

SUNBORN GIBRALTAR



Gibraltar's Leading
Hotel



QUARTERLY FINANCIAL REPORT
1 April – 30 June 2023
SUNBORN (GIBRALTAR) LIMITED

sunborn

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PERIOD ENDED 30 JUNE 2023 REPORT

Key Figures Issuer Sunborn (Gibraltar) Limited

GBP thousand	1 Apr-30 Jun 2023	1 Apr - 30 Jun 2022	1 Jan-30 Jun 2023	1 Jan-30 Jun 2022	1 Jan-31 Dec 2022
Rental income	1,150	795	2,200	1,590	3,180
EBITDA	1,064	785	2,075	1,535	3,034
Investment property (yacht hotel)			77,989		78,707
Total Equity			6,461		5,742
Bond			49,754		51,170

Key Figures Operator Sunborn (Gibraltar) Resort Limited

GBP thousand	1 Apr-30 Jun 2023	1 Apr - 30 Jun 2022	1 Jan-30 Jun 2023	1 Jan-30 Jun 2022	1 Jan-31 Dec 2022
Turnover	3,090	3,436	4,761	4,989	10,672
EBITDAR	1,033	1,430	1,073	1,580	3,338

Chief Executive Director, Hans Niemi

Issuer lease income in the period increased to 1.0€M (0.80€M) due to higher borrowing costs.

Operator total Revenue for the period came in at £M 3,09 (-10 % YoY 2022). Rooms revenue and demand fell short of expectations therefore with a decrease in occupancy -12 % YoY. EBITDA came in at £M 1,04 (-27 % YoY 2022). Operations maintained ADR at 0% variance however RevPar fell -13 % for the period over 2022. Major factors impacting EBITDA and Net Profit were increased Mooring Fee and Bare Board Charter, +26% and +32% respectively over the same period in 2022.

Positively, the first half of Q3 is expected to improve over same period 2022 with occupancy for the month of July +12% and business on the books for August exceeding YoY while September is picking up similarly to previous years.

General

Sunborn (Gibraltar) Limited owns a luxury yacht hotel “Sunborn Gibraltar” docked at Ocean Village in Gibraltar, which it has leased to its sister company Sunborn (Gibraltar) Resort Ltd. The hotel operations of the yacht hotel Sunborn Gibraltar are run by management company Sunborn (Gibraltar) Resort Ltd in accordance with the lease contract. The yacht hotel is equipped with 189 cabins, including 22 suites, conference, and ball room facilities for up to 400 delegates, two restaurants, three bars, entertainment, and lounges inside the yacht hotel. Sunborn Gibraltar Ltd’s sole operation consists of acting as a lessor of the yacht hotel.

Issuer Sunborn Gibraltar Ltd Financial summary 1 April-30 June 2023

The Issuer Sunborn Gibraltar Ltd lease income in Q2 2023 from the Operator was as per budget £1,050M and costs were also in line with expectations.

The fair value of the Yacht hotel is at €108.6 Million based on the latest valuation report dated June 2023.

Operator Financial summary 1 April – 30 June

Total Revenue was £M 3,09 (-10 % YoY 2022). Rooms revenue fell short of expectations therefore with a decrease in occupancy -12 % YoY. EBITDA came in at £M 1,04 (-27 % YoY 2022). Operational results were positive maintaining ADR at 0% variance however RevPar fell -13 % for the period over 2022. Major factors impacting EBITDA and Net Profit were increased Mooring Fee and Bare Board Charter, +26% and +32% respectively over the same period in

2022. The first half of Q3 is improved over 2022 with the occupancy for the month of July +12% and business on the books for August exceeding YoY while September is picking up similarly to previous years.

KPI's for Q2 2023 vs. Q2 2022

	Overall Q2 23	April	May	June
Total Revenue M€	£3.09	£0.87	£1.01	£1.21
+/- YOY %	-10%	-18%	-16%	3%
EBITDAR M€	£1.03	£0.23	£0.33	£0.48
+/- YOY %	-28%	-48%	-36%	-1%
<i>Revenue split</i>				
Rooms Revenue	68%	67%	70%	67%
Food and Beverage	25%	25%	24%	25%
Other	7%	8%	6%	8%
YoY Change %	Overall Q2 23	April	May	June
ADR	0%	-3%	1%	1%
Occupancy	-12%	-21%	-15%	-1%
RevPar	-13%	58%	-15%	-1%

Total Revenue slid by -10% mainly due to the occupancy of the hotel which equated to nearly -1,500 room nights during the period. EBITDA down mainly due to lower than expected occupancy however some costs are higher than 2022 such as the Mooring Fee by +26%.

