

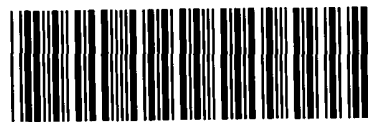
Registered number: 02650007

BOAT INTERNATIONAL MEDIA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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BOAT INTERNATIONAL MEDIA LIMITED

COMPANY INFORMATION

DIRECTOR	C Downham
REGISTERED NUMBER	02650007
REGISTERED OFFICE	First Floor 41-47 Hartfield Road Wimbledon SW19 3RQ
INDEPENDENT AUDITOR	Crowe Clark Whitehill LLP 4 Mount Ephraim Road Tunbridge Wells Kent TN1 1EE
BANKERS	Barclays Bank Plc 27 Soho Square London W1D 3QR

BOAT INTERNATIONAL MEDIA LIMITED

CONTENTS

	Page
Strategic report	1 - 3
Director's report	4 - 6
Independent auditor's report	7 - 8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 27

BOAT INTERNATIONAL MEDIA LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The director presents his strategic report on the company for the year ended 31 December 2016.

INTRODUCTION

The principal activities of the company are the provision of media and marketing services relating to super yachts, including magazines, books, events and digital products.

BUSINESS REVIEW

The results of the company for the period, as set out on pages 9 to 27, show a loss on ordinary activities before tax of £1,107,651 (2015: £1,998,437). The shareholders' funds of the company totalled £1,958,926 (2015: £3,124,716).

Following a transitional year in 2015, the director views 2016 as a year of building on the investment made previously through developing the portfolio of products, therefore, satisfied with the results for the year and believes that the company will trade profitably in the future. The director uses the following Key Performance Indicators (KPIs) to monitor the performance of the business:

Overall turnover – £11,154,131 (2015: £10,147,548); being turnover per the statutory profit and loss account.

Administrative expenses as a % of turnover – 33% (2015: 36.9%); being administrative expenses and turnover per the statutory profit and loss account expressed as a percentage.

Gross margin – 32.6% (2015: 24.4%); being gross profit per the statutory profit and loss account as a percentage of turnover as shown in the statutory profit and loss account.

PRINCIPAL RISKS AND UNCERTAINTIES

The health of the underlying market the business serves is dependent on the number of ultra high net worth individuals (UHNWI) in existence and being created globally. The strength of the global economy means that the number of UHNWI has continued to increase and hence the underlying market has further strengthened. As the market improves, the outlook for the business is strong due to its market leading position, its ongoing product development and evolving digital platform.

The publishing industry in which the business operates has in general seen a flight to digital as magazine advertising and circulation revenues decline and online alternatives become more widely adopted by consumers. The company is well placed through its website to capitalise and manage the ongoing transition towards digital and to also mitigate the risk posed by activity from both existing competitors and new entrants.

FUTURE DEVELOPMENTS

The company intends to continue its principal activities in the future, and, supported by the owners, develop and enhance its product offerings over time. Given its market leading position the outlook for the business remains strong.

BOAT INTERNATIONAL MEDIA LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

GOING CONCERN

Accounting standards require the director to consider the appropriateness of the going concern basis when preparing the financial statements. The director confirms that he considers that the going concern basis remains appropriate. The director has taken notice of the Financial Reporting Council guidance 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009' which requires the reasons for this decision to be explained. The director regards the going concern basis as remaining appropriate as the company has adequate resources' to continue operational existence for the foreseeable future. There are sufficient cash reserves and thus the director believes the company can meet all of its liabilities as they fall due

FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The main risks arising from the group's financial instruments are liquidity risk, cash flow interest rate risk, foreign currency risk and credit risk.

Liquidity risk

The group's borrowings consist of loan notes issued by Boat Bidco Limited of £1,525,000 and other loans amounting to £1,300,000 (2015: £600,000); comprising a £500,000 loan was agreed in May 2015 with two additional £400,000 loans agreed in March and May 2016 with a £100,000 loan repaid in December 2016. Both the loan notes and the other loans are issued by shareholders in Boat Bidco Limited. The group's policy is to fund operations from trading cashflows, with short-term support from shareholders where required.

