

Premier Marinas Limited

Annual Report and Financial Statements

Period Ended

3 October 2021

Company Number 02973858



Premier Marinas Limited

Annual Report and financial statements for the period ended 3 October 2021

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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 3 October 2021

The directors present their strategic report together with the audited financial statements for the period ended 3 October 2021.

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 8.

The directors are satisfied with the performance of the Company for the period and with its financial position at the end of the period, particularly in light of the impact of the COVID-19 pandemic.

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.

There is a risk of loss of key personnel. 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.

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. It has taken measures to protect the health and safety of its customers and employees, to monitor costs and cash flow whilst supporting its berth holders, tenants and commercial operators where possible. Whilst business disruption is expected to impact performance in 2021/22 the directors believe these measures will help to mitigate the impact of any volatile trading conditions, and we believe that trading conditions will recover in 2022/23.

Premier Marinas Limited

Strategic report for the period ended 3 October 2021 (*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.

	53 weeks ended 3 October 2021 £'000	52 weeks ended 27 September 2020 £'000
Turnover	9,910	8,765
Gross profit	5,687	4,233
Less Administrative expenses	(3,634)	(3,789)
Add Other operating income	-	120
Add back Depreciation (note 5)	1,273	1,211
EBITDA	3,326	1,775

Going concern

The company 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.

The company 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 some business disruption impacting our expected performance in 2021/22 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 2022/23.

Premier Marinas Limited

Strategic report for the period ended 3 October 2021 (*continued*)

Going concern (*continued*)

The company has prepared forecasts under a number of reasonable scenarios including sensitivities together with mitigating action. The forecasts reflect that demand for quality marina berthing has remained robust, and the group's support for its tenants and berth holders through temporary concessions. As a result, the directors believe that the 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 at least 12 months from the signing of these financial statements.

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

This report was approved by the board on 29 June 2022, and signed on its behalf.



G A Collins
Director

Premier Marinas Limited

Directors' report for the period ended 3 October 2021

The directors present their report together with the audited financial statements for the period ended 3 October 2021.

Details regarding future developments, going concern and financial risk management can be found in the Strategic report on pages 1,2 and 3.

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 £5,211,000 (period ended 27 September 2020 - £4,093,000). An interim dividend of £nil was paid in the year (2020: £nil). The directors do not recommend the payment of a final dividend (27 September 2020 £Nil).

Gift Aid of £5,000,000 was paid in the period (period ended 27 September 2020 - £4,550,000).

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. Significant investment is expected over the next few years which will be financed by new share capital in the company.

Subsequent events

There are no events subsequent to the year end that require disclosure in these financial statements.

Premier Marinas Limited

Directors' report for the period ended 3 October 2021 (*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.

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 29 June 2022 and signed on its behalf.



G A Collins

Director

Premier Marinas Limited

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 3 October 2021 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 26.

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

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Premier Marinas Limited

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

Extent to which the audit was considered 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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included UK Anti-Bribery Act, employment legislation, EU and UK GDPR, HSE legislation.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- Occurrence of boat handling revenue: We obtained a population of all boat handling revenue for the year and reconciled this to the trial balance; and we selected a representative sample of services from the breakdown and agreed to the relevant invoice, receipt note and bank statement to confirm the service has been performed.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Premier Marinas Limited

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

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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

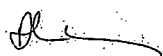
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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

29 June 2022

Premier Marinas Limited

Statement of comprehensive income for the period ended 3 October 2021

	Note	53 weeks ended 3 October 2021 £'000	52 weeks ended 27 September 2020 £'000
Turnover	4	9,910	8,765
Cost of sales		(4,223)	(4,532)
Gross profit		5,687	4,233
Administrative expenses		(3,634)	(3,789)
Other operating income		-	120
Operating profit	5	2,053	564
Interest receivable and similar income	9	3,291	3,749
Investment income received – dividend from subsidiary undertakings		-	-
Interest payable and similar expenses	10	(21)	(26)
Profit before taxation		5,323	4,287
Tax on profit	11	(112)	(194)
Profit for the period		5,211	4,093
Gift Aid paid in the period		(5,000)	(4,550)
Total comprehensive income/(expense) for the period		211	(457)

