

Company registration number 02560541 (England and Wales)

ANCASTA INTERNATIONAL BOAT SALES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022



ANCASTA INTERNATIONAL BOAT SALES LIMITED

COMPANY INFORMATION

Directors	Mr N G Griffith Mr A G Overton Mr W H Blair Mrs K L Stewart Mrs F R Griffith
Secretary	Ms H L Broadbent
Company number	02560541
Registered office	Port Hamble Satchell Lane Hamble Southampton Hampshire SO31 4QD
Auditor	Moore (South) LLP City Gates 2 - 4 Southgate Chichester West Sussex PO19 8DJ
Business address	Port Hamble Satchell Lane Hamble Southampton Hampshire SO31 4QD
Bankers	Lloyds Bank plc Above Bar St Southampton 92-94 Above Bar Street Southampton Hampshire SO14 7DT

ANCASTA INTERNATIONAL BOAT SALES LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 7
Statement of income and retained earnings	8
Statement of financial position	9
Notes to the financial statements	10 - 24

ANCASTA INTERNATIONAL BOAT SALES LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2022

The directors present the strategic report for the period ended 31 December 2022.

Review of the business

Turnover for the sixteen months was £35.1m. On an annualised basis, this was lower than the year to 31 August 2021 reflecting the gradual slowdown seen across the sector in late 2022, however gross profit increased to 22% from 16.9% in the previous period. Overheads increased by 10.7% on an annualised basis compared to FY 2021. The company reported an operating profit for the period of £2.0m.

	31/12/22	31/8/21	31/8/20	31/8/19
Operating profit %	5.7	4.7	0	0
Gross profit %	22.0	16.8	17.7	15.7

Financial risk management objectives and policies

The company is exposed to a moderate level of price risk, credit risk, liquidity risk and cash flow risk. The company manages these risks by financing its operations through retained profits, short term borrowings secured against stock and supplemented by long-term bank borrowings where necessary to fund expansion or capital expenditure programmes.

The management objectives are to retain sufficient liquid funds to enable it to meet its day to day requirements, minimise the company's exposure to fluctuating interest rates, and match the repayment schedule of any external borrowings or overdraft with the future cash flows expected to arise from the company's trading activities.

The company manages its exposure to fluctuations in currency exchange rate by the use of forward contracts to eliminate any uncertainty which would otherwise arise under these arrangements. The company does not utilise any other type of hedging instruments.

Post balance sheet events

There were no other significant post balance sheet events affecting the company.

Future developments

In common with the marine industry generally, the Group has seen a reduction in volumes and margins when compared with 2021/2022 as the impact of rising prices and interest rates take hold, particularly in the 30-45 feet market. In addition, inflationary pressures have led to significant increases in property and people costs.

The Board aims to counter these headwinds in a number of ways: providing an industry-leading aftersales service; offering a range of premium brands; expanding reach through the development of its franchise network in the UK and Europe, and leveraging its investment in IT.

The company has recently been appointed the UK dealer for Scorpion RIBS and with innovative new products coming to market in 2023/24, the Board believes the company is well placed to maintain its place at the forefront of the industry.

On behalf of the board



Mr N G Griffith
Director

Date: 27/12/2023

ANCASTA INTERNATIONAL BOAT SALES LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the period ended 31 December 2022.

Principal activities

The principal activity of the company during the year was the distribution of new boats, brokerage of second hand boats and ancillary services. Ancasta holds distribution rights for: Beneteau Sail and Power, Prestige Motor Yachts, Lagoon Catamarans, McConaghy and Bluegame.

Results and dividends

The results for the period are set out on page 8.

Ordinary dividends were paid amounting to £500,000. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Mr N G Griffith
Mr A G Overton
Mr W H Blair
Mrs K L Stewart
Mrs F R Griffith

Research and development

The company does not undertake any research and development activities.

Auditor

In accordance with the company's articles, a resolution proposing that Moore (South) LLP be reappointed as auditor of the company will be put at a General Meeting.

