

Company registration number 09003642 (England and Wales)

**ANCASTA TOPCO LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

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# ANCASTA TOPCO LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr N G Griffith Mr A G Overton Mrs K L Stewart Mrs F R Griffith Mr W H Blair
<b>Secretary</b>	Ms H L Broadbent
<b>Company number</b>	09003642
<b>Registered office</b>	Port Hamble Satchell Lane Hamble Southampton Hampshire SO31 4QD
<b>Auditor</b>	Moore (South) LLP City Gates 2 - 4 Southgate Chichester West Sussex PO19 8DJ
<b>Business address</b>	Port Hamble Satchell Lane Hamble Southampton Hampshire SO31 4QD
<b>Bankers</b>	Lloyds Bank plc Above Bar St Southampton 92-94 Above Bar Street Southampton Hampshire SO14 7DT

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# ANCASTA TOPCO LIMITED

## CONTENTS

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	<b>Page</b>
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 8
Group statement of comprehensive income	9
Group statement of financial position	10
Company statement of financial position	11
Group statement of changes in equity	12
Group statement of cash flows	13
Notes to the financial statements	14 - 33

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# ANCASTA TOPCO LIMITED

## STRATEGIC REPORT

### FOR THE PERIOD ENDED 31 DECEMBER 2022

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The directors present the strategic report for the period ended 31 December 2022.

#### Fair review of the business

A strong performance in both new and used boat sales underpinned a solid set of results across the group despite the gradual slowdown seen across the sector in late 2022. Delivery issues meant that the newly established PB Europe had a slower than anticipated first year of trading but the brand is now gaining momentum during 2023.

Turnover increased by 24% to £45.1m while margins increased from 19.5% to 23.1%. Improved margins were seen in both Ancasta International Boat Sales and Sanlorenzo Yachts compared with the previous year. Overheads increased by 21% on a like-for-like basis.

The Group reported an operating profit of £2.3m.

Dividends of £400,799 were received from Ancasta Group Ltd and a final dividend of £400,799 was paid.

#### Key performance indicators

	Period ended 31 December 2022	Year ended 31 August 2021	Year ended 31 August 2020
Gross Profit	23.06%	19.53%	18.28%
Liquidity Ratio	1.30	1.37	1.14
Return on shareholders' funds	66.98%	229.42%	-29.85%

#### Financial risk management objectives and policies

The group uses various financial instruments including loans, cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments to raise finance for the group's operations.

The existence of these financial instruments exposes the group to a number of financial risks which are described in more detail below.

The group is exposed to currency risk as it buys and sells goods in foreign currencies, predominantly the Euro. In order to manage currency risk, where appropriate the group enters into forward currency contracts. The company does not utilise any other type of hedging instruments.

Liquidity risk is closely monitored with the aim of maintaining an adequate cash cushion to meet its day to day cashflows.

The principal credit risk arises from its trade debtors. In order to manage credit risk, the group agrees advance or stage payments wherever possible. Where credit is granted, credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

# ANCASTA TOPCO LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE PERIOD ENDED 31 DECEMBER 2022**

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### **Future developments**

In common with the marine industry generally, the Group has seen a reduction in volumes and margins when compared with 2021/2022 as the impact of rising prices and interest rates take hold, particularly in the 30-45 feet market. In addition, inflationary pressures have led to significant increases in property and people costs.

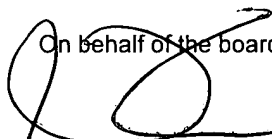
The Board aims to counter these headwinds in a number of ways: providing an industry-leading aftersales service; offering a range of premium brands; expanding reach through the development of its franchise network in the UK and Europe, and leveraging its investment in IT.

Ancasta International Boat Sales has recently been appointed the UK dealer for Scorpion RIBS. This follows the previously stated aim to add premium quality products to our range of new boats.

In March 2023 the group acquired Spencer Rigging Ltd, a well-established and highly regarded business based in Cowes. This complements Advanced Rigging and Hydraulics Ltd and provides access to commercial markets through its lifting and inspection capabilities.

This report affords the opportunity to thank our staff for their commitment and support, without whom our success would not be possible.

On behalf of the board



Mr N G Griffith

Director

27/9/2023

# ANCASTA TOPCO LIMITED

## DIRECTORS' REPORT

### FOR THE PERIOD ENDED 31 DECEMBER 2022

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The directors present their annual report and financial statements for the period ended 31 December 2022.

#### Principal activities

The principal activity of the group is the distribution of new yachts, yacht brokerage, and related activities. The group also owns the yacht repair and refit company: Ancasta Yacht Services Limited (formerly Hamble Yacht Services Refit and Repair Limited) and the rigging company: Advanced Rigging and Hydraulics Limited.

