



**SUTTON  
HARBOUR**  
HOLDINGS PLC

**Interim Results for the six month  
period ended  
30 September 2017**

**December 2017**

Graham Miller – Chairman  
Jason Schofield – Chief Executive  
Natasha Gadsdon – Finance Director

# Sutton Harbour Holdings plc

## Income Statement



- Marine Operations and Waterfront Destination Specialist
  - 543 berths in two marina locations
  - Plymouth Fisheries (2<sup>nd</sup> largest in England)
  - 391 public car park spaces
  - 144,533 sq ft of commercial investment property
- AIM Listed since 1996
- Based in Plymouth, Devon
- Asset backed with £44m property portfolio
- 'Vision' for the area of Sutton Harbour (Creation of a leading visitor destination)
- Partial offer for shares announced 23 November 2017 following Strategic Review

\* Adjusted PBT excludes fair valuation adjustment and impairments

Net Asset Value  
£39.1m

H1 Revenue  
£3.473m

H1 LBT  
£(0.702)m  
\*Adjusted PBT  
£0.136m

No. of Employees  
33 (FTE)

Bank Facility  
£25.0m

Gearing  
58.8%

Market Capitalisation  
£27.2m (SP:28.25p)

NAV discount  
30% (SP:28.25p)

# First half year 2017/18

## Financial and Operational Highlights

Trading Result	30 Sept 2017	30 Sept 2016
Profit before tax (excluding revaluation, impairments)	£0.136m	£0.232m
Loss before tax	£(0.702)m	£(0.038)m

Balance Sheet	30 Sept 2017	31 March 2017
Net Assets	£39.084m	£40.141m
Net Debt*	£22.965m	£22.458m
Gearing	58.8%	55.9%

\* Net Debt = Net bank debt + Lease financing

- Focus on finalising evidence base ready for public hearing of the Joint Local Plan
- Preparation of planning application for another Sutton Harbour scheme
- Further match funded Fisheries infrastructure works underway
- Wave mitigation structure for King Point Marina being manufactured

# Current strategic overview

## Current projects

- **Future opportunities**
  - A Partial Offer for the shares in the Company was announced on 23 November 2017.
- **Unlocking regeneration opportunities**
  - the Company has prepared representations from its detailed evidence base in readiness for the public hearing of the 'Plymouth and South West Devon Joint Local Plan'. Both the 'former airport site' and the area around Sutton Harbour are topics of the public hearing.
- **Capital investment to upgrade asset base**
  - works to upgrade the auction hall at Plymouth Fisheries are underway.

# Results

## Income Statement

- Revenue**
  - undermined by unusually slow trading by Plymouth Fisheries during the first three months. Sustained recovery since September 2017.
- Cost of Sales**
  - depreciation charges have increased following capital expenditure on infrastructure.
- Fair value adjustment**
  - includes results of external property valuations as at 30 Sept 2017.
- Administrative expenses (Overheads)**
  - stability in cost base. Includes one-off cost of £49k to remove an abandoned vessel.
- Net finance costs**
  - reflects improved terms of LIBOR swap.

Summary Income Statement	30 Sept 17 £000	30 Sept 16 £000
Revenue	3,473	3,633
Cost of sales	(2,155)	(2,120)
Gross Profit	1,318	1,513
Fair value adjustments	(838)	(270)
Administrative expenses	(720)	(770)
Operating (loss)/profit	(240)	473
Net finance costs	(462)	(511)
Loss before tax	(702)	(38)
Taxation charge	(27)	7
Profit after tax	(729)	(31)
Earnings per share	(0.76)p	(0.03)p
Adjusted PBT (£'000)	136	232

# Results

## Balance Sheet

- **Non current assets**
  - incorporating JLL valuation as at 30 Sept 2017.
  - valuation deficit against fisheries and marina assets reflecting trading and expenditure.
- **Inventories**
  - increase follows further investment into the planning process for development land inventory.
- **Bank and finance leases**
  - facilities through RBS and Lombard.
- **Government grants**
  - fisheries infrastructure grants and historic airport grant.
- **Derivatives**
  - arising from LIBOR swaps

	<b>30 Sept 2017 £000</b>	<b>31 March 2017 £000</b>
Non-current assets	44,451	45,749
Current assets		
- Inventories	20,759	20,569
- Trade and other debtors	2,044	2,073
Liabilities		
- Bank and finance leases	(22,965)	(22,458)
- Deferred income	(1,083)	(1,479)
- Provisions	(238)	(253)
- Deferred tax	(1,670)	(1,642)
- Trade and other creditors	(1,038)	(1,173)
- Government grants	(1,146)	(1,169)
- Derivatives	(30)	(76)
<b>Net assets</b>	<b>39,084</b>	<b>40,141</b>

# Funding

## Cash position and banking

### • Highlights

- normal reduction in cash position during H1 after fees and rents received in advance at start of the financial year.
- continued investment into planning process and infrastructure assets.

