

Company Registration No. 05011189 (England and Wales)

Y.CO GROUP LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016



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Northarbour Road
Cosham
Portsmouth
United Kingdom
PO6 3TH

Y.CO GROUP LIMITED

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Y.CO GROUP LIMITED

COMPANY INFORMATION

Director	Mr. C. Birkett
Secretary	Mr. R. Crane
Company number	05011189
Registered office	18 Coulson Street London United Kingdom SW3 3NB
Auditor	tgs taylorcocks 3 Acorn Business Centre Northarbour Road Cosham Portsmouth Hampshire United Kingdom PO6 3TH

Y.CO GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

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

NEW ULTIMATE HOLDING COMPANY

On 22 September 2015, Fifty Four Four Limited a company owned and controlled by Charlie Birkett acquired shares to own a majority stake in Y.CO Group Limited, this was communicated to all shareholders as it triggered a mandatory offer under the city code. That offer was accepted by further shareholders which increased the shareholding of Fifty Four Four Limited to 71% in November 2015, which was communicated to all shareholders. In August 2016, the controlling shareholding further increased to 85%.

The impact of the 2015 take over is that Fifty Four Four Limited became the ultimate holding company. In accordance with Section 400 of the Companies Act 2006, the accounts of Y.CO Group Limited are no longer required to be consolidated accounts as the company is now a 85% subsidiary of Fifty Four Four Limited. The financial statements that follow are therefore individual company accounts of Y.CO Group Limited.

The consolidation of the whole group will now take place at the Fifty Four Four Limited level. The consolidation within Fifty Four Four Limited is only with effect from 22 September 2015.

BUSINESS OVERVIEW

There is little impact on the Yachting activities as a result of Fifty Four Four Limited taking control as indicated in the mandatory offer document issued on September 2015. During 2015 and 2016 Fifty Four Four, the board and management team of the yachting activities concentrated the focus on developing and improving all routes to market, concluding long term projects and always seeking efficiency for the business. Overall the business performed in line with the board's expectations.

The marketplace remains competitive, the board remains fully focused on delivering high level client services , securing long-standing quality client relationships and employing good people to deliver the Y.CO product.

The Y.CO brand, messages and ethos are best explored on the website which allows an interactive experience to explore yachting and the full range of services that Y.CO and its team provide.

www.y.co.

FINANCIAL OVERVIEW

The company reviews the carrying values of loans to associated businesses and subsidiaries in producing the balance sheet, in 2016 the results see a release of provision and the receipt of a dividend on the final closure of the Spanish operation. The results for 2017 also benefit from an exchange gain on the carrying value of historic transactions. The 2016 results do not therefore reflect a trading trend but effectively the carrying value of assets and investments.

The income of the Company is from other group companies to cover the administration costs. Where possible the administration costs are transferred to the active trading entities or Fifty Four Four Limited as the ultimate holding company. 2017 is expected to see further rationalisation of costs to simplify the position of Y.CO group Limited.

Y.CO GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

KEY RISKS AND UNCERTAINTIES

The directors continue to develop the business and the Y.CO Brand. However this is dependent upon factors such as the volatility of the US Dollar and Euro exchange rates and global economic stability. The exchange rate risk is partly mitigated by buying and selling in the same currency with most costs and income being the euro zone. The main risk to currency for Y.CO Group Limited is the impact of exchange rates against the rate of the original investments.

The Group does not have formal policies on interest rate risk or foreign currency risk. The Group is exposed to foreign currency risk on purchases made in pound sterling (£) because we have no natural hedge there. They are the only overheads that aren't covered by an income in that currency. The Group maintains a natural hedge that minimises the foreign exchange exposure by matching foreign currency income with foreign currency costs.

Given the nature of the business for the time being, the Group does not consider it necessary to enter into foreign exchange contracts in managing its foreign exchange risk resulting from cash flows from transactions denominated in foreign currency.

The Group prepares working capital forecasts for the foreseeable future, allowing an assessment of the cash requirements of the Company, to manage liquidity risk. The directors have considered the risk posed by liquidity and are satisfied that there is sufficient cash resources and equity in the Company.

GOING CONCERN

After making appropriate enquiries, the Directors consider that the Company and the Yachting Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. This is reflected in note 1 to the financial statements.

