



SUTTON
HARBOUR
HOLDINGS PLC

‘Marine, waterfront regeneration and destination specialists’



**Interim Results
for six months ended
30 September 2014**

December 2014

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

Company Activities

The Company is located at the historic Sutton Harbour in Plymouth.

It owns and operates

- 543 marina berths
- Plymouth Fisheries (2nd largest in England)
- 391 public car park spaces
- 144,533 sq ft of commercial investment property

The Company has a substantial land bank in Plymouth for future development projects.



Six months to 30 September 2014 Highlights

Financial Highlights

Financial Highlights	30 Sept 2014	31 March 2014	30 Sept 2013
Profit before tax	£0.661m	£0.265m	£0.526m
Profit before tax (excluding revaluation, impairment, provisions)	£0.155m	£0.308m	£0.123m
Net Asset Value per share	40.7p	40.0p	40.3p
Net Debt Gearing	£21.136m 54.0%	£20.225m 52.5%	£20.154m 51.9%



Operational Highlights

- Two new high quality tenancies completed
- Construction of new ice plant to improve capacity
- Well received launch of 'Vision' for Sutton Harbour
- Consolidation of representations made in respect of emerging planning policy for City of Plymouth



2014/15 events to date



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June 2014	Restaurant at King Point Marina opens
June 2014	'La Solitaire du Figaro' yacht race hosted by Sutton Harbour Marina
June 2014	Contracts for ice plant and lock walkways signed
July 2014	Launch of 'Vision for Sutton Harbour'
Aug 2014	Rame Energy plc takes occupation of 3 rd floor of North Quay House
Oct 2014	Groundworks for new ice plant commence
Oct 2014	Record month for landings at Plymouth Fisheries
Nov 2014	Lease assignment of Vauxhall Quay to 'The Stable'



Company strategy overview

Current priorities



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- Debt reduction
 - plans to realise regeneration stock value, including Former Airport Site and East Quay
- Infrastructure investment
 - new ice plant to be completed early 2015
 - new lock walkways installed Nov/Dec 2014
 - footbridge bearings renewed Nov 2014
 - further grant aided projects planned for 2015/16
- Future opportunities
 - roll-out of 'Vision' for Sutton Harbour
 - submit revised application for 'The Boardwalk' restaurant scheme
- Improve yield
 - increase peak season car parking charges
 - targeting of higher covenant tenants



Results

Income Statement



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- Revenue
 - Non fuel £2.313m (2013: £2.080m) +11.1%
 - Fuel £1.524m (2013: 1.629m) -6.4%
- Costs
 - Absorbed additional costs of rating re-assessment and footbridge repairs
- Finance expenses
 - Now includes amortisation of facility fees
 - No capitalisation in H1

Summary Income Statement	30 Sept 2014 £000	30 Sept 2013 £000
Revenue	3,837	3,709
Cost of sales	(2,513)	(2,491)
Gross Profit	1,324	1,218
Administrative expenses	(645)	(698)
Fair value adjustments	506	403
Operating profit	1,185	923
Net finance costs	(524)	(397)
Profit before tax	661	526
Taxation charge	(132)	(508)
Profit after tax	529	18
PBT excluding adj. for valuation, impairment, provisions	158	123
Earnings per share	0.55p	0.0p

Results

Balance sheet



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- Non current assets
 - Land/property - independent valuation by Jones Lang LaSalle
 - The new King Point Marina held at cost
- Trade and other debtors
 - Includes £300k deferred land sale debtor due March 2015
- Bank
 - Cash outflow due in infrastructure works and seasonal cash cycle
- Trade and other creditors
 - Include rating and infrastructure works
- Derivatives
 - Financial liability arising from LIBOR swap
- Net assets per share
 - Valuation effect: 0.58p per share increase

Summary Balance Sheet	30 Sept 2014 £000	31 Mch 2014 £000
Non-current assets	43,746	42,679
Current assets		
- Inventories	19,809	19,688
- Trade and other debtors	1,996	1,572
Liabilities		
- Bank and finance leases	(21,136)	(20,225)
- Deferred income	(907)	(1,413)
- Provisions	(197)	(210)
- Deferred tax	(1,463)	(1,330)
- Trade and other creditors	(1,809)	(1,369)
- Government grants	(767)	(706)
- Derivatives	(103)	(132)
Net assets	39,169	38,554
Net assets per share	40.7p	40.0p



Results

Cash position and banking

- Outlook
 - Full £22.5m facility available from Dec 2014
 - Land sales debtor due H2, £300,000
 - Rates creditor by instalments
- Infrastructure Programme
 - £1.2m expenditure programme
 - c.£0.5m grant funding
 - c.£0.5m asset financing

Bank Facility (RBS)

- Net debt £21.1m at 30 September 2014
- £0.9m headroom on current facility (£22m)
- Further £500,000 available in December 2014
- £500,000 plant renewal financing available
- LIBOR swap on £15m at 145bps until June 2016
- Gearing 54.0% at 30 September 2014
- Facility expires June 2016
- All covenants met in year

Analysis of cash flows	6m to 30 Sept 2014
Opening net debt	(£20.2m)
Movement	(£0.9m)
Closing net debt	(£21.1m)

Cash Flow Highlights	
Net trading	£0.1m
Planning costs/Airport planning	(£0.1m)
Capital expenditure less grants	(£0.4m)
Interest and bank fees	(£0.5m)
Movement	(£0.9m)

Further capital outflow Re King Point Marina	(£0.7m)
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Results