#### Results and dividends

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

Ordinary dividends were paid amounting to £400,799. The directors do not recommend payment of a further dividend.

#### Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Mr N G Griffith  
Mr A G Overton  
Mrs K L Stewart  
Mrs F R Griffith  
Mr W H Blair

#### Auditor

In accordance with the company's articles, a resolution proposing that Moore (South) LLP be reappointed as auditor of the group will be put at a General Meeting.

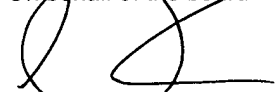
#### Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of financial risk management.

#### Statement of disclosure to auditor

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

On behalf of the board



Mr N G Griffith  
Director

Date: 27/9/2023

# **ANCASTA TOPCO LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### ***FOR THE PERIOD ENDED 31 DECEMBER 2022***

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

# ANCASTA TOPCO LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ANCASTA TOPCO LIMITED

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#### Opinion

We have audited the financial statements of Ancasta Topco Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2022 which comprise the Group Statement of Comprehensive Income, the Group Statement Of Financial Position, the Company Statement Of Financial Position, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2022 and of the group's profit for the period 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 and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.



# ANCASTA TOPCO LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ANCASTA TOPCO LIMITED

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### **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 their environment obtained in the course of the audit, we have not identified material misstatements in the 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, 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 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 parent company or to cease operations, or have no realistic alternative but to do so.

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the group and parent company.

# ANCASTA TOPCO LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ANCASTA TOPCO LIMITED

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Our approach was as follows:

- The engagement partner selected staff for the audit who had prior knowledge of the client and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We assessed the risk of irregularities as part of our audit planning, including due to fraud, management override was identified as a significant fraud risk from our assessment. This is due to the ability to bypass controls and disclosure requirements.
- Revenue recognition was identified as a significant risk to the audit, there is a risk that sales are incomplete within the accounting records or recognised in the wrong period.
- For the company, a significant risk was identified in relation to the potential overstatement of the valuation of investments in the financial statements, due to the size and material nature of the figure.
- We obtained an understanding of the legal and regulatory requirements applicable to the group and the parent company and considered the most significant from the perspective of the financial statements are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We obtained an understanding of how the group and parent company complies with these requirements through discussion and correspondence with management and those charged with governance. We also reviewed applicable correspondence with regulators to identify any known instances of non-compliance or suspected non-compliance with laws and regulations.
- We enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations that could have an impact on the financial statements or the company's ability to continue to operate going forward. Consideration was also made of the internal controls in place to mitigate the identified risks.
- We assessed the control environment, documenting the systems, controls and processes adopted. The audit approach incorporated a combination of controls where appropriate, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and additional corroborative evidence was obtained as required.
- The consolidated financial statements of the group incorporate the results of subsidiary entities. Moore (South) LLP are auditors to the significant subsidiaries that are included in the financial statements and the approach adopted is consistent across the group entities. A review is also undertaken in connection with subsidiaries that are not material to the consolidated financial statements.

To address the risk of fraud through management override we:

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Tested journal entries to identify any unusual transactions.
- Reviewed sensitive nominal ledger codes.
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.
- Reviewed transactions with related parties, in particular with group entities.
- Reviewed the balances recorded in currency other than the base currency to ensure the carrying values were appropriate.
- Reviewed the disclosures within the financial statements to ensure they meet the requirements of the accounting standards and relevant legislation.

In response to the risk of irregularities with regards to the completeness of income and cut-off we:

- Agreed a sample of sales from source documentation into the accounting records.
- Performed analytical procedures, including comparison with prior periods and client budgets.
- Tested transactions around the year end to ensure sales were recorded in the correct period.

# ANCASTA TOPCO LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ANCASTA TOPCO LIMITED

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In response to the risk of overstatement of the value of investments we:

- Obtained a schedule of the investments from the client, agreeing the figures stated to the financial statements.
- Reviewed the accounts and other information available for the subsidiary companies and recalculated the carrying value of the investments to ensure no further impairment to the value was required.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial statements, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

