

BOAT INTERNATIONAL MEDIA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



BOAT INTERNATIONAL MEDIA LIMITED

COMPANY INFORMATION

DIRECTORS	A Euden T Moore J Paton
REGISTERED NUMBER	02650007
REGISTERED OFFICE	Hartfield House First Floor 41-47 Hartfield Road Wimbledon London SW19 3RQ
INDEPENDENT AUDITOR	Crowe U.K. 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 - 2
Directors' report	3 - 5
Independent auditor's report	6 - 8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 25

BOAT INTERNATIONAL MEDIA LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The director presents his strategic report on the company for the year ended 31 December 2018.

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 page 33, show a loss on ordinary activities before tax of £1,450,651 (2017: £442,528).

The director uses the following Key Performance Indicators (KPIs) to monitor the performance of the business:

Overall turnover – £11,254,860 (2017: £11,405,348); being turnover per the statutory profit and loss account.

Gross margin – 37.2% (2017: 31.9%); 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.

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 goals through an annual performance review process that is carried out with all employees.

BOAT INTERNATIONAL MEDIA LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

ENVIRONMENT

The company'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 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.

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


.....
A Euden
Director

Date: 12/6/2019.

BOAT INTERNATIONAL MEDIA LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

DIRECTOR'S RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the strategic report, the directors' 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 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 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 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 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 to 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.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £1,523,417 (2017 - loss £273,452).

DIRECTORS

The directors who served during the year were:

J Paton
C Downham (resigned 30 November 2018)
A Euden (appointed 01 February 2019)
T Moore (appointed 01 February 2019)

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

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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, and other loans amounting to £1,300,000. The other 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.

Cash flow interest rate risk

The company is exposed to interest rate risk relating to the other loan facilities of £1,300,000. 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.

The company pursues a policy of selling forward prudent amounts of currency to mitigate against foreign currency risk.

Credit risk

The company's principal financial assets are cash and trade debtors, which represent the company'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 company has no significant concentration of credit risk, with exposure spread over a large number of customers. The director monitors the overall amount and duration of exposure to any one customer, and also requires 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 director based on prior experience and their assessment of the prevailing economic climate.

GOING CONCERN

The director has assessed the company's ability to continue as a going concern and believes the company can continue as a going concern for the foreseeable future based on the trading budget and cash flow projections for the coming 12 months. The director also believes the company has sufficient resources available to settle its debts as they fall due and also that the company has the continued support of its parent company.

Based on the above the director believes the company can continue as a going concern for the foreseeable future and therefore it is appropriate that these financial statements are prepared on a going concern basis.

BOAT INTERNATIONAL MEDIA LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

DISCLOSURE OF INFORMATION TO AUDITOR


Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director 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 U.K. 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.

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A Euden
Director

Date: 12/6/2019

BOAT INTERNATIONAL MEDIA LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF BOAT INTERNATIONAL MEDIA LIMITED

OPINION

We have audited the financial statements of Boat International Media Limited (the 'company') for the year ended 31 December 2018, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes, including a summary of 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 2018 and of its 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.

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 United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material

BOAT INTERNATIONAL MEDIA LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF BOAT INTERNATIONAL MEDIA LIMITED (CONTINUED)

Inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

OPINION ON OTHER MATTERS 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 directors' report for the financial year 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.

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 on page 3, 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.

BOAT INTERNATIONAL MEDIA LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF BOAT INTERNATIONAL MEDIA
LIMITED (CONTINUED)**

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

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

Crowe U.K. LLP

Mark Anderson (senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

4 Mount Ephraim Road
Tunbridge Wells
Kent
TN1 1EE

Date: *12 June 2019*

BOAT INTERNATIONAL MEDIA LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover	4	11,254,860	11,405,348
Cost of sales		(7,069,841)	(7,764,181)
GROSS PROFIT		4,185,019	3,641,167
Distribution costs		(678,402)	(781,245)
Administrative expenses		(4,754,774)	(3,273,821)
Exceptional administrative expenses	11	-	169,407
OPERATING LOSS	5	(1,248,157)	(244,492)
Interest payable and expenses	9	(202,494)	(198,036)
LOSS BEFORE TAX		(1,450,651)	(442,528)
Tax on loss	10	(72,766)	169,076
LOSS FOR THE FINANCIAL YEAR		(1,523,417)	(273,452)
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(1,523,417)	(273,452)

The notes on pages 12 to 25 form part of these financial statements.

