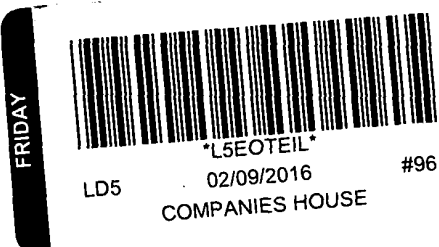


Registered number: 08731010

BOAT BIDCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015



BOAT BIDCO LIMITED

COMPANY INFORMATION

DIRECTORS	N P Bell C Downham P Dubens A D Wolfson
REGISTERED NUMBER	08731010
REGISTERED OFFICE	3 Cadogan Gate London SW1X 0AS
INDEPENDENT AUDITOR	Crowe Clark Whitehill LLP 4 Mount Ephraim Road Tunbridge Wells Kent TN1 1EE
BANKERS	Barclays Bank plc 27 Soho Square London W1D 3QR

BOAT BIDCO LIMITED

CONTENTS

	Page
Group strategic report	1 - 3
Directors' report	4 - 5
Independent auditor's report	6 - 7
Consolidated statement of comprehensive income	8
Consolidated balance sheet	9
Company balance sheet	10
Consolidated statement of changes in equity	11 - 12
Company statement of changes in equity	13
Consolidated statement of cash flows	14 - 15
Notes to the financial statements	16 - 37

BOAT BIDCO LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

INTRODUCTION

The principal activities of the group are the provision of media and marketing services relating to super yachts, including magazines, books, events and digital products.

BUSINESS REVIEW

The results of the group for the period, as set out on pages 8 to 37, show a loss on ordinary activities before tax of £3,015,594 (2014: profit of £2,336,080). The shareholders' funds of the group total £6,150,207 (2014: £9,830,267).

The directors view 2015 as a transitional year in the development of new products within the business and therefore are satisfied with the results for the year and believe that the company will trade profitably in the future. The directors use the following Key Performance Indicators (KPIs) to monitor the performance of the business:

Overall group turnover – £10,151,489 (2014: £10,832,921); being turnover per the statutory profit and loss account

Administrative expenses as a % of turnover – 52.2% (2014: 51.4%); being administrative expenses and turnover per the statutory profit and loss account expressed as a percentage.

Gross margin – 31.6% (2014: 46.1%); being gross profit per the statutory profit and loss account as a percentage of turnover as shown in the statutory profit and loss account.

PRINCIPAL RISKS AND UNCERTAINTIES

The health of the underlying market the business serves is dependent on the number of ultra high net worth individuals in existence and being created globally. The continued recovery in the global economy means that the underlying market is continuing to strengthen. As the market improves, the outlook for the business is strong due to its market leading position, its ongoing product development and evolving digital platform.

The publishing industry in which the business operates has in general seen a flight to digital as magazine advertising and circulation revenues decline and online alternatives become more widely adopted by consumers. The company successfully relaunched its new look website during the year and will continue to invest in both its print and digital platforms to manage the ongoing transition towards digital and to also mitigate the risk posed by activity from both existing competitors and new entrants.

FUTURE DEVELOPMENTS

The group intends to continue its principle activities in the future, and, supported by the owners, develop and enhance its product offerings over time. Given its market leading position the outlook for the business remains strong.

GOING CONCERN

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. A shareholder, Pembroke VCT plc, has agreed to provide the necessary support to the group to enable it to meet all of its financial obligations as they fall due. Having considered the support that has been provided by Pembroke VCT plc, the group's current financial position and the group's current forecasts the directors believe that the company has adequate financing facilities in place to continue in operational existence for the foreseeable future.

Therefore, the directors confirm that they consider the going concern basis to be appropriate for the preparation of the financial statements.

BOAT BIDCO LIMITED

STRATEGIC REPORT (continued)

FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The main risks arising from the group's financial instruments are liquidity risk, cash flow interest rate risk, foreign currency risk and credit risk.

Liquidity risk

The group's borrowings consist of loan notes issued by Boat Bidco Limited of £1,525,000, a long-term loan of £500,000 and a short-term loan of £100,000. £500,000 was agreed in May and a further £100,000 in December 2015. The loan notes, long-term loan facility and short term loan facility are issued by shareholders in Boat Bidco Limited. The group's policy is to fund operations from trading cashflows, with short-term support from shareholders where required.

Cash flow interest rate risk

The group is not exposed to significant interest rate risk as the interest rate on the loan notes issued by Boat Bidco Limited of £1,525,000, the long-term loan facility of £500,000 and short-term loan facility of £100,000 are fixed rate. The group's policy is to monitor the level of borrowings and interest costs to ensure that any change in interest rates will not materially affect the ability of the group to manage its operations.