Principal risks and uncertainties

OUTLOOK

The specific outlook for Y.CO Group Limited is that it is an intermediate holding company within the Fifty Four Four Limited wider group that has a 15% minority shareholders that only trades with other group companies to cover its costs. The aim for 2017 is to simplify the operations and reduce costs to avoid the erosion of company value due to losses as seen before 2016.

The plan is to breakeven on a trading basis by management charges covering administration costs.

As stated in the director's report the company has significant negative revenue reserves so it cannot pay dividends.

Y.CO GROUP LIMITED

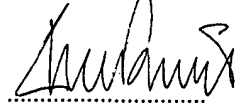
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

EMPLOYEE CONSULTATION

Y.CO Group Limited has only two personnel, being a Director and company secretary, the wider group operation places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the relevant matters affecting the performance of the Group. The senior management and operational team are motivated and active in the day to day running of the yachting group. The wider employee involvement is achieved through informal meetings, staff bulletins, internal websites and meetings with staff representatives.

On behalf of the board



Mr. C. Birkett

Director

7/07/2017

Y.CO GROUP LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

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

Principal activities

The principal activity of the company during the year was that of a management and holding company.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr. C. Birkett

Mr. S. Hoffman

(Resigned 31 August 2016)

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid as the company has no revenue reserves and therefore the director can not recommend payment of a final dividend.

Director's insurance

Fifty Four Four Limited maintains insurance policies on behalf of all the directors of the wider group against liability arising from negligence, breach of duty and breach of trust in relation to the company.

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Auditor

Taylorcocks are deemed to be re-appointed under section 487(2) of the companies act 2006.

Y.CO GROUP LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016


Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report the information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

On behalf of the board



Mr. C. Birkett

Director

7/07/2017

Y.CO GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF Y.CO GROUP LIMITED

We have audited the financial statements of Y.CO Group Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of director and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

Y.CO GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF Y.CO GROUP LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Taylorcocks

James Blake ACA (Senior Statutory Auditor)
for and on behalf of



Chartered Accountants
Statutory Auditor

7 July 2017

Office: Portsmouth

Y.CO GROUP LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £	2015 £
Turnover	3	681,070	712,299
Administrative expenses		(613,290)	(722,517)
Operating profit/(loss)	4	67,780	(10,218)
Interest receivable and similar income	7	130,279	4,404
Amounts written off investments	8	117,000	(502,882)
Profit/(loss) before taxation		315,059	(508,696)
Taxation	9	-	-
Profit/(loss) for the financial year		315,059	(508,696)
Other comprehensive income		-	-
Total comprehensive income for the year		315,059	(508,696)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes on pages 12 to 24 form part of these financial statements

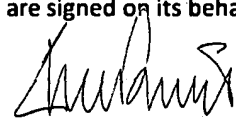
Y.CO GROUP LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	2015 £
Fixed assets			
Intangible assets	10	257,837	297,102
Tangible assets	11	41,664	34,394
Investments	12	2,419,316	2,419,316
		<u>2,718,817</u>	<u>2,750,812</u>
Current assets			
Debtors	14	1,128,144	543,786
Cash at bank and in hand		11,914	35,660
		<u>1,140,058</u>	<u>579,446</u>
Creditors: amounts falling due within one year	15	(1,071,185)	(810,207)
Net current assets/(liabilities)		<u>68,873</u>	<u>(230,761)</u>
Total assets less current liabilities		<u>2,787,690</u>	<u>2,520,051</u>
Creditors: amounts falling due after more than one year	16	-	(47,420)
Net assets		<u><u>2,787,690</u></u>	<u><u>2,472,631</u></u>
Capital and reserves			
Called up share capital	17	169,708	169,708
Share premium account		15,378,873	15,378,873
Profit and loss reserves		(12,760,891)	(13,075,950)
Total equity		<u><u>2,787,690</u></u>	<u><u>2,472,631</u></u>

The financial statements were approved by the board of directors and authorised for issue on 7/07/2017 and are signed on its behalf by:



Mr. C. Birkett
Director

Company Registration No. 05011189

The notes on pages 12 to 24 form part of these financial statements

Y.CO GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2015	169,708	15,378,873	(12,567,254)	2,981,327
Year ended 31 December 2015:				
Loss and total comprehensive income for the year	-	-	(508,696)	(508,696)
Balance at 31 December 2015	169,708	15,378,873	(13,075,950)	2,472,631
Year ended 31 December 2016:				
Profit and total comprehensive income for the year	-	-	315,059	315,059
Balance at 31 December 2016	169,708	15,378,873	(12,760,891)	2,787,690