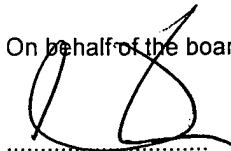
Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of objectives and policies in relation to financial risk management, post balance sheet events and future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr N G Griffith
Director

Date: 27/9/2023

ANCASTA INTERNATIONAL BOAT SALES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2022

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ANCASTA INTERNATIONAL BOAT SALES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ANCASTA INTERNATIONAL BOAT SALES LIMITED

Opinion

We have audited the financial statements of Ancasta International Boat Sales Limited (the 'company') for the period ended 31 December 2022 which comprise the statement of income and retained earnings, the statement of financial position and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

ANCASTA INTERNATIONAL BOAT SALES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ANCASTA INTERNATIONAL BOAT SALES LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

ANCASTA INTERNATIONAL BOAT SALES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ANCASTA INTERNATIONAL BOAT SALES LIMITED

Our approach was as follows:

- The engagement partner selected staff for the audit who had prior knowledge of the client and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We assessed the risk of irregularities as part of our audit planning, including due to fraud, management override was identified as a significant fraud risk from our assessment. This is due to the ability to bypass controls and disclosure requirements.
- Revenue recognition was identified as a significant risk to the audit, there is a risk that sales are incomplete within the accounting records or recognised in the wrong period.
- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered the most significant from the perspective of the financial statements are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements through discussion and correspondence with management and those charged with governance. We also reviewed applicable correspondence with regulators to identify any known instances of non-compliance or suspected non-compliance with laws and regulations.
- We enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations that could have an impact on the financial statements or the company's ability to continue to operate going forward. Consideration was also made of the internal controls in place to mitigate the identified risks.
- We assessed the control environment, documenting the systems, controls and processes adopted. The audit approach incorporated a combination of controls where appropriate, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and additional corroborative evidence was obtained as required.

To address the risk of fraud through management override we:

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Tested journal entries to identify any unusual transactions.
- Reviewed sensitive nominal ledger codes.
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.
- Reviewed transactions with related parties, in particular with group entities.
- Reviewed the balances recorded in currency other than the base currency to ensure the carrying values were appropriate.
- Reviewed the disclosures within the financial statements to ensure they meet the requirements of the accounting standards and relevant legislation.

In response to the risk of irregularities with regards to the completeness of income and cut-off we:

- Agreed a sample of sales from source documentation into the accounting records.
- Performed analytical procedures, including comparison with prior periods and client budgets.
- Tested transactions around the year end to ensure sales were recorded in the correct period.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial statements, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

ANCASTA INTERNATIONAL BOAT SALES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ANCASTA INTERNATIONAL BOAT SALES LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Louise Hastings
Senior Statutory Auditor
For and on behalf of Moore (South) LLP

Date: 28/09/2023

Chartered Accountants
Statutory Auditor

City Gates
2 - 4 Southgate
Chichester
West Sussex
PO19 8DJ

ANCASTA INTERNATIONAL BOAT SALES LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE PERIOD ENDED 31 DECEMBER 2022

		period ended 31 December 2022 £	Year ended 31 August 2021 £
	Notes		
Revenue	2	35,164,493	31,896,576
Cost of sales		(27,427,199)	(26,516,034)
Gross profit		7,737,294	5,380,542
Distribution costs		(800,663)	(258,360)
Administrative expenses		(4,921,340)	(3,613,755)
Other operating income		-	2,853
Operating profit	3	2,015,291	1,511,280
Investment income	6	6,285	96
Finance costs	7	(29,355)	(42,634)
Other gains and losses	8	-	69,390
Profit before taxation		1,992,221	1,538,132
Tax on profit	9	(370,430)	(174,749)
Profit for the financial period		1,621,791	1,363,383
Retained earnings brought forward		1,053,550	190,167
Dividends	10	(500,000)	(500,000)
Retained earnings carried forward		<u>2,175,341</u>	<u>1,053,550</u>

The income statement has been prepared on the basis that all operations are continuing operations.

ANCASTA INTERNATIONAL BOAT SALES LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	31 December 2022		31 August 2021	
		£	£	£	£
Non-current assets					
Property, plant and equipment	12		38,756		39,495
Investments	13		88,496		88,496
			<u>127,252</u>		<u>127,991</u>
Current assets					
Inventories	16	3,286,204		3,215,813	
Trade and other receivables	17	5,419,539		2,779,464	
Cash and cash equivalents		<u>2,529,547</u>		<u>3,563,480</u>	
		11,235,290		9,558,757	
Current liabilities	19	<u>(8,124,303)</u>		<u>(7,439,118)</u>	
Net current assets			<u>3,110,987</u>		<u>2,119,639</u>
Total assets less current liabilities			<u>3,238,239</u>		<u>2,247,630</u>
Non-current liabilities	20		(250,000)		(383,333)
Provisions for liabilities					
Deferred tax liability	22	7,098		4,947	
			<u>(7,098)</u>		<u>(4,947)</u>
Net assets			<u>2,981,141</u>		<u>1,859,350</u>
Equity					
Called up share capital	25		805,800		805,800
Retained earnings	26		<u>2,175,341</u>		<u>1,053,550</u>
Total equity			<u>2,981,141</u>		<u>1,859,350</u>

The financial statements were approved by the board of directors and authorised for issue on 27/9/2023 and are signed on its behalf by:



Mr N G Griffith
Director

Company Registration No. 02560541

ANCASTA INTERNATIONAL BOAT SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Ancasta International Boat Sales Limited is a private company limited by shares incorporated in England and Wales. The registered office is Port Hamble, Satchell Lane, Hamble, Southampton, Hampshire, SO31 4QD.

