

Boatfolk Marinas Limited

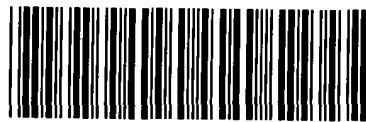
Annual Report and Financial Statements

Year Ended

31 March 2021

Company Number 02746437

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Boatfolk Marinas Limited

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Company Information

Directors	MAC Prideaux RJ Reddyhoff HE McCarthy LD Shotts S N Haigh C H Knight D J Reynolds
Registered number	02746437
Registered office	Deacons House Bridge Road Bursledon Southampton SO31 8AZ
Independent auditor	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

Boatfolk Marinas Limited

Strategic Report For the Year Ended 31 March 2021

The Directors present their strategic report together with the audited financial statements for the year ended 31 March 2021.

Business review

The principal activity of the Company continues to be owning and operating leisure infrastructure in the form of eleven nationwide prime coastal marinas across the UK. Development and provision of marina related facilities and services is also a continued focus for building on our customer experience offering.

The business has been positively impacted by the Boatfolk rebranding of the company effective from 1st April 2020. A fresh appeal to new boaters and our existing customers through our repositioned brand which focuses on having fun afloat continues to increase appeal to the next generation of boaters; making the brand more accessible, and putting the focus firmly on our customers and their experience.

Boatfolk continues to hold a leading position in its markets. There are significant barriers to entry in the sector, with the high costs of new build marina development, space restrictions, strict planning requirements and environmental considerations. Investment by boatfolk in infrastructure and services continues, along with activities undertaken by subsidiary undertakings.

The security of the income streams and the underlying real estate reinforces the fact that the Boatfolk Marina Group is a UK leisure infrastructure backed business with the ability to draw on a number of operational aspects to enhance its profitability and value.

The four key operational pillars of the business are as follows:

1. Berthing income – core business encompassing wet and dry berthing, largely comprising annual berthing contracts. Berthing income has excellent revenue visibility and strong retention rates across the portfolio.
2. Boat care income – provision of lift, launch and storage, boat care services and parts retail to berth holders and visitors. This is a fundamental part of Boatfolk's 'One Stop Shop' in-house business model that differentiates the company from other UK marina groups. We are steadily growing this area of the business and have launched in two new locations recently.
3. Property income – income from the leasing of over 80,000 sq ft of property on the marina sites. The business' tenants largely provide complementary marine services including chandlery, restaurants, bars, boat repairs and maintenance.
4. The Management Team – highly experienced team with a blend of important skills that de-risk the operational aspects of the marina infrastructure to drive value.

Boatfolk Marinas Limited

Strategic Report (continued) For the Year Ended 31 March 2021

Financial performance

The Company's annual turnover of £15.1m for the financial year ending 31 March 2021 has increased by 65% compared to the previous year. This is driven by a combination of factors, the main one being due to the hive up of the Quay Marina Group on the 31 March 2020 and therefore the results of this trade are included in the 2021 results, plus strong retention and demand for berths in the marina, unrivalled boat care, solid customer service satisfaction but partly offset by £350k of financial support offered to our customers as a result of the Covid-19 pandemic.

The directors are pleased with the performance of the business for this financial period having successfully navigated its way through the Covid-19 pandemic. Boatfolk has supported its employees and loyal customers and tenants where possible during the pandemic. The broader longer term impact on the economy remains to be seen, but we have strong platforms to drive the business forward.

We are progressing positively through a post Covid and post-Brexit environment, alongside recent economic and political developments. Whilst cautious, the business is confident it has the necessary skills, resources and leadership to continue its growth strategy and to seek out opportunities in the new post-Brexit marketplace.

We consider that the UK domestic leisure sector stands to benefit as more people choose to holiday at home in the UK in the coming years, driven by both Brexit and the Covid-19 travel risk. With our wider network of marinas and repositioned brand, we believe we are well equipped to harness this potential.