The notes on pages 12 to 24 form part of these financial statements

Y.CO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Y.CO Group Limited (05011189) is a company limited by shares incorporated in England and Wales. The registered office is 18 Coulson Street, London, United Kingdom, SW3 3NB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Fifty Four Four Limited. These consolidated financial statements are available from its registered office.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

1.3 Turnover

Turnover shown in the profit and loss account represents intercompany management charges, exclusive of value added tax.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software and domain names	10% straight line
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1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	5% - 35% straight line
--------------------------------	------------------------

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, loan receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities are initially measured at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Y.CO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Impairment of financial assets

The company has provided financial assistance under commercial arrangements to certain subsidiaries and third parties. These financial assets are reviewed for impairment by management, at each reporting date in accordance with the accounting policy above. Based on management's judgement of the recoverability of the amounts due in respect of these financial assets, a provision is made within the financial statements as 'Amounts written off loan receivables'. In determining the provision to be made management exercise prudence in assessing the recoverability of the future cash inflows likely to be derived from the financial asset.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016	2015
	£	£
Turnover		
Management charges	681,070	712,299
	<u> </u>	<u> </u>
Other significant revenue		
Interest income	-	4,404
	<u> </u>	<u> </u>

Y.CO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

3 Turnover and other revenue (Continued)

Turnover analysed by geographical market

	2016	2015
	£	£
Europe	681,070	712,299

4 Operating profit/(loss)

	2016	2015
	£	£
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(49,782)	12,029
Fees payable to the company's auditor for the audit of the company's financial statements	6,000	5,000
Depreciation of owned tangible fixed assets	7,131	3,224
Loss on disposal of tangible fixed assets	8,540	-
Amortisation of intangible assets	39,265	39,264
Operating lease charges	103,816	123,216

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016	2015
	Number	Number
Directors	1	1

Their aggregate remuneration comprised:

	2016	2015
	£	£
Wages and salaries	2,000	31,470

The company considers the directors to be Key Management Personnel.

Y.CO GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2016****6 Director's remuneration**

	2016	2015
	£	£
Remuneration received via company		
Directors' fees and salary	2,000	30,000
	<u> </u>	<u> </u>
Remuneration received via subsidiary undertakings		
Directors' brokerage commission	850,000	669,684
Directors' benefits	15,929	35,396
	<u> </u>	<u> </u>
	865,929	705,080
	<u> </u>	<u> </u>
Remuneration disclosed above include the following amounts paid to the highest paid director:		
Directors' brokerage commission	865,929	623,815
	<u> </u>	<u> </u>

7 Interest receivable and similar income

	2016	2015
	£	£
Interest income		
Other interest income	-	4,404
Income from fixed asset investments		
Income from participating interests - associates	130,279	-
	<u> </u>	<u> </u>
Total income	130,279	4,404
	<u> </u>	<u> </u>

Y.CO GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2016****8 Amounts written off loan receivables**

	2016 £	2015 £
Provision against third party receivables	-	(152,882)
Provision against intercompany receivables	117,000	(350,000)
	<u>117,000</u>	<u>(502,882)</u>

In 2015, the company made a provision against an intercompany loan, where the loan was not supported by the net assets of the company balance sheet. In 2016 £117,000 of this provision was released, as a result of the improvement to the financial position.

9 Taxation

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit/(loss) before taxation	<u>315,059</u>	<u>(508,696)</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	63,012	(101,739)
Tax effect of income not taxable in determining taxable profit	(26,056)	-
Tax effect of utilisation of tax losses not previously recognised	(11,827)	-
Unutilised tax losses carried forward	-	8,376
Deferred tax adjustments in respect of prior years	(1,729)	(7,213)
Movements in non-taxable provisions	<u>(23,400)</u>	<u>100,576</u>
Tax expense for the year	<u>-</u>	<u>-</u>

Trade losses of £249,452 (2015 - £308,589) are available to carry forward against future profits.

