

Company Registration No. 05011189 (England and Wales)

**Y.CO GROUP LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2017**

**taylorcocks**

3 Acorn Business Centre  
Northarbour Road  
Cosham  
Portsmouth  
United Kingdom  
PO6 3TH



**Y.CO GROUP LIMITED**

**CONTENTS**

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	Page
Company information	1
Strategic report	2-3
Director's report	4
Director's responsibilities statement	5
Independent auditor's report	6-8
Statement of comprehensive income	9
Balance sheet	10-11
Statement of changes in equity	12
Notes to the financial statements	13-27

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**Y.CO.GROUP LIMITED**

**COMPANY INFORMATION**

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<b>Director</b>	Mr. G. Wright
<b>Secretary</b>	Mr. R. Crane
<b>Company number</b>	05011189
<b>Registered office</b>	18 Coulson Street London United Kingdom SW3 3NB
<b>Auditor</b>	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 2017**

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The director presents the strategic report for the year ended 31 December 2017.

#### **Business Overview**

Y.CO Group Limited is an intermediate holding company of Y.CO SAM with no trade of its own. The management and the control of the Yachting activities is directed by Fifty Four Four Limited.

Fifty Four Four Limited, the board and management team of the yachting activities continue to concentrated the focus on developing and improving all routes to market, concluding long term projects and always seeking efficiency for the business. The Group has restructured within the past year with non-contributing aspects of the operations being rationalized. With such changes in direction and day to day management the overall business is performing in line with Fifty Four Four Limited's expectations.

The marketplace remains competitive, the group 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](http://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 saw a release of provision and the receipt of a dividend on the final closure of the Spanish operation. In 2017 the restructure saw YCO Group Limited benefit from Fifty Four Four Limited taking control of the historic loss making US subsidiaries and further rationalisation which allowed YCO Group Limited to release historic provisions of £447,818.

During the year the carrying value of the intangible assets was assessed and provided for to there appropriate carrying values. The impaired intangibles were transferred to other group trading companies that will bear the maintenance costs going forward.

The results for 2017 suffered a loss on the exchange gain on the carrying value of historic transactions against 2016 gains. The 2016 and 2017 results do not therefore reflect a trading trend but effectively the carrying value of assets and investments.

The only trading income of the Company is from other group companies to cover administration costs. Where possible the administration costs are transferred to the active trading entities or Fifty Four Four Limited as the ultimate holding company. It was noted in the 2016 financial statements that 2017 would see further rationalisation of costs to simplify the position of Y.CO Group Limited.

In 2017 the group activity has been rationalised to minimise any negative impact on YCO Group Limited. The expected trading position for 2018 is to recharge the lease costs and other administration costs to the relevant group entities.

**YCO GROUP LIMITED**

**STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**Key Risks and Uncertainties**

As detailed above the rationalisation of the specific business of YCO Group Limited seeks to minimise the companies' risk. The main risk to currency for YCO Group Limited is the impact of exchange rates against the rate of the original investments.

The Company also owns the lease as detailed in note 19 and above.

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.

The wider Group prepares working capital forecasts for the foreseeable future, allowing an assessment of the cash requirements of the Company, to manage liquidity risk. The Director has 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 wider 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.

**Outlook**

The specific outlook for YCO Group Limited is that it is an intermediate holding company within the Fifty Four Four Limited wider group that has 14% minority shareholders. The company only trades with other group companies to cover its costs. The aim for 2018 is to continue to simplify the operations and reduce costs to avoid the erosion of company value due to any losses.

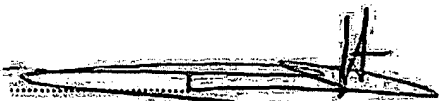
The plan remains to breakeven on a trading basis by management charges covering administration costs.

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

**Employee Consultation**

YCO Group Limited has only two personnel, being a Director and company secretary, as such no employee consultation is required.

