of period		5,321,954	1,257,948	1,257,948
Exchange differences		148,318	(57,157)	(128,943)
Cash and cash equivalents at end of period	13	2,755,470	1,261,783	5,321,954
Reconciliation of net cash flow to movement in net (debt) funds in the period				
Net (decrease) increase in cash and cash equivalents		(2,714,802)	60,992	4,192,949
Net cashflow from the movement in debt		(152,964)	257,740	1,993,199
Movement in net (debt) funds during the period		(2,867,766)	318,732	6,186,148
Net (debt) funds at the beginning of period		933,933	(4,513,395)	(4,513,395)
Exchange differences		225,359	(195,562)	(738,820)
Net (debt) funds at the end of period	13	(1,708,474)	(4,390,225)	933,933

Consolidated Statement of Changes in Equity
for the six months ended 30 September 2015

	Called-up share capital	Share premium account	Capital redemption reserve	Investment in own shares	Translation reserve	Retained earnings	Minority interest	Total
	£	£	£	£	£	£	£	£
At 31st 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								
Equity dividends paid	-	-	-	-	-	-	(123,111)	(123,111)
Income statement								
(Loss) for the financial period	-	-	-	-	-	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 31st March 2015	833,541	609,690	5,163,332	(960,509)	51,307	9,820,860	1,370	15,519,591
Income statement								
Profit for the financial period	-	-	-	-	-	(717,182)	(305)	(717,487)
Items that may be reclassified to profit and loss								
Exchange differences	-	-	-	-	(329)	(1,654,104)	28	(1,654,405)
At 30th September 2015	833,541	609,690	5,163,332	(960,509)	50,978	7,449,574	1,093	13,147,699

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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.

Basis of preparation
These interim 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 interim 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.

Accounting period
The current period is for the six months ended 30 September 2015 and the comparative period is for the six months ended 30 September 2014.

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.

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 30 September 2015. 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.

Goodwill arising on consolidation represents the excess of consideration over the group's interest in the fair value of identified assets, liabilities and contingent liabilities recognised. Goodwill is recognised as an asset and is not amortised. It is reviewed for impairment annually as detailed in "impairment of non-financial assets" below.

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 1% 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.

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. Financial liabilities are normally classified as “other financial liabilities” and are initially measured at fair value, normally cost, net of transaction costs.

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’s borrowing is 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. Derivative financial instruments are initially measured at cost and are remeasured at fair value at the balance sheet date. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise.

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 debt

Net debt 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	Net assets
	£	£	£
Classes of business			
Engineering:			
September 2015	781,372	17,104	320,022
September 2014	717,032	(9,524)	320,022
March 2015	1,388,891	(74,819)	225,287
Hospitality:			
September 2015	1,614,069	203,988	9,157,031
September 2014	2,021,884	215,631	9,157,031
March 2015	3,538,671	7,774,988	7,308,334
Management:			
September 2015	-	(714,615)	960,731
September 2014	-	23,749	960,731
March 2015	-	(333,075)	7,985,970
Total:			
September 2015	2,395,441	(493,523)	10,437,784
September 2014	2,738,916	229,856	10,437,784
March 2015	4,927,562	7,367,094	15,519,591
Geographical segments			
United Kingdom:			
September 2015	840,731	(135,605)	1,984,024
September 2014	786,339	(132,308)	1,178,158
March 2015	1,502,938	(352,352)	1,723,287
Africa:			
September 2015	1,554,710	27,767	3,719,519
September 2014	1,678,576	345,496	5,264,810
March 2015	3,173,552	(69,893)	4,758,607
Malta and Rest of the World:			
September 2015	-	(385,685)	7,444,156
September 2014	274,001	16,668	3,994,816
March 2015	251,072	7,789,339	9,037,697
Total:			
September 2015	2,395,441	(493,523)	13,147,699
September 2014	2,738,916	229,856	10,437,784
March 2015	4,927,562	7,367,094	15,519,591

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5. Investment activities and other income

	September 2015 £	September 2014 £	March 2015 £
Income from current asset investments	72,459	66,319	92,411
(Loss) profit on sale of current asset investments	(9,497)	(17,494)	(37,928)
(Increase) in provision on current asset investments	(32,735)	(20,600)	(44,871)
Net foreign exchange (loss) gain	(248,755)	222,516	55,038
Fair value movement on investments	(142,060)	13,906	137,459
	(360,588)	264,647	202,109

6. Finance income

	September 2015 £	September 2014 £	March 2015 £
Bank deposits	14,103	24,434	54,622

7. Finance costs

	September 2015 £	September 2014 £	March 2015 £
Bank loans	234,473	179,882	451,788
Directors' loans	-	22,170	48,135
Other loans	-	17,815	35,631
Finance leases	4,539	4,539	8,869
	239,012	224,406	544,423

8. 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 7,607,755 (2014: 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.