Cash flow interest rate risk

The group is not exposed to significant interest rate risk as the interest rate on the loan notes issued by Boat Bidco Limited of £1,525,000 and the interest rate on the £1,300,000 other loans are fixed. The group's policy is to monitor the level of borrowings and interest costs to ensure that any change in interest rates will not materially affect the ability of the group to manage its operations.

Foreign Currency risk

The group is exposed in its trading operations to the risk of changes in foreign currency exchange rates as it both buys and sells goods and services, principally in Europe and the USA. The main foreign currencies in which the group trades are the Euro and US dollar, with receipts exceeding costs in both currencies giving rise to the requirement to exchange foreign currency into Sterling. The group pursues a policy of selling forward prudent amounts of currency to mitigate against foreign currency risk.

BOAT INTERNATIONAL MEDIA LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

Credit risk

The group's principal financial assets are cash and trade debtors, which represent the group's main exposure to credit risk.

Cash balances are held with reputable financial institutions and the exposure to credit risk on these balances is not considered by the directors to be significant.

In relation to trade debtors, the group has no significant concentration of credit risk, with exposure spread over a large number of customers. The directors monitor the overall amount and duration of exposure to any one customer, and also require prepayment for goods and services where appropriate until a credit history is built up.

The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the directors based on prior experience and their assessment of the prevailing economic climate.

EMPLOYEE INVOLVEMENT

The quality and commitment of our people have played a major role in our business success. This has been demonstrated in many ways, including improvement in customer satisfaction, the development of our product lines and the flexibility they have shown in adapting to changing business requirements and new ways of working. Employees' performance is aligned to group goals through an annual performance review process that is carried out with all employees.

ENVIRONMENT

The group's policy with regard to the environment is to ensure that the directors understand and effectively manage the actual and potential environmental impact of our activities. The group's operations are conducted such that we comply with all legal requirements relating to the environment in all areas where we carry out business. During the period covered by this report the group has not incurred any fines or penalties or been investigated for any breach of environmental regulations.

This report was approved by the board and signed on its behalf.



.....
C Downham
Director

Date: 8 JUNE 2017

BOAT INTERNATIONAL MEDIA LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The director presents his report and the financial statements for the year ended 31 December 2016.

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the strategic report, the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that he gives 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 director is required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £1,165,790 (2015 - loss £2,056,244).

The director does not recommend the payment of a dividend (2014 - £Nil).

DIRECTOR

The director who served during the year was:

C Downham

FUTURE DEVELOPMENTS

The company intends to continue its principle activities in the future, and, supported by the owners, develop and enhance its product offerings over time. Given its market leading position the outlook for the business remains strong.

BOAT INTERNATIONAL MEDIA LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

FINANCIAL INSTRUMENTS

The main risks arising from the company's financial instruments are liquidity risk, cash flow interest rate risk, foreign currency risk and credit risk.

Liquidity risk

The company's borrowings consist of intercompany debt, a short-term loan facility of £100,000 and a long-term loan facility of £500,000. £500,000 was agreed in May and a further £100,000 in December 2015. The short-term and long-term loan facilities are issued by shareholders of the company's parent, Boat Bidco Limited. The company's policy is to fund operations from trading cashflows, with short-term support from shareholders where required.

Cash flow interest rate risk

The company is exposed to interest rate risk relating the short-term loan facility of £100,000 and long-term loan facility of £500,000. The company's policy is to monitor the level of borrowings and interest costs to ensure that any change in interest rates will not materially affect the ability of the company to manage its operations.

Foreign Currency risk

The company is exposed in its trading operations to the risk of changes in foreign currency exchange rates as it both buys and sells goods and services, principally in Europe and the USA. The main foreign currencies in which the company trades are the Euro and US dollar, with receipts exceeding costs in both currencies giving rise to the requirement to exchange foreign currency into Sterling.

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The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the director based on prior experience and their assessment of the prevailing economic climate.

EMPLOYEE INVOLVEMENT

The quality and commitment of our people have played a major role in our business success. This has been demonstrated in many ways, including improvement in customer satisfaction, the development of our product lines and the flexibility they have shown in adapting to changing business requirements and new ways of working. Employees' performance is aligned to company and group goals through an annual performance review process that is carried out with all employees.