Revenue split of F&B and other ran low at 68/25 when historically it ranges more 60/40. F&B revenue as a whole was down just -3% over last year and the hotel reopened one restaurant in the month of April.

Operationally, maintaining ADR at the same level of 2022 is positive however short of expectations again mainly due to the shortfall in occupancy directly affecting RevPar performance as well.

Business environment

Corporate segment improved significantly by +10 % and Leisure (FIT) as well at +11%, however, MICE and Government segments decreased by -31 % compared to Q2 2022.

The number of flights increased to 40 flights per week as of April 2023 as per normally schedule. Flight arrivals were nearly at par with 2022. The availability cost and number of flights correlates strongly with hotel room bookings volume as most hotel clients fly into Gibraltar.

Short let apartments in the jurisdiction have increased exponentially in the past two years from approximately ~100 to ~380. In the market where there are 590 hotel rooms, the short-let market has a significant effect on hotel market trading levels and will continue to impact performance unless regulation is introduced.

During the period, the hotel continued to maintain high levels of Guest satisfaction ratings reflected by Trip Advisor rating of #2, Booking.com rating of 8.5/10, Hotels.com rating of 9.2/10, Expedia.com 9.2/10 during the period.

Notable events during and after the end of the reporting period and estimated future developments

In May 2023, the hotel was inspected and received the continued AA-rating of Five Star for the hotel and 2 Rosettes for the main restaurant.

The war in Ukraine continues to impact prices of various items, particularly in food and beverage such as grain related items as well as various supplies which are reliant upon fuel prices that have increased. Management is adapting to the price increases.

The company is assessing various refinancing options for the bond and has engaged investors and financial advisors for this finality.

Short-term risks and uncertainties

Sunborn Gibraltar's financial risks related to business are market risk (including interest rate risk), credit risk, liquidity risk, refinancing risk, and business interruption due to incidents relating to environmental and or public health risks. Floating interest rate risk has not been hedged and may negatively and materially impact Sunborn Gibraltar's liquidity.

Continued UK inflationary pressure may cause significant increases in cost of materials and labour, consequently requiring faster than expected price development for our sales and short-term fluctuations in profit margins as the business adapts to volatile market conditions.

The war in Ukraine is not estimated to directly impact on the company's operations but indirectly may have *inter alia* macroeconomic, policy and financial cost consequences.

The Company is exposed to foreign currency risk through rental receivables and future cash flows arising from the lease contract of the Yacht hotel that is denominated in GBP. The management of the company closely monitors the development of the GBP/EUR exchange rate and aims to protect the Company against unfavourable developments at the group level.

Financial risk management carried out by the management of the Company aims to protect the Company against unfavourable developments in the financial markets and ensure the performance. The management review financial risks on regular basis to manage financial risk position and decide on necessary actions.

The Company's bond is maturing for repayment on 05 March 2024. Management views the current high yield market conditions to be less favourable but financing to be available subject to terms and conditions.

Risks related to the border and land access to Gibraltar from Spain if the EU-UK-Gibraltar treaty is not ratified. A border disruption or temporary closure could impact pricing and availability of goods and services from Spain and ease of accessing Gibraltar for our clients and staff.

STATEMENT OF COMPREHENSIVE INCOME

GBP (in thousands)	Note	1 Apr -30	1 Apr -30	1 Jan-30	1 Jan-30	Audited
		1 Apr -30 Jun 2023	Jun 2022	Jun 2023	Jun 2022	1 Jan- 31 Dec 2022
Rental income from group companies	3	1,150	795	2,200	1,590	3,180
Depreciation	4	(359)	(623)	(718)	(1,247)	(1,436)
Other operating expenses		(86)	(10)	(125)	(56)	(146)
Operating profit		706	161	1,357	288	1,598
Waiver of intercompany loan		-	-			4,000
Foreign exchange (loss)/gain		1,168	(830)	1,600	(1,175)	(2,715)
Finance cost - amortisation of borrowing cost		(117)	(93)	(182)	(186)	(407)
Finance cost - group borrowings		(82)	(97)	(165)	(195)	(390)
Finance costs - other borrowings		(986)	(634)	(1,891)	(1,260)	(2,601)
Finance costs, net		(17)	(1,655)	(638)	(2,816)	(2,112)
Profit/(loss) before taxes		688	(1,493)	719	(2,528)	(514)
Income tax expense		-	-		-	-
Profit/(loss) for the period		688	(1,493)	719	(2,528)	(514)
Total comprehensive income/(loss) for the period		688	(1,493)	719	(2,528)	(514)