All activities derive from continuing activities

Premier Marinas Limited

Statement of financial position at 3 October 2021

<i>Company number 02973858</i>	Note	3 October 2021 £'000	3 October 2021 £'000	27 September 2020 £'000	27 September 2020 £'000
Fixed assets					
Tangible assets	12		32,833		33,106
Investments	13		106,983		74,659
			<u>139,816</u>		<u>107,765</u>
Current assets					
Stocks	14	270		728	
Debtors: amounts falling due after more than one year	15	48,402		45,823	
Debtors: amounts falling due within one year	15	1,353		266	
Cash at bank and in hand		9,956		4,281	
		<u>59,981</u>		<u>51,098</u>	
Creditors: amounts falling due within one year	16	(7,845)		(6,720)	
Net current assets			<u>52,136</u>		<u>44,378</u>
Total assets less current liabilities			<u>191,952</u>		<u>152,143</u>
Provision for liabilities	17		(423)		(425)
Net assets			<u>191,529</u>		<u>151,718</u>
Capital and reserves					
Called up share capital	18		174,104		134,504
Share premium account	19		17,200		17,200
Profit and loss account	19		225		14
Shareholder's funds			<u>191,529</u>		<u>151,718</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 June 2022.



G A Collins
Director

Premier Marinas Limited

Statement of changes in equity for the period ended 3 October 2021

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
At 28 September 2020	134,504	17,200	14	151,718
Comprehensive income for the period				
Profit for the period	-	-	5,211	5,211
Gift Aid paid	-	-	(5,000)	(5,000)
Total comprehensive income for the period	-	-	211	211
Transactions with Shareholders				
Equity Issued (note 18)	39,600	-	-	39,600
	39,600	-	-	39,600
At 3 October 2021	174,104	17,200	225	191,529

Premier Marinas Limited

Statement of changes in equity for the period ended 27 September 2020

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
At 30 September 2019	134,504	17,200	471	152,175
Comprehensive expense for the period				
Profit for the period	-	-	4,093	4,093
Gift Aid paid	-	-	(4,550)	(4,550)
Total comprehensive expense for the period	-	-	(457)	(457)
At 27 September 2020	134,504	17,200	14	151,718

Premier Marinas Limited

Notes forming part of the financial statements for the period ended 3 October 2021

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 Company has adopted the provisions of FRED 76 – Draft amendments to FRS 102 – COVID-19 related rent concessions. Turnover for the year was reduced by £nil (2020 - £350,000) through the immediate recognition of temporary rent concessions provided to the company's customers.

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 3 October 2021 and these financial statements may be obtained from Companies House.

Premier Marinas Limited

Notes forming part of the financial statements for the period ended 3 October 2021 (*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 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 group 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 group 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 some business disruption impacting our expected performance in 2021/22 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 2022/23. The group has prepared forecasts under a number of reasonable scenarios including sensitivities together with mitigating action. The forecasts reflect that demand for quality marina berthing has remained robust, and the group's support for its tenants and berth holders through temporary concessions. As a result, the directors believe that the 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 group, the directors have an expectation that the group has the resources required to continue in operational existence for at least 12 months from the signing of these financial statements. 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 53 week period for the period. The results for the year include transactions up to and including the Sunday nearest 30 September 2021 i.e. 3 October 2021.

Premier Marinas Limited

Notes forming part of the financial statements for the period ended 3 October 2021 (*continued*)

2 Accounting policies (*continued*)

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.
- credits and temporary rent concessions relating to COVID-19 support given to berth holders and tenants were recognised immediately in the period they were given, rather than spread over the life of the berthing agreement or tenancy agreement.

Premier Marinas Limited

Notes forming part of the financial statements for the period ended 3 October 2021 (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 3 October 2021 (*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 two defined contribution pension plans, administered by Legal and General Assurance Society, and Skandia 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 3 October 2021 (*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 3 October 2021 (*continued*)

2 Accounting policies (*continued*)

2.20 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 3 October 2021 (*continued*)

3 Critical accounting judgments and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following critical accounting 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.

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 3 October 2021 (*continued*)

5 Profit before taxation

The profit before taxation is stated after charging/(crediting):

	53 weeks ended 3 October 2021 £'000	52 weeks ended 27 September 2020 £'000
Cost of stock recognised as an expense	1,088	330
Depreciation of tangible fixed assets	1,273	1,211
Operating lease rentals - Land and buildings	232	220
Defined contribution pension cost	140	136
Coronavirus Job Retention Scheme receipts	-	(120)
	<u> </u>	<u> </u>

Rent and service charges receivable were £1,410,000 (27 September 2020 - £1,451,000).