BOAT INTERNATIONAL MEDIA LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

ENVIRONMENT

The company's policy with regard to the environment is to ensure that the director understands and effectively manages the actual and potential environmental impact of our activities. The company's operations are conducted such that we comply with all legal requirements relating to the environment in all areas where we carry out business. During the period covered by this report the company has not incurred any fines or penalties or been investigated for any breach of environmental regulations.

DISCLOSURE OF INFORMATION TO AUDITOR

The director at the time when this director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

The auditor, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



C Downham
Director

Date: **8 JUNE 2017**

BOAT INTERNATIONAL MEDIA LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS, AS A BODY, OF BOAT INTERNATIONAL MEDIA LIMITED

We have audited the financial statements of Boat International Media Limited for the year ended 31 December 2016, set out on pages 9 to 27. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR

As explained more fully in the director's responsibilities statement on page 4, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the director's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit or loss for the year 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.

BOAT INTERNATIONAL MEDIA LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS, AS A BODY, OF BOAT
INTERNATIONAL MEDIA LIMITED (CONTINUED)**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our 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 and the director's report.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Mark Anderson

Mark Anderson (senior statutory auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

4 Mount Ephraim Road

Tunbridge Wells

Kent

TN1 1EE

Date: *9 June 2017*

BOAT INTERNATIONAL MEDIA LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Turnover	3	11,154,131	10,147,548
Cost of sales		<u>(7,518,524)</u>	<u>(7,662,854)</u>
GROSS PROFIT		3,635,607	2,484,694
Distribution costs		<u>(710,284)</u>	<u>(694,595)</u>
Administrative expenses		<u>(3,865,665)</u>	<u>(3,741,485)</u>
OPERATING LOSS	4	(940,342)	(1,951,386)
Interest payable and expenses	8	<u>(167,309)</u>	<u>(47,051)</u>
LOSS BEFORE TAX		(1,107,651)	(1,998,437)
Tax on loss	9	<u>(58,139)</u>	<u>(57,807)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(1,165,790)</u>	<u>(2,056,244)</u>

There was no other comprehensive income for 2016 (2015:£NIL).

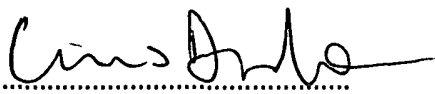
The notes on pages 12 to 27 form part of these financial statements.

BOAT INTERNATIONAL MEDIA LIMITED
REGISTERED NUMBER: 02650007

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Intangible assets	10	1,780,986	2,274,576
Tangible assets	11	126,236	132,306
Investments	12	3,140	3,140
		<u>1,910,362</u>	<u>2,410,022</u>
CURRENT ASSETS			
Stocks	13	108,807	103,721
Debtors: amounts falling due within one year	14	6,587,873	5,928,381
Cash at bank and in hand	15	214,557	165,309
		<u>6,911,237</u>	<u>6,197,411</u>
Creditors: amounts falling due within one year	16	<u>(5,814,863)</u>	<u>(4,947,276)</u>
NET CURRENT ASSETS		1,096,374	1,250,135
TOTAL ASSETS LESS CURRENT LIABILITIES		3,006,736	3,660,157
Creditors: amounts falling due after more than one year	17	(1,047,810)	(535,441)
NET ASSETS		<u>1,958,926</u>	<u>3,124,716</u>
CAPITAL AND RESERVES			
Called up share capital	19	10,000	10,000
Profit and loss account		<u>1,948,926</u>	<u>3,114,716</u>
		<u>1,958,926</u>	<u>3,124,716</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
C Downham
Director

Date: **8 JUNE 2017**

The notes on pages 12 to 27 form part of these financial statements.

BOAT INTERNATIONAL MEDIA LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2015	10,000	5,170,960	5,180,960
COMPREHENSIVE INCOME FOR THE YEAR			
Loss for the year	-	(2,056,244)	(2,056,244)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(2,056,244)	(2,056,244)
At 1 January 2016	10,000	3,114,716	3,124,716
COMPREHENSIVE INCOME FOR THE YEAR			
Loss for the year	-	(1,165,790)	(1,165,790)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(1,165,790)	(1,165,790)
AT 31 DECEMBER 2016	10,000	1,948,926	1,958,926

The notes on pages 12 to 27 form part of these financial statements.