Going forward the Directors seek to provide our customers with the best possible service during these uncertain times, with customer satisfaction and retention rates tracked as an important KPI for the company. Cost base optimisation remains a focus, particularly as we work to realise efficiencies through both financial digital and operational synergies.

The Board will continue to carry out regular strategic reviews and maintain a close working relationship with its bankers, customers and suppliers. The company is committed to ensuring a safe working environment through a strong promotion of a Health & Safety culture and has been proactive in Health & Safety training and audits throughout the year.

Financial key performance indicators

The following financial key performance indicators (KPIs) are the most effective measure of progress towards the Company's objectives and are closely monitored throughout the year.

	2021 £'000	2020 £'000
Turnover	15,141	9,200
EBITDA *	4,303	2,987

* EBITDA is operating profit before depreciation and amortisation.

The Directors also monitor non-financial key performance indicators which include employee turnover and absences.

Boatfolk Marinas Limited

Strategic Report (continued)
For the Year Ended 31 March 2021

Principal risks and uncertainties

The company conducts quarterly meetings to evaluate and assess the company's risk appetite. The company's operations expose it to a variety of financial risks that include the effects of price risk, credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

Consumer Spending

The leisure marine market is sensitive to many economic factors including interest rates, property prices, inflation and foreign exchange rates, all of which affect consumer spending. The company aims to focus on a product offering that appeals to a wide range of customers, thereby mitigating where possible, any negative impact of adverse economic conditions.

Price risk

The company is exposed to price risk due to normal inflationary pressures in the purchase price of goods and services in the UK.

Interest rate risk

Following the September 2020 re-financing of the business, the Company's only interest charge is incurred on inter-company debt. Therefore the risk has been minimised.

Credit risk

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk. Currently, there are no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

Liquidity risk

The company actively maintains short-term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions.

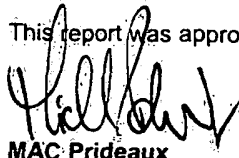
Competition

The private leisure industry is of a competitive nature but with a small number of top players. The company recognises the importance of best in class customer service levels and facilities on offer, alongside employing and retaining highly skilled people. The business recognises that employees are critical to success and is actively investing in building the boatfolk employment brand and integrating the company vision and values across the Group.

This report was approved by the board on

9/12/2021

and signed on its behalf.


MAC Prideaux
Director

Boatfolk Marinas Limited

Directors' Report For the Year Ended 31 March 2021

The Directors present their report together with the audited financial statements for the year ended 31 March 2021.

Results and dividends

The loss for the year, after taxation, amounted to £79,081 (2020 - loss £770,958).

The Directors do not recommend the payment of a dividend.

Directors

The Directors who served during the year were:

MAC Prideaux

RJ Reddyhoff

HE McCarthy

LD Shotts

S N Haigh (appointed 25 March 2021)

C H Knight (appointed 25 March 2021, resigned 13 October 2021)

D J Reynolds (appointed 25 March 2021, resigned 13 October 2021)

Future developments

Information on the likely future developments of the Company has been included in the Strategic Report.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements.

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.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, BDO 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.


MAC Prideaux
Director

Date: 9/12/2021

Boatfolk Marinas Limited

Directors' Responsibilities Statement For the Year Ended 31 March 2021

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 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 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.

Boatfolk Marinas Limited

Independent Auditor's Report to the Members of Boatfolk Marinas Limited

Opinion on the 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 March 2021 and of its profit 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.

We have audited the financial statements of Boatfolk Marinas Limited ("the Company") for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, 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).

Basis for opinion on the financial statements

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. 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.

Independence

We remain 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.

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.

Boatfolk Marinas Limited

Independent Auditor's Report to the Members of Boatfolk Marinas Limited (continued)

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. 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.

Opinions 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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 and 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.