### 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.

**Louise Hastings (Senior Statutory Auditor)**  
**For and on behalf of Moore (South) LLP**

Date: 28/09/2023

**Chartered Accountants**  
**Statutory Auditor**

City Gates  
2 - 4 Southgate  
Chichester  
West Sussex  
PO19 8DJ

# ANCASTA TOPCO LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2022

		Period ended 31 December 2022 £	Year ended 31 August 2021 £
	Notes		
Revenue	2	45,114,037	36,337,885
Cost of sales		(34,710,554)	(29,236,299)
<b>Gross profit</b>		<b>10,403,483</b>	<b>7,101,586</b>
Distribution costs		(800,663)	(258,360)
Administrative expenses		(7,301,825)	(4,760,813)
Other operating income		31,737	32,596
<b>Operating profit</b>	<b>3</b>	<b>2,332,732</b>	<b>2,115,009</b>
Investment income	7	8,834	88
Finance costs	8	(77,564)	(43,428)
Other gains and losses	9	-	69,390
<b>Profit before taxation</b>		<b>2,264,002</b>	<b>2,141,059</b>
Tax on profit	10	(466,582)	(253,654)
<b>Profit for the financial period</b>	<b>28</b>	<b>1,797,420</b>	<b>1,887,405</b>
<b>Other comprehensive income</b>			
Currency translation (loss)/gain taken to retained earnings		(8,735)	2,612
<b>Total comprehensive income for the period</b>		<b>1,788,685</b>	<b>1,890,017</b>

Profit for the financial period is all attributable to the owners of the parent company.

Total comprehensive income for the period is all attributable to the owners of the parent company.

The income statement has been prepared on the basis that all operations are continuing operations.

# ANCASTA TOPCO LIMITED

## GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	31 December 2022		31 August 2021	
		£	£	£	£
<b>Non-current assets</b>					
Intangible assets	12		152,212		5,735
Property, plant and equipment	13		318,969		173,642
			<u>471,181</u>		<u>179,377</u>
<b>Current assets</b>					
Inventories	17	4,706,197		3,570,146	
Trade and other receivables	18	8,888,992		2,826,653	
Cash and cash equivalents		3,290,140		4,351,405	
		<u>16,885,329</u>		<u>10,748,204</u>	
<b>Current liabilities</b>	20	(13,023,987)		(7,866,012)	
<b>Net current assets</b>			<u>3,861,342</u>		<u>2,882,192</u>
<b>Total assets less current liabilities</b>			<u>4,332,523</u>		<u>3,061,569</u>
<b>Non-current liabilities</b>	21		(250,000)		(383,333)
<b>Provisions for liabilities</b>					
Deferred tax liability	23	24,172	(24,172)	7,771	(7,771)
<b>Net assets</b>			<u>4,058,351</u>		<u>2,670,465</u>
<b>Equity</b>					
Called up share capital	26		1,150,000		1,150,000
Other reserves	27		(1,149,998)		(1,149,998)
Retained earnings	28		4,058,349		2,670,463
<b>Total equity</b>			<u>4,058,351</u>		<u>2,670,465</u>

The financial statements were approved by the board of directors and authorised for issue on 27/9/2023 and are signed on its behalf by:

Mr N G Griffith  
Director

Company registration number 09003642 (England and Wales)

# ANCASTA TOPCO LIMITED

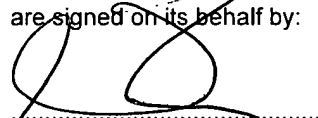
## COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	31 December 2022		31 August 2021	
		£	£	£	£
<b>Non-current assets</b>					
Investments	14		1,150,000		1,150,000
<b>Current assets</b>		-		-	
<b>Current liabilities</b>	20	(101)		(101)	
<b>Net current liabilities</b>			(101)		(101)
<b>Net assets</b>			1,149,899		1,149,899
<b>Equity</b>					
Called up share capital	26		1,150,000		1,150,000
Retained earnings	28		(101)		(101)
<b>Total equity</b>			1,149,899		1,149,899

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the year was £400,799 (2021 - £69,993 profit).

The financial statements were approved by the board of directors and authorised for issue on 27/9/2023 and are signed on its behalf by:



Mr N G Griffith  
Director

Company registration number 09003642 (England and Wales)

# ANCASTA TOPCO LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2022

	Notes	Share capital £	Other Reserve - Merger reserve £	Retained earnings £	Total £
<b>Balance at 1 September 2020</b>		1,150,000	(1,149,998)	850,439	850,441
<b>Year ended 31 August 2021:</b>					
Profit for the year		-	-	1,887,405	1,887,405
Other comprehensive income:					
Currency translation differences		-	-	2,612	2,612
Total comprehensive income		-	-	1,890,017	1,890,017
Dividends	11	-	-	(69,993)	(69,993)
<b>Balance at 31 August 2021</b>		1,150,000	(1,149,998)	2,670,463	2,670,465
<b>Period ended 31 December 2022:</b>					
Profit for the period		-	-	1,797,420	1,797,420
Other comprehensive income:					
Currency translation differences		-	-	(8,735)	(8,735)
Total comprehensive income		-	-	1,788,685	1,788,685
Dividends	11	-	-	(400,799)	(400,799)
<b>Balance at 31 December 2022</b>		1,150,000	(1,149,998)	4,058,349	4,058,351

