

Company Registration No. 09003642 (England and Wales)

ANCASTA TOPCO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



ANCASTA TOPCO LIMITED

COMPANY INFORMATION

Directors	Mr N G Griffith Mr A G Overton Mrs K L Stewart Mrs F R Griffith Mr W H Blair	(Appointed 15 May 2021)
Secretary	Ms H L Broadbent	
Company number	09003642	
Registered office	Port Hamble Satchell Lane Hamble Southampton Hampshire SO31 4QD	
Auditor	Moore (South) LLP City Gates 2 - 4 Southgate Chichester West Sussex PO19 8DJ	
Business address	Port Hamble Satchell Lane Hamble Southampton Hampshire SO31 4QD	
Bankers	Lloyds Bank plc Above Bar St Southampton 92-94 Above Bar Street Southampton Hampshire SO14 7DT	

ANCASTA TOPCO LIMITED

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ANCASTA TOPCO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The directors present the strategic report for the year ended 31 August 2020.

Fair review of the business

The global pandemic affected all parts of the group, in particular overseas business which fell by 63%, however UK turnover remained stable at £14m. Group turnover was £19m and there was an operating loss of £332k, most of which was attributable to the refit and repair business.

Ancasta International Boat Sales reported an operating loss for the year of £15k. Turnover decreased by 30% to £17.1m however overall gross profit increased to 18%, driven by strong demand in the latter half of the year.

The global pandemic had a significant impact on Ancasta Yacht Services (formerly Hamble Yacht Services Refit & Repair). It was unfortunate that lockdown impacted on the most productive period and this combined with supply chain issues meant that the company was unable to recover ground lost during lockdown, and a number of redundancies were sadly necessary. The cost of the restructure combined with the loss of business during a key period led to an operating loss of £294k.

The Group's Spanish subsidiary made an operating loss of £20k.

The Group took advantage of Government support available during the year, namely the Coronavirus Job Retention Scheme, business rates relief and Coronavirus Business Interruption Loan Scheme.

Key performance indicators

	Year ended 31 August 2020	Year ended 31 August 2019	Year ended 31 August 2018
Gross Profit	18.28%	17.63%	16.34%
Liquidity Ratio	1.14	1.10	1.11
Return on shareholders' funds	-29.85%	9.16%	69.92%

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 YEAR ENDED 31 AUGUST 2020

Future developments

The Group seeks to expand organically through delivering excellent customer service, the addition of selected new boat brands to its portfolio that complement its longstanding relationship with Groupe Beneteau, and the expansion of its franchise network. In August 2020 an agreement was signed with Sanlorenzo SpA to be the UK and Ireland dealer for Sanlorenzo Yachts. This brand is to be sold through a new subsidiary, Sanlorenzo Yachts Ltd. There then followed an agreement to distribute Bluegame Yachts through Ancasta International Boat Sales Ltd. The Board is pleased to report that the first sale of a Sanlorenzo SX88 has been secured for summer 2021 delivery.

The Group is investing heavily in Ancasta Yacht Services to enhance its customer service offering and will benefit from the 2020 restructure and the recently announced merger with the after sales department of Ancasta International Boats Sales, creating a stronger and more effective organisation. This combined with a significant uplift in demand for its services would indicate a more positive future.

The Board continually monitors the impact of the global pandemic and macro economic conditions and takes appropriate actions to mitigate the associated risks. These actions include implementing appropriate health and safety measures, ensuring adequate working capital is available and assessing the opportunities and threats posed by the changing marketplace.

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

On behalf of the Board



Mr N G Griffith

Director

13-08-2021

ANCASTA TOPCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The directors present their annual report and financial statements for the year ended 31 August 2020.

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: Hamble Yacht Services Refit and Repair Ltd ("HYSRR") which includes the rigging business of Advanced Rigging and Hydraulics.

Directors

The directors who held office during the year 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

(Appointed 15 May 2021)

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

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: 13-08-2021

ANCASTA TOPCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT **FOR THE YEAR ENDED 31 AUGUST 2020**

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

Opinion

We have audited the financial statements of Ancasta Topco Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2020 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 August 2020 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the 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 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.

ANCASTA TOPCO LIMITED

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year 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.

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 strategic report and the directors' report.

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

- adequate accounting records have not been kept 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 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.

Auditor's responsibilities for the audit of the financial statements

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

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

ANCASTA TOPCO LIMITED

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

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

19/05/2024

Chartered Accountants
Statutory Auditor

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

ANCASTA TOPCO LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	2019 £
Revenue	2	19,311,443	27,845,065
Cost of sales		(15,780,715)	(22,935,005)
Gross profit		3,530,728	4,910,060
Distribution costs		(354,153)	(462,010)
Administrative expenses		(3,822,380)	(4,302,524)
Other operating income		408,765	16,093
Exceptional items	3	(94,599)	-
Operating (loss)/profit	4	(331,639)	161,619
Investment income	7	482	1,058
Finance costs	8	(18,312)	(12,968)
Other gains and losses	9	(5,610)	(21,267)
(Loss)/profit before taxation		(355,079)	128,442
Tax on (loss)/profit	10	(9,210)	(26,048)
(Loss)/profit for the financial year	26	(364,289)	102,394
Other comprehensive income			
Currency translation differences		(5,596)	-
Total comprehensive income for the year		(369,885)	102,394

(Loss)/profit for the financial year is all attributable to the owners of the parent company.

