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Chairman's statement

Dear Shareholders,

I am pleased to take this opportunity to provide you with an update on the Group's activities for the first six months of 2011.

Results

Turnover for continuing operations increased by 123.9% to £13.4 million (2010: £6.0 million), £6.6 million of this increase is attributable to Speymill Contracts Limited. The remainder being derived from the Group's property investment activities.

During the six months ended 30 June 2011, the Group made a loss before tax on operations of £59,000 (2010: a profit of £8.36 million). Last year's interim report included a profit of £9.12 million in respect of discontinued and discontinuing operations, £7.28 million of which was in relation to the termination of the investment management agreement with Speymill Deutsche Immobilien Company plc ("SDIC"). Thus on a like-for-like continuing basis, the 2010 loss would have been £755,000.

The results include a profit before tax of £0.12 million in respect of the Group's German property investment activities: there is no comparative result for the six months ending 30 June 2010. The results also include a reduced loss before tax of £0.13 million (2010: loss of £0.2 million) for Speymill Contracts Limited ("Speymill Contracts").

Financial position

As at 30 June 2011, the Group had net assets of £3.65 million (2010: £5.80 million).

As I reported in our annual statement for 2010 I, together with Burnbrae Limited, agreed to provide a revised shareholder loan facility. The new facility shall continue to be revolving, with a limit of £5 million and an expiry date of 30 June 2012, in addition the interest rate was reduced to 8% from 9% under the previous arrangement. As at 30 June 2011, a total of £3.39 million (2010: £3.07 million) of the shareholder loan facility had been drawn down by the Group.

German Property investment

The Group's German property investment activities returned a profit before tax of £0.12 million for the six months ended 30 June 2011. These activities relate to the assets acquired from SDIC as part of the agreement to terminate the Group's investment management agreement with that company. The Group continues to work to optimise the efficiency and profitability of these assets.

Speymill Contracts

Speymill Contracts has continued to show a gratifying improvement in results, with turnover increasing by 112.0% to £12.67 million (2010: £5.98 million) and returned a reducing loss before tax of £0.13 million (2010: loss of £0.20 million). We believe that this reflects the continued focus on risk management and disciplined approach implemented at Speymill Contracts.

I can also confirm that with the orders already received by Speymill Contracts, we would expect the turnover for the year to be in the region of £30 million. We expect that this very positive upturn will not only result in a return to profitability but ensure a positive cash generation by this company for the Group.

Speymill Deutsche Immobilien Company plc

As part of the acquisition of GOAL and termination of the Investment Management Agreement, SDIC issued convertible loan notes ("Loan Notes") to Speymill in an aggregate amount of €2.088 million. The appointment of receivers to SDIC's property owning subsidiaries in December 2010, constituted an event of default under the terms of the Loan Notes and, therefore, the Loan Notes would ordinarily become immediately repayable, in cash. We considered the enforcement of these terms not to be in the interests of Speymill shareholders and, as SDIC itself continues to trade, we have come to an arrangement regarding the loan notes. We monitor this situation closely to ensure that we will be able to gain the maximum value for Speymill shareholders.

Update on Far Eastern activities

The Group announced on 28 June 2010 that it had received notice from Speymill Macau Property Company plc (“Speymill Macau”) to terminate the investment management agreement between Speymill Macau and SPG. The notice period for this investment management agreement expired on 28 June 2011 and the Group no longer provides any services to Speymill Macau.

Restructuring

I have stated in previous annual and interim reports that steps had been taken to downsize the operating costs at the Group’s head office in the Isle of Man and at the Group’s London based advisory function, Speymill Property Group (UK) Limited (“SPGUK”).

The London based advisory function was closed earlier this year as part of the on-going rationalisation program and there has been a further reduction in headcount and overheads at our Isle of Man operation as the Group seeks to implement the most appropriate and efficient structure for its future activities.

Following the termination of the investment management agreement with Speymill Macau, the Group has closed its Far East operation, which was based in Hong Kong.

The Group will continue to seek the most cost effective and efficient structure for its activities and to this end we have already commenced a process to reorganise the remaining Group subsidiaries and proceed with the closure of any entities which are no longer required.