# ANCASTA TOPCO LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	34	(829,797)		2,800,996	
Interest paid		(77,564)		(43,428)	
Income taxes (paid)/refunded		(660,189)		41,570	
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(1,567,550)</b>		<b>2,799,138</b>	
<b>Investing activities</b>					
Purchase of intangible assets		(149,349)		(6,936)	
Purchase of property, plant and equipment		(238,199)		(64,127)	
Proceeds from disposal of property, plant and equipment		2,283		6,470	
Proceeds from disposal of investments		-		69,390	
Repayment of loans		9,000		-	
Interest received		8,834		88	
<b>Net cash (used in)/generated from investing activities</b>		<b>(367,431)</b>		<b>4,885</b>	
<b>Financing activities</b>					
Repayment of borrowings		1,415,574		(1,009,240)	
Repayment of bank loans		(133,333)		(16,667)	
Purchase of derivatives		-		(75,000)	
Dividends paid to equity shareholders		(400,799)		(69,993)	
<b>Net cash generated from/(used in) financing activities</b>		<b>881,442</b>		<b>(1,170,900)</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1,053,539)</b>		<b>1,633,123</b>	
Cash and cash equivalents at beginning of period		4,351,405		2,716,274	
Effect of foreign exchange rates		(7,726)		2,008	
<b>Cash and cash equivalents at end of period</b>		<b>3,290,140</b>		<b>4,351,405</b>	



# ANCASTA TOPCO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

##### Company information

Ancasta Topco Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Port Hamble, Satchell Lane, Hamble, Southampton, Hampshire, SO31 4QD.

The group consists of Ancasta Topco Limited and all of its subsidiaries.

##### 1.1 Reporting period

These financial statements have been prepared for the 16 month period ended 31 December 2022. In the directors' opinion, the change in reporting period is in the best interests of the company and the group. The comparative figures within these financial statements cover a 12 month period to 31 August 2021 and therefore are not entirely comparable.

##### 1.2 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

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

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

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

##### 1.3 Basis of consolidation

The consolidated financial statements incorporate those of Ancasta Topco Limited and all of its subsidiaries. A subsidiary is an entity controlled by the group, where control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of the subsidiaries to align the accounting policies across fellow members of the group.

All intra-group transactions, balances, and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

# ANCASTA TOPCO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.4 Going concern

At the time of approving these financial statements, the directors have a reasonable expectation that the company and group have adequate resources to continue in existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.5 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of new boats is recognised when the boat is ready for delivery and full payment has been received from the customer.

Revenue from the provision of services is recognised at the point where the company has fulfilled its contractual obligations, the amount of revenue and costs incurred and future costs can be measured reliably, and it is probable that the economic benefits associated with the transactions will flow to the entity.

Revenue arising from brokerage commission is recognised at the point where the sale of the boat becomes unconditional.

#### 1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill has been fully amortised in a prior period.

#### 1.7 Intangible fixed assets other than goodwill

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

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Website	5 years straight line
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#### 1.8 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Leasehold improvements	Over the period of the relevant lease on a straight line basis
Plant and equipment	Over 3 - 20 years
Fixtures and fittings	Over 3 - 10 years
Computer equipment	Over 3 - 4 years
Motor vehicles	Over 3 - 4 years

# ANCASTA TOPCO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

---

### 1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

#### 1.9 Non-current investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

#### 1.10 Impairment of non-current assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.11 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell after making due allowance for obsolete and slow moving items. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Work in progress is stated at cost including direct material and labour costs, unless there is a foreseeable loss, then a provision is made.

#### 1.12 Cash and cash equivalents

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

# ANCASTA TOPCO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

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### 1 Accounting policies

(Continued)

#### 1.13 Financial instruments

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

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

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

##### **Basic financial assets**

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

##### **Other financial assets**

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

##### **Impairment of financial assets**

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

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

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

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

##### **Classification of financial liabilities**

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

# ANCASTA TOPCO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

(Continued)

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Other financial liabilities**

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

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

##### **Derecognition of financial liabilities**

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

#### **1.14 Equity instruments**

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### **1.15 Derivatives**

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### **1.16 Taxation**

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

##### **Current tax**

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

# ANCASTA TOPCO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

(Continued)

##### **Deferred tax**

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

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

##### **1.17 Employee benefits**

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

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

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

##### **1.18 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### **1.19 Share-based payments**

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The expense in relation to options over the parent company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution, and presented as an increase in the company's investment in that subsidiary.