BALANCE SHEET

GBP (in thousands)	Note	Unaudited 30 June 2023	Unaudited 30 June 2022	Audited 31 December 2022
ASSETS				
Non-current assets				
Investment property	4	77,989	78,896	78,707
Property, plant and equipment		-	1	-
Total non-current assets		77,989	78,897	78,707
Current assets				
Receivables from group companies	7	2,663	2,218	1,592
Other receivables		383	395	318
Cash and cash equivalents		1,027	875	1,013
Total current assets		4,073	3,488	2,923
Total assets		82,062	82,385	81,629
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	5	3	3	3
Share premium	5	15,604	15,604	15,604
Capital reserves		19,000	15,000	19,000
Accumulated Deficit		(28,146)	(26,880)	(28,865)
Total equity		6,461	3,727	5,742
LIABILITIES				
Non-current liabilities				
Payables to group companies	7	21,997	25,997	21,997
Borrowings	6	0	50,049	51,170
Total non-current liabilities		21,997	76,046	73,167
Current liabilities				
Borrowings	6	49,754	0	0
Payables to group companies	7	3,444	2,199	2,394
Other payables		406	413	327
Total current liabilities		53,604	2,612	2,721
Total liabilities		75,601	78,658	75,888
Total equity and liabilities		82,062	82,385	81,629

STATEMENT OF CHANGES IN EQUITY

GBP (in thousands)	Share capital	Share premium	Capital reserve	Retained earnings	Total equity
Equity at 1 Jan 2022	3	15,604	15,000	(24,352)	6,255
Income for the period	-	-	-	(2,528)	(2,528)
Equity at 30 June 2022	3	15,604	15,000	(26,880)	3,727
Capital contribution by parent company			4,000	(4,000)	-
Income for the period				2,015	2,015
Equity at 31 Dec 2022	3	15,604	19,000	(28,865)	5,742
Equity at 1 Jan 2023	3	15,604	19,000	(28,865)	5,742
Income for the period	-	-	-	719	719
Equity at 30 June 2023	3	15,604	19,000	(28,146)	6,461

STATEMENT OF CASH FLOWS

GBP thousand	Unaudited 1 Jan - 30 Jun 2023	Unaudited 1 Jan - 30 Jun 2022	Audited 1 Jan - 31 Dec 2022
Operating activities			
Operating profit/ (loss)	1,357	288	1,598
Adjustment for:			
Depreciation	718	1,247	1,436
Change in working capital:			
Change in receivables from group companies	(1,071)	(355)	212
Change in other receivables	(65)	(129)	(48)
Change in payables to group companies	887	(87)	(20)
Change in other payables	79	73	(13)
Net cash flows from operations before interest payments	1,905	1,037	3,167
Interest paid	(1,891)	(1,260)	(2,600)
Net cash flows from operations	14	(223)	567
Cash used in investing activities			
Additions in investment property	-	-	-
Net cash flows used in investing activities	-	0	0
Cash flows from financing activities			
Transaction costs paid	-	-	(651)
Net cash flows from financing activities	-	-	(651)
Net decrease in cash and cash equivalents	14	(223)	(84)
Cash and cash equivalents at 1 January	1,013	1,098	1,098
Cash and cash equivalents at 31 Dec	1,027	875	1,013

NOTES TO THE FINANCIAL STATEMENTS**1. General information**

Sunborn Gibraltar Limited (the 'Company') is a private company limited by shares incorporated and registered in Gibraltar. The registered address of Sunborn Gibraltar Limited is 57/63 Line Wall Road, Gibraltar, and its business address: 35 Ocean Village Promenade, Gibraltar, GX111AA. Sunborn Gibraltar Limited owns a luxury yacht hotel docked at Ocean Village in Gibraltar, which it has leased to its sister company Sunborn (Gibraltar) Resort Limited, who runs the operations in accordance with a lease contract. The Yacht hotel is equipped with 189 cabins, including 22 suites. There are also conference facilities for up to 400 delegates, restaurants, bars fitness centre, spa and lounges inside the Yacht hotel. The Company had no employees during 2022 or during 2021. The Company is wholly owned by Sunborn Gibraltar Holdings Limited, and its ultimate parent is Sunborn Oy, a company registered in Finland and owned by the Niemi family who are also based in Finland. Sunborn Oy focuses on the development of luxury spa and yacht hotels, restaurants, and other high-quality property, and has more than 50 years of experience in the hospitality sector.