Foreign Currency risk

The group is exposed in its trading operations to the risk of changes in foreign currency exchange rates as it both buys and sells goods and services, principally in Europe and the USA. The main foreign currencies in which the group trades are the Euro and US dollar, with receipts exceeding costs in both currencies giving rise to the requirement to exchange foreign currency into Sterling.

The group pursues a policy of selling forward prudent amounts of currency to mitigate against foreign currency risk.

Credit risk

The group's principal financial assets are cash and trade debtors, which represent the group's main exposure to credit risk.

Cash balances are held with reputable financial institutions and the exposure to credit risk on these balances is not considered by the directors to be significant.

In relation to trade debtors, the group has no significant concentration of credit risk, with exposure spread over a large number of customers. The directors monitor the overall amount and duration of exposure to any one customer, and also requires prepayment for goods and services where appropriate until a credit history is built up.

The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the directors based on prior experience and their assessment of the prevailing economic climate.

BOAT BIDCO LIMITED

STRATEGIC REPORT (continued)

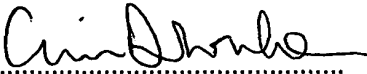
Employee involvement

The quality and commitment of our people have played a major role in our business success. This has been demonstrated in many ways, including improvement in customer satisfaction, the development of our product lines and the flexibility they have shown in adapting to changing business requirements and new ways of working. Employees' performance is aligned to group goals through an annual performance review process that is carried out with all employees.

Environment

The group's policy with regard to the environment is to ensure that the directors understand and effectively manage the actual and potential environmental impact of our activities. The group's operations are conducted such that we comply with all legal requirements relating to the environment in all areas where we carry out business. During the period covered by this report the group has not incurred any fines or penalties or been investigated for any breach of environmental regulations.

This report was approved by the board and signed on its behalf.



C Downham
Director

Date: 1/6/16

BOAT BIDCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

DIRECTORS

The directors who served during the year were:

A C Harris (resigned 31 August 2015)
N P Bell (appointed 23 June 2015)
C Downham
J P P Goodwin (resigned 23 June 2015)
P Dubens
A D Wolfson

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the group strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 Group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £3,086,069 (2014 - profit £2,544,110).

BOAT BIDCO LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

DISCLOSURE OF INFORMATION TO AUDITOR

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

- so far as that director is aware, there is no relevant audit information of which the Company and the Group's auditor is 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 and the Group's auditor is aware of that information.

AUDITORS

The auditor, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....
C Downham
Director

Date: 1/6/16

BOAT BIDCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOAT BIDCO LIMITED

We have audited the financial statements of Boat Bidco Limited for the year ended 31 December 2015, set out on pages 8 to 37. 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'.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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. 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the group strategic report and the directors' 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 group's and the parent company's affairs as at 31 December 2015 and of the Group's loss 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 MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the group strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BOAT BIDCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOAT BIDCO LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Mark Anderson (senior statutory auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

4 Mount Ephraim Road

Tunbridge Wells

Kent

TN1 1EE

Date: 1 June 2016

BOAT BIDCO LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

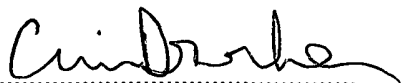
	Note	2015 £	2014 £
Turnover		10,151,489	10,832,921
Cost of sales		(6,937,457)	(5,837,597)
Gross profit		3,214,032	4,995,324
Distribution costs		(694,595)	(585,784)
Administrative expenses		(5,300,762)	(5,565,654)
Exceptional items		-	3,535,204
Operating (loss)/profit		(2,781,325)	2,379,090
Interest receivable and similar income	7	777	248,646
Interest payable and expenses	8	(235,046)	(291,656)
(Loss)/profit before tax		(3,015,594)	2,336,080
Tax on (loss)/profit	9	(70,475)	208,030
Total comprehensive income for the year/period		(3,086,069)	2,544,110
(Loss)/profit for the year attributable to:			
Non-controlling interest		(277)	633
Owners of the parent company		(3,085,792)	2,543,477
		(3,086,069)	2,544,110

BOAT BIDCO LIMITED
REGISTERED NUMBER:08731010

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Fixed assets			
Intangible assets	12	9,669,572	10,847,109
Tangible assets	14	149,982	126,716
		<u>9,819,554</u>	<u>10,973,825</u>
Current assets			
Stocks	16	103,721	130,694
Debtors	17	2,722,700	2,641,074
Cash at bank and in hand		187,443	229,272
		<u>3,013,864</u>	<u>3,001,040</u>
Creditors: amounts falling due within one year	19	(4,622,770)	(2,619,598)
Net current assets		<u>(1,608,906)</u>	<u>381,442</u>
Total assets less current liabilities		<u>8,210,648</u>	<u>11,355,267</u>
Creditors: amounts falling due after more than one year		(2,060,441)	(1,525,000)
Net assets		<u>6,150,207</u>	<u>9,830,267</u>
Capital and reserves			
Called up share capital	24	7,870,333	7,870,000
Foreign exchange reserve		86,261	5,141
Profit and loss account		(1,800,497)	1,960,739
Equity attributable to owners of the parent Company		<u>6,156,097</u>	<u>9,835,880</u>
Non-controlling interests		(5,890)	(5,613)
		<u>6,150,207</u>	<u>9,830,267</u>

