

# C.H. BAILEY PLC

## Chairman's statement and financial results for the six months ended 30<sup>th</sup> September 2010 (unaudited)

("C H Bailey" or the "Company")

### Interim Statement and Results

Results for the six month period ended 30<sup>th</sup> September 2010, show a loss of £685,394 (2009: loss £68,947). Revenue has increased by 7% over the period and I am pleased to report that the Group has made a trading profit of £10,462 (2009: loss £243,053). The overall result has been affected by exchange losses and fall in the value of the Group's investments

### UK Operations

Our statement for the year ended 31<sup>st</sup> March 2010 reported signs of recovery in the engineering sector and we can now confirm Bailey Industrial Engineering (BIE) has seen a steady increase in revenues for the period. That coupled with the initiatives put in place by management has resulted in this division showing signs of a recovery for which the management and the labour force should be congratulated.

### Malta

The niche tourist / student market in Malta has not been affected as badly as other markets and the hotel has again traded profitably. We are encouraged for the future with new short term contracts.

### Tanzania

This division's results have been affected by the exchange losses of the Tanzanian Shilling against both the US Dollar and Pound Sterling.

However, we have seen better occupancy across the board and the hotel in Dar-es-salaam continues to set the standard in the city. The development at the hotel is progressing well and showing encouraging returns. We hope the impact of the exchange rate fluctuations will be further reduced in the future by increased foreign currency earnings in Tanzania.

### Investments

The majority of the investments have seen a modest growth. The total investment portfolio has been affected by our holdings in a few stocks, which affected the value at the end of September to show a loss. We are hopeful that the current growth in the markets will for the full year return the portfolio into a break even or profit situation.

### Current trading and outlook

As previously reported, revenues for the first half of the year have increased and the Group has returned to a trading profit position for which everybody in the Company should be thanked for all their hard work.

| 20<sup>th</sup> December 2010

# C.H. BAILEY PLC

## Consolidated Income Statement for the six months ended 30<sup>th</sup> September 2010 (unaudited)

	Six months ended 30th September 2010 £	Six months ended 30th September 2009 £	Year ended 31st March 2010 £
<b>Revenue</b>	2,378,905	2,215,355	3,897,260
Cost of sales	(1,755,143)	(1,773,941)	(3,116,078)
<b>Gross profit</b>	623,762	441,414	781,182
Profit on the sale of property	-	-	2,013,442
Administrative expenses	(613,300)	(684,467)	(1,432,691)
<b>Trading profit (loss)</b>	10,462	(243,053)	1,361,933
Investment activities and other income	(624,238)	265,076	196,138
<b>Operating (loss) profit</b>	(613,776)	22,023	1,558,071
<b>EBITDA*</b>	(414,904)	223,367	(41,435)
Depreciation	(198,872)	(201,344)	(414,431)
Profit on the sale of plant and equipment	-	-	495
Profit on sale of property	-	-	2,013,442
<b>Operating (loss) profit</b>	(613,776)	22,023	1,558,071
Finance income	25,928	99	10,409
Finance costs	(119,656)	(100,182)	(199,758)
<b>(Loss) profit before taxation</b>	(707,504)	(78,060)	1,368,722
Taxation	25,296	14,664	(241,708)
Minority interest	(3,186)	(5,551)	(22,533)
<b>(Loss) profit for the financial period</b>	(685,394)	(68,947)	1,104,481
(Loss) earnings per share from continuing operations	(8.22p)	(0.83p)	13.25p
(Loss) earnings per share from total operations	(8.22p)	(0.83p)	13.25p

