

**The following replaces the announcement released on 21 November 2016 at 07:00 (RNS Number 6237P).**

**The number of potential dilutive effect of share options as at 30 September 2016 has been amended on note 2 to 11,363 (previously 12,107). The full amended announcement appears below.**

**Safeland plc**  
(“Safeland” or the “Company” or the “Group”)

**Interim Results**  
**For the Six Months to 30 September 2016**

Safeland (AIM: SAF), the property trading and investment company, announces its unaudited interim results for the six months ended 30 September 2016.

**Highlights**

Turnover: £1.9m (2015: £12.5m)

Loss before tax: £0.4m (2015: profit £4.3m)

Net asset value per share: 111.7p (30 September 2015: 110.7p, 31 March 2016: 114.0p)

**Managing Director’s Statement**

I am pleased to report the Company’s interim results for the 6 months to 30 September 2016. These results reflect transactional volatility that shareholders will be aware of, combined with the extraordinary market conditions which we find ourselves in.

During the period, the Company sold the second of two properties located in Golders Green and obtained a planning consent for its Muswell Hill hotel property for conversion into 18 flats ranging from 1-3 bedrooms. The hotel ceased operation in August 2016 and construction has commenced on site, with completion anticipated to take place in the second half of 2017.

An announcement was made in December 2015 regarding the purchase of a substantial house in Hampstead Garden Suburb for redevelopment. This is nearing completion and contracts have been exchanged for its sale with completion anticipated in the second half of this financial year.

Given the results for the 6 months ended 30 September 2016, the Directors do not declare the payment of an interim dividend (2015: 1.5p).

**Outlook**

As previously stated, the market is constrained by the current economic and political outlook, which is creating a very cautious environment. We continue to pursue acquisition opportunities whilst continuing to add value to existing stock held through planning or development.

The Board is confident that it has the skills necessary to make selected acquisitions in the current market, but is being extremely selective until there is further clarity as to the general outlook.

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<b>Condensed consolidated income statement</b>	<b>Unaudited Six months ended 30 September 2016 £000</b>	<b>Unaudited Six months ended 30 September 2015 £000</b>	<b>Audited Year ended 31 March 2016 £000</b>
<b>Revenue</b>	1,898	12,453	21,116
Cost of sales	(1,462)	(7,497)	(14,003)
<b>Gross profit</b>	436	4,956	7,113
Administrative expenses	(858)	(802)	(1,287)
Gain on revaluation of investment properties	-	-	42
Share of results of jointly controlled entity	-	-	(33)
Share of results of associate	12	12	23
Profit on sale of investment in joint venture	-	-	-
Dividend from investment	-	13	13
Profit on sale of investment property	-	-	-
<b>Operating (loss)/profit</b>	(410)	4,179	5,871
Finance income	273	256	520
Finance costs	(240)	(156)	(334)
<b>(Loss)/profit before tax</b>	(377)	4,279	6,057
Tax	-	(866)	(1,522)
<b>Profit for the financial period attributable to owners of the parent company</b>	(377)	3,413	4,535
Basic (loss)/earnings per share (note 2)	(2.42p)	20.24p	27.95p
Diluted (loss)/earnings per share (note 2)	(2.42p)	13.35p	15.45p

There is no difference between the diluted loss per share and the basic loss per share presented as the effect of the share options in issue is anti-dilutive.

The revenue and operating result for the periods are derived from continuing operations in the United Kingdom.

**Condensed consolidated statement of comprehensive income**

	<b>Unaudited Six months ended 30 September 2016 £000</b>	<b>Unaudited Six months ended 30 September 2015 £000</b>	<b>Audited Year ended 31 March 2016 £000</b>
(Loss)/profit for the period	(377)	3,413	4,535
<b>Other comprehensive income</b>			
Fair value (losses)/gains on available for sale financial assets	(139)	(74)	(139)
<b>Other comprehensive income for the year, net of tax</b>	(139)	(74)	(139)
<b>Total comprehensive (loss)/income for the period attributable to owners of the parent company</b>	(516)	3,339	4,396