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



C Downham
Director

Date: 1/6/16

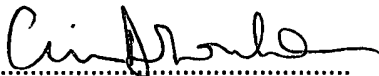
The notes on pages 16 to 37 form part of these financial statements.

BOAT BIDCO LIMITED
REGISTERED NUMBER:08731010

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Fixed assets			
Fixed asset investments		12,869,113	12,869,113
		<u>12,869,113</u>	<u>12,869,113</u>
Current assets			
Debtors	17	40,971	43,988
Cash at bank and in hand		20,783	21,002
		<u>61,754</u>	<u>64,990</u>
Creditors: Amounts falling due within one year	19	(1,578,166)	(713,816)
Net current assets		<u>(1,516,412)</u>	<u>(648,826)</u>
Total assets less current liabilities		<u>11,352,701</u>	<u>12,220,287</u>
Creditors: Amounts falling due greater than one year		(1,525,000)	(1,525,000)
Net assets		<u><u>9,827,701</u></u>	<u><u>10,695,287</u></u>
Capital and reserves			
Called up share capital	24	7,870,333	7,870,000
Profit and loss account		1,957,368	2,825,287
		<u><u>9,827,701</u></u>	<u><u>10,695,287</u></u>

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



C Downham
 Director

Date: 1/6/16

BOAT BIDCO LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2015**

	Share capital £	Foreign exchange reserve £	Retained earnings £	Equity attributable to owners of parent company £	Non-controlling interests £	Total equity £
At 1 January 2015	7,870,000	5,141	1,960,739	9,835,880	(5,613)	9,830,267
Loss for the year	-	-	(3,085,792)	(3,085,792)	(277)	(3,086,069)
Total comprehensive income for the year	-	-	(3,085,792)	(3,085,792)	(277)	(3,086,069)
Contributions by and distributions to owners						
Dividends: Preference share capital	-	-	(675,444)	(675,444)	-	(675,444)
Shares issued during the year	333	-	-	333	-	333
Foreign exchange translation	-	81,120	-	81,120	-	81,120
At 31 December 2015	7,870,333	86,261	(1,800,497)	6,156,097	(5,890)	6,150,207

BOAT BIDCO LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2014**

	Share capital £	Foreign exchange reserve £	Retained earnings £	Equity attributable to owners of parent company £	Non-controlling interests £	Total equity £
Comprehensive income for the period						
Profit for the period	-	-	2,543,477	2,543,477	633	2,544,110
Total comprehensive income for the period	-	-	2,543,477	2,543,477	633	2,544,110
Contributions by and distributions to owners						
Dividends: Preference share capital	-	-	(582,738)	(582,738)	-	(582,738)
Shares issued during the period	7,870,000	-	-	7,870,000	-	7,870,000
Foreign exchange translation	-	5,141	-	5,141	-	5,141
Purchase of minority interest	-	-	-	-	(6,246)	(6,246)
At 31 December 2014	7,870,000	5,141	1,960,739	9,835,880	(5,613)	9,830,267

The notes on pages 16 to 37 form part of these financial statements.

BOAT BIDCO LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2015**

	Share capital £	Retained earnings £	Total equity £
At 1 January 2015	7,870,000	2,825,287	10,695,287
Loss for the year	-	(192,475)	(192,475)
Total comprehensive income for the year	-	(192,475)	(192,475)
Dividends: Preference share capital	-	(675,444)	(675,444)
Shares issued during the year	333	-	333
At 31 December 2015	7,870,333	1,957,368	9,827,701

**COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2014**

	Share capital £	Retained earnings £	Total equity £
Profit for the period	-	3,408,025	3,408,025
Total comprehensive income for the period	-	3,408,025	3,408,025
Dividends: Preference share capital	-	(582,738)	(582,738)
Shares issued during the period	7,870,000	-	7,870,000
At 31 December 2014	7,870,000	2,825,287	10,695,287

The notes on pages 16 to 37 form part of these financial statements.