On behalf of the board:



Mr. G. Wright

Director

21/7/2018

**Y.CO.GROUP LIMITED**

**DIRECTOR'S REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

The director presents his annual report and financial statements for the year ended 31 December 2017.

**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 G. Birkett

(Resigned 31 July 2017)

Mr G. Wright

(Appointed 31 July 2017)

**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.

**Auditor**

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

**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 G. Wright

Director

Date: 21/7/2018

**Y.CO.GROUP LIMITED**

**DIRECTOR'S RESPONSIBILITIES STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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.

## **Y.CO GROUP LIMITED**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF Y.CO GROUP LIMITED**

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##### **Opinion**

We have audited the financial statements of Y.CO Group Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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.

##### **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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

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

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

##### **Other information**

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

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

We have nothing to report in this regard.



**Y.CO GROUP LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF Y.CO GROUP LIMITED**

**Opinions 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.

**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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of director**

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, 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 director is 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 director either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Y.CO GROUP LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF Y.CO GROUP LIMITED**


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**Auditor's responsibilities for the audit of the financial statements**

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

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



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

taylorcocks

Chartered Accountants  
Statutory Auditor

Date: 2/7/2018

Office: Portsmouth

**Y.CO.GROUP LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
Turnover	3	575,285	706,617
Administrative expenses		(523,711)	(638,837)
Operating profit	4	51,574	67,780
Interest receivable and similar income	7	-	130,279
Amounts written off investments	8	447,818	117,000
Profit before taxation		499,392	315,059
Taxation	9	(2,727)	-
Profit for the financial year		496,665	315,059
Total comprehensive income for the year		496,665	315,059

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

The notes on pages 13 to 27 form part of these financial statements.

**Y.CO GROUP LIMITED**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2017**

	Notes	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	11		257,837
Tangible assets	12	19,479	41,664
Investments	13	2,419,315	2,419,316
		<u>2,438,794</u>	<u>2,718,817</u>
<b>Current assets</b>			
Debtors	15	1,126,680	1,128,144
Cash at bank and in hand		5,176	11,914
		<u>1,131,856</u>	<u>1,140,058</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>(283,568)</u>	<u>(1,071,185)</u>
<b>Net current assets</b>		<u>848,288</u>	<u>68,873</u>
<b>Total assets less current liabilities</b>		<u>3,287,082</u>	<u>2,787,690</u>
<b>Provisions for liabilities</b>	17	<u>(2,727)</u>	
<b>Net assets</b>		<u><u>3,284,355</u></u>	<u><u>2,787,690</u></u>
<b>Capital and reserves</b>			
Called up share capital	19	169,708	169,708
Share premium account		15,378,873	15,378,873
Profit and loss reserves		(12,264,226)	(12,760,891)
<b>Total equity</b>		<u><u>3,284,355</u></u>	<u><u>2,787,690</u></u>

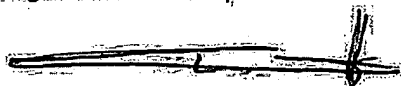
**Y.CO GROUP LIMITED**

**BALANCE SHEET (CONTINUED)**

**AS AT 31 DECEMBER 2017**

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The financial statements were approved by the board of directors and authorised for issue on 21/5/2018 and are signed on its behalf by:



**Mr. G. Wright**

**Director**

**Company Registration No: 05011189**

The notes on pages 13 to 27 form part of these financial statements

**Y.CO GROUP LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2016	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
Year ended 31 December 2017:				
Profit and total comprehensive income for the year			496,665	496,665
Balance at 31 December 2017	169,708	15,378,873	(12,264,226)	3,284,355

The notes on pages 13 to 27 form part of these financial statements

**Y.CO GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**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**

The financial statements have been prepared under 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 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.

**1.3 Turnover**

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

**FOR THE YEAR ENDED 31 DECEMBER 2017**

## (Continued)

Software and domain names	10% straight line
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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

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.**

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.