2. Summary of significant accounting policies**Basis of preparation**

This condensed interim financial report for six months ended 30 June 2023 have been prepared in accordance with International Financial Reporting Standards (IFRS) and IAS 34 interim Financial Reporting, as adopted by the European Union.

The condensed interim year financial report does not include all the information and notes that are presented in the annual financial statements and should be read in conjunction with the audited financial statements for year ended 31 December 2022.

The accounting policies and measurement principles remain unchanged in comparison with as has been presented in Note 2 in the Annual Report 2022.

The financial statements are presented in thousands of sterling pounds unless otherwise stated. All figures presented have been rounded and consequently the sum of individual figures may deviate from the presented sum figure.

Going concern*Net losses*

The Company has incurred net losses consisting mainly of depreciation and unrealized foreign exchange rate differences arising from the borrowings. The Company's sole purpose is to own the vessel "Sunborn Gibraltar Yacht" and lease the vessel out to Sunborn Gibraltar Resort Limited through an internal bareboat agreement. The Company has primarily relied upon financing raised through the borrowings from the group companies and bonds from external parties as well as from shares issued to the parent company Sunborn (Gibraltar) Holdings Limited. In April 2016, Sunborn International Oy transferred the company's borrowing amounting to £ 15.6 M to Sunborn (Gibraltar) Holdings Limited and thereafter was converted to company's equity to provide additional capital. The borrowings were converted to Sterling Pounds to avoid unrealised losses. Further conversions have been carried out in September 2018 (£ 10 M) and in December 2020 (£ 5 M) and in December 2022 (£ 4 M) converting debt liabilities to Sunborn International Oy into company's equity.

The financial information in these financial statements has been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. Moreover, the company's ultimate parent has confirmed its willingness to provide financial support to allow the company to operate and meet its liabilities as and when required.

3. Rental income from related parties

Rental income comprises income generated from lease of its vessel to its sister company Sunborn Gibraltar Resort Limited. The lease term is 10 years with fixed monthly lease GBP 350,000. Bareboat charter agreement in force until terminated by the company subject to three months' prior notice. Rental income relates to investment property, see note 4 for details.

Future minimum lease payment:

GBP thousand	30 Jun 2023	31 Dec 2022
Within 1 year	1,150	795
Between 1 and 2 years	-	-
Between 2 and 3 years	-	-
Between 3 and 4 years	-	-
Between 4 and 5 years	-	-
Later than 5 years	-	-
Total	1,050	795

4. Investment property

	<u>Vessel</u> <u>incl improvements</u>	<u>Furniture</u> <u>& Fittings</u>	<u>Total</u>
GBP thousand			
Cost			
At 30 June 2022	101,993	497	102,490
Additions	-	-	-
At 31 December 2022	101,993	497	102,490
Additions	-	-	-
At 30 June 2023	101,993	497	102,490
Depreciation			
At 30 June 2022	23,120	474	23,594
Charge for the period	186	3	189
At 31 December 2022	23,306	477	23,783
Charge for the period	704	14	718
At 30 June 2023	24,010	491	24,501
Net book value			
At 30 June 2023	77,983	6	77,989
At 31 December 2022	78,686	20	78,707
At 30 June 2022	78,873	23	78,896

The vessel is registered in Finland but located in Gibraltar, where it is leased under a lease agreement to Sunborn (Gibraltar) Resort Limited, which runs the hotel operations of the Yacht hotel. Sunborn Gibraltar is responsible for the maintenance, the mooring fee, certain insurances, marketing of the vessel and any other such operational costs for operating the Yacht hotel. The Company has thus no risk on operating the Yacht hotel, being only responsible for certain insurances and maintaining the hull.

The investment property is carried at deemed cost as at 1 January 2016, which was its fair value, less any accumulated depreciation and any accumulated impairment losses.

The fair value of the Yacht hotel is at €108.6 million according to the latest valuation report June 2023.

Management have reviewed the estimation of the useful life of the vessel as well as consideration for the residual value at the end of the useful life. Based on several considerations including:

- Comparison to similar yacht hotel vessels located in London which have had lifespans of over 60 years.
- Previous comparisons to sea going vessels were not accurate. The vessel remains stationary and is expected to do so for the short to medium term.