BOAT BIDCO LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 £	2014 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(3,086,069)	2,544,110
Adjustments for:		
Exceptional items	-	(3,535,204)
Amortisation of intangible assets	1,437,335	1,186,629
Depreciation of tangible assets	46,772	237,295
Decrease/(Increase) in stocks	26,973	(56,204)
Interest paid	235,046	291,656
Interest received	(777)	(248,646)
Taxation	70,475	(208,030)
Decrease/(Increase) in debtors	(152,099)	143,156
(Decrease)/Increase in creditors	1,268,788	(424,960)
Foreign exchange	79,343	(688)
Net cash generated from operating activities	(74,213)	(70,886)
Cash flows from investing activities		
Purchase of intangible fixed assets	(444,798)	(297,621)
Purchase of tangible fixed assets	(68,261)	(9,006)
Purchase of fixed asset investments	-	(380,179)
Interest received	777	248,646
Cash acquired with subsidiary	-	502,354
Net cash from investing activities	(512,282)	64,194

BOAT BIDCO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015

Cash flows from financing activities

Issue of ordinary shares	333	9,704
Other new loans	600,000	1,440,000
Repayment of other loans	-	(8,993,080)
Interest paid	(72,751)	(80,956)
Issue of preference shares	-	7,860,296
Net cash used in financing activities	527,582	235,964
Net increase / (decrease) in cash and cash equivalents	(58,913)	229,272
Cash and cash equivalents at beginning of year	229,272	-
Cash and cash equivalents at the end of year	170,359	229,272
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	187,443	229,272
Bank overdrafts	(17,084)	-
	170,359	229,272

BOAT BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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 United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 29.

The following principal accounting policies have been applied:

1.2 Going concern

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. A shareholder, Pembroke VCT plc, has agreed to provide the necessary support to the group to enable it to meet all of its financial obligations as they fall due. Having considered the support that has been provided by Pembroke VCT plc, the group's current financial position and the group's current forecasts the directors believe that the company has adequate financing facilities in place to continue in operational existence for the foreseeable future.

Therefore, the directors confirm that they consider the going concern basis to be appropriate for the preparation of the financial statements.

1.3 Basis of consolidation

The group financial statements consolidate those of the company and of its subsidiary undertakings after eliminating intra-group transactions and balances. The results of subsidiary undertakings acquired are included in the consolidated results from the date of acquisition, under the acquisition method of accounting.

The results of subsidiaries acquired during the period are included from the effective date of acquisition.

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

Events revenue is recognised on the delivery of the relevant event.

Subscription revenue is recognised over the duration of the subscription.

Advertising revenue is recognised on the delivery of the service.

1.5 INTANGIBLE FIXED ASSETS AND AMORTISATION

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities acquired. It is amortised to the profit and loss account over its estimated economic life to a maximum of 10 years.

Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently when necessary if circumstances indicate that its carrying value may not be recoverable.

BOAT BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

Titles and intellectual property rights acquired are included at cost and amortised on a straight line basis over their useful lives of 9 to 16 years. The carrying values of other intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

1.6 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.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

The estimated useful lives range as follows:

Leasehold property	-	20% per annum on cost or over the remaining lease term if less than 5 years
Motor vehicles	-	25% per annum on cost
Fixtures and fittings	-	25% per annum on cost
Computer equipment and plant and machinery	-	33% per annum on cost

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 within 'other operating income' in the consolidated statement of comprehensive income.

1.7 Operating leases

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

1.8 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

BOAT BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.10 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.

1.11 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.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

1.12 Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- i) at fair value with changes recognised in the profit and loss account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- ii) at cost less impairment for all other investments.

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

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

BOAT BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

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

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.13 Creditors

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

1.14 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit and loss account within 'other operating income'.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

1.15 Finance costs

Finance costs are charged to the profit and loss account 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.

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES (continued)

1.16 Pensions: Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payments obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

1.17 Interest income

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

1.18 Provisions for Liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the year that the group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES (continued)**1.19 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the group operate and generate income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.20 Exceptional items

Where an item or items which arise from events or transactions that fall within the ordinary activities of the company are material either individually or in aggregate such that due to their size or incidence they require separate disclosure in order for the financial statements are to give a true and fair view these items are disclosed as exceptional items in the profit and loss account.

2. ANALYSIS OF TURNOVER

Analysis of turnover by country of destination:

	2015 £	2014 £
United Kingdom	1,659,519	1,359,974
Rest of European Union	4,333,447	4,558,003
Rest of world	4,158,523	4,914,944
	<u>10,151,489</u>	<u>10,832,921</u>

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

3. OPERATING LOSS

The operating loss is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	46,772	27,646
Amortisation of intangible assets	1,437,335	1,396,278
Auditor's remuneration	37,000	35,950
Exchange differences	106,232	163,397
Land and building operating leases	132,309	124,880
	<u>1,759,418</u>	<u>1,748,151</u>

4. AUDITOR'S REMUNERATION

	2015 £	2014 £
Auditor's remuneration	37,000	35,950
	<u>37,000</u>	<u>35,950</u>
Auditor's remuneration in relation to:		
Audit	28,000	27,200
Tax compliance services	9,000	8,750
	<u>37,000</u>	<u>35,950</u>