Y.CO GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2016****10 Intangible fixed assets**

	Software and domain names £
Cost	
At 1 January 2016 and 31 December 2016	392,532
Amortisation and impairment	
At 1 January 2016	95,430
Amortisation charged for the year	39,265
At 31 December 2016	134,695
Carrying amount	
At 31 December 2016	257,837
At 31 December 2015	297,102

11 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 January 2016	46,231
Additions	22,941
Disposals	(9,135)
At 31 December 2016	60,037
Depreciation and impairment	
At 1 January 2016	11,837
Depreciation charged in the year	7,131
Eliminated in respect of disposals	(595)
At 31 December 2016	18,373
Carrying amount	
At 31 December 2016	41,664
At 31 December 2015	34,394

Y.CO GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2016****12 Fixed asset investments**

	Notes	2016 £	2015 £
Investments in subsidiaries	13	2,419,316	2,419,316

Fixed asset investments not carried at market value

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2016 & 31 December 2016	2,419,316
Carrying amount	
At 31 December 2016	2,419,316
At 31 December 2015	2,419,316

Y.CO GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2016****13 Subsidiaries**

These financial statements are separate company financial statements for Y.CO Group Limited.

Details of the company's subsidiaries at 31 December 2016 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held Direct Indirect	
YCO SAM	Monaco	Brokerage and Yacht Management services	Ordinary		100.00
YCO Inc	USA	Brokerage and Yacht Management services	Ordinary	100.00	
Y.CO The Yacht Company SL	Spain	Dormant	Ordinary	100.00	
Y.CO 3 SAM	Monaco	Brokerage and Yacht Management services	Ordinary	100.00	
YCO SARL	France	Yacht crew recruitment	Ordinary		100.00
YCO Yacht Limited	England & Wales	Brokerage and Yacht Management services	Ordinary		100.00
Y.CO Support LLC	USA	Brokerage and Yacht Management services	Ordinary		100.00
Y.CO 3 LLP	England & Wales	Brokerage and Yacht Management services	Partnership		97.00

The company has taken advantage of FRS102 section 4.2, not to disclose the aggregate amount of capital and reserves at the end of the year of each subsidiary, by virtue of their inclusion in the consolidated financial statements of the controlling party Fifty Four Four Limited.

14 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Amounts due from fellow group undertakings	1,014,623	449,195
Other debtors	10,735	34,939
Prepayments and accrued income	102,786	59,652
	<u>1,128,144</u>	<u>543,786</u>

Y.CO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

15 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	79,008	138,486
Amounts due to fellow group undertakings	936,889	569,721
Accruals and deferred income	55,288	102,000
	<u>1,071,185</u>	<u>810,207</u>

16 Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Other creditors	-	47,420
	<u>-</u>	<u>47,420</u>

17 Share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
48,487,789 Ordinary shares of 0.35p each	169,708	169,708
1,349 Deferred shares of 0.05p each	-	-
	<u>169,708</u>	<u>169,708</u>

The deferred shares in the capital of the Company have no rights, powers or benefits attached to them whatsoever and, without limitation, do not confer on the holders of deferred shares any right to vote, to share in a dividend declared by the Company or to appoint a director, provided that on a return of capital on a winding-up or otherwise the surplus assets of the Company remaining after payment of its liabilities shall be applied first in repayment to the holders of the ordinary shares of the amount paid up on such ordinary shares together with a premium of £10,000 per ordinary share and the balance of such assets shall be distributed among the holders of the ordinary shares and the holders of the deferred shares rateably according to the amount paid up on such shares.

Y.CO GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

18 Operating lease commitments

Lessee

The company has outstanding operating lease commitments in respect of land and buildings.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	£	£
Within one year	165,600	165,600
Between two and five years	391,200	391,200
In over five years	122,400	288,000
	<u>679,200</u>	<u>844,800</u>

19 Controlling party

The controlling party is Fifty Four Four Limited. Consolidated financial statements are publically available at Companies House, for the controlling party Fifty Four Four Limited (08307724).

The ultimate controlling party is Mr. C. Birkett.

20 Related party transactions

The Group key personnel are not employed by Y.CO Group Limited.

The company has taken advantage of the exemption allowed under Section 33.1A of FRS 102 not to disclose transactions with other wholly owned members of the group.

During the year, Y.CO Group Limited traded with a companies that held the same directors'. The company purchased services amounting to £2,000 (2015: £30,000). The balance owing to the related parties at the year end amounted to £39,266 (2015: £5,400).