##### **1.20 Leases**

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

##### **1.21 Government grants**

Government grants relate to amounts received from the wage subsidy programme (CJRS) and local authority grants, all of which were introduced in response to the COVID-19 coronavirus pandemic. The grant income is recognised within other income in the profit and loss account. Any outstanding amounts to which the company was entitled at the year end, which haven't been received are included in other receivables.

# ANCASTA TOPCO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.22 Foreign exchange

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

### 2 Revenue

An analysis of the group's revenue is as follows:

	2022 £	2021 £
<b>Revenue analysed by class of business</b>		
Sale of goods	37,810,342	31,516,196
Rendering of services	7,197,101	4,706,644
Commissions	106,594	115,045
	<u>45,114,037</u>	<u>36,337,885</u>

	2022 £	2021 £
<b>Revenue analysed by geographical market</b>		
UK	17,907,014	19,534,836
Overseas	27,207,023	16,803,049
	<u>45,114,037</u>	<u>36,337,885</u>

	2022 £	2021 £
<b>Other revenue</b>		
Interest income	8,834	88
Grants received	-	2,853
	<u>-</u>	<u>2,853</u>

### 3 Operating profit

	2022 £	2021 £
Operating profit for the period is stated after charging/(crediting):		
Exchange gains	(188,769)	(128,379)
Government grants	-	(2,853)
Depreciation of owned property, plant and equipment	85,947	58,466
Loss/(profit) on disposal of property, plant and equipment	3,633	(56)
Amortisation of intangible assets	2,872	1,201
Operating lease charges	578,191	404,840
	<u>578,191</u>	<u>404,840</u>

# ANCASTA TOPCO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2022

#### 4 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	30,050	27,000
<b>For other services</b>		
All other non-audit services	17,075	15,500

#### 5 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Sales and marketing	30	27	-	-
Aftersales and administration	19	22	-	-
Boat repairs	23	23	-	-
Total	72	72	-	-

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	4,577,216	3,322,775	-	-
Social security costs	505,066	299,433	-	-
Pension costs	352,650	204,834	-	-
	5,434,932	3,827,042	-	-

#### 6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	801,434	570,014
Company pension contributions to defined contribution schemes	47,462	24,992
	848,896	595,006



# ANCASTA TOPCO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

### 6 Directors' remuneration

(Continued)

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

	2022 £	2021 £
Remuneration for qualifying services	274,719	174,591
Company pension contributions to defined contribution schemes	7,377	5,338
	<u>282,096</u>	<u>179,929</u>

### 7 Investment income

	2022 £	2021 £
<b>Interest income</b>		
Interest on bank deposits	8,834	88
	<u>8,834</u>	<u>88</u>

### 8 Finance costs

	2022 £	2021 £
Interest on bank overdrafts and loans	53,167	7,710
Other interest on financial liabilities	3,062	35,718
Other interest	21,335	-
	<u>77,564</u>	<u>43,428</u>

### 9 Other gains and losses

	2022 £	2021 £
<b>Fair value gains/(losses) on financial instruments</b>		
Gain on financial assets held at fair value through profit or loss	-	69,390
	<u>-</u>	<u>69,390</u>

### 10 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	411,704	243,479
Adjustments in respect of prior periods	1,391	1,184
	<u>413,095</u>	<u>244,663</u>
Total UK current tax	413,095	244,663
Foreign current tax on profits for the current period	36,695	925
	<u>36,695</u>	<u>925</u>
Total current tax	<u>449,790</u>	<u>245,588</u>

# ANCASTA TOPCO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2022

#### 10 Taxation

(Continued)

	2022 £	2021 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	16,792	8,066
	<u>          </u>	<u>          </u>
<b>Total tax charge</b>	<u>466,582</u>	<u>253,654</u>

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

	2022 £	2021 £
Profit before taxation	2,264,002	2,141,059
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	430,160	406,801
Tax effect of expenses that are not deductible in determining taxable profit	5,114	9,684
Tax effect of utilisation of tax losses not previously recognised	-	(126,861)
Unutilised tax losses carried forward	(2,358)	(19,625)
Adjustments in respect of prior years	-	1,184
Depreciation on assets not qualifying for tax allowances	(719)	-
Other permanent differences	-	(312)
Effect of overseas tax rates	34,190	(25,796)
Capital allowances and depreciation add back	194	(10,186)
Other tax adjustments	1	18,765
	<u>          </u>	<u>          </u>
<b>Taxation charge</b>	<u>466,582</u>	<u>253,654</u>