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

5. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	3,831,257	2,576,758
Social security costs	374,454	293,898
Other pension costs	52,926	61,928
	<u>4,258,637</u>	<u>2,932,584</u>

The average monthly number of employees, including the directors, during the year/period was as follows:

	2015 No.	2014 No.
Editorial	17	17
Advertising	14	14
Corporate	6	6
Events	5	4
Digital	13	9
	<u>55</u>	<u>50</u>

6. DIRECTORS' REMUNERATION

	2015 £	2014 £
Directors' emoluments	272,388	281,432
Company contributions to defined contribution pension schemes	7,006	9,534
	<u>279,394</u>	<u>290,966</u>

During the year retirement benefits were accruing to 2 directors (2014 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £153,547 (2014 - £200,278).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,356 (2014 - £9,534).

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

7. INTEREST RECEIVABLE

	2015 £	2014 £
Other interest receivable	777	248,646
	777	248,646

8. INTEREST PAYABLE

	2015 £	2014 £
On bank loans and overdrafts	5,303	32,889
On other loans	229,743	258,767
	235,046	291,656

9. TAXATION

	2015 £	2014 £
Deferred tax		
Origination and reversal of timing differences	51,514	(208,030)
Changes to tax rates	18,961	-
Taxation on profit/(loss) on ordinary activities	70,475	(208,030)

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

9. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR/PERIOD

The tax assessed for the year/period is lower than (2014 - *lower than*) the standard rate of corporation tax in the UK of 20% (2014 - 20%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>(3,015,594)</u>	<u>2,336,080</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20%	(603,117)	467,216
Effects of:		
Fixed asset differences	-	452
Expenses not deductible for tax purposes	198,913	(536,745)
Other permanent differences	-	42,779
Transfer pricing adjustments	-	612
Adjust deferred tax to average rate of 20%	40,195	-
Differences in overseas rate	20,166	21,597
Deferred tax not recognised	<u>414,318</u>	<u>(203,941)</u>
Total tax charge for the year/period	<u><u>70,475</u></u>	<u><u>(208,030)</u></u>

10. DIVIDENDS

	2015 £	2014 £
Dividends accrued on preference share capital	<u>675,444</u>	<u>582,738</u>
	<u><u>675,444</u></u>	<u><u>582,738</u></u>

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

11. EXCEPTIONAL ITEMS

	2015 £	2014 £
Exceptional profit on settlement of loans	-	(3,535,204)
	<u>-</u>	<u>(3,535,204)</u>

12. INTANGIBLE ASSETS

Group

	Goodwill £	Titles acquired £	Intellectual property rights £	Software £	Total £
Cost					
At 1 January 2015	9,243,744	4,851,400	327,281	1,243,019	15,665,444
Additions	-	-	-	259,798	259,798
Disposals	-	-	-	(629,503)	(629,503)
At 31 December 2015	<u>9,243,744</u>	<u>4,851,400</u>	<u>327,281</u>	<u>873,314</u>	<u>15,295,739</u>
Amortisation					
At 1 January 2015	924,374	2,917,003	127,730	849,228	4,818,335
Charge for the year	924,374	386,841	22,177	103,943	1,437,335
On disposals	-	-	-	(629,503)	(629,503)
At 31 December 2015	<u>1,848,748</u>	<u>3,303,844</u>	<u>149,907</u>	<u>323,668</u>	<u>5,626,167</u>
Net book value					
At 31 December 2015	<u>7,394,996</u>	<u>1,547,556</u>	<u>177,374</u>	<u>549,646</u>	<u>9,669,572</u>
<i>At 31 December 2014</i>	<u>8,319,370</u>	<u>1,934,397</u>	<u>199,551</u>	<u>393,791</u>	<u>10,847,109</u>

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

12. INTANGIBLE ASSETS (continued)

During the period the group's intangible fixed assets were reviewed for impairment. Cash flow forecasts were prepared which assumes a terminal value based on revenues growing a rate of 3% and future cash flows are discounted at 12%.

The publishing industry in which the business operates has in general seen a flight to digital as magazine advertising and circulation revenues decline and online alternatives become more widely adopted by consumers. The company successfully relaunched its new look website during the year and will continue to invest in both its print and digital platforms to manage the ongoing transition towards digital and to also mitigate the risk posed by activity from both existing competitors and new entrants.

A sensitivity analysis was undertaken on unimpaired intangibles and based on the results of this and the impairment reviews, the directors consider the carrying value of the remaining intangible fixed assets to be recoverable.

13. PARENT COMPANY PROFIT FOR THE YEAR

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent company for the year/period was £192,475 (2014 - profit £3,408,024).