As reported in our annual report for 2010 and on 26 January 2011, the composition of the board of directors has also changed. Bob MacDonald, the then Chief Executive Officer, and Sir James Mellon both resigned from the board of directors earlier in 2011 leaving myself as Executive Chairman, Denham Eke as Chief Executive Officer and Lincoln Forrest as a non-executive director.

Outlook

I and your board continue to consider a number of positive strategic options to create the maximum value for shareholders and we will provide further information as and when appropriate.

Jim Mellon

Chairman

29 September 2011

Condensed consolidated interim income statement

For the six months ended 30 June 2011

	Notes	6 months to 30 June 2011 (unaudited) £'000	6 months to 30 June 2010 (unaudited) £'000	12 months to 31 Dec 2010 (audited) £'000
Continuing operations				
Turnover	2	13,385	5,977	15,533
Cost of sales		(12,016)	(4,911)	(13,213)
Gross profit		1,369	1,066	2,320
General administrative expenses		(1,430)	(1,514)	(2,816)
Share-based payments	4	(5)	(22)	(61)
Total operating costs		(1,435)	(1,536)	(2,877)
Loss from operations		(66)	(470)	(557)
Net finance costs	5	(246)	(285)	(616)
Loss before taxation		(312)	(755)	(1,173)
Taxation	6	-	-	-
Loss after taxation from continuing operations		(312)	(755)	(1,173)
Profit for the period / year from discontinued operations	3	243	8,867	6,898
(Loss)/profit for the period / year		(69)	8,112	5,725
Attributable to:				
Owners of the Company		(75)	8,112	5,717
Non-controlling interest		6	-	8
		(69)	8,112	5,725
Basic loss per share (pence)				
From continuing operations	7	(0.54)	(1.29)	(2.02)
Diluted loss per share (pence)				
From continuing operations	7	(0.54)	(1.29)	(2.02)

Condensed consolidated interim statement of comprehensive income

For the six months ended 30 June 2011

	6 months to 30 June 2011 (unaudited) £'000	6 months to 30 June 2010 (unaudited) £'000	12 months to 31 Dec 2010 (audited) £'000
(Loss)/profit for the period / year	(69)	8,112	5,725
Other comprehensive income:			
Revaluation of available-for-sale financial assets	56	(10)	(135)
Currency translation differences on foreign operations	274	(217)	(282)
Total comprehensive profit for the period / year	261	7,885	5,308

The notes on pages 8 to 16 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of financial position

As at 30 June 2011

Notes	As at 30 June 2011 (unaudited) £'000	As at 30 June 2010 (unaudited) £'000	As at 31 Dec 2010 (audited) £'000
Non-current assets			
Intangible assets-goodwill	-	2	-
Property, plant and equipment	84	877	153
Investment property	23,747	-	22,626
Available-for-sale financial assets	1,260	562	1,287
Total non-current assets	25,091	1,441	24,066
Current assets			
Due from customers for contract work	2,456	928	1,228
Trade and other receivables	2,347	12,507	2,734
Cash and cash equivalents	1,049	149	1,551
Total current assets	5,852	13,584	5,513
Total assets	30,943	15,025	29,579
Equity			
Capital and reserves			
Ordinary share capital	584	584	584
Share premium	34	34	34
Share-based payments reserve	1,110	2,068	1,105
Other income reserve	(232)	(659)	(562)
Retained earnings	2,418	3,776	2,493
Equity attributable to owners of the Company	3,914	5,803	3,654
Non-controlling interest	(263)	-	(269)
Total equity	3,651	5,803	3,385
Non-current liabilities			
Deferred tax liabilities	-	316	-
Obligations under finance leases	-	1	-
Interest bearing loans	9 15,508	-	14,915
Derivative financial instruments	581	-	838
Shareholders' loan	3,386	3,066	3,241
Total non-current liabilities	19,475	3,383	18,994
Current liabilities			
Bank overdraft	-	685	989
Trade and other payables	3,620	3,932	3,643
Due to suppliers for contract work	3,640	908	2,212
Interest bearing loans	9 176	-	-
Obligations under finance leases	1	1	1
Current tax liabilities	380	313	355
Total current liabilities	7,817	5,839	7,200
Total liabilities	27,292	9,222	26,194
Total equity and liabilities	30,943	15,025	29,579

The notes on pages 8 to 16 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity

For the six months ended 30 June 2011

	Ordinary share capital £'000	Share premium £'000	Share- based payment reserve £'000	Other income reserves £'000	Retained earnings/ (loss) £'000	Attributable to owners of the parent £'000	Non- controlling interest £'000	Total equity £'000
Balance at 31 December 2009 (audited)	583	34	1,988	(432)	(4,336)	(2,163)	-	(2,163)
Profit for the period	-	-	-	-	8,112	8,112	-	8,112
Other comprehensive income for the period:								
Revaluation of available-for-sale financial assets	-	-	-	(10)	-	(10)	-	(10)
Currency translation differences on foreign operations	-	-	-	(217)	-	(217)	-	(217)
Transactions with owners, recorded directly in equity:								
Share-based payments:								
- share options charge	-	-	49	-	-	49	-	49
- deferred share plan	-	-	31	-	-	31	-	31
Own shares distributed (77,273 shares)	1	-	-	-	-	1	-	1
Balance at 30 June 2010 (unaudited)	584	34	2,068	(659)	3,776	5,803	-	5,803
Loss for the period	-	-	-	-	(2,395)	(2,395)	8	(2,387)
Other comprehensive income for the period:								
Revaluation of available-for-sale financial assets	-	-	-	(125)	-	(125)	-	(125)
Currency translation differences on foreign operations	-	-	-	(65)	-	(65)	-	(65)
Acquisition of subsidiaries	-	-	-	242	-	242	-	242
Transactions with owners, recorded directly in equity:								
Share-based payments:								
- share options charge	-	-	9	-	-	9	-	9
- deferred share plan	-	-	(13)	-	-	(13)	-	(13)
Disposal of subsidiary	-	-	(212)	-	410	198	-	198
Shares issued in the period (77,273 shares)	-	-	(9)	-	9	-	-	-
Own shares distributed (165,269 shares)	-	-	(45)	45	-	-	-	-
Lapsed/forfeited share options	-	-	(693)	-	693	-	-	-
Arising on acquisition of subsidiaries	-	-	-	-	-	-	(277)	(277)
Balance at 31 December 2010 (audited)	584	34	1,105	(562)	2,493	3,654	(269)	3,385
(Loss)/profit for the period	-	-	-	-	(75)	(75)	6	(69)
Other comprehensive income for the period:								
Revaluation of available-for-sale financial assets	-	-	-	56	-	56	-	56
Currency translation differences on foreign operations	-	-	-	274	-	274	-	274
Transactions with owners, recorded directly in equity:								
Share based payments:								
- share options charge	-	-	2	-	-	2	-	2
- deferred share plan	-	-	3	-	-	3	-	3
Balance at 30 June 2011 (unaudited)	584	34	1,110	(232)	2,418	3,914	(263)	3,651

The notes on pages 8 to 16 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of cash flows

For the six months ended 30 June 2011

	6 months to 30 June 2011 (unaudited) £'000	6 months to 30 June 2010 (unaudited) £'000	12 months to 31 Dec 2010 (audited) £'000
Cash flows from operating activities			
Net cash inflow from operations	1,080	2,135	11,525
Taxation paid	-	(1,081)	(1,295)
Net cash inflow from operating activities	1,080	1,054	10,230
Cash flows from investing activities			
Interest received	-	-	37
Cash acquired in acquisition of subsidiaries	-	-	294
Cash held by subsidiary on disposal	-	-	(750)
Loan notes received	-	-	(1,238)
Disposal/write-off of investments	83	-	148
Subsequent expenditure on investment properties	(20)	-	(78)
Transfer to investment/foreign exchange reserve	-	-	(6,773)
Net purchase and disposal of property, plant and equipment	(9)	(226)	(310)
Net cash inflow/(outflow) from investing activities	54	(226)	(8,670)
Cash flows from financing activities			
Issue of equity shares	-	1	1
Shareholders' loan draw-downs	475	468	680
Shareholders loans repayments	(480)	-	(213)
Facility fees paid	(11)	-	14
Finance lease principal repayments	-	(1)	(1)
Repayment of interest bearing loans	(131)	-	(40)
Interest paid	(510)	(57)	(407)
Interest rate swap valuation movement	-	-	(210)
Net cash (outflow)/inflow from financing activities	(657)	411	(176)
Net increase in cash and cash equivalents	477	1,239	1,384
Translation effect of exchange rate fluctuation on cash held	10	(69)	884
Cash and cash equivalents at beginning of period/year	562	(1,706)	(1,706)
Net cash and cash equivalents at end of period/year	1,049	(536)	562
Cash and cash equivalents comprise			
Bank balances	1,049	149	1,551
Bank overdraft used for cash management purposes	-	(685)	(989)
Cash and cash equivalents in the statement of cash flows	1,049	(536)	562
Reconciliation of profit from operations and discontinued activities to net cash inflow from operations			
Profit from operations including discontinued activities	186	8,619	6,546
Adjusted for:			
Depreciation of tangible assets	74	301	497
Share-based payments charge	5	80	76
(Increase)/decrease in receivables	(857)	(7,241)	1,057
Increase in payables	1,672	376	3,349
Net cash inflow from operations	1,080	2,135	11,525

