

Premier Marinas Limited

Annual Report and Financial Statements

Period Ended

29 September 2019

Company Number 02973858



Premier Marinas Limited

Annual Report and financial statements for the period ended 29 September 2019

Contents

Page:

1	Strategic report
4	Directors' report
6	Independent auditor's report
8	Statement of comprehensive income
9	Statement of financial position
10	Statement of changes in equity
12	Notes forming part of the financial statements

Directors

P H Bradshaw
J M Cervenka
G A Collins

Registered office

Swanwick Marina, Swanwick, Southampton, Hampshire, SO31 1ZL

Company number

02973858

Auditor

Deloitte LLP, Statutory Auditor, London, United Kingdom

Premier Marinas Limited

Strategic report for the period ended 29 September 2019

The directors present their strategic report together with the audited financial statements for the period ended 29 September 2019.

Principal activity

The principal activities of the Company during the period were marina management and development, property management and development and the provision of marina related facilities and services.

Business review and future developments

The results for the period are set out in the Statement of Comprehensive Income on page 7.

The directors are satisfied with the performance of the Company for the period and with its financial position at the end of the period.

The company expects to continue to invest in its infrastructure and services in the coming year, and to invest in the activities carried out by its subsidiary undertakings. The most significant of these is the redevelopment of the marina, boatyard and commercial property at Noss on Dart, owned by Premier Marinas (Dart) Limited. During the year the company invested £9 million in Premier Marinas (Dart) Limited and significant investment is expected over the next few years which will be financed by issue new share capital in the company.

Details of events subsequent to the period end are included in note 23 to the financial statements.

Principal risks and uncertainties

The Company's activities expose it to a number of risks and uncertainties.

There is a risk that the markets for the Company's products and services or its competitive position could deteriorate. The Company manages these risks through building strong relationships with its customers and by maintaining high standards of customer service. The Company conducts regular market research to ensure that it continues to meet its customers' expectations.

The Company recognises that its employees are critical to its success and the Company is committed to creating a culture in which all employees feel valued for their contribution and are encouraged to achieve their full potential. The Company is Investors in People accredited.

The Company is committed to ensuring the safety of those people who work with it or who could be affected by its activities. The Company devotes significant resources to managing and improving the safety of its operations. All such activities are actively promoted and led by the board, supported by internal and external reviews, training and education.

The principal financial risks facing the Company include liquidity and credit risk. Whilst it is impossible to quantify what impact Brexit may have on the group's customers the directors do not anticipate any significant changes to the level of business activity in the coming year.

The Company's credit risk is primarily attributable to amounts receivable from its customers. Amounts owing by customers are closely managed and the Company has no significant concentration of risk with exposure spread over a large number of customers.

To monitor liquidity and ensure that the Company maintains sufficient funds for its ongoing operations and future developments, the Company closely monitors and forecasts profits and cashflow and maintains appropriate headroom in its cash balances.

Since the year end the company, and the Premier Marinas group to which it is part, has had to deal with the political and economic uncertainty resulting from the Covid-19 pandemic. We have taken measures to protect the health and safety of our customers and our employees, to monitor costs and cash flow whilst supporting our loyal berth holders, tenants and commercial operators where we can. Whilst we expect to see business disruption reducing our expected performance in 2020/21 we believe these measures will help to mitigate the impact of the volatility, and we believe that trading conditions will recover as we move into 2021/22.

Premier Marinas Limited

Strategic report for the period ended 29 September 2019 (continued)

Key performance indicators

The key performance indicators of the Company are set out below and the Directors are satisfied with these results against what remains a challenging environment for the sale of quality marina and marine related facilities.

	52 weeks ended 29 September 2019 £'000	52 weeks ended 30 September 2018 £'000
Turnover	9,238	9,369
Gross profit	4,974	4,865
Less Administrative expenses	(3,801)	(3,334)
Add back Depreciation (note 5)	1,177	1,058
EBITDA	2,350	2,589

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business review above. In addition, the Strategic report includes the Company's policies and processes for managing its principal risks and uncertainties; and its exposure to credit risk and liquidity risk.