BOAT BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

14. TANGIBLE FIXED ASSETS

Group

	Leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment and plant and machinery £	Total £
Cost or valuation					
At 1 January 2015	101,038	17,012	290,256	258,649	666,955
Additions	4,385	-	1,971	61,905	68,261
Disposals	-	(16,691)	(81,716)	-	(98,407)
Foreign exchange movement	-	-	1,777	-	1,777
At 31 December 2015	105,423	321	212,288	320,554	638,586
Depreciation					
At 1 January 2015	94,439	16,691	250,691	178,418	540,239
Charge for the year	2,335	140	15,921	28,376	46,772
Disposals	-	(16,691)	(81,716)	-	(98,407)
At 31 December 2015	96,774	140	184,896	206,794	488,604
At 31 December 2015	8,649	181	27,392	113,760	149,982
<i>At 31 December 2014</i>	<i>6,599</i>	<i>321</i>	<i>39,565</i>	<i>80,231</i>	<i>126,716</i>

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

15. FIXED ASSET INVESTMENTS

Subsidiary undertakings

The company indirectly holds the ordinary share capital of the below companies except, Boat International Group Limited which is directly held:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Boat International Group Limited	England and Wales	Ordinary	100 %	Holding company
Boat International Media Limited	England and Wales	Ordinary	100 %	Provision of media and marketing services
Luxury Yacht Listing Services Limited	England and Wales	Ordinary	80 %	Provision of media and marketing services
Edimer SAS	France	Ordinary	100 %	Provision of media and marketing services
Boat International Media Inc	USA	Ordinary	100 %	Provision of media and marketing services
Superyacht Media Limited	England and Wales	Ordinary	100 %	Dormant

The aggregate of the share capital and reserves as at 31 December 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves	Profit/(loss)
	£	£
Boat International Group Limited	(1,574,777)	-
Boat International Media Limited	3,124,716	(2,056,244)
Luxury Yacht Listing Services Limited	(29,450)	(1,387)
Edimer SAS	693,532	8,249
Boat International Media Inc	1,031,764	95,473
Superyacht Media Limited	(7,800)	-
	<u>3,237,985</u>	<u>(1,953,909)</u>

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

15. FIXED ASSET INVESTMENTS (continued)

Company

**Investments in
subsidiary
companies
£**

Cost or valuation

At 1 January 2015 and 31 December 2015

12,869,113

16. STOCKS

	Group 2015 £	<i>Group 2014 £</i>	Company 2015 £	<i>Company 2014 £</i>
Finished goods and goods for resale	103,721	<i>130,694</i>	-	-
	103,721	<i>130,694</i>	-	-

The difference between purchase price or production cost of stocks and their replacement cost is not material.

17. DEBTORS

	Group 2015 £	<i>Group 2014 £</i>	Company 2015 £	<i>Company 2014 £</i>
Trade debtors	1,571,922	<i>1,318,966</i>	-	-
Amounts owed by group undertakings	-	-	40,971	<i>31,320</i>
Other debtors	182,877	<i>269,659</i>	-	-
Prepayments and accrued income	659,161	<i>673,234</i>	-	-
Deferred taxation (see note 23)	308,740	<i>379,215</i>	-	<i>12,668</i>
	2,722,700	<i>2,641,074</i>	40,971	<i>43,988</i>

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

18. CASH AND CASH EQUIVALENTS

	Group 2015 £	<i>Group 2014 £</i>	Company 2015 £	<i>Company 2014 £</i>
Cash at bank and in hand	187,443	229,272	20,783	21,002
	<u>187,443</u>	<u>229,272</u>	<u>20,783</u>	<u>21,002</u>

19. CREDITORS: Amounts falling due within one year

	Group 2015 £	<i>Group 2014 £</i>	Company 2015 £	<i>Company 2014 £</i>
Bank overdrafts	17,084	-	-	-
Other loans	99,918	-	-	-
Trade creditors	1,748,006	831,008	24,864	35,984
Amounts owed to group undertakings	-	-	88,977	9
Taxation and social security	107,286	105,129	-	1,735
Accruals and deferred income	2,650,476	1,683,461	1,464,325	676,088
	<u>4,622,770</u>	<u>2,619,598</u>	<u>1,578,166</u>	<u>713,816</u>

20. CREDITORS: Amounts falling due after more than one year

	Group 2015 £	<i>Group 2014 £</i>	Company 2015 £	<i>Company 2014 £</i>
Loan notes	1,525,000	1,525,000	1,525,000	1,525,000
Other loans	535,441	-	-	-
	<u>2,060,441</u>	<u>1,525,000</u>	<u>1,525,000</u>	<u>1,525,000</u>

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

21. LOANS

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Amounts falling due within one year				
Other loans	99,918	-	-	-
Amounts falling due after one year				
Loan notes	1,525,000	1,525,000	1,525,000	1,525,000
Other loans	535,441	-	-	-
	<u>2,060,441</u>	<u>1,525,000</u>	<u>1,525,000</u>	<u>1,525,000</u>

The group has loan notes totalling £1,440,000 with investors which include Pembroke VCT plc, Lepe Partners (Boat) LP, Oakley Capital Limited and Peter Dubens. These loan notes are repayable over the period until 31 December 2018. The interest on the loan notes is 12%.

