

**Hawtin**  
— PLC —

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— PLC —

Interim Report | 2005

## Chairman's Statement

for the six months to 30 June, 2005

I am pleased to present the results for the 6 months to 30 June 2005 that display an operating profit of £138,000 against a loss of £45,000 in the equivalent period last year. Profit on ordinary activities before taxation of £40,000 (2004 – restated loss of £160,000) also demonstrates further progress against last year. This result confirms the Group's stable and profitable position that has been achieved since the disposal of the loss making manufacturing and distribution businesses.

Earnings per ordinary share were 0.06 pence (2004 loss per ordinary share 0.22 pence).

Net assets per ordinary share have grown to 16.5 pence from 16.4 pence at 31 December 2004.

The six months have seen the following events

- Income generated from the property assets of the Group of £351,000, with interest in further lettings at Beechwood House.
- Cash generated of £36,000 after repayment of a further £313,000 of Group borrowings
- Cash received from the sale of the former Aquamarine premises in France (£312,000)
- Confirmation of receipt of the monies due from the Canadian fitness operator, that was received in July (£108,000)

Hawtin Park land has continued to attract interest as planning issues are addressed. The Board continue to monitor the future prospects of this development.

### PROSPECTS

On 13 June, the Board announced that it was in talks with Panther Securities PLC that may or may not lead to an offer for the Company. The talks are continuing, and an announcement will be made in due course.



Len Dovey

5th September 2005

## Consolidated Profit and Loss Account

For the six months ended 30 June 2005

	Unaudited for the six months ended 30 June 2005 Continuing £'000	Unaudited for the six months ended 30 June 2004 Continuing £'000	Audited for the twelve months ended 31 December 2004		Total £'000
			Continuing £'000	Discontinued £'000	
<b>Turnover</b>	<b>351</b>	382	768	40	808
Cost of sales	<b>(13)</b>	(44)	(27)	(12)	(39)
<b>Gross profit</b>	<b>338</b>	338	741	28	769
Administration expenses	<b>(248)</b>	(569)	(930)	(203)	(1,133)
Other operating income	<b>48</b>	186	200	100	300
<b>Operating profit/(loss)</b>	<b>138</b>	(45)	11	(75)	(64)
Exceptional items	-	19			468
Interest receivable (Restated – note 2)	<b>78</b>	65			129
Interest payable	<b>(176)</b>	(199)			(565)
<b>Profit/(loss) on ordinary activities before taxation</b> (Restated – note 2)	<b>40</b>	(160)			(32)
Taxation	-	-			254
<b>Profit/(loss) for the financial year</b>	<b>40</b>	(160)			222
<b>Profit /(loss) per ordinary share</b>	<b>0.06p</b>	(0.22)p			0.31p

## Consolidated Balance Sheet

As at 30 June 2005

	Unaudited 30 June 2005		Unaudited 30 June 2004		Audited 31 December 2004	
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fixed assets</b>						
Tangible assets		14,400		14,639		14,405
<b>Current assets</b>						
Stocks		-		53		-
Debtors		758		1,448		1,240
Cash at bank and in hand		2,690		1,475		2,654
		<b>3,448</b>		2,976		3,894
<b>Creditors:</b> amounts falling due within one year		<b>(1,264)</b>		(1,448)		(1,482)
<b>Net current assets</b>		<b>2,184</b>		1,528		2,412
Total assets less current liabilities		<b>16,584</b>		16,167		16,817
<b>Creditors:</b> amounts falling due after more than one year (Restated – note 2)		<b>(4,765)</b>		(4,913)		(5,051)
<b>Provision for liabilities and charges</b>		<b>-</b>		(541)		-
		<b>11,819</b>		10,713		11,766
<b>Capital and reserves</b>						
Called up share capital (Restated – note 2)		3,586		3,586		3,586
Share premium		2,586		2,586		2,586
Revaluation reserve		5,604		5,422		5,786
Capital redemption reserve		150		150		150
Unpaid dividend reserve		53		17		36
Profit and loss account		(160)		(1,048)		(378)
		<b>11,819</b>		10,713		11,766
Attributable to equity shareholders (Restated – note 2)		11,766		10,696		11,730
Attributable to non equity shareholders		53		17		36
		<b>11,819</b>		10,713		11,766