**Condensed consolidated statement of financial position**

	<b>Unaudited 30 September 2016 £000</b>	<b>Unaudited 30 September 2015 £000</b>	<b>Audited 31 March 2016 £000</b>
		<i>Restated (notes 5 and 6)</i>	
<b>Non-current assets</b>			
Property plant and equipment	1,855	1,935	1,904
Investment properties (note 5)	1,123	2,693	1,123
Investments in associate	133	135	121
Available-for-sale investments	692	897	832
Trade and other receivables	8,777	8,240	8,503
	<u>12,580</u>	<u>13,900</u>	<u>12,483</u>
<b>Current assets</b>			
Trading properties (note 6)	14,464	9,684	14,838
Trade and other receivables	117	660	381
Cash and cash equivalents	1,540	2,865	2,988
	<u>16,121</u>	<u>13,209</u>	<u>18,207</u>
<b>Total assets</b>	<u>28,701</u>	<u>27,109</u>	<u>30,690</u>
<b>Current liabilities</b>			
Bank loans and overdrafts (note 7)	-	-	-
Trade and other payables	285	1,124	495
Derivative financial instruments	-	-	-
Corporation tax payable	1,450	1,733	1,450
	<u>1,735</u>	<u>2,857</u>	<u>1,945</u>
<b>Non-current liabilities</b>			
Bank loans (note 7)	9,664	6,385	10,927
Deferred income tax liabilities	72	-	72
	<u>9,736</u>	<u>6,385</u>	<u>10,999</u>
<b>Total liabilities</b>	<u>11,471</u>	<u>9,242</u>	<u>12,944</u>
<b>Net assets</b>	<u>17,230</u>	<u>17,867</u>	<u>17,746</u>
<b>Equity</b>			
Share capital (note 8)	778	843	778
Share-based payment reserve	354	555	354
Investment revaluation reserve	(191)	13	(52)
Capital redemption reserve	65	-	65
Retained earnings	16,224	16,456	16,601
<b>Total equity attributable to owners of the parent company</b>	<u>17,230</u>	<u>17,867</u>	<u>17,746</u>

**Condensed consolidated statement of cash flows**

	Unaudited Six months ended 30 September 2016 £000	Unaudited Six months ended 30 September 2015 £000	Audited Year ended 31 March 2016 £000
<b>Cash flows from operating activities</b>			
Cash generated/(utilised) from operations (note 4)	76	6,429	2,321
Interest paid	(240)	(156)	(292)
Corporation tax paid	-	(829)	(1,695)
<b>Net cash generated/(utilised) from operating activities</b>	<b>(164)</b>	<b>5,444</b>	<b>334</b>
<b>Cash flows from investing activities</b>			
Interest received	-	-	1
Distributions from associate	-	-	25
Other dividends received	-	-	13
Purchase of property, plant and equipment	-	(98)	(105)
Purchase of available for sale investments	-	(664)	(664)
Proceeds from sale of investment properties	-	-	1,637
Proceeds from sale of property, plant and equipment	-	82	82
<b>Net cash inflow/(outflow) from investing activities</b>	<b>-</b>	<b>(680)</b>	<b>989</b>
<b>Cash flows from financing activities</b>			
New loans	-	-	3,742
Purchase of own share capital	-	-	(743)
Dividends paid to equity shareholders	-	(295)	(529)
Loan repayments	(1,284)	(2,058)	(1,259)
<b>Net cash inflow from financing activities</b>	<b>(1,284)</b>	<b>(2,353)</b>	<b>1,211</b>
Net increase/(decrease) in cash and cash equivalents	(1,448)	2,411	2,534
Cash and cash equivalents at beginning of period	2,988	454	454
Cash and cash equivalents at end of period	1,540	2,865	2,988

## Consolidated Statement of Changes in Equity

For the six months to 30 September 2016 (unaudited)

	Share Capital	Share premium account	Capital redemption reserve	Share based payment reserve	Revaluation Reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31 March 2016</b>	778	-	65	354	(52)	16,601	17,746
<b>Comprehensive income</b>							
Profit for the period	-	-	-	-	-	(377)	(377)
Revaluation of available-for-sale investments	-	-	-	-	(139)	-	(139)
<b>Total comprehensive income</b>	-	-	-	-	(139)	(377)	(516)
<b>Transactions with owners</b>							
Purchase of own shares	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-
Share based payment charge for the period	-	-	-	-	-	-	-
<b>Total transactions with owners</b>	-	-	-	-	-	-	-
<b>Balance at 30 September 2016</b>	778	-	65	354	(191)	16,224	17,230

For the six months to 30 September 2015 (unaudited)

	Share Capital	Share premium account	Capital redemption reserve	Share based payment reserve	Revaluation Reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31 March 2015</b>	843	-	-	486	87	13,338	14,754
<b>Comprehensive income</b>							
Profit for the period	-	-	-	-	-	3,413	3,413
Revaluation of available-for-sale investments	-	-	-	-	(74)	-	(74)

<b>Total comprehensive income</b>					(74)	3,413	
<b>Transactions with owners</b>							
Purchase of own shares	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	(295)	(295)
Share based payment charge for the period	-	-	-	69	-	-	69
<b>Total transactions with owners</b>	-	-	-	69	-	(295)	(226)
<b>Balance at 30 September 2015</b>	843	555	-	13	-	16,456	17,867