The group's remaining loan notes amount to £85,000. The loan notes are repayable over the period or a bullet repayment until 31 December 2018. The interest on the loan notes is 8%.

The group has other loans with Pembroke VCT plc of £100,000 and £500,000. The £100,000 loan is repayable over the period or a bullet repayment until 10 December 2016. The interest rate on loan is 12% per annum. The £500,000 loan is repayable over the period until 5 May 2020. The interest rate on loan is 12% per annum. The other loans are presented net of issue costs totalling £1,195 and £82 respectively.

22. FINANCIAL INSTRUMENTS

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Financial assets measured at amortised cost	2,413,960	2,261,859	40,971	31,320
	<u>2,413,960</u>	<u>2,261,859</u>	<u>40,971</u>	<u>31,320</u>
Financial liabilities measured at amortised cost	(6,575,925)	(4,039,469)	(3,103,166)	(2,237,081)
	<u>(6,575,925)</u>	<u>(4,039,469)</u>	<u>(3,103,166)</u>	<u>(2,237,081)</u>

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

23. DEFERRED TAXATION

Group

	Deferred tax £
At 1 January 2015	379,215
Charged to the profit or loss	(70,475)
At 31 December 2015	308,740

Company

	Deferred tax £
At 1 January 2015	12,668
Charged to the profit or loss	(12,668)
At 31 December 2015	-

The deferred tax asset is made up as follows:

	Group 2015 £	<i>Group 2014 £</i>	Company 2015 £	<i>Company 2014 £</i>
Depreciation in excess of capital allowances	(27,764)	51,425	-	-
Tax losses carried forward	334,301	325,946	-	12,668
Short term timing differences	2,203	1,844	-	-
	308,740	<i>379,215</i>	-	<i>12,668</i>

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

24. SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid		
97,040 A Ordinary shares of £0.10 each	9,704	9,704
3,330 B Ordinary shares of £0.10 each	333	-
78,602,959 Preference shares of £0.10 each	7,860,296	7,860,296
	<u>7,870,333</u>	<u>7,870,000</u>

During the year 3,330 B Ordinary shares were issued for total consideration of £333.

The preference shares are irredeemable. Dividends on the preference shares are compounded annually and are capped at the lower of available profits and 8%.

25. SHARE BASED PAYMENTS

During the current year the group made an award of 19,331 share options. Of these 7,557 vested immediately and the fair value of the option was assessed as 0p. The exercise price of the options is 10p and the share price at the grant date was 10p.

A further 8,441 options granted can be exercised at any time between 1 and 2 years after the date of grant, or on a takeover if earlier. The remaining 3,333 can only be exercised on an exit event.

If an individual leaves the group before 3 years after the date of grant, their options will lapse.

If an individual dies before 3 years after the date of grant, the options may be exercised by their representatives within twelve months. After 3 years after the date of grant, if an individual leaves, their options must be exercised within two months. There are no performance conditions attached to the options.

The estimated fair value for the remaining options was calculated by applying a Black-Scholes option pricing model

	Weighted average exercise price (pence) 2015	Number 2015	Weighted average exercise price (pence) 2014	Number 2014
Granted during the year	10	19,331	-	-
Lapsed during the year	10	(4,000)	-	-
Outstanding at the end of the year	<u>10</u>	<u>15,331</u>	<u>-</u>	<u>-</u>

BOAT BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

25. SHARE BASED PAYMENTS (continued)

The number of options exercisable at the end of the year is 10,225 (2014: nil).

	2015	2014
Exercise price (pence)	10	-
Expected volatility	60%	-
Expected dividend growth rate	0%	-
Risk-free interest rate	1%	-

During the period C Downham was granted 2,000 share options of which none were exercised during the period.

The share option charge has not been recognised in the group financial statements on the grounds that the impact on the financial statements would be insignificant.

26. PENSION COMMITMENTS

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £52,926 (2014: £61,298).

27. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2015 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Not later than 1 year	156,100	156,100	-	-
Later than 1 year and not later than 5 years	221,142	221,142	-	-
Total	377,242	377,242	-	-

BOAT BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

28. RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemption in 'FRS 102 Section 33 Related Party Disclosures' from disclosing transactions with companies where 100% of the voting rights are controlled within the group as consolidated accounts are publicly available.