The notes on pages 8 to 16 are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

For the six months ended 30 June 2011

1 Reporting entity

Speymill plc is a public limited company incorporated and domiciled in the Isle of Man (referred to as the Company). The address of the Company's registered office is 1st Floor, Regent House, 16–18 Ridgeway Street, Douglas, Isle of Man, IM1 1EN.

The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2011 comprises the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Group is primarily involved in real estate investment and construction operations.

1.1 Basis of preparation

(a) Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2010.

The condensed consolidated interim financial statements were authorised for issuance on 29 September 2011.

(b) Basis of measurement and functional currency

The Group condensed consolidated interim financial statements are presented in Pounds Sterling, rounded to the nearest thousand. They have been prepared on the historical cost basis except where assets and liabilities are required to be stated at their fair value.

(c) Use of estimates and judgement

The preparation of Group consolidated interim financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience, current and expected economic conditions, and in some cases actuarial techniques and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and key sources of estimation of uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2010.

(d) Determination and presentation of operating segments

The Group determines and presents operating segments based on the information that internally is provided to the CEO, who is the Group's chief operating decision maker. This accounting policy reflects the Group's adoption of IFRS 8 Operating Segments which took effect from 1 January 2009.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters) and office expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

(e) Investment property

The investment properties were valued at their fair value at acquisition. The Directors review the carrying value of investment properties periodically taking into account factors such as the current economic environment. If it is felt appropriate an independent, external valuation will be sought to assist with this review.

Notes to the condensed consolidated interim financial statements (continued)

(f) Non-current Assets Held for Sale and Discontinued Operations

The Group has adopted IFRS 5 Non-current Assets Held for Sale and Discontinued Operations to account for the presentation of discontinued operations. Disclosure has been made of the operating results of discontinued operations and continuing operations.

The prior period results to 30 June 2010 have been re-presented to reflect the revised continuing and discontinued operations basis adopted in the Annual Report for the year ended 31 December 2010, in order to provide a more meaningful comparison.

(g) Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at 30 June 2011 and for the year ended 31 December 2010.

2 Segmental information – continuing operations

In respect of its continuing operations, the Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments:

- United Kingdom construction and refurbishment
- Property investment
- Other – head office and group administration costs

For the six months ended 30 June 2011	United Kingdom Construction and refurbishment £'000	Property investment £'000	Other £'000	Elimination £'000	Total £'000
External revenue	12,668	717	-	-	13,385
Inter-segment revenue	-	-	1,189	(1,189)	-
Total segment revenue	12,668	717	1,189	(1,189)	13,385
Reportable segment (loss)/profit from operations before share-based payments	(107)	415	376	(745)	(61)
Share-based payments	-	-	(5)	-	(5)
Finance income	-	294	15	-	309
Finance costs	(24)	(584)	(164)	217	(555)
Reportable segment (loss)/profit before tax	(131)	125	222	(528)	(312)
Depreciation	(50)	-	(18)	-	(68)
Reportable segment assets	4,899	24,295	1,285	-	30,479
Reportable segment liabilities	(6,328)	(16,695)	(3,629)	-	(26,652)
Segment capital expenditure	(9)	-	-	-	(9)

Notes to the condensed consolidated interim financial statements (continued)