**For the year ended 31 March 2016 (audited)**

	Share Capital	Share premium account	Capital redemption reserve	Share based payment reserve	Revaluation Reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31 March 2015</b>	843	-	-	486	87	13,338	14,754
<b>Comprehensive income</b>							
Loss for the year	-	-	-	-	-	4,535	4,535
Revaluation of available-for-sale investments	-	-	-	-	(139)	-	(139)
<b>Total comprehensive income</b>	-	-	-	-	(139)	4,535	4,396
<b>Transactions with owners</b>							
Purchase of own shares	(65)	-	65	-	-	(743)	(743)
Dividend paid						(529)	(529)
Share based payment debit for the period	-	-	-	(132)	-	-	(132)
<b>Total transactions with owners</b>	(65)	-	65	(132)	-	(1,272)	(1,404)
<b>Balance at 31 March 2016</b>	778	-	65	354	(52)	16,601	17,746



## **1. Basis of preparation and accounting policies**

The condensed interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the 6 months to 30 September 2016 ("the period") have been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial information presented above does not constitute statutory financial statements as defined by section 435 of the Companies Act 2006.

Copies of this announcement are available from the Company's registered office at 1a Kingsley Way, London N2 0FW and on its website, [www.safeland.co.uk](http://www.safeland.co.uk).

These condensed interim financial statements have not been audited, do not include all of the information required for full annual financial statements and should be read in conjunction with the Group's consolidated annual financial statements for the year ended 31 March 2016. While the financial figures included within this interim report have been computed in accordance with IFRS applicable to interim periods, this report does not contain sufficient information to constitute an interim financial report as set out in International Accounting Standard 34 Interim Financial Reporting.

### **Revenue**

Revenue is stated net of VAT and comprises rental income, proceeds from sales of trading properties, fees, commissions and other income.

Sales of trading properties are recognised on completion of a contract. This reflects the point of transfer of risk and rewards when trading property is sold.

Rental income from investment and trading properties leased out under operating leases is recognised in the Income Statement on a straight-line basis over the term of the lease. Contingent rents which comprise turnover rents are recognised as income in the periods in which they are earned. Rent reviews are recognised when such reviews have been agreed with tenants.

Revenue in the previous period arising from deferred consideration in the form of four completed houses in a residential development to be undertaken on the site of the Chandos Tennis Club in the following three years is based on a valuation by the directors, discounted to a present-day value using the weighted average cost of capital.

Other fees in relation to property management are recognised on a straight-line basis over the term of management contracts.

Hotel revenue comprises revenues from overnight hotel accommodation, banqueting facility hire and sales of food and beverages. All revenues are recognised when the service is provided.

### **Freehold property**

Freehold property is stated at cost less accumulated depreciation and is depreciated at 2% per annum on a straight-line basis, pro-rated in the year of acquisition.

### **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and are depreciated over their estimated useful lives on the following annual bases:

Motor vehicles	25% (reducing balance)
Fixtures, fittings and equipment	20% (reducing balance)

### **Investment properties**

Investment properties are those properties that are held either to earn rental income or for capital appreciation or both. Investment properties are measured and stated at fair value in the statement of financial position. Valuation surpluses and deficits arising in the period are included in profit or loss.

The gain or loss arising on the disposal of a property is determined as the difference between the sales proceeds and the fair value of the asset at the beginning of the period and is recognised in the income statement.

Investment properties may be freehold properties or leasehold properties. For leasehold properties that are classified as investment properties, the associated leasehold obligations, if material, are accounted for as finance lease obligations.

### **Trading properties**

Properties held for development and resale are classified as trading properties and are shown at the lower of cost and net realisable value. Cost comprises purchase price, acquisition costs and direct expenditure.

### **Restatement of stock as investment property**

Triangle Estates Limited (TEL) was acquired by the Group on 19 December 2014. It was trading as an investment company on acquisition and in the opinion of the directors has continued to do so.

At 31 September 2015, the carrying value of the Group's trading properties included an amount of £1,970k that should have been classified as investment properties. This has now been restated for that period ended 31 September 2015 in the comparative figures.

This is further set out in more detail in notes 5 and 6 to these abbreviated interim financial statements.