Boatfolk Marinas Limited

Independent Auditor's Report to the Members of Boatfolk Marinas 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussions with management regarding known or suspected instances of non-compliance with laws and regulations;
- Obtaining an understanding of controls designed to prevent and detect irregularities, including specific consideration of controls and company accounting policies relating to significant accounting estimates;
- Obtaining an understanding of the significant laws and regulations impacting the company;
- Communicating relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit; and
- Assessing journals entries as part of our planned audit approach, with a particular focus on journal entries to key financial statement areas such as revenue and inventories and journals raised after the year end.

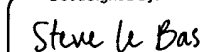
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

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.

DocuSigned by:



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Stephen Le Bas (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Southampton

United Kingdom

13 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Boatfolk Marinas Limited

Statement of Comprehensive Income For the Year Ended 31 March 2021

	Note	2021 £	2020 £
Turnover	4	15,141,255	9,200,011
Cost of sales		(1,465,360)	(843,150)
Gross profit		13,675,895	8,356,861
Administrative expenses		(12,460,454)	(6,950,381)
Other operating income	5	130,715	
Operating profit	6	1,346,156	1,406,480
Interest receivable and similar income	9	430	872
Interest payable and similar expenses	10	(1,602,504)	(2,142,226)
Loss before tax		(255,918)	(734,874)
Tax on loss	11	176,837	(36,084)
Loss for the financial year		(79,081)	(770,958)
Other comprehensive income for the year			
Unrealised surplus on revaluation of tangible fixed assets		908,000	11,981,340
Deferred taxation on unrealised surplus on revaluation of tangible fixed assets		(172,520)	(2,036,828)
Other comprehensive income for the year		735,480	9,944,512
Total comprehensive income for the year		656,399	9,173,554


The notes on pages 12 to 29 form part of these financial statements.

Boatfolk Marinas Limited
Registered number: 02746437

Balance Sheet
As at 31 March 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	12		6,258,945		7,091,757
Tangible assets	13		73,257,871		73,474,810
Investments	14		8,160,776		8,160,776
			<u>87,677,592</u>		<u>88,727,343</u>
Current assets					
Stocks	15	106,837		99,696	
Debtors: amounts falling due within one year	16	7,311,258		6,309,843	
Cash at bank and in hand		5,741,454		4,233,497	
		<u>13,159,549</u>		<u>10,643,036</u>	
Creditors: amounts falling due within one year	17	(70,806,517)		(29,801,748)	
Net current liabilities			<u>(57,646,968)</u>		<u>(19,158,712)</u>
Total assets less current liabilities			<u>30,030,624</u>		<u>69,568,631</u>
Creditors: amounts falling due after more than one year	18		(519,897)		(40,392,215)
Provisions for liabilities					
Deferred tax	21	(3,357,288)		(3,679,376)	
			<u>(3,357,288)</u>		<u>(3,679,376)</u>
Net assets			<u>26,153,439</u>		<u>25,497,040</u>
Capital and reserves					
Called up share capital	22		70,000		70,000
Revaluation reserve	23		36,067,362		35,601,454
Profit and loss account	23		(9,983,923)		(10,174,414)
			<u>26,153,439</u>		<u>25,497,040</u>

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


MAC Prideaux
Director

Date: 9/12/2021

The notes on pages 12 to 29 form part of these financial statements.

Boatfolk Marinas Limited

Statement of Changes in Equity For the Year Ended 31 March 2021

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2020	70,000	35,601,454	(10,174,414)	25,497,040
Comprehensive income for the year				
Loss for the year	-	-	(79,081)	(79,081)
Surplus on revaluation of freehold and leasehold property	-	908,000	-	908,000
Deferred taxation on unrealised surplus on revaluation of tangible fixed assets	-	(172,520)	-	(172,520)
Other comprehensive loss for the year	-	735,480	-	735,480
Total comprehensive loss for the year	-	735,480	(79,081)	656,399
Transfer of excess depreciation	-	(269,572)	269,572	-
At 31 March 2021	70,000	36,067,362	(9,983,923)	26,153,439