BOAT INTERNATIONAL MEDIA LIMITED
REGISTERED NUMBER: 02650007

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Intangible assets	12	760,166	1,149,117
Tangible assets	13	91,267	112,830
Investments	14	3,140	3,140
		<u>854,573</u>	<u>1,265,087</u>
CURRENT ASSETS			
Stocks	15	67,380	73,868
Debtors: amounts falling due within one year	16	5,843,215	5,919,239
Cash at bank and in hand	17	374,905	184,495
		<u>6,285,500</u>	<u>6,177,602</u>
Creditors: amounts falling due within one year	18	(5,102,290)	(4,082,992)
NET CURRENT ASSETS		<u>1,183,210</u>	<u>2,094,610</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,037,783</u>	<u>3,359,697</u>
Creditors: amounts falling due after more than one year	19	(1,875,726)	(1,674,223)
NET ASSETS		<u><u>162,057</u></u>	<u><u>1,685,474</u></u>
CAPITAL AND RESERVES			
Called up share capital	21	10,000	10,000
Profit and loss account		152,057	1,675,474
		<u><u>162,057</u></u>	<u><u>1,685,474</u></u>

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


.....
A Euden
Director

Date: 12/6/2019

The notes on pages 12 to 25 form part of these financial statements.

BOAT INTERNATIONAL MEDIA LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2017	10,000	1,948,926	1,958,926
COMPREHENSIVE INCOME FOR THE YEAR			
Loss for the year	-	(273,452)	(273,452)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(273,452)	(273,452)
At 1 January 2018	10,000	1,675,474	1,685,474
COMPREHENSIVE INCOME FOR THE YEAR			
Loss for the year	-	(1,523,417)	(1,523,417)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(1,523,417)	(1,523,417)
AT 31 DECEMBER 2018	10,000	152,057	162,057

The notes on pages 12 to 25 form part of these financial statements.

BOAT INTERNATIONAL MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. GENERAL INFORMATION

The company is a private limited by shares company, which is incorporated and registered in England (Registered Number: 02650007).

The address of the registered office is Hartfield House, First Floor, 41-47 Hartfield Road, Wimbledon, London, SW19 3RQ.

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 unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

2.2 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 2018 and these financial statements may be obtained from Companies House.

2.3 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. Also, the company believes it has the continued support of its ultimate parent company.

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

BOAT INTERNATIONAL MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.4 REVENUE

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.

2.5 INTANGIBLE ASSETS

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so to allocate the cost of assets less their residual value over their estimated useful lives on a straight line basis as follows:

Titles acquired	9 years
Intellectual property rights	16 years
Software	4 years

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.

BOAT INTERNATIONAL MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.7 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 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.

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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.

BOAT INTERNATIONAL MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.14 FINANCE COSTS

Finance costs are charged to the statement of comprehensive income 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.

2.15 OPERATING LEASES

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

2.16 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 statement of comprehensive income 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.

2.17 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 2018**

**3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

Preparation of the financial statements required management to make significant judgements and estimates. The director considers the significant judgements or estimates that would have a material impact on the financial statements is the annual impairment review of intangible assets.

4. TURNOVER

The whole of the turnover is attributable to the principal activity of the company.