## 2. Earnings per share

	<b>Unaudited Six months ended 30 September 2016 £000</b>	<b>Unaudited Six months ended 30 September 2015 £000</b>	<b>Audited Year ended 31 March 2016 £000</b>
(Loss)/profit for the financial period attributable to owners of the parent company	(377)	3,413	4,535
	<b>No '000</b>	<b>No '000</b>	<b>No '000</b>
Weighted average number of ordinary shares for the purposes of basic earnings per share	15,560	16,851	16,224
Effect of potential dilutive ordinary shares:			
Share options	11,363	19,865	12,107
Weighted average number of ordinary shares for the purposes of diluted earnings per share	26,923	36,716	28,331

Diluted Earnings per share is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential ordinary shares.

## 3. Dividends

No interim dividend has been declared. In the six months ended 30 September 2015, the Company paid an interim dividend of 1.5p per ordinary share. There was no final dividend in the year to 31 March 2016.

#### 4. Cash flows from operating activities

	Unaudited Six months ended 30 September 2016 £000	Unaudited Six months ended 30 September 2015 £000	Audited Year ended 31 March 2016 £000
(Loss)/profit before tax	(377)	4,279	6,057
Depreciation	71	48	85
Profit/(loss) on sale of property, plant and equipment	-	14	15
Loss/(profit) on sale of investment property	-	-	33
Loss/(gain) on revaluation of investment properties	-	-	(42)
Share of results of associate	(12)	(12)	(23)
Share of results of jointly controlled entity	-	-	(13)
Finance income	-	-	(1)
Unwinding of discount on deferred revenue	(274)	(256)	(519)
Finance costs	240	156	334
Share-based payments (credit)/charge	-	69	(132)
<b>Changes in working capital</b>			
Decrease/(increase) in trading properties	374	3,064	(2,091)
Decrease/(increase) in trade and other receivables	264	(296)	(60)
(Decrease)/increase in trade and other payables	(210)	(637)	(1,322)
	<u>76</u>	<u>6,429</u>	<u>2,321</u>

## 5. Investment properties

	<b>Unaudited Six months ended 30 September 2016 £000</b>	<b>Unaudited Six months ended 30 September 2015 £000</b>	<b>Audited Year ended 31 March 2016 £000</b>
		<i>Restated (ref note 6)</i>	
<b>Fair value</b>			
Start of the period	1,123	2,693	2,693
Disposals	-	-	(1,612)
Increase in fair value during the period	-	-	42
End of period	<u>1,123</u>	<u>2,693</u>	<u>1,123</u>

The fair value of the investment properties at 30 September 2016 comprises freehold properties of £665,000 (30 September 2015: £265,000 and 31 March 2016: £665,000) and long leasehold properties of £458,000 (30 September 2015: £458,000 and 31 March 2016: £458,000).

The directors do not consider the fair value of the Group's lease obligations associated with its long leasehold investment properties to be material to the financial statements. As a result, no finance lease obligations are included in the statement of financial position at 30 September 2016, 30 September 2015 or 31 March 2016.

The Group has pledged investment properties for resale with carrying value of £703,000 (30 September 2015: £703,000 and 31 March 2016: £703,000) to secure banking facilities granted to the Group.

## 6. Trading properties

	<b>Unaudited Six months ended 30 September 2016 £000</b>	<b>Unaudited Six months ended 30 September 2015 £000</b>	<b>Audited Year ended 31 March 2016 £000</b>
		<i>Restated (ref note 5)</i>	
Properties for resale	<u>14,464</u>	<u>8,240</u>	<u>14,838</u>

The Group has pledged trading properties for resale with carrying value of £14,464,000 (30 September 2015: £9,406,000 and 31 March 2015: £14,838,000) to secure banking facilities granted to the Group.

## 7. Bank loans and overdrafts

	Unaudited Six months ended 30 September 2016 £000	Unaudited Six months ended 30 September 2015 £000	Audited Year ended 31 March 2016 £000
Bank Loans			
Due within one year	-	-	-
Due in the second to fifth years	9,716	6,500	11,000
Unamortised borrowing costs	(52)	(115)	(73)
	<u>9,664</u>	<u>6,385</u>	<u>10,927</u>

There were no breaches in bank loan covenants as at 30 September 2016. All of the Group's bank loans and overdrafts disclosed above comprise borrowings in sterling. The bank loans are secured on properties owned by the Group.

## 8. Share capital

	Unaudited Six months ended 30 September 2016 £000	Unaudited Six months ended 30 September 2015 £000	Audited Year ended 31 March 2016 £000
<b>Authorised:</b>			
45,750,000 ordinary shares of 5p each	<u>2,288</u>	<u>2,288</u>	<u>2,288</u>
<b>Allotted, called up and fully paid:</b>			
15,560,380 ordinary shares (30 September 2015: 16,851,180, 31 March 2016: 15,560,380) of 5p each	<u>778</u>	<u>843</u>	<u>778</u>