Statement of Changes in Equity For the Year Ended 31 March 2020

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2019	70,000	25,761,942	(9,508,456)	16,323,486
Comprehensive income for the year				
Loss for the year	-	-	(770,958)	(770,958)
Surplus on revaluation of freehold and leasehold property	-	11,981,340	-	11,981,340
Deferred taxation on unrealised surplus on revaluation of tangible fixed assets	-	(2,036,828)	-	(2,036,828)
Other comprehensive income for the year	-	9,944,512	-	9,944,512
Total comprehensive income for the year	-	9,944,512	(770,958)	9,173,554
Transfer of excess depreciation	-	(105,000)	105,000	-
At 31 March 2020	70,000	35,601,454	(10,174,414)	25,497,040

The notes on pages 12 to 29 form part of these financial statements.

Boatfolk Marinas Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

1. General information

Boatfolk Marinas Limited is a private company limited by shares, incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the contents page.

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.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern

The Directors have reviewed the going concern basis for the preparation of the accounts and have prepared budgets to 31 March 2023.

Based upon these budgets which include the continued impact of C-19 the directors have concluded the company is a going concern. The trading to date is ahead of forecast as prepared by the Directors.

At year end the Group (of which the Company is a member of) has no bank debt (having refinanced it during the year) and it is funded by loan notes from its majority shareholder, Mansford Opportunities V L.P. These loan notes are not due for repayment until 2025 and have no covenants attributed to them. This allows the Directors greater security and autonomy enabling growth and investment in driving the business forward.

Based on the forecasts prepared by the Directors, the current trading of the Group and the refinance in the year the directors conclude the Company is a going concern and as such the accounts have been prepared on the going concern basis.

Boatfolk Marinas Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

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 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 11.42, 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 Boatfolk Marina Group Limited as at 31 March 2021 and these financial statements may be obtained from Deacons House, Bridge Road, Southampton, SO31 8AZ.

2.4 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.5 Revenue

Turnover is measured at the fair value of the consideration received or receivable and represents amounts due for berth rentals, leasehold berth sales, licence fees, fuel sales and sundry income during the year net of returns, discounts and rebates allowed by the Company and value added taxes.

Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance and is recognised in the year to which it relates or when the ownerships of the goods passes to the customer and the company retains no continuing involvement or control over the goods.

2.6 Government grants

Grants of a revenue nature are recognised in the statement of comprehensive income in the same period as the related expenditure.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Deferred income

Deferred income is recognised on invoices that are raised annually. These are released to the income statement on a quarterly basis, one quarter is released each quarter as the service is performed.

Boatfolk Marinas Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

2. Accounting policies (continued)

2.9 Finance costs

Finance costs are charged to profit or loss 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.

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.11 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 profit or loss 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.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

2.13 Intangible assets

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the statement of income and retained earnings over its useful economic life.

Boatfolk Marinas Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

2. Accounting policies (continued)

2.14 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 and reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	- Over 50 years
Long-term leasehold property	- Over the term of the lease
Plant and machinery	- Over 5 - 25 years and 10%-25% reducing balance
Motor vehicles	- 25% reducing balance
Computer equipment	- Over 5 years

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 profit or loss.

2.15 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.17 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Boatfolk Marinas Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

2. Accounting policies (continued)

2.18 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.

2.19 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.

2.20 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.

2.21 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

Boatfolk Marinas Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

2. Accounting policies (continued)

2.21 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

Derivatives, including interest rate swaps and 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 income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or action, actual results may ultimately differ from these estimates.

4. Turnover

The whole of the turnover is attributable to the sales of berthing and other marina income to external customers at invoiced amounts less value added tax.

All turnover arose within the United Kingdom.