6 Auditors remuneration

	53 weeks ended 3 October 2021 £'000	52 weeks ended 27 September 2020 £'000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	10	6
	<u> </u>	<u> </u>

7 Employees

	53 weeks ended 3 October 2021 £'000	52 weeks ended 27 September 2020 £'000
Staff costs during the period were:		
Wages and salaries	2,866	3,054
Social security costs	262	253
Pension costs	140	136
	<u> </u>	<u> </u>
	3,268	3,443
	<u> </u>	<u> </u>

Premier Marinas Limited

Notes forming part of the financial statements for the period ended 3 October 2021 (continued)

7 Employees (continued)

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

	53 weeks ended 3 October 2021 Number	52 weeks ended 27 September 2020 Number
Marina operations	41	42
Administration	30	33
	<u>71</u>	<u>75</u>

8 Directors' emoluments

The directors serving at 3 October 2021 received total emoluments of £763,740 (ended 27 September 2020 - £742,450) 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 (2020: three) were members of defined contribution schemes. The company made payments totalling £46,813 (2020: £44,222) to those schemes which is included in the total emoluments above.

The highest paid director received remuneration of £327,173 (27 September 2020 - £315,780).

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 (27 September 2020 - £10,000).

9 Interest receivable

	53 weeks ended 3 October 2021 £'000	52 weeks ended 27 September 2020 £'000
Interest receivable from group companies	3,291	3,749
Interest is charged at a rate of 7% (period ended 27 September 2020 - 7%) on intercompany loans.	<u> </u>	<u> </u>

10 Interest payable and similar expenses

	53 weeks ended 3 October 2021 £'000	52 weeks ended 27 September 2020 £'000
Overdraft (see note 16)	21	26
	<u> </u>	<u> </u>

Premier Marinas Limited

Notes forming part of the financial statements
for the period ended 3 October 2021 (*continued*)

11 Taxation

	53 weeks ended 3 October 2021 £'000	52 weeks ended 27 September 2020 £'000
Corporation tax		
Current tax on profits for the period	21	88
Adjustment in respect of prior period	(88)	3
Total current tax	(67)	91
Deferred tax (see note 17)		
Origination and reversal of timing differences	(26)	(20)
Effect of tax rate change	36	-
Adjustment in respect of prior period	169	123
Taxation on profit	112	194

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 (27 September 2020 - lower than) the standard rate of corporation tax in the UK of 19% (27 September 2020 - 19%). The differences are explained below:

	53 weeks ended 3 October 2021 £'000	52 weeks ended 27 September 2020 £'000
Profit before tax	5,323	4,287
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (27 September 2020 - 19%)	1,011	815
Effects of:		
Expenses not deductible for tax purposes	86	75
Gift Aid payments	(884)	(822)
Group relief	(218)	-
Effect of tax rate change	36	-
Prior year adjustment	81	126
Total tax charge for the period	112	194

Premier Marinas Limited

Notes forming part of the financial statements
for the period ended 3 October 2021 (*continued*)

11 Taxation (*continued*)

Factors that may affect future tax charges

The Finance Bill 2022 enacted provisions to increase the main rate of UK corporation tax to 25% from 1 April 2023.

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 28 September 2020	24,997	7,959	2,626	6,084	5,332	46,998
Additions	77	157	10	681	75	1,000
Disposals	-	-	-	-	-	-
At 3 October 2021	25,074	8,116	2,636	6,765	5,407	47,998
<i>Depreciation</i>						
At 28 September 2020	3,710	1,555	1,331	3,419	3,877	13,892
Charge for the period	306	120	86	575	186	1,273
Disposals	-	-	-	-	-	-
At 3 October 2021	4,016	1,675	1,417	3,994	4,063	15,165
<i>Net book value</i>						
At 3 October 2021	21,058	6,441	1,219	2,771	1,344	32,833
At 28 September 2020	21,287	6,404	1,295	2,665	1,455	33,106

Premier Marinas Limited

Notes forming part of the financial statements
for the period ended 3 October 2021 (*continued*)

13 Fixed asset investments

	Investments in subsidiary undertakings £'000
<i>Cost</i>	
At 28 September 2020	74,659
Additions	32,324
	<hr/>
At 3 October 2021	106,983
	<hr/>
<i>Net book value</i>	
At 3 October 2021	106,983
	<hr/>
At 28 September 2020	74,659
	<hr/>

Subsidiary undertakings

The operating subsidiary undertakings at 3 October 2021 and 27 September 2020 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
Premier Boat Club Limited	Great Britain	Ordinary shares	100%	Operation of a boat club
John Willment Marine Limited (acquired 30 June 2021 – see note 26)	Great Britain	Ordinary shares	100%	Operation of a yacht marina

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.