During the period ended 31 December 2015, the company recharged expenses of £6,783 (2014: £6,270) to Luxury Yacht Listing Services Limited, a company in which the Group holds 80% of the issued share capital. At the balance sheet date, the group was due £14,868 (2014: £7,523) from Luxury Yacht Listing Services Limited.

Peter Dubens, a director of the company, owns loan notes totalling £20,000. £20,000 of the loan notes remain outstanding at the period end. At the beginning of the period the company owed £1,272 of loan note interest to Peter Dubens. During the period the loan notes attracted £2,472 (2014: £2,334) of interest and the company paid interest totalling £937 (2014: £1,062). At the period end loan note interest amounting to £2,807 (2014: £1,273) is owed to Peter Dubens. At the beginning of the period the company owed Peter Dubens £5,972 in respect of preference dividends. During the period preference dividends amounting to £6,866 (2014: £5,972) became payable. At the balance sheet date £12,790 (2014: £5,972) of preference dividends were outstanding.

Oakley Capital Limited, a company controlled by Peter Dubens, owns loan notes totalling £300,000. £300,000 of the loan notes remain outstanding at the period end. At the beginning of the period the company owed £19,088 of loan note interest to Oakley Capital Limited. During the period the loan notes attracted £37,080 (2014: £35,014) of interest and the company paid interest totalling £14,060 (2014: £15,926). At the period end loan note interest amounting to £42,108 (2014: £19,088) is owed to Oakley Capital Limited. At the beginning of the period the company owed Oakley Capital Limited £11,107 in respect of preference dividends. During the period preference dividends amounting to £12,874 (2014: £11,107) became payable. At the balance sheet date £23,981 (2014: £11,107) of preference dividends were outstanding.

Lepe Partners (Boat) LP, a major shareholder in the company, owns loan notes totalling £670,000. £670,000 of the loan notes remain outstanding at the period end. At the beginning of the period the company owed £42,629 of loan note interest to Lepe Partners (Boat) LP. During the period the loan notes attracted £82,812 (2014: £78,197) of interest and the company paid interest totalling £31,400 (2014: £35,568). At the period end loan note interest amounting to £94,041 (2014: £42,629) is owed to Lepe Partners (Boat) LP. At the beginning of the period the company owed Lepe Partners (Boat) LP £198,442 in respect of preference dividends. During the period preference dividends amounting to £230,011 (2014: £198,442) became payable. At the balance sheet date £428,453 (2014: £198,442) of preference dividends were outstanding..

BOAT BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

RELATED PARTY TRANSACTIONS (continued)

Pembroke VCT plc, a major shareholder in the company, owns loan notes totalling £400,000. £400,000 of the loan notes remain outstanding at the period end. At the beginning of the period the company owed £25,451 of loan note interest to Pembroke VCT plc. During the period the loan notes attracted £49,440 (2014: £46,685) of interest and the company paid interest totalling £18,746 (2014: £21,234). At the period end loan note interest amounting to £56,145 (2014: £25,451) is owed to Pembroke VCT plc. At the beginning of the period the company owed Pembroke VCT plc £125,877 in respect of preference dividends. During the period preference dividends amounting to £145,903 (2014: £125,877) became payable. At the balance sheet date £271,780 (2014: £125,877) of preference dividends were outstanding.

In addition to the above loan notes, during the period Pembroke VCT plc advanced other loans of £500,000 and £100,000 other loans to Boat International Media Limited, a wholly owned subsidiary of Boat Bidco Limited. £600,000 of the other loans remain outstanding at the period end. During the period the other loans attracted £41,748 of interest and this balance was owed at the period end.

During the year ended 31 December 2015, the group invoiced amounts totalling £34,989 (2014: £nil) to KX Gym UK Limited, a company with common directorship. At the balance sheet date, the group was owed £22,787 (2014: £nil) from KX Gym UK Limited.

During the year ended 31 December 2015, the group invoiced amounts totalling £7,207 (2014: £nil) to North Sails Limited, a company with common directorship. At the balance sheet date, the group was owed £22,787 (2014: £nil) from North Sails Limited.

29. TRANSITION TO FRS 102

As described in Note 1, these financial statements are the first financial statements to be prepared for the company under Financial Reporting Standard 102 ('FRS 102'). The company's date of transition is 14 October 2013, and therefore the opening Balance Sheet for FRS 102 purposes is that reported at 31 December 2014 as amended for changes due to FRS 102. The comparative figures have been prepared on the same basis. There was no change resulting from the conversion in the company financial statements however the consolidated financial statements required that software assets with a net book value totalling £549,646 (2014: £393,791) to be reclassified from tangible fixed assets to intangible fixed assets. This reclassification has been retrospectively applied.