The Company is part of a group that meets its day to day working capital requirements through surplus cash and an overdraft facility of £3 million. The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its current facilities. The group is financed entirely by its shareholders in the form of ordinary shares and has no external borrowing other than its overdraft facility.

The Company remains profitable and cash generative but does make discretionary Gift Aid payments to its ultimate parent undertaking, The Wellcome Trust, which may lead to a comprehensive loss in certain accounting periods.

Since the year end the company, and the Premier Marinas group to which it is part, has had to deal with the political and economic uncertainty resulting from the Covid-19 pandemic. We have already felt the impact of the government's guidelines on lockdown, and we have sought support where this has been available to us primarily in the form of Business Rates relief. We have taken measures to protect the health and safety of our customers and our employees, to monitor costs and cash flow whilst supporting our loyal berth holders, tenants and commercial operators where we can. Whilst we expect to see business disruption reducing our expected performance in 2020/21 we believe these measures will help to mitigate the impact of the volatility, and we believe that trading conditions will recover as we move into 2021/22.

The company has carried out forecasts under a number of reasonable sensitivities together with reasonable mitigating action. As a result, the directors believe that the Company, and its wider group, is well placed to manage its business risks successfully despite the current uncertain economic outlook.

On the basis of the cash flow forecasts, the cash reserves and overdraft facility of the Company, the directors have an expectation that the Company has the resources required to continue in operational existence for the foreseeable future.

The financial statements have been prepared on a going concern basis.

Premier Marinas Limited

Strategic report
for the period ended 29 September 2019 *(continued)*

This report was approved by the board on 30/9/2020 and signed on its behalf.

G A Collins
Director



Premier Marinas Limited

Directors' report for the period ended 29 September 2019

The directors present their report together with the audited financial statements for the period ended 29 September 2019.

Details regarding future developments, going concern and financial risk management can be found in the Strategic report on pages 1 and 2.

Principal activity

The principal activities of the Company during the period were marina management and development, property management and development and the provision of marina related facilities and services.

Results and Dividends

The profit for the period, after taxation, amounted to £7,202,000 (period ended 30 September 2018 - £4,782,000). An interim dividend of £95,000 was paid in the year (2018: £nil). The directors do not recommend the payment of a final dividend (30 September 2018 - £Nil).

Gift Aid of £6,670,000 was paid in the period (period ended 30 September 2018 - £4,830,000).

Directors

The directors who served during the period, and up to the date of signing of the accounts, were:

P H Bradshaw
J M Cervenka
G A Collins

Future developments

No significant change in the principal activities of the Company is expected in the foreseeable future. The company expects to continue to invest in its infrastructure and services in the coming year, and to invest in the activities carried out by its subsidiary undertakings. The most significant of these is the redevelopment of the marina, boatyard and commercial property at Noss on Dart, owned by Premier Marinas (Dart) Limited. During the year the company invested £9 million in Premier Marinas (Dart) Limited and significant investment is expected over the next few years which will be financed by issue new share capital in the company.

Subsequent events

Details of events subsequent to the period end are included in note 23 to the financial statements. Since the year end the company, and the Premier Marinas group to which it is part, has had to deal with the political and economic uncertainty resulting from the Covid-19 pandemic. We have already felt the impact of the government's guidelines on lockdown, and we have sought support where this has been available to us. We have taken measures to protect the health and safety of our customers and our employees, to monitor costs and cash flow whilst supporting our loyal berth holders, tenants and commercial operators where we can. The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 29 September 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. Whilst we expect to see business disruption reducing our expected performance in 2020/21 we believe the measures the company has taken will help to mitigate the impact of the volatility, and we believe that trading conditions will recover as we move into 2021/22.

Premier Marinas Limited

Directors' report for the period ended 29 September 2019 (continued)

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Directors' responsibilities statement (continued)

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

Disclosure of information to auditors

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

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- that 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 auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditors

The auditors, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30/9/2020 and signed on its behalf.