Depreciation is calculated using the straight-line method to allocate the cost to the residual value over their estimated useful lives. The estimated useful life of the vessel divided to its significant components is presented in the table below:

Vessel:	50 years (previously used 40 years)
Vessel improvements:	Shorter of remaining vessel life or useful life of improvements (3 to 25 years)
Furniture and fittings:	10 years

All repairs and maintenance costs are charged to the statement of the comprehensive income during the financial year in which they are incurred.

5. Equity & Capital Reserve

	As at 30 June No.	and 31 Dec 2022 £
Share Capital		
Authorised, allotted, called up and fully paid shares of £1 each	3,000	3,000

The number of ordinary shares outstanding since the company's inception was 2000 shares. In 2016, borrowings from the group company were converted into equity thereby increasing the authorized ordinary share capital by 1,000 at a premium of £15,604 per share resulting to a share premium of £15,604,000.

The Company has not distributed any dividend and the bond agreement set some restrictions for distribution of dividend.

6. Borrowings

Borrowings are analysed as follows:

GBP thousands	30-Jun 2023	31-Dec 2022
	49,754	51,170
<hr/>		
Details of loans wholly repayable within 5 years are as follows		
Senior secured bond SE00102296632 due 5/3/2024	50,103	51,699
Less transaction cost	(349)	(529)
	49,754	51,170

On 5 September 2017, the Company issued a € Senior Secured Bonds with nominal value of EUR 58 million repayable in September 2022. The Company completed the listing of the Senior Secured Floating Rate Bond to Nasdaq Stockholm on 30 August 2018. The contractual interest is 5 % plus Euribor and the effective interest is 5.67 %.

In a written procedure initiated on 26 June 2022 and closed on 25 July 2022, a requisite majority of the holders of the Bonds gave their consent to certain requested amendments to the Terms and Conditions and extension of maturity for repayment until 5th March 2024. The Company has the right to early repayment also. As a result of written procedure amendment and waivers, amendment fee of 50 bp was agreed to be paid at maturity date.

The bonds are denominated in euros. The bonds shall be fully redeemed on maturity date at nominal amount +4 %. The Company has the right to early repayment before 5 September 2023 at nominal amount +2,5 %.

The management estimated that the fair value of the borrowings approximates the carrying amounts of the bonds.

Collaterals and guarantee given

The bonds are secured by a 1st lien mortgage in the vessel and the cash held at bank. The bonds are also secured by a floating charge agreement over the assets, rights, intellectual property and revenues including relevant insurances. The bank accounts have been pledged to secure the bond repayments; however, they can be used by the Company in the ordinary course of business.

Moreover, Sunborn International Oy has pledged its shares in the Company and Sunborn Gibraltar Holdings Limited and Sunborn (Gibraltar) Resort Limited to secure the repayment of the bonds.

As a result of the new Amended and Restated Terms and Conditions Sunborn International Holding Oy has entered into an Additional Guarantee Agreement, as principal obligor, guarantee to the Agent and Bondholders the punctual performance of the Company's obligations under the Bond's Finance Documents.

The bond terms include an asset cover ratio covenant, which requires the Company to maintain the asset cover ratio of minimum 140.0 %. The covenant is calculated based on the market value of the Yacht hotel calculated by approved valuator appointed by the Company and approved by the bond trustee, divided by financial indebtedness of the Company.

The bond terms also include a cash requirement covenant, which requires the Company to maintain the cash minimum of upcoming 3 months interest payment and an interest cover ratio covenant, which requires the Company to generate EBITDA minimum of 1.1 times the net finance charges. Covenants are tested on a quarterly basis and the company has not breached the covenants.

7. Related parties

The Company's related parties are its ultimate parent company Sunborn Oy, other Sunborn Group entities, the board of directors and key management of the Company and the Board of Directors and management of the parent company, together with their close family members, and companies controlled by these individuals.