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

# C.H. BAILEY PLC

## Consolidated Balance Sheet as at 30th September 2010 (unaudited)

	30th September 2010 £	30th September 2009 £	31st March 2010 £
<b>Non-current assets</b>			
Property, plant and equipment	9,900,395	10,233,648	10,431,270
Assets held for sale	-	300,757	-
Deferred tax asset	187,574	189,324	162,278
	<u>10,087,969</u>	<u>10,723,729</u>	<u>10,593,548</u>
<b>Current assets</b>			
Stocks	26,042	36,207	31,462
Trade and other receivables	892,642	653,715	919,346
Current asset investments	1,581,506	1,168,600	1,544,853
Cash and cash equivalents	1,718,483	729,610	1,886,316
	<u>4,218,673</u>	<u>2,588,132</u>	<u>4,381,977</u>
<b>Current liabilities</b>			
Trade and other payables	(2,114,118)	(1,889,284)	(1,967,095)
Bank loans and overdrafts	(850,887)	(1,403,872)	(974,888)
Other loans	(671,307)	(663,659)	(669,014)
Obligations under finance leases	(26,897)	(31,200)	(26,897)
Provisions	(225,000)	(225,000)	(225,000)
	<u>(3,888,209)</u>	<u>(4,213,015)</u>	<u>(3,862,894)</u>
<b>Net current assets (liabilities)</b>	330,464	(1,624,883)	519,083
<b>Total assets less current liabilities</b>	10,418,433	9,098,846	11,112,631
<b>Non-current liabilities</b>			
Trade and other payables	(700,873)	-	(734,178)
Bank loans	(1,830,461)	(1,770,334)	(1,909,535)
Obligations under finance leases	(3,770)	(24,998)	(10,971)
Deferred tax liabilities	(702,480)	(765,658)	(735,862)
<b>Net assets</b>	<u>7,180,849</u>	<u>6,537,856</u>	<u>7,722,085</u>
<b>Equity</b>			
Called-up share capital	833,541	833,541	833,541
Share premium account	609,690	609,690	609,690
Capital redemption reserve	5,163,332	5,163,332	5,163,332
Translation reserve	776,241	658,887	769,123
Retained earnings	(280,576)	(790,489)	267,376
	<u>7,102,228</u>	<u>6,474,961</u>	<u>7,643,062</u>
<b>Surplus attributable to the parent's shareholders</b>	7,102,228	6,474,961	7,643,062
Minority interest	78,621	62,895	79,023
<b>Total equity</b>	<u>7,180,849</u>	<u>6,537,856</u>	<u>7,722,085</u>

# C.H. BAILEY PLC

## Consolidated Cash Flow Statement for the six months ended 30<sup>th</sup> September 2010 (unaudited)

	Six months ended 30th September 2010	Six months ended 30th September 2009	Year ended 31st March 2010
	£	£	£
<b>Cash flow from operating activities</b>			
Cash generated from operations	688,222	520,761	135,895
Interest paid	(119,656)	(100,182)	(199,758)
Overseas tax paid	-	-	(251,712)
<b>Net cash flow from operating activities</b>	<u>568,566</u>	<u>420,579</u>	<u>(315,575)</u>
<b>Investing activities</b>			
Sale of property, plant and equipment	14,192	2,985	2,307,972
Deferred income on property sale	-	-	734,178
Purchase of property, plant and equipment	(414,631)	(137,570)	(338,207)
Sale of investments	93,269	197,929	233,089
Purchase of investments	(180,596)	(27,629)	(390,723)
Settlement of claim	-	253,193	-
Interest received	25,928	99	10,409
<b>Net cash flow from investing activities</b>	<u>(461,838)</u>	<u>289,007</u>	<u>2,556,718</u>
<b>Financing activities</b>			
Movement in bank loans	7,849	(356,473)	(336,418)
Movement in directors' loans	(85,277)	96,382	158,521
Movement in other loans	2,293	1,520	6,875
Movement in capital element of finance leases	(7,201)	(18,017)	(36,347)
<b>Net cash flow from financing activities</b>	<u>(82,336)</u>	<u>(276,588)</u>	<u>(207,369)</u>
<b>Net movement in cash and cash equivalents</b>	24,392	432,998	2,033,774
Cash and cash equivalents at beginning of the period	911,428	(1,136,969)	(1,136,969)
Exchange differences	(68,224)	29,709	14,623
<b>Cash and cash equivalents at end of the period</b>	<u>867,596</u>	<u>(674,262)</u>	<u>911,428</u>
<b>Reconciliation of net cash flow to movement in net debt in the period</b>			
Net movement in cash and cash equivalents	24,392	432,998	2,033,774
Cash flow from the movement in debt	(2,941)	372,970	365,890
<b>Movement in net debt during the period</b>	<u>21,451</u>	<u>805,968</u>	<u>2,399,664</u>
Net debt at the beginning of the period	(1,704,989)	(4,252,950)	(4,252,950)
Exchange differences	18,699	282,529	148,297
<b>Net debt at the end of the period</b>	<u>(1,664,839)</u>	<u>(3,164,453)</u>	<u>(1,704,989)</u>