BOAT INTERNATIONAL MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. GENERAL INFORMATION

The company is a private limited company, which is incorporated and registered in England (Registered Number: 07307803).

The address of the registered office is First Floor, 41-47 Hartfield Road, Wimbledon, SW19 4RQ.

The principal activities of the company are the provision of media and marketing services relating to super yachts, including magazines, books, events and digital products.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 (2) of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

2.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Events revenue is recognised on the delivery of the relevant event.

Subscription revenue is recognised over the duration of the subscription.

Advertising revenue is recognised on the delivery of the service.

BOAT INTERNATIONAL MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Boat Bidco Limited as at 31 December 2016 and these financial statements may be obtained from 3 Cadogan Gate, London, SW1X 0AS.

2.4 Going concern

The director has prepared cash flow forecasts and considered the cash flow requirement for the company for a period including twelve months from the date of the approval of these financial statements. These forecasts show that based on the cash reserves of the company, as at the date of these financial statements, and the cash expected to be generated from the company's operations that the company has sufficient resources available in order to continue trading for a period of at least 12 months from the date of signing these accounts. Based on these forecasts the director is confident that the company has sufficient flexibility of resources to enable it to pay its debts as they fall due.

As a result of the above, the director considers it appropriate to prepare the financial statements on a going concern basis.

2.5 Intangible assets

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities acquired.

Titles and intellectual property rights acquired are included at cost and amortised on a straight line basis over their useful lives of 9 to 16 years. The carrying values of other intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

BOAT INTERNATIONAL MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property	-	20% per annum or over the remaining life of the lease if less than 5 years
Fixtures and fittings	-	25% per annum on cost
Computer equipment and plant and machinery	-	33% per annum on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and forward contracts on foreign currency.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

BOAT INTERNATIONAL MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. ACCOUNTING POLICIES (CONTINUED)

2.11 Foreign currency translation

The company's functional and presentational currency is GBP.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.12 Finance costs

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Pensions: defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.14 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

2.15 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.16 Operating leases

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

BOAT INTERNATIONAL MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

BOAT INTERNATIONAL MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

3. TURNOVER

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	1,673,914	1,655,578
Rest of Europe	4,292,548	4,333,447
Rest of the world	5,187,669	4,158,523
	<u>11,154,131</u>	<u>10,147,548</u>

4. OPERATING LOSS

The operating loss is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	63,831	35,177
Amortisation of intangible assets	582,230	512,961
Foreign exchange differences on translation	258,077	101,879
Fair value movement on financial instruments	11,563	-
Land and building operating leases	<u>127,465</u>	<u>132,309</u>

BOAT INTERNATIONAL MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

5. AUDITOR'S REMUNERATION

	2016 £	2015 £
Auditor's remuneration in relation to:		
Audit	28,800	28,000
Tax compliance services	5,000	9,000
	<u>33,800</u>	<u>37,000</u>

6. EMPLOYEES

Staff costs, including director's remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	3,490,924	3,147,462
Social security costs	350,540	309,396
Cost of defined contribution scheme	57,128	54,508
	<u>3,898,592</u>	<u>3,511,366</u>

The average monthly number of employees, including the director, during the year was as follows:

	2016 No.	2015 No.
Editorial	17	11
Advertising	11	9
Corporate	6	6
Events	5	5
Digital	9	10
	<u>48</u>	<u>41</u>

BOAT INTERNATIONAL MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. DIRECTOR'S REMUNERATION

	2016	2015
	£	£
Director's emoluments	167,375	272,388
Company contributions to defined contribution pension schemes	3,000	7,006
	170,375	279,394

During the year retirement benefits were accruing to 1 director (2015 - 2) in respect of defined contribution pension schemes.

Total director's emoluments did not exceed £200,000 in the current year, therefore, highest paid director disclosure is not required. (2015: highest paid director received remuneration £153,547 and value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,356).

The director is considered to be the key management personnel.