Premier Marinas Limited

Notes forming part of the financial statements
for the period ended 3 October 2021 (continued)

14 Stocks and work in progress

	3 October 2021 £'000	27 September 2020 £'000
Finished goods and goods for resale	270	728
	<u>270</u>	<u>728</u>

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

15 Debtors

	3 October 2021 £'000	27 September 2020 £'000
Due after more than one year		
Amounts owed by group undertakings	48,402	45,823
	<u>48,402</u>	<u>45,823</u>
Due within one year		
Trade debtors	540	-
Other debtors	813	266
	<u>1,353</u>	<u>266</u>

Interest is charged at a rate of 7% (period ended 27 September 2020 - 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 3 October 2021.

16 Creditors: amounts falling due within one year

	3 October 2021 £'000	27 September 2020 £'000
Bank overdraft	-	-
Trade creditors	1,382	1,342
Corporation tax	20	88
Other taxation and social security	386	1,495
Other creditors	190	163
Accruals and deferred income	5,867	3,632
	<u>7,845</u>	<u>6,720</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 3 October 2021 (continued)

17 Provisions for liabilities

	3 October 2021 £'000	27 September 2020 £'000
Deferred taxation	294	115
Employee related provision - LTIP	129	310
	<hr/>	<hr/>
Provisions and liabilities	423	425
	<hr/>	<hr/>

Deferred taxation

	3 October 2021 £'000	27 September 2020 £'000
At start of the period	115	12
Charged/(credited) to the profit or loss	179	103
	<hr/>	<hr/>
At end of the period	294	115
	<hr/>	<hr/>

The provision for deferred taxation is made up as follows:

	3 October 2021 £'000	27 September 2020 £'000
Accelerated capital allowances	294	115
	<hr/>	<hr/>
Employee related provision - LTIP		

	3 October 2021 £'000	27 September 2020 £'000
At start of the period	310	309
Charged in the year	114	110
Utilised in the year	(295)	(109)
	<hr/>	<hr/>
At end of the period	129	310
	<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 3 October 2021 (*continued*)

18 Share capital

	3 October 2021 £'000	27 September 2020 £'000
<i>Allotted, called up and fully paid</i>		
17,410,400,000 (27 September 2020 – 13,450,400,000) ordinary shares of £0.01 each	174,104	134,504

During the year 3,960,000,000 ordinary shares of 1p each were issued for a total consideration of £39,600,000.

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

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 3 October 2021 the Company had contracted capital commitments of £128,000 (27 September 2020 - £47,000).

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 £140,000 (27 September 2020 - £136,000). The balance outstanding as at 3 October 2021 was £11,348 (27 September 2020 - £20,967).

Premier Marinas Limited

Notes forming part of the financial statements
for the period ended 3 October 2021 (*continued*)

22 Commitments under operating leases

At 3 October 2021 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings 3 October 2021 £'000	Other 3 October 2021 £'000	Land and buildings 27 September 2020 £'000	Other 27 September 2020 £'000
Within 1 year	186	20	186	20
Within two to five years	745	7	745	7
More than 5 years	18,354	-	18,540	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total	19,285	27	19,471	27
	<hr/>	<hr/>	<hr/>	<hr/>

23 Subsequent events

There are no events subsequent to the year end that require disclosure in these financial statements.

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 ultimate parent undertaking and controlling party of the Company is the Wellcome Trust through its corporate trustee The Wellcome Trust Limited.

Copies of the Wellcome Trust Annual Report and Financial Statements 2020 are available from Wellcome's website (www.wellcome.org/about-us) or from the Company Secretary.

The smallest and largest accounts which consolidate the results of the company are those of Premier Marinas Holdings Limited. The registered address of Premier Marinas Holdings Limited is Swanwick Marina, Swanwick, SO31 1ZL.

Premier Marinas Limited

Notes forming part of the financial statements
for the period ended 3 October 2021 (*continued*)

26 Acquisition of John Willment Marine Limited

On 30 June 2021 the company acquired the entire share capital of John Willment Marine Limited for £13,805,000:

Consideration at 30 June 2021

	£'000
Cash	12,400
Deferred consideration (payable within one year of the acquisition)	1,020
Directly attributable costs	385
	<hr/>
Total consideration	13,805
	<hr/>

John Willment Marine Limited contributed £690,000 of revenue to the group and £285k of profit in the period since acquisition to 3 October 2021.