# C.H. BAILEY PLC

## Consolidated Statement of Comprehensive Income for the six months ended 30<sup>th</sup> September 2010 (unaudited)

	Six months ended 30th September 2010 £	Six months ended 30th September 2009 £	Year ended 31st March 2010 £
(Loss) profit for the financial period	(685,394)	(68,947)	1,104,481
Exchange differences	144,560	124,377	119,050
<b>Total comprehensive income for the year</b>	<b>(540,834)</b>	<b>55,430</b>	<b>1,223,531</b>

# **C.H. BAILEY PLC**

## **Notes to the Consolidated Interim Financial Statements for the six months ended 30<sup>th</sup> September 2010 (unaudited)**

### **1. General Information**

#### **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 have been prepared using the historical cost basis of accounting except for:

- i) Properties held at the date of transition to IFRS which are stated at deemed cost;
- ii) Assets held for sale which are stated at the lower of fair value less anticipated disposal costs and carrying value.

#### **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<sup>th</sup> September 2010. 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.

# C.H. BAILEY PLC

## Notes to the Consolidated Interim Financial Statements for the six months ended 30<sup>th</sup> September 2010 (unaudited)

### 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 at cost within non-current assets as they are held as a long term investments. 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	1%
Leasehold buildings	Period of the lease
Plant and equipment	Between 5% and 50%

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

# C.H. BAILEY PLC

## Notes to the Consolidated Interim Financial Statements for the six months ended 30<sup>th</sup> September 2010 (unaudited)

### Lessee accounting

Property leases are split into two elements, land and buildings and each considered in isolation and each element is reviewed to determine if it is operating or finance in nature. 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 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 amount 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. 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.

# C.H. BAILEY PLC

## Notes to the Consolidated Interim Financial Statements for the six months ended 30<sup>th</sup> September 2010 (unaudited)

Deferred and current tax are charged or credited in the income statement except when they relate 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.

# C.H. BAILEY PLC

## Notes to the Consolidated Interim Financial Statements for the six months ended 30<sup>th</sup> September 2010 (unaudited)

### **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 re-measured 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 director's 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.

# C.H. BAILEY PLC

## Notes to the Consolidated Interim Financial Statements for the six months ended 30<sup>th</sup> September 2010 (unaudited)

### 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 statement of recognised income and expense. All other exchange differences are included within the 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.

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## Notes to the Consolidated Interim Financial Statements for the six months ended 30<sup>th</sup> September 2010 (unaudited)

### 3. Segmental information

#### Industrial:

Six months to 30th September	2010	550,073	(26,472)	294,827
Six months to 30th September	2009	411,259	(115,802)	380,155
Year to 31st March	2010	857,848	(131,904)	453,416

#### Leisure:

Six months to 30th September	2010	1,819,583	264,543	7,016,825
Six months to 30th September	2009	1,794,846	379,152	6,832,615
Year to 31st March	2010	3,020,912	2,043,054	7,451,388