5. Other operating income

	2021 £	2020 £
Coronavirus Job Retention Scheme grants	105,715	-
Government grants receivable	25,000	-
	130,715	-

Boatfolk Marinas Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

6. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Amortisation of intangible assets	899,256	236,027
Depreciation of tangible fixed assets	2,057,360	1,344,122
Defined contribution pension cost	146,365	57,554
Rental costs - operating leases	1,257,380	623,458

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	25,000	16,000

8. Employees

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	3,222,872	1,703,079
Social security costs	276,519	138,449
Cost of defined contribution scheme	146,365	57,554
	3,645,756	1,899,082

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

	2021 No.	2020 No.
Berthing operations	94	54
Boatyard operations	14	13
Administration	10	7
	118	74

Boatfolk Marinas Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

9. Interest receivable and similar income

	2021 £	2020 £
Other interest receivable	430	872

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	587,014	1,278,513
Amortisation of finance cost	447,902	77,433
Loans from group undertakings	490,556	518,110
Loss on fair value through profit and loss	52,903	215,377
Finance leases and hire purchase contracts	24,129	4,258
Other interest payable	-	48,535
	<u>1,602,504</u>	<u>2,142,226</u>

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	303,024	-
Adjustments in respect of previous periods	14,747	-
Total current tax	<u>317,771</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	34,604	(161,475)
Change in tax rates	-	147,034
Adjustments in respect of previous periods	(529,212)	50,525
Total deferred tax	<u>(494,608)</u>	<u>36,084</u>
Taxation on loss on ordinary activities	<u>(176,837)</u>	<u>36,084</u>

Boatfolk Marinas Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	(255,918)	(734,874)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(48,624)	(139,626)
Effects of:		
Expenses not deductible for tax purposes	405,005	153,193
Adjustments to tax charge in respect of previous periods	(514,465)	50,525
Timing differences - capital gains	48,965	-
Transfer of subsidiary assets including capital gains	-	(233,917)
Group relief	(18,569)	7,807
Deferred tax not recognised	(49,149)	51,068
Tax rate adjustments	-	147,034
Total tax charge for the year	(176,837)	36,084

Factors that may affect future tax charges

Increases in the UK Corporation tax rate from 19% to 25% (19% effective from 1 April 2017, and 25% effective from 1 April 2023) have been substantively enacted. This will impact the company's future tax charge accordingly.

Boatfolk Marinas Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

12. Intangible assets

	Computer software £	Goodwill £	Total £
Cost			
At 1 April 2020	-	7,815,917	7,815,917
Transfers	81,901	-	81,901
At 31 March 2021	81,901	7,815,917	7,897,818
Amortisation			
At 1 April 2020	-	724,160	724,160
Charge for the year on owned assets	-	899,256	899,256
Transfers	15,457	-	15,457
At 31 March 2021	15,457	1,623,416	1,638,873
Net book value			
At 31 March 2021	66,444	6,192,501	6,258,945
At 31 March 2020	-	7,091,757	7,091,757

Boatfolk Marinas Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

13. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
Cost						
At 1 April 2020	6,579,325	63,154,268	23,389,328	30,175	204,756	93,357,852
Additions	-	325,108	740,446	-	15,750	1,081,304
Disposals	-	-	(2,590,438)	-	(122,586)	(2,713,024)
Transfer to intangible assets	-	-	-	-	(81,901)	(81,901)
Revaluations	128,713	717,769	61,518	-	-	908,000
At 31 March 2021	6,708,038	64,197,145	21,600,854	30,175	16,019	92,552,231
Depreciation						
At 1 April 2020	364,867	6,524,238	12,955,058	16,293	22,586	19,883,042
Charge for the year on owned assets	79,587	673,249	1,252,362	3,421	48,741	2,057,360
Disposals	-	-	(2,590,438)	-	(40,147)	(2,630,585)
Transfer to intangible assets	-	-	-	-	(15,457)	(15,457)
At 31 March 2021	444,454	7,197,487	11,616,982	19,714	15,723	19,294,360
Net book value						
At 31 March 2021	6,263,584	56,999,658	9,983,872	10,461	296	73,257,871
At 31 March 2020	6,214,458	56,630,030	10,434,270	13,882	182,170	73,474,810