G A Collins

Director

Premier Marinas Limited

Independent auditor's report

Independent auditor's report to the members of Premier Marinas Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Premier Marinas Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 29 September 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 25.

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

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

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 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 respect of these matters.

Premier Marinas Limited

Independent auditor's report (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

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

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

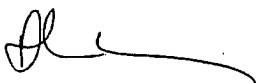
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

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.



Darren Longley FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

Date 30 September 2020

Premier Marinas Limited

Statement of comprehensive income for the period ended 29 September 2019

		52 weeks ended 29 September 2019 £'000	52 weeks ended 30 September 2018 £'000
	Note		
Turnover	4	9,238	9,369
Cost of sales		(4,264)	(4,504)
Gross profit		4,974	4,865
Administrative expenses		(3,801)	(3,334)
Interest receivable and similar income	9	3,164	3,298
Investment income received – dividend from subsidiary undertakings		2,650	-
Interest payable and similar expenses	10	(32)	(22)
Profit before taxation	5	6,955	4,807
Tax on profit	11	247	(25)
Profit for the period		7,202	4,782
Gift Aid paid in the period		(6,670)	(4,830)
Total comprehensive income / (loss) for the period		532	(48)

Premier Marinas Limited

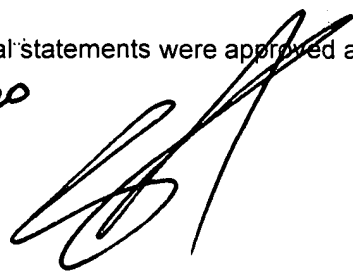
Statement of financial position at 29 September 2019

<i>Company number 02973858</i>	Note	29 September 2019 £'000	29 September 2019 £'000	30 September 2018 £'000	30 September 2018 £'000
Fixed assets					
Tangible assets	12		32,825		32,480
Investments	13		74,659		63,367
			<u>107,484</u>		<u>95,847</u>
Current assets					
Stocks	14	114		234	
Debtors: amounts falling due after more than one year	15	42,568		48,601	
Debtors: amounts falling due within one year	15	381		462	
Cash at bank and in hand		6,053		99	
		<u>49,116</u>		<u>49,396</u>	
Creditors: amounts falling due within one year	16	(4,104)		(4,467)	
Net current assets			<u>45,102</u>		<u>44,929</u>
Total assets less current liabilities			<u>152,496</u>		<u>140,776</u>
Provision for liabilities	17		(321)		(330)
Net assets			<u>152,175</u>		<u>140,446</u>
Capital and reserves					
Called up share capital	18		134,504		123,212
Share premium account	19		17,200		17,200
Profit and loss account	19		471		34
Shareholder's funds			<u>152,175</u>		<u>140,446</u>

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

30/9/2020

G A Collins
Director



Premier Marinas Limited

Statement of changes in equity for the period ended 29 September 2019

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
At 1 October 2018	123,212	17,200	34	140,446
Comprehensive income for the period				
Profit for the period	-	-	7,202	7,202
Gift Aid paid	-	-	(6,670)	(6,670)
Total comprehensive income for the period	-	-	532	532
Shares issued during the period (note 18)	11,292	-	-	11,292
Dividend paid in the period	-	-	(95)	(95)
At 29 September 2019	134,504	17,200	471	152,175

An interim dividend of £95,000 was paid in the period, equivalent to 0.000706 pence per share.

Premier Marinas Limited

Statement of changes in equity for the period ended 30 September 2018

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
At 1 October 2017	115,812	17,200	82	133,094
Comprehensive income for the period				
Profit for the period	-	-	4,782	4,782
Gift Aid paid			(4,830)	(4,830)
Total comprehensive loss for the period	-	-	(48)	(48)
Shares issued during the period (note 18)	7,400	-	-	7,400
At 30 September 2018	123,212	17,200	34	140,446

Premier Marinas Limited

Notes forming part of the financial statements for the period ended 29 September 2019

1 Company information

Premier Marinas Limited is a Company incorporated in the UK and registered in England & Wales under the Companies Act 2006. The address of the registered office is given on the Company information page and the nature of the Company's operations and its principal activities is disclosed in the Directors' report. The company is a private company limited by shares.

