

Registered number: 08731010



BOAT BIDCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

BOAT BIDCO LIMITED

COMPANY INFORMATION

DIRECTORS

A Euden
T Haig
T Moore
J Paton
D Till
A Wolfson

REGISTERED NUMBER

08731010

REGISTERED OFFICE

3 Cadogan Gate
London
SW1X 0AS

INDEPENDENT AUDITOR

Crowe U.K. LLP
4 Mount Ephraim Road
Tunbridge Wells
Kent
TN1 1EE

BANKERS

Barclays Bank plc
27 Soho Square
London
W1D 3QR

BOAT BIDCO LIMITED

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BOAT BIDCO LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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 page 9, show a loss on ordinary activities before tax of £743,537 (2018: £1,483,668).

The directors use the following Key Performance Indicators (KPIs) to monitor the performance of the business:

Trading EBITDA, adjusted for exceptional items and bonuses, improved by £596,526 or 66.0% from £904,120 in 2018 to £1,500,646 in 2019. EBITDA improved by £561,301 or 96.4% from £581,989 in 2018 to £1,143,290 in 2019.

Overall Group Turnover £12,584,561 (2018: £11,254,860); being turnover per the statutory profit and loss account. Group Turnover on a like for like basis, excluding discontinued products, increased by £1,329,701 or 11.8% from £11,254,860 in 2018 to £12,584,561 in 2019.

Cash at bank and in hand – increased by £640,355 or 165.1% from £387,783 in 2018 to £1,028,138 in 2019.

PRINCIPAL RISKS AND UNCERTAINTIES

The health of the underlying market the business serves is dependent on the number of ultra high net worth individuals (UHNWI) in existence and being created globally. The strength of the global economy in 2019 means that the number of UHNWI has continued to increase and so 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 and data become more widely adopted by consumers. The group is well placed through its website and data products to capitalise and 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

In their assessment of going concern the directors have considered the current and developing impact on the group as a result of the COVID19 virus.

This has had an immediate impact on the group's operations as some industry events have been cancelled and shipyards have temporarily closed and reduced their advertising. It is expected that yards and marinas will re-open from the beginning of H2 and this will result in a phased return of the market throughout Q3 and Q4.

The directors have updated their annual budgets and forecasts based on current estimates of the impact of the current crisis and undertaken appropriate operational restructuring and cost cutting measures in order to ensure that they have sufficient facilities in place to meet their operating cash requirements for the foreseeable future.

Having regard to the above, the directors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

BOAT BIDCO LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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 and other loans amounting to £1,150,000 (2018: £1,300,000). Both the loan notes and the other loans are issued by shareholders in Boat Bidco Limited. The group's policy is to fund operations from trading cashflows.

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 and the interest rate on the £1,150,000 other loans are fixed. 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.

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.

BOAT BIDCO LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

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


.....
A Euden
Director

Date: 9th June 2020

BOAT BIDCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated 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 they are 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 for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 to 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 and minority interests, amounted to £775,770 (2018 - loss £1,556,434).

DIRECTORS

The directors who served during the year were:

A Wolfson
J Paton
T Haig
D Till
T Moore (appointed 1 February 2019)
A Euden (appointed 1 February 2019)

BOAT BIDCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 the director is aware, there is no relevant audit information of which the company and the Group's auditor is unaware, and
- the 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.

AUDITOR

The auditor, Crowe U.K. 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.


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A Euden
Director

Date: 9th June 2020

BOAT BIDCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, OF BOAT BIDCO LIMITED

OPINION

We have audited the financial statements of Boat Bidco Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2019, which comprise the Group statement of comprehensive income, the Group and company balance sheets, the Group statement of cash flows, the Group and company statement of changes in equity and the related notes, 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 Financial Reporting Standard 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 Group's and of the parent company's affairs as at 31 December 2019 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.