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Freehold	6,263,584	6,214,458
Long leasehold	56,999,658	56,630,030
	<u>63,263,242</u>	<u>62,844,488</u>

Boatfolk Marinas Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

13. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £	2020 £
Plant and machinery	224,804	234,373
	<u>224,804</u>	<u>234,373</u>

The tangible fixed assets are evaluated at year end for any indication of impairment. No impairment loss was recognised during the year.

In 2021, the directors performed an assessment of the fair value of the marina assets. To support this, the company's marinas (land and buildings, including pontoons and certain other assets), were subject to a full valuation by an independent valuer, at open market value on a fully equipped operational entity basis. The effective date of the revaluations was 31 December 2020. The directors have considered the change in valuation from the 31 December 2020 to 31 March 2021 and have concluded based on the performance of the marinas in that period and discussions with the independent valuer thereon that there would have been no material change to the valuation in this three month period.

The independent valuer confirmed that their valuation of the marina assets was not subject to a material valuation uncertainty as defined by VPS3 and VPGA 10 of the RICS Valuation - Global Standards but in light of the continuing Covid-19 pandemic the valuer notes a greater degree of caution should be attached to their valuations. This does not impact the directors conclusions on the ability of the company to operate as a going concern – further details of going concern are included in Note 2.3 and the Strategic Report.

This does not impact the directors conclusions on the ability of the company to operate as a going concern – further details of going concern are included in Note 2.2 and the strategic report.

The company's marinas (land and buildings, including pontoons and certain other assets) were held as security for the loan from AIB Group (UK) PLC to the value of £40m for 2020. The loan was repaid in the year.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2021 £	2020 £
Cost	50,431,929	50,160,072
Accumulated depreciation	(10,939,225)	(9,902,170)
Net book value	<u>39,492,704</u>	<u>40,257,902</u>

Boatfolk Marinas Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

14. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2020	8,160,776
At 31 March 2021	<u>8,160,776</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Quay Marinas Group Limited	Ordinary	100%
Quay Marinas Limited *	Ordinary	100%
Portland Marina Limited	Ordinary	100%

* Quay Marinas Limited is indirect subsidiary undertaking of the company and is owned directly by Quay Marinas Group Limited.

The subsidiaries registered address are all Deacons House, Bridge Road, Southampton, SO31 8AZ.

15. Stocks

	2021 £	2020 £
Fuel and boatcare stock	98,406	99,696
Work in progress	8,431	-
	<u>106,837</u>	<u>99,696</u>

Boatfolk Marinas Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

16. Debtors: amounts falling due within one year

	2021 £	2020 £
Trade debtors	1,576,020	1,911,941
Amounts owed by group undertakings	5,546,898	3,402,348
Other debtors	19,946	16,459
Prepayments and accrued income	168,394	979,095
	<u>7,311,258</u>	<u>6,309,843</u>

17. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	-	100,000
Trade creditors	1,175,412	1,871,107
Amounts owed to group undertakings	59,739,274	19,604,168
Corporation tax	314,034	79,327
Other taxation and social security	937,067	872,913
Obligations under finance lease and hire purchase contracts	55,654	55,654
Other creditors	123,021	109,165
Accruals and deferred income	8,462,055	7,109,414
	<u>70,806,517</u>	<u>29,801,748</u>

Bank loans are secured as disclosed in note 19.

Included in the amounts owed to group undertakings are group loans which are unsecured, with no fixed repayment date. Interest is charged at a fixed rate of 12%.

Obligations under finance lease and hire purchase contracts are secured against the relevant assets concerned.