2 Segmental information (continued)

For the six months ended 30 June 2010	United Kingdom Construction and refurbishment £'000	Property Investment £'000	Other £'000	Elimination £'000	Total £'000
External revenue	5,977	-	-	-	5,977
Inter-segment revenue	-	-	1,285	(1,285)	-
Total segment revenue	5,977	-	1,285	(1,285)	5,977
Reportable segment (loss)/profit from operations before share-based payments	(135)	-	264	(577)	(448)
Share-based payments	(6)	-	(16)	-	(22)
Finance income	-	-	-	-	-
Finance costs	(55)	-	(208)	(22)	(285)
Reportable segment (loss)/profit before tax	(196)	-	40	(599)	(755)
Depreciation	(56)	-	(16)	-	(72)
Reportable segment assets	2,760	-	270	(184)	2,846
Reportable segment liabilities	(4,694)	-	(3,327)	184	(7,837)
Segment capital expenditure	(7)	-	(1)	-	(8)

For the twelve months ended 31 December 2010	United Kingdom Construction and refurbishment £'000	Property investment £'000	Other £'000	Elimination £'000	Total £'000
External revenue	14,987	546	-	-	15,533
Inter-segment revenue	-	-	2,218	(2,218)	-
Total segment revenue	14,987	546	2,218	(2,218)	15,533
Reportable segment (loss)/profit from operations before share-based payments	(486)	417	46	(473)	(496)
Share-based payments	(9)	-	(52)	-	(61)
Finance income	-	210	3	-	213
Finance costs	(93)	(478)	(386)	128	(829)
Reportable segment profit/ (loss) before tax	(588)	149	(389)	(345)	(1,173)
Depreciation	(106)	-	(32)	-	(138)
Reportable segment assets	3,501	23,429	1,808	-	28,738
Reportable segment liabilities	(5,726)	(16,484)	(3,422)	-	(25,632)
Segment capital expenditure	(10)	-	-	-	(10)

Notes to the condensed consolidated interim financial statements (continued)**2 Segmental information (continued)**

	As at 30 June 2011 (unaudited) £'000	As at 30 June 2010 (unaudited) £'000	As at 31 Dec 2010 (audited) £'000
Reportable segment assets and liabilities reconciliation			
Segment assets for reportable segments	30,479	2,846	28,738
Segment assets for discontinued operations	464	12,179	841
Total assets per the balance sheet	30,943	15,025	29,579
Segment liabilities for reportable segments	(26,652)	(7,837)	(25,632)
Segment liabilities for discontinued operations	(640)	(1,385)	(562)
Total liabilities per the balance sheet	(27,292)	(9,222)	(26,194)

3 Discontinued operations information

In the Interim Report for 30 June 2010, the Group determined that two lines of business met the criteria to be treated under IFRS 5 as Non-current assets held for sale or discontinued operations. These were the Group's property services business except for GOAL construction GmbH and that part of the Group's property fund management business which specifically related to the management of the property investment fund Speymill Deutsche Immobilien Company plc ("SDIC").

For the purposes of the Annual Report for 31 December 2010, this basis was revised due to further developments and circumstances at that date, and the business segments deemed to be continuing and discontinued were subsequently revised.

In order to provide a meaningful comparison, the prior period results to 30 June 2010 have been re-presented to align with the continuing and discontinued operations basis adopted in the Annual Report for 31 December 2010. The results of these lines of business are set out below under the heading discontinued operations. The Group's two business segments treated as discontinued operations are as follows:

- Property services business
- Property fund management business

	6 months to 30 June 2011 (unaudited) £'000	6 months to 30 June 2010 (unaudited) £'000	12 months to 31 Dec 2010 (audited) £'000
Discontinued operations			
Turnover	840	12,081	17,897
Expenses	(587)	(10,243)	(18,919)
Profit/(loss) before tax of discontinued operations	253	1,838	(1,022)
Gain on sale of discontinued activities	-	7,281	8,173
Taxation	(10)	(252)	(253)
Profit after tax from discontinued operations	243	8,867	6,898

Earnings per share (pence) (note 7)

Basic earnings per ordinary share (pence)	0.42	15.19	11.81
Diluted earnings per share (pence)	0.42	15.19	11.81

Notes to the condensed consolidated interim financial statements (continued)