1.1 Reporting period

These financial statements have been prepared for the 16 month period ended 31 December 2022. In the directors' opinion, the change in reporting period is in the best interests of the company. The comparative figures within these financial statements cover a 12 month period to 31 August 2021 and therefore are not entirely comparable.

1.2 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, terms and conditions of debt instruments, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Ancasta Topco Limited. These consolidated financial statements are available from its registered office, Port Hamble, Satchell Lane, Hamble, Hampshire, SO31 4QD.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

1.3 Going concern

At the time of approving these financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

ANCASTA INTERNATIONAL BOAT SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.4 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue from the sale of new boats is recognised when the boat is ready for delivery and full payment has been received from the customer.

Revenue arising from brokerage commission is recognised at the point where the sale of the boat becomes unconditional.

1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the period of the relevant lease on a straight line basis
Fixtures and fittings	10% - 20% straight line
Computer equipment	25% - 33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

ANCASTA INTERNATIONAL BOAT SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.8 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

ANCASTA INTERNATIONAL BOAT SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Derivatives

The company enters into foreign exchange forward contracts in order to manage its exposure to foreign exchange risk.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

ANCASTA INTERNATIONAL BOAT SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Share-based payments

Equity-settled share-based payments made by the company's parent in relation to the company's employees are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is recognised by the company as a capital contribution.

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

ANCASTA INTERNATIONAL BOAT SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Revenue

An analysis of the company's revenue is as follows:

	2022 £	2021 £
Revenue analysed by class of business		
Sale of goods	31,874,137	29,673,105
Rendering of services	3,183,762	2,158,426
Commissions	106,594	65,045
	<u>35,164,493</u>	<u>31,896,576</u>
	2022 £	2021 £
Revenue analysed by geographical market		
United Kingdom	14,113,774	15,764,315
Overseas	21,050,719	16,132,261
	<u>35,164,493</u>	<u>31,896,576</u>
	2022 £	2021 £
Other revenue		
Interest income	6,285	96
Grants received	-	2,853
	<u>-</u>	<u>2,853</u>

ANCASTA INTERNATIONAL BOAT SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

3 Operating profit

	2022	2021
	£	£
Operating profit for the period is stated after charging/(crediting):		
Exchange gains	(124,854)	(151,196)
Government grants	-	(2,853)
Fees payable to the company's auditor for the audit of the company's financial statements	14,000	13,000
Depreciation of owned property, plant and equipment	30,691	30,478
Profit on disposal of property, plant and equipment	-	(500)
Operating lease charges	221,863	189,538
	<u>221,863</u>	<u>189,538</u>

4 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2022	2021
	Number	Number
Sales and marketing	21	23
Aftersales and administration	19	22
Total	<u>40</u>	<u>45</u>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	3,050,440	2,594,923
Social security costs	341,508	234,216
Pension costs	231,117	152,223
	<u>3,623,065</u>	<u>2,981,362</u>

5 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	801,434	623,834
Company pension contributions to defined contribution schemes	47,462	31,577
	<u>848,896</u>	<u>655,411</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2021 - 5).

ANCASTA INTERNATIONAL BOAT SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

5 Directors' remuneration

(Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	274,719	174,591
Company pension contributions to defined contribution schemes	7,377	5,338
	<u>282,096</u>	<u>179,929</u>

6 Investment income

	2022 £	2021 £
Interest income		
Interest on bank deposits	6,285	88
Interest receivable from group companies	-	8
	<u>6,285</u>	<u>96</u>
Total income	<u>6,285</u>	<u>96</u>

7 Finance costs

	2022 £	2021 £
Interest on bank overdrafts and loans	26,293	6,916
Other interest on financial liabilities	3,062	35,718
	<u>29,355</u>	<u>42,634</u>

8 Other gains and losses

	2022 £	2021 £
Fair value gains/(losses) on financial instruments		
Gain on financial assets held at fair value through profit or loss	-	69,390
	<u>-</u>	<u>69,390</u>

ANCASTA INTERNATIONAL BOAT SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