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£	£
Bank interest payable	-	5,303
Other loan interest payable	167,309	41,748
	167,309	47,051

BOAT INTERNATIONAL MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

9. TAXATION

	2016 £	2015 £
TOTAL CURRENT TAX	<u>-</u>	<u>-</u>
DEFERRED TAX		
Origination and reversal of timing differences	327	39,479
Effect of tax rate change on opening balance	32,757	18,328
Adjustments in respect of prior periods	25,055	-
TOTAL DEFERRED TAX	<u>58,139</u>	<u>57,807</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>58,139</u>	<u>57,807</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2015 - *higher than*) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Loss on ordinary activities before tax	<u>(1,107,651)</u>	<u>(1,998,438)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	(221,530)	(399,687)
EFFECTS OF:		
Depreciation on ineligible assets	4,906	467
Expenses not deductible for tax purposes	7,874	10,510
Adjust deferred tax to average rate of 20.00%	107,131	37,763
Deferred tax not recognised	134,703	408,754
Adjustments to tax charge in respect of previous periods	25,055	-
TOTAL TAX CHARGE FOR THE YEAR	<u>58,139</u>	<u>57,807</u>

BOAT INTERNATIONAL MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

10. INTANGIBLE ASSETS

	Intellectual property rights £	Software £	Titles acquired £	Goodwill £	Total £
COST					
At 1 January 2016	327,281	873,314	4,851,400	215,000	6,266,995
Additions	-	68,523	20,117	-	88,640
At 31 December 2016	<u>327,281</u>	<u>941,837</u>	<u>4,871,517</u>	<u>215,000</u>	<u>6,355,635</u>
AMORTISATION					
At 1 January 2016	149,907	323,668	3,303,844	215,000	3,992,419
Charge for the year	22,139	172,818	387,273	-	582,230
At 31 December 2016	<u>172,046</u>	<u>496,486</u>	<u>3,691,117</u>	<u>215,000</u>	<u>4,574,649</u>
NET BOOK VALUE					
At 31 December 2016	<u>155,235</u>	<u>445,351</u>	<u>1,180,400</u>	<u>-</u>	<u>1,780,986</u>
At 31 December 2015	<u>177,374</u>	<u>549,646</u>	<u>1,547,556</u>	<u>-</u>	<u>2,274,576</u>

During the period the company's titles acquired were reviewed for impairment. Forecasts were prepared based on zero growth profit contribution from titles and are discounted at 12%.

The publishing industry in which the business operates has in general seen a flight to digital as magazine advertising and circulation revenues decline and online alternatives become more widely adopted by consumers. The company successfully relaunched its new look website during the year and will continue to invest in both its print and digital platforms to manage the ongoing transition towards digital and to also mitigate the risk posed by activity from both existing competitors and new entrants.

A sensitivity analysis was undertaken on unimpaired intangibles and based on the results of this and the impairment reviews, the directors consider the carrying value of the remaining intangible fixed assets to be recoverable.

BOAT INTERNATIONAL MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. TANGIBLE FIXED ASSETS

	Leasehold property £	Fixtures and fittings £	Computer equipment and plant and machinery £	Total £
COST				
At 1 January 2016	105,423	96,586	320,554	522,563
Additions	7,532	-	50,229	57,761
At 31 December 2016	112,955	96,586	370,783	580,324
DEPRECIATION				
At 1 January 2016	96,774	86,689	206,794	390,257
Charge for the period	7,069	4,709	52,053	63,831
At 31 December 2016	103,843	91,398	258,847	454,088
NET BOOK VALUE				
At 31 December 2016	9,112	5,188	111,936	126,236
At 31 December 2015	8,649	9,897	113,760	132,306

BOAT INTERNATIONAL MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

12. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST OR VALUATION	
At 1 January 2016	3,140
At 31 December 2016	3,140
NET BOOK VALUE	
At 31 December 2016	3,140
At 31 December 2015	3,140

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Boat International Media Inc	Ordinary	100 %	Provision of media and marketing services
SuperYacht Media Limited	Ordinary	100 %	Dormant
Luxury Yacht Listing Services Limited	Ordinary	80 %	Provision of media and marketing services

Name	Registered office
Boat International Media Inc	101 NE 3rd Avenue, Suite 1220, Fort Lauderdale, Florida 33301, USA
SuperYacht Media Limited	Hartfield House, First Floor, 41-47 Hartfield Road, SW19 3RQ.
Luxury Yacht Listing Services Limited	Hartfield House, First Floor, 41-47 Hartfield Road, SW19 3RQ.