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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent 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 directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

BOAT BIDCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, OF BOAT BIDCO LIMITED (CONTINUED)

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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the group strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the group strategic report and the directors' 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 Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the group strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

BOAT BIDCO LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, OF BOAT BIDCO LIMITED
(CONTINUED)**

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Mark Anderson (senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

4 Mount Ephraim Road
Tunbridge Wells
Kent

TN1 1EE

Date: *10.6.2020*

BOAT BIDCO LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	4	12,584,561	11,254,860
Cost of sales		(8,637,944)	(7,915,061)
GROSS PROFIT		3,946,617	3,339,799
Distribution costs		(666,947)	(678,402)
Administrative expenses		(3,680,624)	(3,681,136)
OPERATING LOSS	5	(400,954)	(1,019,739)
Adjust for:			
Exceptional items		386,477	329,730
Depreciation		60,677	82,713
Amortisation		1,454,446	1,511,416
EBITDA		1,500,646	904,120
Interest payable and expenses	8	(342,583)	(463,929)
LOSS BEFORE TAXATION		(743,537)	(1,483,668)
Tax on loss	10	(31,851)	(72,766)
LOSS FOR THE FINANCIAL YEAR		(775,388)	(1,556,434)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(775,388)	(1,556,434)
(LOSS) FOR THE YEAR ATTRIBUTABLE TO:			
Non-controlling interests		382	-
Owners of the parent company		(775,770)	(1,556,434)
		(775,388)	(1,556,434)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Non-controlling interest		382	-
Owners of the parent company		(775,770)	(1,556,434)
		(775,388)	(1,556,434)

The notes on pages 16 to 34 form part of these financial statements.

BOAT BIDCO LIMITED
REGISTERED NUMBER: 08731010

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Intangible assets	12	4,163,234	5,382,041
Tangible assets	13	60,017	98,563
		<u>4,223,251</u>	<u>5,480,604</u>
CURRENT ASSETS			
Stocks	16	28,585	67,380
Debtors	17	2,877,126	2,733,286
Cash at bank and in hand	18	1,028,138	387,783
		<u>3,933,849</u>	<u>3,188,449</u>
Creditors: amounts falling due within one year	19	(6,880,001)	(6,407,436)
NET CURRENT LIABILITIES		<u>(2,946,152)</u>	<u>(3,218,987)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,277,099</u>	<u>2,261,617</u>
Creditors: amounts falling due after more than one year	20	(2,613,696)	(3,400,726)
PROVISIONS FOR LIABILITIES			
NET LIABILITIES		<u>(1,536,597)</u>	<u>(1,139,109)</u>
CAPITAL AND RESERVES			
Called up share capital	24	7,870,333	7,870,333
Foreign exchange reserve		348,804	383,290
Capital contribution reserve		412,286	-
Profit and loss account		(10,162,448)	(9,386,678)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		<u>(1,530,925)</u>	<u>(1,133,055)</u>
Non-controlling interests		(6,672)	(6,054)
		<u>(1,536,597)</u>	<u>(1,139,109)</u>

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


A Euden
Director

Date: 9th June 2020

The notes on pages 16 to 34 form part of these financial statements.

BOAT BIDCO LIMITED
REGISTERED NUMBER: 08731010

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Investments	14	12,869,113	12,869,113
		<u>12,869,113</u>	<u>12,869,113</u>
CURRENT ASSETS			
Debtors	17	1,069,286	1,062,243
		<u>1,069,286</u>	<u>1,062,243</u>
Creditors: amounts falling due within one year	19	(4,822,432)	(4,530,169)
NET CURRENT LIABILITIES		<u>(3,763,146)</u>	<u>(3,467,926)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,105,967</u>	<u>9,401,187</u>
Creditors: amounts falling due after more than one year	20	(1,112,714)	(1,525,000)
NET ASSETS		<u><u>7,993,253</u></u>	<u><u>7,876,187</u></u>
CAPITAL AND RESERVES			
Called up share capital	24	7,870,333	7,870,333
Capital contribution reserve		412,286	-
Profit and loss account brought forward		5,854	26,719
Loss/(profit) for the year		(288,220)	831,171
Other changes in the profit and loss account		-	(851,036)
Profit and loss account carried forward		<u>(288,366)</u>	<u>5,854</u>
		<u><u>7,993,253</u></u>	<u><u>7,876,187</u></u>

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

A Euden.....

A Euden
Director

9th JUNE 2020

The notes on pages 16 to 34 form part of these financial statements.

BOAT BIDCO LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Foreign exchange reserve	Capital contribution reserve	Profit and loss account	Equity attributable to owners of parent company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£
At 1 January 2019	7,870,333	383,290	-	(9,386,678)	(1,133,055)	(6,054)	(1,139,109)
COMPREHENSIVE INCOME FOR THE YEAR							
Loss for the year	-	-	-	(775,770)	(775,770)	382	(775,388)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	(775,770)	(775,770)	382	(775,388)
Foreign exchange translation	-	(34,386)	-	-	(34,386)	-	(34,386)
Discounted loan adjustment	-	-	412,286	-	412,286	-	412,286
TOTAL TRANSACTIONS WITH OWNERS	-	(34,386)	412,286	-	377,900	-	377,900
AT 31 DECEMBER 2019	7,870,333	348,904	412,286	(10,162,448)	(1,530,925)	(5,672)	(1,536,597)

The notes on pages 16 to 34 form part of these financial statements.