9 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	370,590	166,999
Adjustments in respect of prior periods	1,391	1,184
Total current tax	371,981	168,183
Deferred tax		
Origination and reversal of timing differences	(1,551)	6,566
Total tax charge	370,430	174,749

The actual charge for the period can be reconciled to the expected charge for the period based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	1,992,221	1,538,132
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	378,522	292,245
Tax effect of expenses that are not deductible in determining taxable profit	2,248	6,877
Unutilised tax losses carried forward	-	(5,738)
Adjustments in respect of prior years	1,391	1,184
Effect of change in corporation tax rate	(1,363)	-
Group relief	(7,474)	(118,925)
Capital allowances in excess of depreciation	(1,343)	(7,460)
Deferred tax adjustment	(1,551)	6,566
Taxation charge for the period	370,430	174,749

10 Dividends

	2022 £	2021 £
Interim paid	500,000	500,000

ANCASTA INTERNATIONAL BOAT SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

11 Government grants

The company received grants during the year totalling £nil (2021 - £2,853). These originated from the Coronavirus Job Retention Scheme.

In addition, the company received government assistance via the Coronavirus Business Interruption Loan scheme, details of which are set out in note 21.

12 Property, plant and equipment

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2021	228,822	183,211	763,931	1,175,964
Additions	-	3,028	29,207	32,235
Disposals	(161,507)	(71,224)	(75,566)	(308,297)
At 31 December 2022	67,315	115,015	717,572	899,902
Depreciation and impairment				
At 1 September 2021	225,714	182,708	728,047	1,136,469
Depreciation charged in the period	469	752	29,470	30,691
Eliminated in respect of disposals	(161,507)	(71,829)	(72,678)	(306,014)
At 31 December 2022	64,676	111,631	684,839	861,146
Carrying amount				
At 31 December 2022	2,639	3,384	32,733	38,756
At 31 August 2021	3,108	503	35,884	39,495

13 Fixed asset investments

	Notes	2022 £	2021 £
Investments in subsidiaries	14	88,496	88,496

14 Subsidiaries

These financial statements are separate company financial statements for Ancasta International Boat Sales Limited. The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts.

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held Direct	Indirect
Ancasta Yacht Services SL	1	Provision of new boat & brokerage sales	Ordinary	100.00	-

ANCASTA INTERNATIONAL BOAT SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

14 Subsidiaries

(Continued)

Registered Office addresses:

1 Cl. Omerlades, No 2A.1, 07012 Palma De Mallorca

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Ancasta Yacht Services SL	(5,053)	190,783

15 Financial instruments

	2022 £	2021 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	69,390	69,390

16 Inventories

	2022 £	2021 £
Finished goods and goods for resale	3,286,204	3,215,813

17 Trade and other receivables

	2022 £	2021 £
Amounts falling due within one year:		
Trade receivables	416,637	193,641
Amounts owed by group undertakings	1,256,002	806,887
Derivative financial instruments	69,390	69,390
Other receivables	2,646,111	986,677
Prepayments and accrued income	1,014,336	709,508
	5,402,476	2,766,103
Deferred tax asset (note 22)	17,063	13,361
	5,419,539	2,779,464

18 Derivatives

The company enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency receivables. As at 31 December 2022, the outstanding contracts all mature within 8 months of the year end. The company is committed to buy €5,976,000 and sell a fixed Sterling amount.

The foreign currency forward contracts have been fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contract.

ANCASTA INTERNATIONAL BOAT SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

19 Current liabilities

	Notes	2022 £	2021 £
Bank loans	21	100,000	100,000
Other borrowings	21	2,591,526	1,911,504
Payments received on account		3,264,121	2,194,887
Trade payables		232,451	596,785
Amounts owed to group undertakings		149,980	206,933
Corporation tax		46,438	166,999
Other taxation and social security		455,255	477,336
Other payables		113,658	453,718
Accruals and deferred income		1,170,874	1,330,956
		<u>8,124,303</u>	<u>7,439,118</u>

20 Non-current liabilities

	Notes	2022 £	2021 £
Bank loans and overdrafts	21	<u>250,000</u>	<u>383,333</u>

21 Borrowings

	2022 £	2021 £
Bank loans	350,000	483,333
Stock finance	<u>2,591,526</u>	<u>1,911,504</u>
	<u>2,941,526</u>	<u>2,394,837</u>
Payable within one year	2,691,526	2,011,504
Payable after one year	<u>250,000</u>	<u>383,333</u>

The stock finance is secured by charges over the related boats held within inventories.