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	1,993,012	2,155,959
Rest of Europe	5,642,543	4,838,835
Rest of the world	3,619,305	4,410,554
	<u>11,254,860</u>	<u>11,405,348</u>

5. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2018 £	2017 £
Depreciation of tangible fixed assets	77,463	65,696
Amortisation of intangible assets	587,042	590,350
Impairment of intangible assets	-	54,515
Foreign exchange differences on translation	88,506	(61,393)
Fair value movement on financial instruments	-	(11,563)
Land and building operating leases	163,875	125,726
	<u>1,316,886</u>	<u>1,285,331</u>

6. AUDITOR'S REMUNERATION

Fees payable to the company's auditor in respect of:

The auditing of accounts of the company pursuant to legislation	30,250	29,650
Taxation compliance services	5,250	5,150
	<u>35,500</u>	<u>34,800</u>

BOAT INTERNATIONAL MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

7. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	3,159,720	3,240,476
Social security costs	319,940	346,767
Cost of defined contribution scheme	73,099	68,729
	<u>3,552,759</u>	<u>3,655,972</u>

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

	2018 No.	2017 No.
Editorial	26	27
Advertising	12	15
Corporate	6	6
Events	5	6
Digital	9	10
	<u>58</u>	<u>64</u>

BOAT INTERNATIONAL MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. DIRECTORS' REMUNERATION

	2018 £	2017 £
Directors' emoluments	150,000	160,000
Company contributions to defined contribution pension schemes	3,188	1,500
Compensation for loss of office	137,500	-
	<u>290,688</u>	<u>161,500</u>

During the year retirement benefits were accruing to 1 director (2017 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £287,500 (2017: £160,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3,188 (2017: £1,500).

The company's key management personnel is considered to be the directors.

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018 £	2017 £
Other loan interest payable	<u>202,494</u>	<u>198,036</u>

10. TAXATION

	2018 £	2017 £
TOTAL CURRENT TAX	<u>-</u>	<u>-</u>
DEFERRED TAX		
Origination and reversal of timing differences	40,007	(11,753)
Effect of tax rate change on opening balance	32,759	(124,565)
Adjustments in respect of prior periods	-	(32,758)
TOTAL DEFERRED TAX	<u>72,766</u>	<u>(169,076)</u>
TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	<u>72,766</u>	<u>(169,076)</u>

BOAT INTERNATIONAL MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2017 - *lower than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Loss on ordinary activities before tax	<u>(1,450,651)</u>	<u>(442,528)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	(275,624)	(85,171)
EFFECTS OF:		
Depreciation on ineligible assets	48	49
Expenses not deductible for tax purposes	11,289	1,642
Adjust deferred tax to average rate	6,020	1,069
Deferred tax not recognised	44,155	121,481
Adjustments to tax charge in respect of prior periods	-	(124,565)
Changes in deferred tax rate	102,609	(83,581)
Group relief	184,269	-
TOTAL TAX CHARGE FOR THE YEAR	<u>72,766</u>	<u>(169,076)</u>

11. EXCEPTIONAL ITEMS

	2018 £	2017 £
Historical intercompany differences	<u>-</u>	<u>(169,407)</u>

BOAT INTERNATIONAL MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. INTANGIBLE ASSETS

	Intellectual property rights £	Software £	Titles acquired £	Goodwill £	Total £
COST					
At 1 January 2018	327,281	940,790	4,878,265	215,000	6,361,336
Additions	-	194,660	3,431	-	198,091
At 31 December 2018	327,281	1,135,450	4,881,696	215,000	6,559,427
AMORTISATION					
At 1 January 2018	248,737	667,805	4,080,677	215,000	5,212,219
Charge for the year	13,091	184,159	389,792	-	587,042
At 31 December 2018	261,828	851,964	4,470,469	215,000	5,799,261
NET BOOK VALUE					
At 31 December 2018	65,453	283,486	411,227	-	760,166
At 31 December 2017	78,544	272,985	797,588	-	1,149,117

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 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.