The following table summarises the Company's transactions and outstanding balances with related parties during or at the end of the years presented:

GBP thousand	1 Apr-30 Jun 2023	1 Apr-30 Jun 2022	1 Jan-30 Jun 2023	1 Jan-3 Jun 2022	1 Jan-31 Dec2022
Sunborn (Gibraltar) Resort rent	1,150	795	2,200	1590	3,180
Sunborn International Oy interest	(82)	(97)	(165)	(195)	(390)

GBP thousand	30-Jun-23		31-Dec-22	
	Receivables	Liabilities	Receivables	Liabilities
Sunborn (Gibraltar) Resort	2,660	86	1,581	86
Sunborn (Gibraltar) Holdings	3	885	3	-
Sunborn International Oy	-	24,317	-	24,152
Sunborn Finance Oyj	-	58	-	58
Sunborn International Holding Oy	-	95	-	95
Total	2,663	25,441	1,584	28,391

8. Events after the balance sheet date

Continued inflationary pressure may continue to effect energy expenditure and to increase cost of materials and labour.

In view of the March 2024 maturity of the bond, the company is engaged in assessing various refinancing options and has engaged investors and financial advisors for this finality.

Appendix 1

Sunborn (Gibraltar) Resort Limited

Unaudited Income Statement

GBP thousand

	Unaudited 3 months ended 30 Jun 23	Unaudited 3 months ended 30 Jun 22	Unaudited 6 months ended 30 Jun 23	Unaudited 6 months ended 30 Jun 22	Audited 12 months ended 31 Dec 22
REVENUE	3,090	3,436	4,761	4,989	10,672
Cost of sales					
Food	163	147	252	210	487
Beverage	73	70	114	101	214
Agent commission	56	73	87	100	264
Other	73	52	92	73	165
	<u>365</u>	<u>342</u>	<u>545</u>	<u>484</u>	<u>1,130</u>
GROSS PROFIT	2,724	3,094	4,216	4,505	9,541
Administrative and other expenses	(1,691)	(1,664)	(3,142)	(2,925)	(6,203)
EBITDAR	1,033	1,430	1,073	1,580	3,338
Rent cost due to related entity	(1,150)	(795)	(2,200)	(1,590)	(3,180)
Depreciation	(47)	(35)	(91)	(67)	(145)
Interest expense	(18)	(18)	(37)	(37)	(75)
Result before tax	(182)	582	(1,255)	(114)	(63)
Taxation	-	-	-	-	-
Result for the year	<u>(182)</u>	<u>582</u>	<u>(1,255)</u>	<u>(114)</u>	<u>(63)</u>

Unaudited Balance Sheet

GBP thousand

	Unaudited 30 Jun 23 £	Unaudited 30 Jun 22	Audited 31 Dec 22 £
Fixed assets			
Tangible fixed assets	<u>274</u>	<u>307</u>	<u>294</u>
Current Assets			
Inventories	136	117	113
Trade and other receivables	1,242	1,592	1,384
Cash at bank	<u>53</u>	<u>369</u>	<u>104</u>
	1,431	2,078	1,601
Current Liabilities			
Trade and other payables	3,001	2,093	3,013
Permitted loan facility	<u>-</u>	<u>1,500</u>	<u>-</u>
	3,001	3,593	3,013
Current Assets less Current Liabilities	(1,570)	(1,515)	(1,412)
Non-current liabilities			
Other payables	2,571	2,955	1,494
Permitted loan facility	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total Assets less Liabilities	<u>(5,368)</u>	<u>(4,163)</u>	<u>(4,112)</u>
Capital and Reserves			
Called up share capital	2	2	2
Profit & loss account	<u>(5,369)</u>	<u>(4,165)</u>	<u>(4,114)</u>
	<u>(5,367)</u>	<u>(4,163)</u>	<u>(4,112)</u>

Unaudited Statement of Cash Flows

GBP thousand

	Unaudited 6 months ended 30-Jun-23 £	Unaudited 6 months ended 30-Jun-22 £	Audited 31 Dec 22 £
Reconciliation of operating loss to net cash flows from operating activities			
Operating profit	(1,255)	(114)	(63)
Interest expense	37	0	75
Operating profit	(1,218)	(114)	13
Depreciation	91	67	145
Movement in inventories	(23)	(15)	(12)
Movement in debtors	142	(294)	(86)
Movement in creditors	1,028	732	121
Net cash flows from operating activities	21	375	182
Cash flow from investing activities			
Purchase of tangible fixed assets	(72)	(99)	(165)
Cash flow from financing			
Other borrowings		-	
Equity Cure		-	
Repayment of obligations under finance lease		-	(5)
Taxation		-	-
Increase in cash	(51)	276	11
Reconciliation of net cash flows to movement in net funds			
Cash at bank at 30 Jun/ 31 Dec	53	369	104
Cash at bank at 1 January	104	93	93
Increase in cash in year	(51)	276	11