Boatfolk Marinas Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

18. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loans	-	39,900,000
Bank loan fees	-	(367,807)
Net obligations under finance leases and hire purchase contracts	144,643	183,022
Deferred consideration	322,035	500,000
Accruals and deferred income	53,219	177,000
	<u>519,897</u>	<u>40,392,215</u>

Bank loans were secured as disclosed in note 19.

Obligations under finance lease and hire purchase contracts are secured against the relevant assets concerned.

19. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	-	100,000
Amounts falling due 1-2 years		
Bank loans	-	400,000
Amounts falling due 2-5 years		
Bank loans	-	1,700,000
Amounts falling due after more than 5 years		
Bank loans	-	37,800,000
	<u>-</u>	<u>40,000,000</u>

The bank loan was guaranteed by a fixed charge over the marinas owned by Boatfolk Marinas Limited. The loan was repaid following a group re-finance in September 2020. Interest was charged at Libor plus a margin of 2.75%. A premium of £132,500 was paid in February 2018 and £137,600 was paid in September 2019 to cap interest payable for the next 3 years so that LIBOR was capped at 1.75% and the maximum interest payable was 4.5% dependent on the movement in LIBOR. The derivative financial instrument has been valued on a mark to market basis at 31 March 2021 and a reduction for valuation of £52,903 - (2020 - £215,377) has been included in interest payable and similar charges (see note 10).

Boatfolk Marinas Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	55,654	55,654
Between 1-5 years	144,643	183,022
	<u>200,297</u>	<u>238,676</u>

21. Deferred taxation

	2021 £	2020 £
At beginning of year	(3,679,376)	(1,199,261)
Charged to profit or loss	494,608	(36,084)
Charged to other comprehensive income	(172,520)	(2,036,828)
Transfer on hive up of Quay Marinas Limited	-	(407,203)
At end of year	<u>(3,357,288)</u>	<u>(3,679,376)</u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(1,583,483)	(2,209,882)
Tax losses carried forward	-	82,555
Capital gains	(1,781,883)	(1,560,398)
Other timing differences	8,078	8,349
	<u>(3,357,288)</u>	<u>(3,679,376)</u>

22. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
70,000 ordinary shares of £1 each	<u>70,000</u>	<u>70,000</u>

Boatfolk Marinas Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

23. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Revaluation reserve

This reserves is used to record increases in the fair value of land and buildings and decreases to extent that such decrease relates to an increase on the same asset.

Profit and loss account

The company's profit and loss account includes the accumulated profits and losses of the company less any dividends declared.

24. Pension commitments

The company operates a defined contribution pension scheme. The assets of these schemes are held separately from those of the company in independently administered funds. The pension charge amounted to £146,365 (2020 - £57,554). Total pension contributions of £28,396 (2020 - £12,005) were due to the pension provider at 31 March 2021.

25. Commitments under operating leases

At 31 March 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	154,371	154,371
Later than 1 year and not later than 5 years	156,521	347,201
Later than 5 years	190,680	-
	<u>501,572</u>	<u>501,572</u>

In addition to the above, base rent of £1,000 per annum, increasing by £500 every 5 years, is payable under a 999-year lease dated June 2009.

26. Related party transactions

As a wholly owned subsidiary of Boatfolk Marina Group Limited, the company is exempt from the requirements of FRS102 Section 33 Related party Disclosures to disclose transactions with other members of the group which are party to the transaction.

Boatfolk Marinas Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

27. Controlling party

The immediate parent undertaking of the company is Boatfolk Limited, a company incorporated in England & Wales. The ultimate parent undertaking is Boatfolk Marina Group Limited, a company incorporated in England & Wales. This company is the largest and smallest group in which the results of the company are consolidated. These accounts are publicly available at the registered office of the company as noted in the contents page to these accounts.

The ultimate parent undertaking and controlling party is Mansford Opportunities V L.P., a partnership limited by shares, incorporated in England & Wales.