Cash at bank and in hand 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.



**Y.CO.GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. Accounting policies**

**(Continued)**

**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.

**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.

**Y.CO GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1 Accounting policies**

**(Continued)**

***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 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**Y.CO GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1 Accounting policies**

**(Continued)**

**Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1.11 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.

**1.12 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.

**1.13 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.

**Y.CO GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**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.

**Y.CO.GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2017****3 Turnover and other revenue**

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

	2017	2016
	£	£
Turnover analysed by class of business		
Management charges	575,285	706,617

	2017	2016
	£	£
Turnover analysed by geographical market		
Europe	575,285	706,617

**4 Operating profit**

	2017	2016
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	74,983	(49,782)
Fees payable to the company's auditor for the audit of the company's financial statements	6,000	6,000
Depreciation of owned tangible fixed assets	7,602	7,131
Loss on disposal of tangible fixed assets	17,143	8,540
Amortisation of intangible assets	22,906	39,265
Impairment of intangible assets	234,931	-
Loss on disposal of intangible assets	1	-
Operating lease charges	90,000	103,816

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £74,983 (2016 - £49,782).

**5 Employees**

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

	2017	2016
	Number	Number
Directors	1	1

**Y.CO GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**5. Employees**

**(Continued)**

Their aggregate remuneration comprised:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	-	2,000

The company considers the directors to be Key Management Personnel.

**6. Director's remuneration**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Remuneration received via company		
Directors' fees and salary	-	2,000
Remuneration received via subsidiary undertakings		
Directors' remuneration	326,000	-
Directors' brokerage commission	-	850,000
Directors' benefits	17,979	15,929
	<b>343,979</b>	<b>865,929</b>

Remuneration disclosed above include the following amounts paid to the highest paid director:

Directors' brokerage commission	<b>343,979</b>	<b>865,929</b>
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**7. Interest receivable and similar income**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Income from fixed asset investments		
Income from participating interests - associates	-	130,279

**YCO GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**8. Amounts written off loan receivables**

	2017	2016
	£	£
Provision against intercompany receivables	447,818	117,000

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, during 2017, the remainder of this provision, being £447,818 was released, as a result of the balance now being owed from Fifty Four Four Limited as part of the transfer of YCO Inc..

**9. Taxation**

	2017	2016
	£	£
<b>Deferred tax</b>		
Origination and reversal of timing differences	2,727	-

Trade losses of £160,231 (2016 - £249,452) are available to carry forward against future profits.

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

	2017	2016
	£	£
Profit before taxation	499,392	315,059
Expected tax charge based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	96,133	63,012
Tax effect of expenses that are not deductible in determining taxable profit	3,216	-
Tax effect of income not taxable in determining taxable profit	(86,205)	(26,056)
Tax effect of utilisation of tax losses not previously recognised	(17,175)	(11,827)
Deferred tax adjustments in respect of prior years	6,758	(1,729)
Movements in non-taxable provisions	-	(23,400)
Tax expense for the year	2,727	-

Trade losses of £160,231 (2016 - £249,452) are available to carry forward against future profits.

**Y.CO GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**10 Impairments**

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2017 £	2016 £
In respect of:			
Intangible assets	11	234,931	-
Recognised in:			
Administrative expenses		234,931	-

**11 Intangible fixed assets**

	Software and domain names £
<b>Cost</b>	
At 1 January 2017	392,532
Disposals	(392,532)
At 31 December 2017	-
<b>Amortisation and impairment</b>	
At 1 January 2017	134,694
Amortisation charged for the year	22,906
Impairment losses	234,931
Disposals	(392,531)
At 31 December 2017	-
<b>Carrying amount</b>	
At 31 December 2017	-
At 31 December 2016	257,837

More information on the impairment arising in the year is given in note 10.

During the year the companies software and domain names were transferred to fellow subsidiary YCO Yacht Limited for £1.