BOAT BIDCO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Foreign exchange reserve	Profit and loss account	Equity attributable to owners of parent company	Non- controlling interests	Total equity
	£	£	£	£	£	£
At 1 January 2018	7,870,333	299,834	(6,979,208)	1,190,959	(6,054)	1,184,905
COMPREHENSIVE INCOME FOR THE YEAR						
Loss for the period	-	-	(1,556,434)	(1,556,434)	-	(1,556,434)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	(1,556,434)	(1,556,434)	-	(1,556,434)
Dividends: Preference share capital	-	-	(851,036)	(851,036)	-	(851,036)
Foreign exchange translation	-	83,456	-	83,456	-	83,456
TOTAL TRANSACTIONS WITH OWNERS	-	83,456	(851,036)	(767,580)	-	(767,580)
AT 31 DECEMBER 2018	7,870,333	383,290	(9,386,678)	(1,133,055)	(6,054)	(1,139,109)

The notes on pages 16 to 34 form part of these financial statements.

BOAT BIDCO LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Capital contribution reserve £	Profit and loss account £	Total equity £
At 1 January 2018	7,870,333	-	25,719	7,896,062
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	831,171	831,171
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	831,171	831,171
Dividends: Preference share capital	-	-	(851,036)	(851,036)
At 1 January 2019	7,870,333	-	5,854	7,876,187
COMPREHENSIVE INCOME FOR THE YEAR				
Loss for the year	-	-	(295,220)	(295,220)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	(295,220)	(295,220)
Discounted loan adjustment	-	412,286	-	412,286
AT 31 DECEMBER 2019	7,870,333	412,286	(289,366)	7,993,253

The notes on pages 16 to 34 form part of these financial statements.

BOAT BIDCO LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the financial year	(775,388)	(1,556,434)
ADJUSTMENTS FOR:		
Amortisation of intangible assets	1,511,416	1,511,416
Depreciation of tangible assets	60,877	82,713
Interest payable	342,583	463,929
Taxation charge	31,851	72,766
Decrease in stocks	38,795	6,488
Decrease in debtors	12,670	187,006
(Decrease) in creditors	(8,674)	(406,685)
Foreign exchange	(34,112)	82,863
NET CASH GENERATED FROM OPERATING ACTIVITIES	1,179,818	444,062
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible fixed assets	(292,608)	(198,091)
Purchase of tangible fixed assets	(22,405)	(55,901)
NET CASH FROM INVESTING ACTIVITIES	(315,013)	(253,992)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans	(150,000)	-
Interest paid	(74,450)	-
NET CASH USED IN FINANCING ACTIVITIES	(224,450)	-
INCREASE IN CASH AND CASH EQUIVALENTS	640,355	190,070
Cash and cash equivalents at beginning of year	387,783	197,713
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	1,028,138	387,783
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	1,028,138	387,783
	1,028,138	387,783

The notes on pages 16 to 34 form part of these financial statements.

BOAT BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

The company is a private limited by shares company, which is incorporated and registered in England (Registered Number: 08731010).

The address of the registered office is 3 Cadogan Gate, London, SW1X 0AS.

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.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 GOING CONCERN

In their assessment of going concern the directors have considered the current and developing impact on the group as a result of the COVID19 virus.

This has had an immediate impact on the group's operations as some industry events have been cancelled and shipyards have temporarily closed and reduced their advertising. It is expected that yards and marinas will re-open from the beginning of H2 and this will result in a phased return of the market throughout Q3 and Q4.

The directors have updated their annual budgets and forecasts based on current estimates of the impact of the current crisis and undertaken appropriate operational restructuring and cost cutting measures in order to ensure that they have sufficient facilities in place to meet their operating cash requirements for the foreseeable future.

Having regard to the above, the directors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES (CONTINUED)

2.4 REVENUE

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.

2.5 INTANGIBLE ASSETS

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives on a straight line basis:

Titles acquired	9 years
Intellectual property rights	16 years
Software	4 years

2.6 TANGIBLE FIXED ASSETS

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

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES (CONTINUED)

2.6 TANGIBLE FIXED ASSETS (continued)

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.