3 Discontinued operations information (continued)

	6 months to 30 June 2011 (unaudited) £'000	6 months to 30 June 2010 (unaudited) £'000	12 months to 31 Dec 2010 (audited) £'000
Cash flows of discontinued operations	£'000	£'000	£'000
Operating cash flows	(771)	529	8,381
Investing cash flows	83	(218)	(8,268)
Financing cash flows	(1)	20	(40)
Total cash flows	(689)	331	73

Segmental information – discontinuing & discontinued operations

For the six months ended 30 June 2011	Discontinuing Property services £'000	Discontinued Property services £'000	Discontinuing Property fund management £'000	Elimination £'000	Total £'000
External revenue	-	-	840	-	840
Inter-segment revenue	-	-	410	(410)	-
Total segment revenue	-	-	1,250	(410)	840
Reportable segment (loss)/profit from operations before share-based payments	(62)	-	(429)	743	252
Share-based payments	-	-	-	-	-
Finance income	-	-	219	(217)	2
Finance costs	-	-	(1)	-	(1)
Reportable segment (loss)/profit before tax	(62)	-	(211)	526	253
Depreciation	-	-	(6)	-	(6)
Reportable segment assets	25	-	439	-	464
Reportable segment liabilities	(416)	-	(224)	-	(640)
Segment capital expenditure	-	-	(1)	-	(1)

Notes to the condensed consolidated interim financial statements (continued)

3 Discontinued operations information (continued)

For the six months ended 30 June 2010	Discontinuing Property services £'000	Discontinued Property services £'000	Discontinuing Property fund management £'000	Elimination £'000	Total £'000
External revenue	412	8,259	3,410	-	12,081
Inter-segment revenue	-	1,402	486	(1,888)	-
Total segment revenue	412	9,661	3,896	(1,888)	12,081
Reportable segment profit from operations before share-based payments	218	101	8,203	626	9,148
Share-based payments	-	(47)	(11)	-	(58)
Finance income	-	9	20	-	29
Finance costs	-	(22)	-	22	-
Reportable segment profit before tax	218	41	8,212	648	9,119
Depreciation	(2)	(222)	(5)	-	(229)
Reportable segment assets	1,044	2,970	9,093	(928)	12,179
Reportable segment liabilities	(378)	(1,718)	(217)	928	(1,385)
Segment capital expenditure	-	(218)	-	-	(218)
<hr/>					
For the twelve months ended 31 December 2010	Discontinuing Property services £'000	Discontinued Property services £'000	Discontinuing Property fund management £'000	Elimination £'000	Total £'000
External revenue	412	13,544	3,941	-	17,897
Inter-segment revenue	-	1,627	829	(2,456)	-
Total segment revenue	412	15,171	4,770	(2,456)	17,897
Reportable segment (loss)/profit from operations before share-based payments	(837)	(1,382)	7,476	1,861	7,118
Share-based payments	-	(12)	(3)	-	(15)
Finance income	17	22	18	-	57
Finance costs	(308)	259	168	(128)	(9)
Reportable segment (loss)/profit before tax	(1,128)	(1,113)	7,659	1,733	7,151
Depreciation	(3)	(347)	(9)	-	(359)
Reportable segment assets	9	-	1,368	(536)	841
Reportable segment liabilities	(388)	-	(174)	-	(562)
Segment capital expenditure	-	(300)	-	-	(300)

Notes to the condensed consolidated interim financial statements (continued)

4 Share-based payments

	6 months to 30 June 2011 (unaudited) £'000	6 months to 30 June 2010 (unaudited) £'000	12 months to 31 Dec 2010 (audited) £'000
Share based payments within continuing operations			
Share options	2	11	25
Provision for share issue	3	11	36
	5	22	61

5 Net finance costs

	6 months to 30 June 2011 (unaudited) £'000	6 months to 30 June 2010 (unaudited) £'000	12 months to 31 Dec 2010 (audited) £'000
Finance costs of continuing operations			
Finance income			
Bank	-	-	-
Other interest receivable	15	-	3
Change in fair value of derivative financial instruments	294	-	210
	309	-	213
Finance costs			
Bank charges and interest payable	(27)	(77)	(181)
Interest charge on interest bearing loans	(367)	-	(308)
Share holder loan and facility fees	(161)	(208)	(339)
Finance lease	-	-	(1)
Net finance costs	(246)	(285)	(616)

6 Taxation

There are currently no tax charges on continuing operations. This results from the fact that either operations are conducted in tax jurisdictions with a 0% tax rate for companies or that operations did not generate any taxable profits during the period, taking into account any available allowances and brought forward tax losses.