**Y.CO GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**12 Tangible fixed assets:**

	Fixtures, fittings & equipment
	£
<b>Cost:</b>	
At 1 January 2017	60,037
Additions	2,710
Disposals	(30,343)
<b>At 31 December 2017</b>	<b>32,404</b>
<b>Depreciation and impairment:</b>	
At 1 January 2017	18,373
Depreciation charged in the year	7,602
Eliminated in respect of disposals	(13,050)
<b>At 31 December 2017</b>	<b>12,925</b>
<b>Carrying amount:</b>	
At 31 December 2017	19,479
At 31 December 2016	41,664

**13 Fixed asset investments**

	Notes	2017 £	2016 £
Investments in subsidiaries	14	2,419,315	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.

**Y.CO GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**13 Fixed asset investments**

**(Continued)**

**Movements in fixed asset investments**

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2017	16,826,981
Disposals	(1)
At 31 December 2017	16,826,980
<b>Impairment</b>	
At 1 January 2017 & 31 December 2017	14,407,665
<b>Carrying amount</b>	
At 31 December 2017	2,419,315
At 31 December 2016	2,419,316

On 1 January 2017, the company sold its share in YCO Inc. to Fifty Four Four Limited for £0.60.

On 17 July 2017, the company sold its share in YCO Yacht Limited, to Fifty Four Four Limited for £1. Both companies had net liabilities at the date of disposal.

**14 Subsidiaries**

These financial statements are separate company financial statements for YCO Group Limited.

Details of the company's subsidiaries at 31 December 2017 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
YCO 3 LLP	England & Wales Brokerage and Yacht Management services	Partnership		50.00
YCO 3 SAM	Monaco Brokerage and Yacht Management services	Ordinary		100.00
YCO SAM	Monaco Brokerage and Yacht Management services	Ordinary	100.00	
YCO NY Inc	United States Brokerage and Yacht Management services	Ordinary	100.00	

**Y.CO GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**15 Debtors**

	2017	2016
	£	£
Amounts falling due within one year:		
Amounts due from fellow group undertakings	1,103,385	1,014,623
Other debtors	23,295	10,735
Prepayments and accrued income	-	102,786
	<u>1,126,680</u>	<u>1,128,144</u>

**16 Creditors: amounts falling due within one year**

	2017	2016
	£	£
Trade creditors	1,400	79,008
Amounts due to fellow group undertakings	273,444	936,889
Accruals and deferred income	8,724	55,288
	<u>283,568</u>	<u>1,071,185</u>

**17 Provisions for liabilities**

	2017	2016
	£	£
Deferred tax liabilities	2,727	-

**18 Deferred taxation**

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities	Liabilities
	2017	2016
	£	£
Balances:		
ACAs:	<u>2,727</u>	<u>-</u>

There were no deferred tax movements in the year.

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

**Y.CO GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**19 Share capital**

	2017	2016
	£	£
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 2017****20 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:

	2017	2016
	£	£
Within one year	72,000	165,600
Between two and five years	360,000	391,200
In over five years	114,000	122,400
	<u>546,000</u>	<u>679,200</u>

**21 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.

**22 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 ERS 102 not to disclose transactions with other wholly owned members of the group.

During the year, Y.CO Group Limited traded with companies with the same ultimate parent company. The company recharged expenses totalling £100,515 (2016 - Nil) and purchased services totalling £Nil (2016 - £2,000) with related companies.

The balance owing to the related parties at the year end amounted to £655,567 (2016 - £39,266). One company that was previously 100% owned subsidiary, is now a related party.

**23 Cross Guarantee**

Composite Company Limited Multilateral Guarantee dated 03 January 2008 given by Y.CO Group plc, Yacht Fuel Services Limited, BA Yachts Assistance S.L., Yacht Help Group Mallorca S.L., Yacht Help Group (Gibraltar) Limited, Y.CO S.A.M., Y.CO Yacht Limited.