Segmental performance



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- Real Estate
 - New lettings to Beers Solicitors, Rame Energy plc, Bishop Fleming Chartered Accountants, The Dock restaurant since last year
- Car Parking
 - Year on year growth profile maintained
- Regeneration
 - Costs of maintaining former airport site
- Marine
 - Growth in revenues absorbed by additional costs including rates and lock bridge repairs

	30 Sept 2014 £000	30 Sept 2013 £000
Real Estate		
- Annual (net of costs)	519	449
- Valuation	506	403
Total segment result	1,025	852
Car Parking		
Total segment result	159	152
Regeneration		
Total segment result	(66)	(98)
Marine		
Total segment result	712	715
Core trading total	1,830	1,621
Total (excluding revaluation , impairment and provisions)	1,324	1,218

Property and regeneration

The investment portfolio



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- North Quay House
- Vacant 3rd floor re-let August 2014
- Barbican Market Estate
- Rent review determined on 3,327 sq ft restaurant unit
- Other
- New 4,028 sq ft letting to 'The Stable', (subsidiary of Fuller's Brewery)
- General
- Occupancy rate improvement to 89%
- Office space fully let, professional and services sector CBD around Sutton Harbour established

Investment Portfolio at valuation £000	30 Sept 2014	31 March 2014
North Quay House	3,550	3,200
Barbican Market estate	2,400	2,300
Lockyers/NMA estate	3,600	3,600
Fishmarket merchant units	1,475	1,475
Other	5,030	5,000
	16,055	15,575
Valuer	JLL	JLL

Investment KPIs		
Net initial yield	8.72%	9.07%
Reversionary yield	9.94%	10.35%
Occupancy rate	89.00%	85.40%
ERV vacant units	£180,000	£278,000
Average, unexpired lease	9.90yrs	9.85 yrs





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Property and regeneration

The owner-occupied portfolio

- Sutton Harbour Marina/ Plymouth Fisheries
- Revised sharing of general harbour costs
- Car Parks
- H1 Gross revenues up 15% on previous year
- Additional credit card machines installed
- Strong potential for future growth as 'Vision' for the area of Sutton Harbour takes shape
- King Point Marina
- Maturing asset held at cost at 30 Sept 2014, whilst not fully complete. Further costs to complete full facility estimated at £703,000, including final lease payment of £500,000 due December 2014.

Owner occupied portfolio at valuation £000	30 Sept 2014	31 March 2014
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Owner Occupied Portfolio – at valuation		
Sutton Harbour Marina	13,600	14,150
Plymouth Fisheries	5,950	5,350
Car Parks	3,425	3,400
	22,975	22,900
Valuer	JLL	JLL

Asset in the course of construction - at cost		
King Point Marina	3,729	3,769

Property and regeneration

Current project inventory



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- Sites around Sutton Harbour
 - 'Vision' launched July 2014
 - 'The Boardwalk' scheme to be submitted for planning imminently
 - Sugar House, East Quay
- Portland
 - Value in leasehold pockets and IP
- Former Airport Site (113 acres)
 - Exit at an acceptable value is sought
 - Unsuitable for future aviation uses
 - Planning policy framework under consultation
 - 25% share of net proceeds to Group

Trading property stock	30 Sept 2014 £000	31 March 2014 £000
Sites around Sutton Harbour	7,778	7,687
Portland	406	406
Former Airport Site	11,556	11,508
	19,740	19,601



Marine Activities

Sutton Harbour and King Point Marinas



2014/15 season	Sutton Harbour	King Point
No of berths/metres	462 berths / 4,203m	81 berths / 909m
Current Occupancy Berths % / Metres %	86% / 88%	59% / 68%
No of Annual Berths taken	396	48
95% Revenue potential (Annual Berths)	c.£1.25m	c.£0.32m (909m) c.£0.55m (1,563m)
Notes	<ul style="list-style-type: none"> • Mature facility • Lock protection • Choice of service • Events hosting • Rebranding for 2015 	<ul style="list-style-type: none"> • 1st full season • Modern facility • Flexible space • Another 90 berths to be installed • Est. 3-5 yrs to maturity



Marine Activities

Plymouth Fisheries



**PLYMOUTH
FISHERIES**
AT SUTTON HARBOUR

- Grant aided infrastructure projects to improve service and capacity
 - Ice plant
 - Lock walkways
 - Additional chiller
 - Metering and energy efficient lighting
- Refreshing branding and website
- Lobbying for central government support for fishing
- October 2014: Record auction month



New Projects

'Vision' for Sutton Harbour



SUTTON HARBOUR

- **Objective**
Creation of a destination of national significance through delivery of c.£75m regeneration over 5-10 years
- **Strategy**
 - Architect designed framework to demonstrate the potential of key sites
 - Strategic targeting of specific potential tenants
- **Launch**
 - July 2014 launch followed by stakeholder consultation sessions and subsequent planning applications

05/ UNLOCKING THE POTENTIAL - REALISING THE VISION

Realising the vision for Sutton Harbour centres on a number of principal gateways and vision views

PRINCIPAL GATEWAYS

Whether by car, boat, foot, bike, taxi or public transport, arrival at the harbour is through seven principal gateways:

VISION VIEWS

A number of views are key to the vision for Sutton Harbour, these include those from the following viewpoints:

Summary and Outlook



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- Reduction in level of debt a high priority
- Focus on strategies to realise regeneration stock
- Improving business conditions
- Infrastructure improvements to add capacity and improve efficiency





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Contact us at:
Tin Quay House, Sutton Harbour, Plymouth PL4 0RA
Tel: 01752 204186
www.sutton-harbour.co.uk