BOAT INTERNATIONAL MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

13. STOCKS

	2016	2015
	£	£
Finished goods and goods for resale	108,807	103,721

Stock recognised in cost of sales during the year as an expense was £92,794 (2015: £194,551).

An impairment loss of £90,624 (2015: £21,647) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

The difference between purchase price or production cost of stocks and their replacement cost is not material.

14. DEBTORS

	2016	2015
	£	£
Trade debtors	1,459,165	1,530,897
Amounts owed by group undertakings	3,971,042	3,349,282
Other debtors	53,702	80,301
Prepayments and accrued income	853,363	659,161
Deferred taxation	250,601	308,740
	6,587,873	5,928,381

15. CASH AND CASH EQUIVALENTS

	2016	2015
	£	£
Cash at bank and in hand	214,557	165,309

BOAT INTERNATIONAL MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

16. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Other loans	441,892	99,918
Trade creditors	1,188,188	1,707,417
Amounts owed to group undertakings	3,005,881	1,885,502
Other taxation and social security	97,231	95,279
Accruals and deferred income	1,070,108	1,159,160
Financial instruments	11,563	-
	<u>5,814,863</u>	<u>4,947,276</u>

17. CREDITORS: Amounts falling due after more than one year

	2016 £	2015 £
Other loan	1,047,810	535,441
	<u>1,047,810</u>	<u>535,441</u>

These other loans are secured against all current and future patents and trademarks held by the company.

OTHER LOANS

	2016 £	2015 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Other loans	441,892	99,918
AMOUNTS FALLING DUE 2-5 YEARS		
Other loans	1,047,810	535,441
	<u>1,489,702</u>	<u>635,359</u>

The company has other loans with Pembroke VCT plc of two amounts of £400,000 and one of £500,000.

The two £400,000 loans are repayable over 5 years until 2 March 2021 and 19 May 2021 respectively. The interest rate on these loans is 12% per annum. The £500,000 loan is repayable over 5 years until 5 May 2020. The interest rate on this loan is 12% per annum.

The other loans are presented net of issue costs totalling £1,324, £991 and £3,200 respectively.

BOAT INTERNATIONAL MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

18. DEFERRED TAXATION

	2016 £
At beginning of year	308,740
Charged to the profit or loss	(58,139)
AT END OF YEAR	250,601

The deferred tax asset is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	(29,391)	(27,764)
Short term timing differences	1,554	2,203
Tax losses carried forward and other deductions	278,438	334,301
	250,601	308,740

19. SHARE CAPITAL

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000

20. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £57,128 (2015 - £54,508).

At the year end £16,352 is owed to the pension provider (2015 - £11,595).

BOAT INTERNATIONAL MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

21. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	156,100	156,100
Later than 1 year and not later than 5 years	65,042	221,142
	<u>221,142</u>	<u>377,242</u>

22. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in 'FRS 102 Section 33 Related Party Disclosures' from disclosing transactions with companies where 100% of the voting rights are controlled within the group as consolidated accounts are publicly available.

During the year, the company invoiced amounts totalling £100,483 (2015: £42,196) to and were invoiced £140 (2015: £nil) from companies with common directorships, and that directorship role granted significant influence over each entity. At the balance sheet date no balance was outstanding (2015: £45,574 was owed to the company).

During the year a major shareholder of the ultimate parent company advanced £1,000,000 (2015: £600,000) of other loans to the company. The group repaid £300,000 (2015: £nil) other loans during the year. The other loans attracted interest totalling £161,794 (2015: £132,252). At the balance sheet date, £1,300,000 (2015: £600,000) of the other loan balance was outstanding along with £184,187 (2015: £37,068) of accrued loan interest.

23. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is Boat International Group Limited. The ultimate parent undertaking is Boat Bidco Limited and this company prepares consolidated financial statements. Copies of these financial statements can be obtained from 3 Cadogan Gate, London, SW1X 0AS.

By virtue of the spread of shareholdings in Boat Bidco Limited there is no one controlling party.