In June 2020, the company took out a £500,000 Coronavirus Business Interruption Loan Scheme (CBILS) loan. This loan is repayable by 60 equal monthly instalments commencing 13 months after the date of drawdown. The rate of interest payable of the loan is 2.74% + Base Rate. The loan is backed by the UK Government and they meet the cost of any interest and charges for the first 12 months of the loan. The loan can be repaid early at the company's discretion without penalty.

ANCASTA INTERNATIONAL BOAT SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

22 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2022 £	Liabilities 2021 £	Assets 2022 £	Assets 2021 £
Balances:				
Accelerated capital allowances	7,098	4,947	-	-
Tax losses	-	-	13,820	10,504
Retirement benefit obligations	-	-	3,243	2,857
	<u>7,098</u>	<u>4,947</u>	<u>17,063</u>	<u>13,361</u>
Movements in the period:				2022 £
Asset at 1 September 2021				(8,414)
Credit to profit or loss				(1,551)
Asset at 31 December 2022				<u>(9,965)</u>

23 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>231,117</u>	<u>152,223</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The company contributes a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the company with respect to the scheme is to make the specified contributions.

Contributions totalling £12,970 (2021 - £15,035) were outstanding at the year end.

24 Share-based payment transactions

During the period Ancasta Topco Limited has implemented an Enterprise Management Incentive option scheme arrangement over its shares with certain employees of Ancasta International Boat Sales Limited. The scheme is an equity-settled share-based payment scheme.

All of the options under the scheme were granted during the period. In total 125,000 share options were granted.

The options were all granted with a fixed exercise price of £1 each. They are exercisable the earlier of an exit event or three years after the date of grant. The options lapse after a 90 day period commencing on an exit event or earlier at the sole discretion of the Board of Directors of the company. If an employee ceases to be an employee of the company or Group, that employee's options also lapse after 16 weeks, subject to the above.

ANCASTA INTERNATIONAL BOAT SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

25 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	805,800	805,800	805,800	805,800

The company has one class of share capital which carry full voting rights and a right to participate in a distribution.

26 Retained earnings

Retained earnings include all current and prior period retained profit and losses.

27 Financial commitments, guarantees and contingent liabilities

See note 29 for details of the guarantee.

28 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	126,973	126,239
Between two and five years	261,384	275,286
In over five years	7,504	24,993
	<u>395,861</u>	<u>426,518</u>

29 Related party transactions

Remuneration of key management personnel

During the period the company's ultimate parent company, Ancasta Topco Limited, granted share options to certain members of Key Management of the company under an Enterprise Management Incentive option scheme. Details of the scheme are included within note 24 to the accounts.

Transactions with related parties

During the period the company entered into the following transactions with related parties:

	Rent and service charge		Purchase of services	
	2022 £	2021 £	2022 £	2021 £
Other related parties	-	325	55,836	82,182

The purchases from other related parties were entered into with a related party in which one of the Directors has an interest. The transactions were completed at market value under normal trading terms.

ANCASTA INTERNATIONAL BOAT SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

29 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	2022	2021
	£	£
Amounts due to related parties		
Fellow subsidiaries	140,480	193,301
Other related parties	14,215	29,179
	<u>154,695</u>	<u>222,480</u>

The amounts owed to other related parties are unsecured and are under normal trading terms.

The following amounts were outstanding at the reporting end date:

	2022	2021
	£	£
Amounts due from related parties		
Entities with control, joint control or significant influence over the company	1,064,441	405,857
Fellow subsidiaries	191,561	401,030
	<u>1,256,002</u>	<u>806,887</u>

The amounts owed by fellow subsidiaries are unsecured and are interest free.

The company has given a cross guarantee in respect of bank borrowings of the group. Liability at the balance sheet date was £nil (2021 - £nil). The guarantee is secured by a fixed and floating charge over the assets of the company.

The company has taken advantage of the exemption available in FRS 102, whereby it has not disclosed transactions with its parent company or any subsidiaries that are wholly owned within the group.

30 Directors' transactions

During the period Ancasta Topco Limited, the company's ultimate parent company, granted a total of 50,000 share options under an Enterprise Management Incentive scheme to Mr W H Blair and Mrs K L Stewart, directors of the company.

31 Ultimate controlling party

The ultimate parent company of Ancasta International Boat Sales Limited is Ancasta TopCo Limited.

The directors consider that Mr N G Griffith is the ultimate controlling party, by virtue of his shareholding in Ancasta TopCo Limited.

The largest and smallest group of undertakings for which group accounts are available for the period ended 31 December 2022 is that of Ancasta TopCo Limited. Copies of these accounts are available at Port Hamble, Satchell Lane, Hamble, Hampshire, SO31 4QD.