7 (Loss)/earnings per ordinary share

	6 months to 30 June 2011 (unaudited) £'000	6 months to 30 June 2010 (unaudited) £'000	12 months to 31 Dec 2010 (audited) £'000
From continuing operations			
Loss for the period/year from continuing operations	(318)	(755)	(1,181)
	No.	No.	No.
Basic weighted average number of shares in issue	58,389,555	58,388,267	58,388,918
Employee share options and provisions for share issue	-	-	-
Basic loss per ordinary share (pence)	(0.54)	(1.29)	(2.02)
Dilutive effect of employee share options	-	-	-
Diluted loss per share (pence)	(0.54)	(1.29)	(2.02)

Notes to the condensed consolidated interim financial statements (continued)

8 Called up share capital

	6 months to 30 June 2011 (unaudited) £'000	6 months to 30 June 2010 (unaudited) £'000	12 months to 31 Dec 2010 (audited) £'000
Authorised			
500,000,000 ordinary shares of 1p each	5,000	5,000	5,000
	No.	No.	No.
Issued and fully paid			
At beginning of period/year	58,389,555	58,312,282	58,312,282
Exercise of share options	-	77,273	77,273
At end of period/year	58,389,555	58,389,555	58,389,555

9 Interest bearing loans

	6 months to 30 June 2011 (unaudited) £'000	6 months to 30 June 2010 (unaudited) £'000	12 months to 31 Dec 2010 (audited) £'000
Under the terms of the loan agreement the interest bearing loans are repayable as follows:			
On demand or within one year	176	-	176
In the second year	186	-	186
In the third to fifth years inclusive	15,322	-	14,553
After 5 years	-	-	-
	15,684	-	14,915

The Group's interest-bearing loans are carried at amortised cost. As at 30 June 2011, the Group had two secured bank loan facilities amounting to £15.7m (31 December 2010: £14.9m). Each of the Group's interest-bearing loan facilities has been secured by charges on investments properties, rental income, bank accounts, other assets and undertakings within the related financing packages.

Deutsche Genossenschafts-Hypothekenbank AG is the sole lender for the two financing packages, as detailed below:

Horsfield Limited

The balance outstanding under this facility at the period-end was £8,545,648 (31 December 2010: £8,126,366). The facility amount at original drawdown was EUR 9,807,200. The interest rate is fixed at 4.615% per annum inclusive of margin. Interest is payable quarterly in arrears. The loan is currently amortising at 1.17% of the original loan amount per annum and is repayable on the repayment date of 31 December 2014.

Wyatt Limited

The balance outstanding under this facility at the period-end was £7,138,831 (31 December 2010: £6,788,573). The facility amount at original drawdown was EUR 8,192,700. The interest rate is fixed at 4.615% per annum inclusive of margin. Interest is payable quarterly in arrears. The loan is currently amortising at 1.17% of the original loan amount per annum and is repayable on the repayment date of 31 December 2014.

10 Guarantees and other financial commitments

As is normal within the construction sector, the Group has given Parent Company Guarantees in relation to work completed by Speymill Contracts and has provided performance bonds with a value of £765,117 (31 December 2010: £1,621,767). The Group had no capital commitments (31 December 2010: £nil).

The Group has guaranteed the overdrafts of its subsidiaries. As at 30 June 2011, the total commitment was £nil (31 December 2010: £988,919).

Notes to the condensed consolidated interim financial statements (continued)

11 Related party transactions

Loan facility

As set out in the Annual Report for 31 December 2010 and announced on 27 June 2011, the Company secured further financing by way of a committed loan facility from one of its directors, Jim Mellon and Burnbrae Limited. The overall limit of the principal on the loan facility is £5m and it will expire on 30 June 2012. Further details were set out in the Annual Report. As at 30 June 2011, the total balance of the facility utilised was £3.39m including principal, facility fees and accrued interest.





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