2. Accounting policies

2.1 Accounting convention and presentation of financial information

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

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in pounds sterling.

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

The following principal accounting policies have been applied:

2.2 Subsidiary Company disclosure exemptions

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage in preparing the separate financial statements of the Company, of the following disclosure exemptions available in FRS 102:

- No reconciliation of the number of shares outstanding at the beginning and end of the period has been presented;
- No cash flow statement has been presented;
- Disclosures in respect of the Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole in the consolidated financial statements of the group;
- Disclosures in respect of the Company's share-based payment arrangements have not been presented as the arrangement concerns equity instruments of another group entity and equivalent disclosures have been provided in respect of the group as a whole in the consolidated financial statements of the group; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Company.

The group information is contained in the consolidated financial statements of Premier Marinas Holdings Limited as at 29 September 2019 and these financial statements may be obtained from Companies House.

Premier Marinas Limited

Notes forming part of the financial statements for the period ended 29 September 2019 (*continued*)

2 Accounting policies (*continued*)

2.3 Going concern

The Company is part of a group that meets its day to day working capital requirements through surplus cash and a £3 million overdraft facility. The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its current facilities. The group is financed entirely by its shareholders in the form of ordinary shares and has no external borrowing other than the overdraft facility. The Company remains profitable and cash generative but does make discretionary Gift Aid payments to its ultimate parent undertaking, The Wellcome Trust, which may lead to a comprehensive loss in certain accounting periods. The directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook. On the basis of the cash flows generated by the company, its cash reserves and overdraft facility, the directors have an expectation that the company has the resources required to continue in operational existence for the foreseeable future. The financial statements have been prepared on a going concern basis.

2.4 Operating results

The operating results included transactions up to and including the Sunday nearest to 30 September of each year. Accordingly, as required by Section 390(3) of the Companies Act 2006 the accounts refer to the 52 week period for the period. The results for the year include transactions up to and including the Sunday nearest 30 September 2019 i.e. 29 September 2019.

2.5 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods (for instance sale of fuel) is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services (for instance marina berthing) is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Premier Marinas Limited

Notes forming part of the financial statements for the period ended 29 September 2019 (continued)

2 Accounting policies (continued)

2.6 Tangible fixed assets

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

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is provided by the Company to write off the cost on less estimated residual value of tangible fixed assets by equal annual instalments over their estimated useful economic lives as follows:

Freehold and long leasehold land	- Not depreciated
Freehold buildings	- 75 years
Long leasehold buildings	- Over the length of the lease
Pontoons	- 4% - 20%
Lock structures	- 2.5% - 5%
Fixtures, fittings and equipment	- 13% - 25%

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

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

2.7 Investments

Investments are stated at cost less any accumulated provision for impairment. Investments are reviewed annually for impairment by reference to trading performance and by reference to an annual third party valuation carried out on behalf of the company's ultimate parent undertaking.

2.8 Stocks and property 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 reporting 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.

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.

Premier Marinas Limited

Notes forming part of the financial statements for the period ended 29 September 2019 *(continued)*

2 Accounting policies *(continued)*

2.11 Creditors

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

2.12 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.

2.13 Dividends

Equity dividends payable are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Equity dividends received from subsidiary undertakings are recognised as income when they become legally payable and are recognised as income within Investment income received.

2.14 Pensions

The Company participates in three defined contribution pension plans, administered by Legal and General Assurance Society, Skandia Life and, Scottish Life. Contributions are charged to the Statement of Comprehensive Income in the period in which they are incurred.

2.15 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.16 Leases

Where the Company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the Statement of Financial Position as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the Statement of Comprehensive Income, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as operating leases and the rental charges are charged to the Statement of Comprehensive Income on a straight line basis over the life of the lease. Operating lease income is accounted for on a straight line basis with any rental increases recognised during the period to which they relate.