#### Management and investment:

Six months to 30th September	2010	9,249	(851,847)	(130,803)
Six months to 30th September	2009	9,250	(241,327)	(674,914)
Year to 31st March	2010	18,500	(353,079)	(182,719)

#### Total:

Six months to 30th September	2010	2,378,905	(613,776)	7,180,849
Six months to 30th September	2009	2,215,355	22,023	6,537,856
Year to 31st March	2010	3,897,260	1,558,071	7,722,085

### Geographical segments

#### United Kingdom:

Six months to 30th September	2010	1,006,814	(262,877)	(78,968)
Six months to 30th September	2009	945,139	(139,052)	(206,526)
Year to 31st March	2010	1,904,801	(335,720)	(371,873)

#### Malta, Tanzania and Rest of the World:

Six months to 30th September	2010	1,372,091	(350,899)	7,259,817
Six months to 30th September	2009	1,270,216	161,075	6,744,382
Year to 31st March	2010	1,992,459	1,893,791	8,093,958

#### Total:

Six months to 30th September	2010	2,378,905	(613,776)	7,180,849
Six months to 30th September	2009	2,215,355	22,023	6,537,856
Year to 31st March	2010	3,897,260	1,558,071	7,722,085

# C.H. BAILEY PLC

## Notes to the Consolidated Interim Financial Statements for the six months ended 30<sup>th</sup> September 2010 (unaudited)

### 4. Earnings 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 8,335,414 (2009: 8,335,414) which excludes own shares held. There are no share options, convertible equity or debt instruments in issue.

### 5. Called-up share capital

	30th September 2010	30th September 2009	31st March 2010
	£	£	£
Authorised:			
60,000,000 ordinary shares of 10p each	6,000,000	6,000,000	6,000,000
Issued and fully paid:			
8,335,414 ordinary shares of 10p each	833,541	833,541	833,541

### 6. Cash generated from operations

	Six months ended 30th September 2010	Six months ended 30th September 2009	Year ended 31st March 2010
	£	£	£
Operating (loss) profit	(613,776)	22,023	1,558,071
Depreciation	198,872	201,344	414,431
(Profit) on sale of property, plant and equipment	-	-	(2,013,937)
(Profit) on sale of current asset investments	(27,077)	(27,797)	(5,703)
Fair value movement of investments	(12,584)	(1,290)	(84,543)
Provision on current asset investments	90,335	(257,505)	(244,665)
Exchange differences	788,028	90,065	263,534
Cashflow from operations before movements in working capital	423,798	26,840	(112,812)
Decrease in inventories	5,420	4,375	9,120
Decrease in trade and other receivables	26,704	432,238	166,607
Increase in trade and other payables	232,300	57,308	72,980
Cash generated from operations	688,222	520,761	135,895

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## Notes to the Consolidated Interim Financial Statements for the six months ended 30<sup>th</sup> September 2010 (unaudited)

### 7. Cash and cash equivalents

	30th September 2010 £	30th September 2009 £	31st March 2010 £
Cash at bank and in hand	389,857	522,362	258,507
Deposit accounts	1,328,626	207,248	1,627,809
	<u>1,718,483</u>	<u>729,610</u>	<u>1,886,316</u>

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

### 8. Analysis of net debt

Cash and cash equivalents	1,718,483	729,610	1,886,316
Bank loans and overdraft	( 850,887)	( 1,403,872)	( 974,888)
	<u>867,596</u>	<u>( 674,262)</u>	<u>911,428</u>
Bank loans - non-current	( 1,830,461)	( 1,770,334)	( 1,909,535)
Obligations under finance leases	( 30,667)	( 56,198)	( 37,868)
Other loans	( 671,307)	( 663,659)	( 669,014)
	<u>( 1,664,839)</u>	<u>( 3,164,453)</u>	<u>( 1,704,989)</u>

### 9. Distribution of interim financial statements

A copy of these interim financial statements is available from the company's registered office and is also available on the company's website.

Further information:

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