Depreciation is provided on the following basis:

Leasehold property	- 20% per annum 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 in the consolidated statement of comprehensive income.

2.7 OPERATING LEASES

Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the lease term.

2.8 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 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.

2.10 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.

2.11 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.

BOAT BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.12 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 forward contracts on foreign currency.

2.13 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.

2.14 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.

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.

2.15 FINANCE COSTS

Finance costs are charged to the consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

BOAT BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.16 SHARE BASED PAYMENTS

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to consolidated statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with fair value of goods and services received.

2.17 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 payment obligations.

The contributions are recognised as an expense in the consolidated statement of comprehensive income 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.

2.18 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 consolidated statement of comprehensive income 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 2019**

2. ACCOUNTING POLICIES (CONTINUED)

2.19 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except that a charge 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 tax 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

Preparation of the financial statements requires management to make significant judgements and estimates. The directors consider the significant judgements or estimates that would have a material impact on the financial statements is the annual impairment review of intangible assets, including goodwill.

4. TURNOVER

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	2,390,552	1,993,012
Rest of Europe	5,413,148	5,642,543
Rest of the world	4,780,861	3,619,305
	<u>12,584,561</u>	<u>11,254,860</u>

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2019 £	2018 £
Depreciation of tangible fixed assets	60,677	82,713
Amortisation of intangible assets	1,454,446	1,511,416
Exchange differences	107,104	84,724
Land and building operating leases	230,290	223,978

6. AUDITOR'S REMUNERATION

	2019 £	2018 £
FEES PAYABLE TO THE GROUP'S AUDITOR IN RESPECT OF:		
The auditing of accounts of the group pursuant to legislation	30,850	30,250
Tax compliance services	5,355	5,250
Other services	7,400	-
	43,605	35,500

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. EMPLOYEES

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

	Group 2019 £	Group 2018 £
Wages and salaries	3,574,926	3,159,720
Social security costs	446,228	319,940
Cost of defined contribution scheme	99,867	73,099
	<u>4,121,021</u>	<u>3,552,759</u>

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

	2019 No.	2018 No.
Advertising	7	4
Corporate	16	14
Digital	8	9
Events	5	5
Editorial	26	26
	<u>62</u>	<u>58</u>

8. DIRECTORS' REMUNERATION

	2019 £	2018 £
Directors' emoluments	583,000	150,000
Company contributions to defined contribution pension schemes	14,025	3,188
Compensation for loss of office	-	137,500
	<u>597,025</u>	<u>290,688</u>

During the year retirement benefits were accruing to 2 directors (2018 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £233,750 (2018 - £287,500).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,075 (2018 - £3,188).

The directors of the company are considered the key management personnel.

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. INTEREST PAYABLE

	2019	2018
	£	£
Other loan interest payable	342,583	463,929

10. TAXATION

	2019	2018
	£	£
TOTAL CURRENT TAX	-	-
DEFERRED TAX		
Origination and reversal of timing differences	31,851	40,007
Effect of tax rate change on opening balance	-	32,759
TOTAL DEFERRED TAX	31,851	72,766
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	31,851	72,766

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	(743,537)	(1,483,668)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(141,272)	(281,897)
EFFECTS OF:		
Amortisation and depreciation on ineligible assets	175,736	175,679
Expenses not deductible for tax purposes	16,312	11,288
Adjust deferred tax to average rate	-	23,929
Deferred tax not recognised	222	20,446
Intercompany write off not taxable	-	4,030
Difference in overseas tax rate	(15,427)	16,682
Changes in deferred tax rate	(3,719)	102,609
TOTAL TAX CHARGE FOR THE YEAR	31,851	72,766

11. DIVIDENDS

	2019 £	2018 £
Dividends accrued on preference share capital	-	851,036

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. INTANGIBLE ASSETS

Group and Company

	Goodwill £	Titles acquired £	Intellectual property rights £	Software £	Total £
COST					
At 1 January 2019	9,243,744	4,881,696	327,281	1,135,451	15,588,172
Additions	-	18,128	-	217,511	235,639
At 31 December 2019	<u>9,243,744</u>	<u>4,899,824</u>	<u>327,281</u>	<u>1,352,962</u>	<u>15,823,811</u>
AMORTISATION					
At 1 January 2019	4,621,870	4,470,469	261,828	851,964	10,206,131
Charge for the year	924,374	386,879	13,091	130,102	1,454,446
At 31 December 2019	<u>5,546,244</u>	<u>4,857,348</u>	<u>274,919</u>	<u>982,066</u>	<u>11,660,577</u>
NET BOOK VALUE					
At 31 December 2019	<u>3,697,500</u>	<u>42,476</u>	<u>52,362</u>	<u>370,896</u>	<u>4,163,234</u>
At 31 December 2018	<u>4,621,874</u>	<u>411,227</u>	<u>65,453</u>	<u>283,487</u>	<u>5,382,041</u>

During the period the goodwill was reviewed for impairment. Forecasts were prepared over a ten year period assuming a gradual growth rate and discount rate of 8%.