9. Property, plant and equipment

	Freehold land and buildings	Leasehold land and buildings under 50 years	Plant and equipment	Total
	£	£	£	£
Cost				
At 1st April 2014	1,748,040	11,505,951	3,877,677	17,131,668
Exchange differences	36,352	(2,025,500)	(583,673)	(2,572,821)
Additions	2,151,568	1,726	41,407	2,194,701
Transfer	-	-	(16,407)	(16,407)
At 30th September 2014	3,935,960	9,482,177	3,319,004	16,737,141
Depreciation				
At 1st April 2014	15,641	2,560,483	1,902,029	4,478,153
Exchange differences	325	(351,812)	(281,912)	(633,399)
Charge for year	4,000	216,535	220,232	440,767
Disposals	-	-	(4,245)	(4,245)
At 30th September 2014	19,966	2,425,206	1,836,104	4,281,276
Carrying value				
September 2014	**3,915,994**	**7,056,971**	**1,482,900**	**12,455,865**
March 2014	1,732,399	8,945,468	1,975,648	12,653,515

10. Profit on the sale of property

	March 2015 £
Hotel complex in Malta	
Proceeds - €13,743,283	9,944,612
Legal fees and direct sale costs - €257,617	(186,411)
	9,758,201
Asset classified as held for sale	(1,868,889)
Profit on sale of assets classified as held for sale	7,889,312
Other leasehold land and buildings	
Proceeds	288,713
Net book value	(17,490)
Profit on sale of leasehold land and buildings	271,223
Profit on sale of property	8,160,535

On 17 March 2015, completion took place on the sale of the remaining property at the hotel complex at St Georges Bay, Malta for €13,743,283, pursuant to the agreement made on 9 September 2011 which gave the purchaser to 30 March 2015 to complete on the purchase for this amount. As a deposit of €400,000 had already been paid, the balance €13,343,283 was received on 17 March 2015.

11. Called-up share capital

	September 2015 £	September 2014 £	March 2015 £
Issued and fully paid:			
8,335,413 ordinary shares of 10p each	833,541	833,541	833,541

The company retains as treasury shares 727,658 ordinary shares of 10 pence at a cost of £960,509. The company did not buy back any shares for cancellation during the year. The company has one class of ordinary shares, which carry no right to fixed income.

12. Cash generated from operations

	September 2015 £	September 2014 £	March 2015 £
Operating (loss) profit continuing operations	(493,523)	229,856	7,367,094
Depreciation	440,767	406,060	920,216
Loss (profit) loss on the sale of property, plant and equipment	832	-	(8,160,535)
Loss on sale of current asset investments	9,497	17,494	37,928
Fair value movement of investments	142,060	(13,906)	(137,459)
Provision on current asset investments	32,735	20,600	44,871
Exchange differences	106,860	9,819	(51,810)
Cash generated from operations before movements in working capital	239,228	669,923	20,305
Operating leases	(3,137)	(18,322)	79,335
(Increase) decrease in inventories	(1,904)	927	2,843
(Increase) in trade and other receivables	(195,751)	(285,766)	(489,040)
(Decrease) increase in trade and other payables	(7,568)	3,374	111,958
Cash generated from operations	30,868	370,136	(274,599)

13. Analysis of net funds (debt)

	September 2015 £	September 2014 £	March 2015 £
Cash and cash equivalents	4,418,838	2,649,734	7,653,913
Bank loans and overdrafts	(1,663,368)	(1,387,951)	(2,331,959)
	2,755,470	1,261,783	5,321,954
Bank loans - non-current	(3,652,976)	(4,823,047)	(4,355,893)
Obligations under finance leases	(17,181)	(61,023)	(32,128)
Other loans	(793,787)	(767,938)	-
Net (debt) funds	(1,708,474)	(4,390,225)	933,933

14. 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
St. George's Bay Hotel Limited (Malta)	99%	Operation of hotel
Kimbiji Bay Limited (Malta)	100%	Asset holding
Leonardo Da Vinci Knowledge Tourism Ltd (Malta)	99%	Asset holding
SBB30 Ltd (Malta)	100%	Asset holding
Cordura Limited (Tanzania)	100%	Operation of hotel and safari camps
Kimbiji Bay Limited (Tanzania)	100%	Asset holding
Other activities:		
Industrial Investment Corporation Limited (Bermuda)	100%	Holding company
IIC (Malta) Ltd (Malta)	100%	Holding company

Shareholder information

Registered Office	C.H. Bailey plc Alexandra Docks Newport South Wales NP20 2NP	***Directors***	Mr Charles H. Bailey Mr Christopher Fielding Mr David Wilkinson Sir William McAlpine, Bt.	***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		