## Consolidated Cash Flow Statement

For the six months ended 30 June 2005

	Unaudited six months ended 30 June 2005		Unaudited six months ended 30 June 2004		Audited twelve months ended 31 December 2004	
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Net cash inflow from operating activities</b>		<b>514</b>		1,388		1,323
<b>Returns from investments and servicing of finance</b>						
Interest received		78		64		129
Interest paid		(240)		(181)		(612)
Net cash outflow from returns on investments and servicing of finance		(162)		(117)		(483)
Taxation paid		(3)		-		-
Taxation received		-		-		161
<b>Capital expenditure and financial investment</b>						
Payments to acquire tangible fixed assets		-		(332)		(589)
Receipts from sale of tangible fixed assets		-		-		2,010
<b>Net cash (outflow)/inflow from capital expenditure and financial investment</b>		<b>-</b>		(332)		1,421
<b>Acquisitions and Disposals</b>						
Acquisition of subsidiary undertaking		-		-		(15)
Net cash acquired with subsidiary		-		-		22
Receipts from sale of subsidiary undertaking		-		43		43
Cash balances released with subsidiary undertaking		-		(59)		(59)
<b>Net cash outflow from acquisitions and disposals</b>		<b>-</b>		(16)		(9)
<b>Net cash inflow before financing</b>		<b>349</b>		923		2,413
<b>Financing</b>						
Capital element of finance lease rentals		-		(27)		(27)
Loans repaid		(313)		(432)		(743)
<b>Net cash outflow from financing</b>		<b>(313)</b>		(459)		(770)
<b>Increase in cash for the period</b>		<b>36</b>		464		1,643

## Statement of recognised gains and losses

For the six months ended 30 June 2005

	Unaudited six months ended 30 June 2005 £'000	Unaudited six months ended 30 June 2004 £'000	Audited twelve months ended 31 December 2004 £'000
Profit/(loss) for the financial period	40	(160)	222
Exchange movements	(4)	4	4
Unrealised surplus on revaluation of properties	-	-	652
Total recognised gains and losses for the period	<b>36</b>	(156)	878

## Note of historical cost profits/(losses)

For the six months ended 30 June 2005

Reported profit/(loss) on ordinary activities before taxation	40	(160)	(32)
Realisation of property revaluation gains	<b>182</b>	-	288
Historical cost profit/(loss) on ordinary activities before taxation	<b>222</b>	(160)	256
Historical cost profit/(loss) on ordinary activities after taxation and dividends	<b>222</b>	(160)	474

## Reconciliation of movements in shareholders' funds

For the six months ended 30 June 2005

Profit/(loss) attributable to members of the company	40	(160)	222
Exchange movements	(4)	4	4
Unrealised surplus on revaluation of properties	-	-	652
Unpaid dividends reserve	<b>17</b>	17	36
Net change to shareholders' funds	<b>53</b>	(139)	914
Opening shareholders' funds	<b>11,766</b>	10,852	10,852
Closing shareholders' funds	<b>11,819</b>	10,713	11,766

### Notes:

- The interim statement was approved by the Board of Directors on 5 September 2005 and is neither audited nor reviewed.
- The Group profit and loss account, balance sheets and cash flow statements for the six month periods ended 30 June 2005 and 30 June 2004 have been prepared on a basis consistent with the accounting policies disclosed in the Group's Annual Report for the year ended 31 December 2004, except for the adoption of FRS 25 *Financial Instruments: Disclosure and Presentation*. This standard requires that Preference Shares of £548,750 are classified as a liability rather than as share capital, reducing net assets and shareholders' funds by £548,750 from the figure previously reported. Additionally, the accrual for the Cumulative Preference Share dividend of £36,000 in the year ended 31 December 2004 is now reported within interest, rather than as a dividend, reducing the profit for the financial year by the same amount.
- Dividends: The Directors do not propose an interim dividend on the Ordinary Shares. The half-year dividend on the 6.5% Cumulative Preference Shares was not paid on 30 June 2005 as there were no distributable reserves.
- The Earnings per Ordinary Share of 5 pence is based on a profit of £40,000 (2004 £160,000) being the loss after taxation and Preference dividend on an average number of shares in issue of 71,728,687 (2004 71,728,687). Diluted Earnings per Ordinary Share is not presented as required by FRS14 since this would assume the exercise of out-of-the-money share options that would be irrational.
- Copies of this statement will be circulated to shareholders and will be available at the Registered Office of the Company, Beechwood House, Greenwood Close, Cardiff Gate Business Park, Cardiff CF23 8RD from the 6 September 2005.