A sensitivity analysis was undertaken on unimpaired intangibles and based on the results of this and the impairment reviews, the director considers 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 2018**

13. TANGIBLE FIXED ASSETS

	Leasehold property £	Fixtures and fittings £	Computer equipment and plant and machinery £	Total £
COST				
At 1 January 2018	114,363	104,151	414,099	632,613
Additions	5,410	9,355	41,136	55,901
At 31 December 2018	<u>119,773</u>	<u>113,506</u>	<u>455,235</u>	<u>688,514</u>
DEPRECIATION				
At 1 January 2018	109,004	93,379	317,401	519,784
Charge for the year	6,937	5,799	64,727	77,463
At 31 December 2018	<u>115,941</u>	<u>99,178</u>	<u>382,128</u>	<u>597,247</u>
NET BOOK VALUE				
At 31 December 2018	<u>3,832</u>	<u>14,328</u>	<u>73,107</u>	<u>91,267</u>
At 31 December 2017	<u>5,359</u>	<u>10,772</u>	<u>96,698</u>	<u>112,829</u>

14. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST	
At 1 January 2018	3,140
At 31 December 2018	<u>3,140</u>

BOAT INTERNATIONAL MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. FIXED ASSET INVESTMENTS (CONTINUED)**SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
Boat International Media Inc	Suite 340, 1800 Southeast Tenth Avenue, Fort Lauderdale, Florida 33316, USA	Ordinary	100%
Super Yacht Media Limited	Hartfield House, First Floor, 41 - 47 Hartfield Road, SW19 3RQ	Ordinary	100%
Luxury Yacht Listing Services Limited	Hartfield House, First Floor, 41 - 47 Hartfield Road, SW19 3RQ	Ordinary	80%

15. STOCKS

	2018	2017
	£	£
Finished goods and goods for resale	67,380	73,868

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

BOAT INTERNATIONAL MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

16. DEBTORS

	2018 £	2017 £
Trade debtors	1,302,296	1,237,703
Amounts owed by group undertakings	3,162,483	3,342,951
Other debtors	139,137	78,176
Prepayments and accrued income	892,388	840,731
Deferred taxation	346,911	419,677
	<u>5,843,215</u>	<u>5,919,238</u>

17. CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	<u>374,905</u>	<u>184,495</u>

18. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	475,202	1,017,076
Amounts owed to group undertakings	3,249,873	2,180,947
Other taxation and social security	133,618	94,136
Accruals and deferred income	1,243,597	790,833
	<u>5,102,290</u>	<u>4,082,992</u>

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

	2018 £	2017 £
Other loans	<u>1,875,726</u>	<u>1,674,223</u>

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

BOAT INTERNATIONAL MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

OTHER LOANS

	2018 £	2017 £
AMOUNTS FALLING DUE 2-5 YEARS		
Other loans	<u>1,875,726</u>	<u>1,674,223</u>

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

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

20. DEFERRED TAXATION

	2018 £	2017 £
At beginning of year	419,677	250,601
Charged to the profit or loss	(72,766)	169,076
AT END OF YEAR	<u>346,911</u>	<u>419,677</u>

The deferred tax asset is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	67,299	105,183
Short term timing differences	1,175	3,298
Tax losses carried forward and other deductions	278,437	311,196
	<u>346,911</u>	<u>419,677</u>

21. SHARE CAPITAL

	2018 £	2017 £
Allotted, called up and fully paid		
10,000 (2017 - 10,000) Ordinary shares of £1.00 each	<u>10,000</u>	<u>10,000</u>

BOAT INTERNATIONAL MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

22. 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 £70,099 (2017 - £68,729).

At the year end £14,657 is owed to the pension provider (2017 - £17,359).

23. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	242,513	65,042
Later than 1 year and not later than 5 years	828,584	-
	<u>1,071,097</u>	<u>65,042</u>

24. 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 connected companies amounts totalling £15,271 (2017: £44,398). At the balance sheet date £nil (2017: £6,000) was due to the company and £nil (2017: £140) was owed to the connected companies. The connected companies are considered related parties due to the common directorship with a director of the ultimate parent company and this enables the director significant influence over each entity.

25. 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 Companies House.

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