Premier Marinas Limited

Notes forming part of the financial statements for the period ended 29 September 2019 *(continued)*

2 Accounting policies *(continued)*

2.17 Current taxation

Current tax, including UK corporation tax and foreign tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the Statement of financial position date.

2.18 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the Statement of financial position date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

2.19 Gift Aid

The distribution of Gift Aid donations is equal to the estimate taxable profits of the Company, subject to approval by the shareholders, at the time of the payment and is recognised as a Gift Aid distribution when paid.

Premier Marinas Limited

Notes forming part of the financial statements for the period ended 29 September 2019 (*continued*)

2 Accounting policies (*continued*)

2.22 Employee Benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, long-term incentive plans, paid holiday arrangements and defined contribution pension plans:

Short term benefits

Short term benefits, including holiday pay, private medical insurance, medical assessments, permanent disability insurance and life insurance are recognised as an expense in the period in which the service is received.

Pensions

The Group participates in three defined contribution pension plans, administered by Legal and General Assurance Society, Skandia Life and Scottish Life. Contributions are charged to the Statement of Comprehensive Income in the period in which they are incurred.

Annual bonus plan

An expense is recognised in the Statement of Comprehensive Income when the Group has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

Long-term incentive plans

The cost is recognised in the Statement of Comprehensive Income over the period of service to which the plan relates. Where amounts are left in the plan after vesting date, any adjustment in value between the date of vesting and the date of payment is recognised in the Statement of Comprehensive Income.

Termination benefits

Termination benefits are payable when employment is terminated by the Group, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or (ii) providing termination benefits as a result of an offer of voluntary redundancy.

Premier Marinas Limited

Notes forming part of the financial statements for the period ended 29 September 2019 (continued)

3 Critical accounting judgments and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgments:

- Determine whether leases entered into by the Company either as a lessor or a lessee are operating lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Company's tangible assets and investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Long Term Incentive Plan ("LTIP")
The provision held for the group's LTIP is calculated by reference to future cash flows to and from the group's shareholder. These cash flows are based on rolling budgets and projections that may differ from those actually achieved in future years.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 12)
Tangible fixed assets, other than investments properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Recoverability of intercompany debt (see note 15)
Intercompany debts are assessed for recoverability. Intercompany debt is deemed recoverable due to the fact that it is asset backed. Also the Company receives cash from the other group companies on a weekly basis. If recoverability appears to be threatened then arrangements can be made to reduce the level of, or even stop charging interest on the debt.

4 Turnover

All turnover derives from the United Kingdom and all operations are based in the United Kingdom and relate to marina berthing fees and associated marina goods and services.

Premier Marinas Limited

Notes forming part of the financial statements
for the period ended 29 September 2019 (continued)

5 Profit before taxation

The profit before taxation is stated after charging:

	52 weeks ended 29 September 2019 £'000	52 weeks ended 30 September 2018 £'000
Depreciation of tangible fixed assets	1,177	1,058
Operating lease rentals - Land and buildings	216	218
Defined contribution pension cost	132	123
	<u>1,525</u>	<u>1,400</u>

Rent and service charges receivable were £2,022,248 (30 September 2018 - £1,361,508).

6 Auditors remuneration

	52 weeks ended 29 September 2019 £'000	52 weeks ended 30 September 2018 £'000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	6	6
	<u>6</u>	<u>6</u>

7 Employees

	52 weeks ended 29 September 2019 £'000	52 weeks ended 30 September 2018 £'000
Staff costs during the period were:		
Wages and salaries	2,912	2,352
Social security costs	263	202
Pension costs	132	123
	<u>3,307</u>	<u>2,677</u>

Premier Marinas Limited

Notes forming part of the financial statements for the period ended 29 September 2019 (continued)

7 Employees (continued)

The average monthly number of employees during the period was as follows:

	52 weeks ended 29 September 2019 Number	52 weeks ended 30 September 2018 Number
Marina operations	33	33
Administration	38	37
	<u>71</u>	<u>70</u>

8 Directors' emoluments

The directors serving at 29 September 2019 received total emoluments of £786,772 (ended 30 September 2018 - £705,766) from Premier Marinas Limited during the period, but it is not practicable to allocate this between their services as directors of Premier Marinas Limited and their services as directors of the subsidiary companies. Three directors (2018: three) were members of defined contribution schemes. The company made payments totalling £43,650 (2018: £54,453) to those schemes which is included in the total emoluments above.