#### 11 Dividends

	2022 £	2021 £
Recognised as distributions to equity holders:		
Interim paid	400,799	69,993
	<u>          </u>	<u>          </u>

# ANCASTA TOPCO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2022

#### 12 Intangible fixed assets

Group	Goodwill £	Website £	Total £
<b>Cost</b>			
At 1 September 2021	2,234,418	6,936	2,241,354
Additions	-	149,349	149,349
At 31 December 2022	2,234,418	156,285	2,390,703
<b>Amortisation and impairment</b>			
At 1 September 2021	2,234,418	1,201	2,235,619
Amortisation charged for the period	-	2,872	2,872
At 31 December 2022	2,234,418	4,073	2,238,491
<b>Carrying amount</b>			
At 31 December 2022	-	152,212	152,212
At 31 August 2021	-	5,735	5,735

The company had no intangible fixed assets at 31 December 2022 or 31 August 2021.

# ANCASTA TOPCO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

### 13 Property, plant and equipment

Group	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 September 2021	347,841	105,687	225,705	766,205	33,775	1,479,213
Additions	117,691	28,120	63,181	29,207	-	238,199
Disposals	(161,507)	(24,111)	(86,871)	(75,566)	-	(348,055)
Exchange adjustments	-	-	-	-	(152)	(152)
At 31 December 2022	304,025	109,696	202,015	719,846	33,623	1,369,205
<b>Depreciation and impairment</b>						
At 1 September 2021	274,939	77,540	210,052	728,402	14,638	1,305,571
Depreciation charged in the period	18,008	16,505	15,794	30,503	5,137	85,947
Eliminated in respect of disposals	(161,507)	(20,478)	(87,476)	(72,678)	-	(342,139)
Exchange adjustments	-	-	-	-	857	857
At 31 December 2022	131,440	73,567	138,370	686,227	20,632	1,050,236
<b>Carrying amount</b>						
At 31 December 2022	172,585	36,129	63,645	33,619	12,991	318,969
At 31 August 2021	72,902	28,147	15,653	37,803	19,137	173,642

The company had no property, plant and equipment at 31 December 2022 or 31 August 2021.

### 14 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	15	-	-	1,150,000	1,150,000

#### Movements in non-current investments Company

	Shares in subsidiaries £
<b>Cost or valuation</b>	
At 1 September 2021 and 31 December 2022	1,150,000
<b>Carrying amount</b>	
At 31 December 2022	1,150,000
At 31 August 2021	1,150,000

# ANCASTA TOPCO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

### 15 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Ancasta Group Limited	1	Holding company	Ordinary	100.00	-
Ancasta International Boat Sales Limited	1	Boat sales and brokerage	Ordinary	-	100.00
Ancasta Yacht Services SL	3	Boat sales and maintenance	Ordinary	-	100.00
Aqualinus Limited	1	Dormant	Ordinary	-	100.00
Ancasta Yacht Services Limited	2	Yacht repairs and refit	Ordinary	-	100.00
Advanced Rigging and Hydraulics Limited	1	Yacht rigging and hydraulic systems	Ordinary	-	100.00
Sanlorenzo Yacht Services Limited	1	Yacht sales	Ordinary	-	100.00

#### Registered Office addresses:

1	Port Hamble, Satchell Lane, Hamble, Southampton, Hampshire, SO31 4QD
2	Port Hamble, Satchell Lane, Hamble, Southampton, Hampshire, SO31 4NN
3	Calle Omerlades, No 2A, 1, 07012 Palma De Mallorca

### 16 Financial instruments

	Group 2022 £	2021 £	Company 2022 £	2021 £
<b>Carrying amount of financial assets</b>				
Instruments measured at fair value through profit or loss	69,390	69,390	-	-

### 17 Inventories

	Group 2022 £	2021 £	Company 2022 £	2021 £
Raw materials and consumables	246,016	205,316	-	-
Work in progress	1,173,977	149,017	-	-
Finished goods and goods for resale	3,286,204	3,215,813	-	-
	4,706,197	3,570,146	-	-

# ANCASTA TOPCO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

### 18 Trade and other receivables

	Group 2022	2021	Company 2022	2021
Amounts falling due within one year:	£	£	£	£
Trade receivables	750,827	670,408	-	-
Corporation tax recoverable	27,994	-	-	-
Derivative financial instruments	69,390	69,390	-	-
Other receivables	6,597,904	1,012,167	-	-
Prepayments and accrued income	1,425,814	1,061,327	-	-
	<u>8,871,929</u>	<u>2,813,292</u>	<u>-</u>	<u>-</u>
Deferred tax asset (note 23)	17,063	13,361	-	-
	<u>8,888,992</u>	<u>2,826,653</u>	<u>-</u>	<u>-</u>

### 19 Derivatives

The group enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency receivables. As at 31 December 2022, the outstanding contracts all mature within 8 months of the year end. The group is committed to buy €5,976,000 and sell a fixed Sterling amount.