A sensitivity analysis was undertaken and based on the results of this and the impairment review, the directors consider there is no impairment.

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. TANGIBLE FIXED ASSETS

Group

	Leasehold property £	Fixtures and fittings £	Computer equipment and plant and machinery £	Total £
COST				
At 1 January 2019	119,773	251,630	455,235	826,638
Additions	-	9,138	13,267	22,405
Exchange adjustments	-	(5,937)	-	(5,937)
At 31 December 2019	119,773	254,831	468,502	843,106
DEPRECIATION				
At 1 January 2019	115,941	230,006	382,128	728,075
Charge for the year	2,705	10,828	47,144	60,677
Exchange adjustments	-	(5,663)	-	(5,663)
At 31 December 2019	118,646	235,171	429,272	783,089
NET BOOK VALUE				
At 31 December 2019	1,127	19,660	39,230	60,017
At 31 December 2018	3,832	21,624	73,107	98,563

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. FIXED ASSET INVESTMENTS

Company

	Investments in subsidiary companies £
COST	
At 1 January 2019	12,869,113
At 31 December 2019	<u>12,869,113</u>

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
Boat International Group Limited	Hartfield House, First Floor, 41-47 Hartfield Road, SW19 3RQ.	Ordinary	100%
Boat International Media Limited	Hartfield House, First Floor, 41-47 Hartfield Road, SW19 3RQ.	Ordinary	100%
Luxury Yacht Listing Services Limited	Hartfield House, First Floor, 41-47 Hartfield Road, SW19 3RQ.	Ordinary	80%
Edimer SAS	La Christofferie, 242000 Marcillac St Quentin, France	Ordinary	100%
Boat International Media Inc	Suite 340, 1800 Southeast Tenth Avenue, Fort Lauderdale, Florida 33316, USA	Ordinary	100%
Superyacht Media Limited	Hartfield House, First Floor, 41-47 Hartfield Road, SW19 3RQ.	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Boat International Group Limited	(1,574,779)	-
Boat International Media Limited	526,982	364,925
Luxury Yacht Listing Services Limited	(32,187)	(1,912)
Edimer SAS	885,781	5,061
Boat International Media Inc	1,478,445	76,134
Superyacht Media Limited	(7,800)	-

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. 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 was £295,220 (2018 - profit £831,171).

16. STOCKS

	Group 2019 £	Group 2018 £
Finished goods and goods for resale	28,585	67,380

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

17. DEBTORS

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	1,219,567	1,331,586	-	-
Amounts owed by group undertakings	-	-	1,059,286	1,062,243
Other debtors	152,995	140,966	-	-
Prepayments and accrued income	1,001,143	913,823	-	-
Deferred taxation	315,060	346,911	-	-
	<u>2,688,765</u>	<u>2,733,286</u>	<u>1,059,286</u>	<u>1,062,243</u>

18. CASH AND CASH EQUIVALENTS

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	1,028,138	387,783	-	-

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

19. CREDITORS: Amounts falling due within one year

	Group 2019	Group 2018	Company 2019	Company 2018
	£	£	£	£
Trade creditors	663,418	496,330	9,723	10,816
Amounts owed to group undertakings	-	-	9	9
Other taxation and social security	115,597	141,408	-	-
Accruals and deferred income	5,912,625	5,769,699	4,812,700	4,519,344
	6,691,640	6,407,437	4,822,432	4,530,169

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

	Group 2019	Group 2018	Company 2019	Company 2018
	£	£	£	£
Loan notes	1,112,714	1,525,000	1,112,714	1,525,000
Other loans	1,700,982	1,875,726	-	-
	2,813,696	3,400,726	1,112,714	1,525,000

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

21. LOANS

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
AMOUNTS FALLING DUE 2-5 YEARS				
Loan notes	1,112,714	1,525,000	1,112,714	1,525,000
Other loans	1,700,982	1,875,726	-	-
	<u>2,813,696</u>	<u>3,400,726</u>	<u>1,112,714</u>	<u>1,525,000</u>

The group has loan notes totalling £1,370,000 with investors which include Pembroke VCT plc, Lepe Partners (Boat) LP, and Oakley Capital Limited. These loan notes are repayable over the period until 31 December 2023. The investor loan notes have been discounted by £412,286 to reflect the difference between commercial interest rates and the discounted rates agreed during the year. The discounting adjustment has been added to a capital contribution reserve. The discounting adjustment will reverse on a straight line basis over the period up to the date of repayment of the loans.