The highest paid director received remuneration of £339,039 (30 September 2018 - £308,125).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (30 September 2018 - £23,063).

9 Interest receivable

	52 weeks ended 29 September 2019 £'000	52 weeks ended 30 September 2018 £'000
Interest receivable from group companies	3,164	3,298
Interest is charged at a rate of 7% (period ended 30 September 2018 - 7%) on intercompany loans.	<u> </u>	<u> </u>

10 Interest payable and similar expenses

	52 weeks ended 29 September 2019 £'000	52 weeks ended 30 September 2018 £'000
Overdraft (see note 16)	32	22
	<u> </u>	<u> </u>

Premier Marinas Limited

Notes forming part of the financial statements
for the period ended 29 September 2019 (continued)

11 Taxation

	52 weeks ended 29 September 2019 £'000	52 weeks ended 30 September 2018 £'000
Corporation tax		
Current tax on profits for the period	(3)	163
Adjustment in respect of prior period	(163)	(80)
Total current tax	(166)	83
Deferred tax (see note 17)		
Origination and reversal of timing differences	(32)	(12)
Adjustment in respect of prior period	(49)	(46)
Taxation on profit	(247)	25

The tax charge arising in the period is considered unlikely to crystallise as a result of the group's intention to gift aid to Wellcome Trust the profit that gives rise to the charge. However, on the basis that this is contingent on future events, a tax liability has been provided to reflect the position at the period end.

The tax assessed for the period is lower than (30 September 2018 - lower than) the standard rate of corporation tax in the UK of 19% (30 September 2018 - 19%). The differences are explained below:

	52 weeks ended 29 September 2019 £'000	52 weeks ended 30 September 2018 £'000
Profit before tax	6,955	5,477
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (30 September 2018 - 19%)	1,321	1,041
Effects of:		
Expenses not deductible for tax purposes	128	71
Gift Aid payments	(1,267)	(812)
Other differences leading to a change in the tax charge		
Group relief	(217)	(149)
Prior year adjustment	(212)	(126)
Total tax charge/(credit) for the period	(247)	25

Premier Marinas Limited

Notes forming part of the financial statements
for the period ended 29 September 2019 (*continued*)

11 Taxation (*continued*)

Factors that may affect future tax charges

The Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%. As the rate change had not been substantively enacted at the balance sheet date the impact is not included in these financial statements. This has not had a material impact on the financial statement.

12 Tangible fixed assets

	Freehold land and buildings £'000	Long leasehold land and buildings £'000	Lock structure £'000	Fixtures, fittings and equipment £'000	Pontoons £'000	Total £'000
<i>Cost</i>						
At 1 October 2018	23,997	7,795	2,102	4,919	5,183	43,996
Additions	634	113	108	612	64	1,531
Disposals		-	-	(21)	-	(21)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 29 September 2019	24,631	7,908	2,210	5,510	5,247	45,506
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>						
At 1 October 2018	3,183	1,334	1,176	2,385	3,438	11,516
Charge for the period	259	115	72	513	218	1,177
Disposals		-	-	(12)	-	(12)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 29 September 2019	3,442	1,449	1,248	2,886	3,656	12,681
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>						
At 29 September 2019	21,189	6,459	962	2,624	1,591	32,825
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 1 October 2018	20,814	6,461	926	2,534	1,745	32,480
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Premier Marinas Limited

Notes forming part of the financial statements
for the period ended 29 September 2019 (continued)