The foreign currency forward contracts have been fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contract.

### 20 Current liabilities

		Group 2022	2021	Company 2022	2021
	Notes	£	£	£	£
Bank loans	22	100,000	100,000	-	-
Stock finance	22	3,327,078	1,911,504	-	-
Payments received on account		6,427,245	2,194,887	-	-
Trade payables		632,113	708,504	-	-
Amounts owed to group undertakings		-	-	101	101
Corporation tax payable		65,167	243,479	-	-
Other taxation and social security		543,875	566,908	-	-
Other payables		368,001	661,572	-	-
Accruals and deferred income		1,560,508	1,479,158	-	-
		<u>13,023,987</u>	<u>7,866,012</u>	<u>101</u>	<u>101</u>

### 21 Non-current liabilities

		Group 2022	2021	Company 2022	2021
	Notes	£	£	£	£
Bank loans and overdrafts	22	<u>250,000</u>	<u>383,333</u>	<u>-</u>	<u>-</u>

# ANCASTA TOPCO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

### 22 Borrowings

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	350,000	483,333	-	-
Other loans	3,327,078	1,911,504	-	-
	<u>3,677,078</u>	<u>2,394,837</u>	<u>-</u>	<u>-</u>
Payable within one year	3,427,078	2,011,504	-	-
Payable after one year	<u>250,000</u>	<u>383,333</u>	<u>-</u>	<u>-</u>

Other loans relate to stock finance liabilities that are repayable once the associated boats have been sold. These loans are secured by charges over these boats held within inventories.

In June 2020, the group took out a £500,000 Coronavirus Business Interruption Loan Scheme (CBILS) loan. This loan is repayable by 60 equal monthly instalments commencing 13 months after the date of drawdown. The rate of interest payable of the loan is 2.74% + Base Rate. The loan is backed by the UK Government and they meet the cost of any interest and charges for the first 12 months of the loan. The loan can be repaid early if the group's discretion without penalty.

### 23 Deferred taxation

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

Group	Liabilities 2022 £	Liabilities 2021 £	Assets 2022 £	Assets 2021 £
Accelerated/decelerated (asset) capital allowances	24,172	7,771	-	-
Tax losses	-	-	13,820	10,504
Retirement benefit obligations	-	-	3,243	2,857
	<u>24,172</u>	<u>7,771</u>	<u>17,063</u>	<u>13,361</u>

The company has no deferred tax assets or liabilities.

	Group 2022 £	Company 2022 £
<b>Movements in the period:</b>		
Asset at 1 September 2021	(5,590)	-
Charge to profit or loss	12,699	-
	<u>7,109</u>	<u>-</u>
Liability at 31 December 2022		

# ANCASTA TOPCO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

### 23 Deferred taxation

(Continued)

### 24 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	352,650	204,834

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The company contributes a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the company with respect to the scheme is to make the specified contributions.

Contributions totalling £25,059 (2021 - £20,390) were outstanding at the year end.

### 25 Share-based payment transactions

The company has implemented an Enterprise Management Incentive option scheme arrangement with certain employees of the Group during the period. The scheme is an equity-settled share-based payment scheme.

All of the options under the scheme were granted during the period.

The options were granted with a fixed exercise price. They are exercisable the earlier of an exit event or three years after the date of grant. The options lapse after a 90 day period commencing on an exit event or earlier at the sole discretion of the Board of Directors of the company. If an employee ceases to be an employee of the company or Group, that employee's options also lapse after 16 weeks, subject to the above.

Group	Number of share options		Weighted average exercise price	
	2022 Number	2021 Number	2022 £	2021 £
Outstanding at 1 September 2021	-	-	-	-
Granted	125,000	-	1.00	-
Outstanding at 31 December 2022	125,000	-	1.00	-
Exercisable at 31 December 2022	-	-	-	-

The fair value of the share options granted during the period has been determined by comparing the exercise price to the established market value of the shares at the grant date. On this basis the fair value of the share options as at the date they were granted was £nil.