The group's remaining loan notes amount to £85,000. The loan notes are repayable over the period to 31 December 2024. The interest on the loan notes is 8%.

The group has loans with Pembroke VCT plc of two amounts of £400,000 and one of £500,000. The loans attract interest at a rate of 8% per annum. The two £400,000 loans are repayable on 27 May 2023 and 14 March 2024. The £500,000 is repayable on 18 May 2024.

22. FINANCIAL INSTRUMENTS

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
FINANCIAL ASSETS				
Financial assets measured at amortised cost	<u>2,462,330</u>	<u>1,943,240</u>	<u>1,059,286</u>	<u>1,062,243</u>
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost	<u>(8,831,577)</u>	<u>(9,000,652)</u>	<u>(5,935,146)</u>	<u>(6,055,169)</u>

Financial assets that are debt instruments measured at amortised cost comprise cash at bank, trade debtors, other debtors, amounts owed by group companies and accrued income.

Financial liabilities measured at amortised cost comprise bank overdrafts, other loans, trade creditors, amounts owed to group undertakings and accruals.

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

23. DEFERRED TAXATION

Group

	2019 £	2018 £
At beginning of year	346,911	419,677
Charged to the profit or loss	(31,851)	(72,766)
AT END OF YEAR	315,060	346,911

The deferred tax asset is made up as follows:

	Group 2019 £	Group 2018 £
Accelerated capital allowances	35,046	67,299
Tax losses carried forward	278,437	278,437
Short term timing differences	1,577	1,175
	315,060	346,911

24. SHARE CAPITAL

	2019 £	2018 £
Allotted, called up and fully paid		
97,040 (2018 - 97,040) A Ordinary shares of £0.10 each	9,704	9,704
3,330 (2018 - 3,330) B Ordinary shares of £0.10 each	333	333
78,602,959 (2018 - 78,602,959) Preference shares of £0.10 each	7,860,296	7,860,296
	7,870,333	7,870,333

The preference shares carry no voting rights, the preference shares are irredeemable. Dividends on the preference shares are compounded annually and are capped at the lower of available profits and 8%.

Ordinary A shares are entitled to 1 vote per share, and are entitled to dividends and a return of capital in the event of winding up or exit event of the group.

Ordinary B shares are not entitled to vote and have no dividend rights. Capital and pro-rated share of profits to be distributed on winding up or exit event of the group.

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

25. SHARE BASED PAYMENTS

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 is as follows:

	Weighted average exercise price (pence) 2019	Number 2019	Weighted average exercise price (pence) 2018	Number 2018
Outstanding at the beginning of the year	10	7,331	10	9,331
Lapsed during the year		-	10	(2,000)
OUTSTANDING AT THE END OF THE YEAR	10	7,331	10	7,331

The number of options exercisable at the end of the year is 7,331 (2018: 7,331).

	2019	2018
Exercise price (pence)	10	10
Expected volatility	60%	60%
Expected dividend growth rate	0%	0%
Risk-free interest rate	1%	1%

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 contribution 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 £99,887 (2018 - £73,099).

At the year end £19,598 was owed to the pension provider (2018 - £14,657).

BOAT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

27. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2019 the Group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £
Not later than 1 year	242,513	242,513
Later than 1 year and not later than 5 years	586,071	828,584
	828,584	1,071,097

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.

At the balance sheet date, the company was due £32,187, (2018: £19,422) from Luxury Yacht Listing Services Limited, a company in which the group holds 80% of the issued share capital.

During the year interest totalling £269,972 (2018: £240,275) was accrued on loans to major shareholders. At the balance sheet date there were outstanding loans to major shareholders totalling £1,370,000 (2018: £1,370,000) and accrued interest totalling £1,084,220 (2018: £814,248).

29. CONTROLLING PARTY

The directors believe there to be no ultimate controlling party.