### Bank Facility (RBS)

- LIBOR swap on £10m at 87bps , June 2016 - June 2019
- Gearing 58.8% at 30 Sept 2017 (31 March 17: 54.4%)
- 3 year committed facility expires March 2019
- All covenants met in period

Net debt movement 6m to 30 Sept 2017	Lease Financing	Net Bank Debt	Total
Opening net debt	(£0.4m)	(£22.1m)	(£22.5m)
Movement	£0.1m	(£0.6m)	(£0.5m)
<b>Closing net debt</b>	<b>(£0.3m)</b>	<b>(£22.7m)</b>	<b>(£23.0m)</b>
<b>Max Facility</b>	<b>(£0.55m)</b>	<b>(£25.0m)</b>	

Cash Flow Summary 6m to 30 Sept 2017	Total
Net trading	£0.1m
Capital Expenditure (net of grants)	(£0.1m)
Interest and bank fees	(£0.5m)
<b>Movement</b>	<b>(£0.5m)</b>

# Results

## Segmental performance

- **Overall**  
- stable performance by annuity trading businesses.
- **Real Estate**  
- results undermined by void units, but occupancy stable compared to H2 last year.
- **Car Parking**  
- full benefit from energy cost savings following LED lighting installation.
- **Regeneration**  
- costs of former airport site management.
- **Marine**  
- results affected by unusually slow first quarter at Plymouth Fisheries.

Revenue	30 Sept 2017 £000	30 Sept 2016 £000
Real Estate	765	808
Car Parking	309	296
Regeneration	-	-
Marine	2,399	2,529
<b>Core trading revenue</b>	<b>3,473</b>	<b>3,633</b>
<b>Gross profit before impairments, provisions or fair value adjustment</b>	<b>30 Sept 2017 £000</b>	<b>30 Sept 2016 £000</b>
Real Estate	573	628
Car Parking	197	180
Regeneration	(54)	(56)
Marine	602	761
<b>Core trading gross profit</b>	<b>1,318</b>	<b>1,513</b>



# Property and regeneration

## The investment portfolio

- **General**
  - stability in valuation compared to valuation as at 31 March 2016.
- **North Quay House**
  - 3<sup>rd</sup> floor vacant with potential occupier interest.
- **Fisheries Units**
  - under-occupied as premises no longer ideally suitable for fish processing.
  - letting of office space to a government agency in main auction building completed in August 2017.

Investment Portfolio at valuation	30 Sept 2017 £000	31 March 2017 £000
North Quay House	3,225	3,225
Barbican Market Estate	3,800	3,825
Lockyers/NMA Estate	4,675	4,675
Fisheries Merchant Units	1,500	1,500
Other	6,285	6,235
	<b>19,485</b>	<b>19,460</b>
Valuer	JLL	JLL

# Property and regeneration

## The owner-occupied portfolio

- **The Marina at Sutton Harbour**
  - demand for annual berths remains steady although visitor berthing was 24% up on H1 last year.
  - No major events hosted in Summer 2017.
- **Plymouth Fisheries**
  - valuation deficit reflects slow trade during first quarter and capital reserve against asset valuation for infrastructure works both in-progress and planned.
- **Car Parks**
  - consistency in valuation reflects stable performance.

Owner occupied portfolio at valuation £000	30 Sept 2017 £000	31 Mch 2017 £000
Marina at Sutton Harbour	11,750	12,000
Plymouth Fisheries	5,700	6,650
Car Parks	4,100	4,075
King Point Marina	2,900	2,950
	24,450	25,675
Valuer	JLL	JLL

# Property and regeneration

## Current project inventory

- **Sites around Sutton Harbour**
  - full MMO license for 'Boardwalk' scheme expected by end of financial year.
  - Sugar House, East Quay – project under review following partial offer announcement given the bidder's intentions for this site
  - planning application submitted for another Sutton Harbour site, 'Harbour Arch Quay'.
- **Former Airport Site (113 acres)**
  - public hearing by independent Government planning inspectors due to start at the end of January 2018.

Project inventory	30 Sept 2017 £000	31 March 2017 £000
Sites around Sutton Harbour	8,305	8,303
Portland	200	200
Former Airport Site	12,125	12,009
	<b>20,630</b>	<b>20,512</b>



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## Summary

### The Vision

- to further develop Sutton Harbour as a leading visitor destination.

### New Development

- the Company awaits the outcome of the new Joint Local Planning Framework public hearing.

### Core activities

- continued investment to improve operations resilience and customer service.

### Partial Offer and New Shares Subscription

- General Meeting to be notified to shareholders.



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