13 Fixed asset investments

	Investments in subsidiary undertakings £'000
<i>Cost</i>	
At 1 October 2018	63,367
Additions	11,292
	<hr/>
At 29 September 2019	74,659
	<hr/>
<i>Net book value</i>	
At 29 September 2019	74,659
	<hr/>
At 1 October 2018	63,367
	<hr/>

Subsidiary undertakings

The operating subsidiary undertakings at 29 September 2019 and 30 September 2018 are set out below:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Premier Marinas (Gosport) Limited	Great Britain	Ordinary shares	100%	Operation of a yacht marina
Premier Marinas (Southsea) Limited	Great Britain	Ordinary shares	100%	Operation of a yacht marina
Premier Marinas (Falmouth) Limited	Great Britain	Ordinary shares	100%	Operation of a yacht marina
Premier Marinas (Brighton) Limited	Great Britain	Ordinary shares	100%	Operation of a yacht marina
Gosport Real Estate Limited	Great Britain	Ordinary shares	100%	Property development
Gosport Estates Limited	Great Britain	Ordinary shares	100%	Property development
Premier Marinas (Hamble) Limited	Great Britain	Ordinary shares	100%	Operation of a yacht marina
Falmouth Yacht Marina Limited	Great Britain	Ordinary shares	100%	Intermediate holding Company
Premier Marinas (Eastbourne) Limited	Great Britain	Ordinary shares	100%	Operation of a yacht marina
Premier Marinas (Dart) Limited	Great Britain	Ordinary shares	100%	Operation of a yacht marina
Eastbourne Estates Limited	Great Britain	Ordinary shares	100%	Property development

All subsidiaries have a registered address at Swanwick Marina, Swanwick, SO31 1ZL.

All subsidiaries are held directly with the exception of Premier Marinas (Falmouth) Limited which is owned by Falmouth Yacht Marina Limited, and Eastbourne Estates Limited which is owned by Premier Marinas (Eastbourne) Limited

During the year the company increased its investments in Premier Marinas (Hamble) Limited (£2,292,000) and Premier Marinas (Dart) Limited (£9,000,000).

Premier Marinas Limited

Notes forming part of the financial statements
for the period ended 29 September 2019 (continued)

14 Stocks and work in progress

	29 September 2019 £'000	30 September 2018 £'000
Finished goods and goods for resale	114	48
Development work in progress	-	186
	<u>114</u>	<u>234</u>

The replacement cost of finished goods and goods for resale is not materially different from the Statement of financial position value.

15 Debtors

	29 September 2019 £'000	30 September 2018 £'000
Due after more than one year		
Amounts owed by group undertakings	42,568	48,601
Due within one year		
Trade debtors	67	207
Other debtors	314	255
	<u>381</u>	<u>462</u>

Interest is charged at a rate of 7% (period ended 30 September 2018 - 7%) on intercompany loans. All amounts owed are due within one year but the company has formally deferred their repayment for at least one year from 30 September 2020.

16 Creditors: amounts falling due within one year

	29 September 2019 £'000	30 September 2018 £'000
Bank overdraft	-	435
Trade creditors	733	537
Corporation tax	-	162
Other taxation and social security	278	427
Other creditors	175	165
Accruals and deferred income	2,918	2,741
	<u>4,104</u>	<u>4,467</u>

The Group has an overdraft facility of £3,000,000 secured via a fixed and floating charge on the assets of its' Southsea Marina. Interest is charged at 2% above LIBOR.

Premier Marinas Limited

Notes forming part of the financial statements
for the period ended 29 September 2019 (continued)

17 Provisions for liabilities

	29 September 2019 £'000	30 September 2018 £'000
Deferred taxation	12	93
Employee related provision - LTIP	309	237
	<hr/>	<hr/>
Provisions and liabilities	321	330
	<hr/>	<hr/>

Deferred taxation

	29 September 2019 £'000	30 September 2018 £'000
At start of the period	93	151
Credited to the profit or loss	(81)	(58)
	<hr/>	<hr/>
At end of the period	12	93
	<hr/>	<hr/>

The provision for deferred taxation is made up as follows:

	29 September 2019 £'000	30 September 2018 £'000
Accelerated capital allowances	12	93
	<hr/>	<hr/>
Employee related provision - LTIP		

	30 September 2019 £'000	30 September 2018 £'000
At start of the period	237	-
Charged in the year	151	237
Utilised in the year	(79)	-
	<hr/>	<hr/>
At end of the period	309	237
	<hr/>	<hr/>

The Long Term Incentive Plan (LTIP) is a cash settled bonus scheme which vests after three years, with half of the award held over for a further two years i.e. a five year plan. The LTIP award is based upon achievement of certain levels of IRR as calculated by reference to cash flows to and from the group's shareholder.

Premier Marinas Limited

Notes forming part of the financial statements
for the period ended 29 September 2019 (continued)

18 Share capital

	29 September 2019 £'000	30 September 2018 £'000
<i>Allotted, called up and fully paid</i>		
13,450,400,000 (30 September 2018 – 12,321,219,100) ordinary shares of £0.01 each	134,504	123,212

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

During the year 1,129,200,000 ordinary shares of £0.01 each were allotted for cash consideration of £11,292,000.

19 Reserves

The Company's capital and reserves are as follows:

Share Capital

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

Profit and loss account

Profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

Share premium

The share premium account includes the premium on issue of equity shares, net of any issue costs.

20 Capital commitments

At 29 September 2019 the Company had contracted capital commitments of £129,000 (30 September 2018 - £53,000).

21 Pension commitments

During the period the Company participated in two defined contribution Group Personal Pension Plans administered by Legal & General Assurance Society and Scottish Life. The Company's contributions are charged to the Statement of Comprehensive Income in the period they are incurred. The pension charge cost for the year was £132,000 (30 September 2018 - £123,000). The balance outstanding as at 29 September 2019 was £31,826 (30 September 2018 - £29,783).

Premier Marinas Limited

Notes forming part of the financial statements for the period ended 29 September 2019 (continued)

22 Commitments under operating leases

At 29 September 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings 29 September 2019 £'000	Other 29 September 2019 £'000	Land and buildings 1 September 2018 £'000	Other 1 September 2018 £'000
Within 1 year	186	33	186	33
Within two to five years	745	14	745	14
More than 5 years	18,726	-	18,912	-
Total	19,657	47	19,843	47

23 Subsequent events

Since the year end the company, and the Premier Marinas group to which it is part, has had to deal with the political and economic uncertainty resulting from the Covid-19 pandemic. We have already felt the impact of the government's guidelines on lockdown, and we have sought support where this has been available to us. We have taken measures to protect the health and safety of our customers and our employees, to monitor costs and cash flow whilst supporting our loyal berth holders, tenants and commercial operators where we can. The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 29 September 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. Whilst we expect to see business disruption reducing our expected performance in 2020/21 we believe the measures the company has taken will help to mitigate the impact of the volatility, and we believe that trading conditions will recover as we move into 2021/22.

24 Related party disclosures

The Company has taken advantage of the exemption conferred by Section 33.1A of FRS 102 not to disclose transactions with members of the group headed by Premier Marinas Holdings Limited on the grounds that 100% of the voting rights in the Company are controlled within that group and the Company is included in the consolidated financial statements.

25 Ultimate parent Company and controlling party

The Company is a company limited by shares. The immediate parent company is Premier Marinas Holdings Limited, a company incorporated in England and Wales. The Company is considered a subsidiary of the Wellcome Trust (a charity registered in England and Wales, no. 210183) through its corporate trustee The Wellcome Trust Limited, as trustee of the Wellcome Trust, whose place of business is Gibbs Building, 215 Euston Road, London, United Kingdom, for accounting purposes and its assets and liabilities have been consolidated with those of the Wellcome Trust as required by section 9 of FRS 102. The group accounts of The Wellcome Trust are the largest which consolidate the results of the company. The smallest accounts which consolidate the results of the company are those of Premier Marinas Holdings Limited, whose registered address is Swanwick Marina, Swanwick, SO31 1ZL.