### 26 Share capital

Group and company	2022 Number	2021 Number	2022 £	2021 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	1,150,000	1,150,000	1,150,000	1,150,000



# ANCASTA TOPCO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

### 26 Share capital

(Continued)

The company has one class of share capital, one share equals one vote, each having rights to dividends.

### 27 Other reserves

The merger reserve was created after the group reconstruction following the use of merger accounting.

### 28 Retained earnings

	Group 2022 £	2021 £	Company 2022 £	2021 £
At the beginning of the period	2,670,463	850,439	(101)	(101)
Profit for the period	1,797,420	1,887,405	400,799	69,993
Dividends	(400,799)	(69,993)	(400,799)	(69,993)
Currency translation differences	(8,735)	2,612	-	-
At the end of the period	<u>4,058,349</u>	<u>2,670,463</u>	<u>(101)</u>	<u>(101)</u>

Retained earnings include all current and prior period retained profits and losses.

### 29 Financial commitments, guarantees and contingent liabilities

The company has a contingent liability in respect of bank borrowings of the group. The liability at the balance sheet date was £350,000 (2021 - £483,333). The bank borrowings are secured by a fixed and floating charge over the assets of the group.

### 30 Operating lease commitments

#### Lessee

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

	Group 2022 £	2021 £	Company 2022 £	2021 £
Within one year	274,133	258,947	-	-
Between two and five years	800,871	794,452	-	-
In over five years	386,946	446,060	-	-
	<u>1,461,950</u>	<u>1,499,459</u>	<u>-</u>	<u>-</u>

# ANCASTA TOPCO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

### 31 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	946,068	733,239

During the period Ancasta Topco Limited granted share options to certain members of Key Management of the Group under an Enterprise Management Incentive option scheme. Details of the scheme are included within note 25 to the accounts.

#### Transactions with related parties

During the period the group entered into the following transactions with related parties:

	Sales		Purchases	
	2022 £	2021 £	2022 £	2021 £
<b>Group</b>				
Other related parties	5,776	51,910	498,880	362,577

The transactions above were completed at market value under normal trading conditions.

Included in the above is £17,000 (2021 - £17,000) in relation to purchases made from an LLP of which Mr N G Griffith is a member. The remaining other related party transactions for sales and purchases disclosed above are in connection with companies over which Mr N G Griffith (director of Ancasta Topco Limited) has significant influence.

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2022 £	2021 £
<b>Group</b>		
Other related parties	31,100	36,145

Included in the above is £4,250 (2021 - £9,917) in relation to purchases made from an LLP of which Mr N G Griffith is a member. The remaining amounts owed to other related parties are in connection with companies over which Mr N G Griffith (director of Ancasta Topco Limited) has significant influence.

All amounts due stated above are unsecured and will be settled in cash.

# ANCASTA TOPCO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

### 31 Related party transactions

(Continued)

Amounts due from related parties	2022 Balance £	2021 Balance £
Group		
Other related parties	8	1,403

### 32 Directors' transactions

Dividends totalling £334,000 (2021 - £58,331) were paid in the period in respect of shares held by the company's directors.

During the period the company granted a total of 50,000 share options under an Enterprise Management Incentive scheme to Mr W H Blair and Mrs K L Stewart, directors of the company.

### 33 Controlling party

The ultimate controlling party of Ancasta Topco Limited is Mr N G Griffith.

### 34 Cash (absorbed by)/generated from group operations

	2022 £	2021 £
Profit for the period after tax	1,797,420	1,887,405
<b>Adjustments for:</b>		
Taxation charged	466,582	253,654
Finance costs	77,564	43,428
Investment income	(8,834)	(88)
Loss/(gain) on disposal of property, plant and equipment	3,633	(56)
Amortisation and impairment of intangible assets	2,872	1,201
Depreciation and impairment of property, plant and equipment	85,947	58,466
Other gains and losses	-	(69,390)
<b>Movements in working capital:</b>		
(Increase)/decrease in inventories	(1,136,051)	543,125
Increase in trade and other receivables	(6,039,643)	(132,145)
Increase in trade and other payables	3,920,713	215,396
<b>Cash (absorbed by)/generated from operations</b>	<b>(829,797)</b>	<b>2,800,996</b>

# ANCASTA TOPCO LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

### 35 Analysis of changes in net funds/(debt) - group

	1 September 2021 £	Cash flows £	Exchange rate movements £	31 December 2022 £
Cash at bank and in hand	4,351,405	(1,053,539)	(7,726)	3,290,140
Borrowings excluding overdrafts	(2,394,837)	(1,282,241)	-	(3,677,078)
	<u>1,956,568</u>	<u>(2,335,780)</u>	<u>(7,726)</u>	<u>(386,938)</u>