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

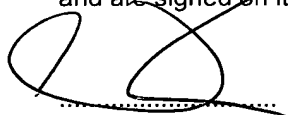
The income statement has been prepared on the basis that all operations are continuing operations.

ANCASTA TOPCO LIMITED

GROUP STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Non-current assets					
Property, plant and equipment	12		173,791		218,618
Current assets					
Inventories	16	4,113,271		7,567,353	
Trade and other receivables	17	2,675,521		1,918,498	
Cash and cash equivalents		2,716,274		1,307,631	
		9,505,066		10,793,482	
Current liabilities	19	(8,339,959)		(9,787,050)	
Net current assets			1,165,107		1,006,432
Total assets less current liabilities			1,338,898		1,225,050
Non-current liabilities	20		(483,333)		-
Provisions for liabilities	22		(5,124)		(4,724)
Net assets			850,441		1,220,326
Equity					
Called up share capital	24	1,150,000		1,150,000	
Other reserves	25	(1,149,998)		(1,149,998)	
Retained earnings	26	850,439		1,220,324	
Total equity			850,441		1,220,326

The financial statements were approved by the board of directors and authorised for issue on 13-08-2021 and are signed on its behalf by:



Mr N G Griffith
Director

ANCASTA TOPCO LIMITED

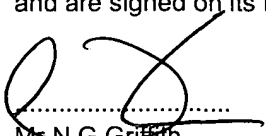
COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Non-current assets					
Investments	13		1,150,000		1,150,000
Current assets		-		-	
Current liabilities	19	(101)		(101)	
Net current liabilities			(101)		(101)
Total assets less current liabilities			1,149,899		1,149,899
Equity					
Called up share capital	24		1,150,000		1,150,000
Retained earnings	26		(101)		(101)
Total equity			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 £0 (2019 - £0 profit).

The financial statements were approved by the board of directors and authorised for issue on 13-08-2021 and are signed on its behalf by:


Mr N.G. Griffith
Director

Company Registration No. 09003642

ANCASTA TOPCO LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2020

	Share capital £	Other reserves £	Retained earnings £	Total £
Balance at 1 September 2018	1,150,000	(1,149,998)	1,117,930	1,117,932
Year ended 31 August 2019:				
Profit and total comprehensive income for the year	-	-	102,394	102,394
Balance at 31 August 2019	1,150,000	(1,149,998)	1,220,324	1,220,326
Year ended 31 August 2020:				
Loss for the year	-	-	(364,289)	(364,289)
Other comprehensive income:				
Currency translation differences	-	-	(5,596)	(5,596)
Total comprehensive income for the year	-	-	(369,885)	(369,885)
Balance at 31 August 2020	1,150,000	(1,149,998)	850,439	850,441

ANCASTA TOPCO LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	31	4,926,196		(1,866,112)	
Interest paid		(18,312)		(12,968)	
Income taxes paid		(29,413)		(91,681)	
Net cash inflow/(outflow) from operating activities		4,878,471		(1,970,761)	
Investing activities					
Purchase of property, plant and equipment		(18,741)		(82,244)	
Proceeds on disposal of property, plant and equipment		-		2,083	
Proceeds from other investments and loans		-		2,070	
Interest received		482		1,058	
Net cash used in investing activities		(18,259)		(77,033)	
Financing activities					
Proceeds from borrowings		-		1,536,081	
Repayment of borrowings		(3,930,534)		-	
Proceeds of new bank loans		500,000		-	
Purchase of derivatives		(15,657)		-	
Net cash (used in)/generated from financing activities		(3,446,191)		1,536,081	
Net increase/(decrease) in cash and cash equivalents		1,414,021		(511,713)	
Cash and cash equivalents at beginning of year		1,307,631		1,819,344	
Effect of foreign exchange rates		(5,378)		-	
Cash and cash equivalents at end of year		2,716,274		1,307,631	

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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 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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. 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 each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The 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 August 2020. 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 FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.2 Going concern

The disruption caused by the COVID-19 pandemic has caused an unprecedented amount of uncertainty. The lifting of restrictions has seen a surge in demand for our services as more people participate in leisure activities nearer to home, providing welcome revenue and cash streams which in some areas exceed recent historical levels. The Board are mindful of the short-medium term economic outlook and have taken a number of measures to mitigate the forecast economic impact of the pandemic. These measures chiefly consist of taking action to reduce the fixed overhead of the business and taking advantage of the various Government support schemes offered including funding via the Coronavirus Business interruption Loan Scheme. With regard to forecasting, the Board has considered various scenarios to ensure the business is best placed to navigate the uncertain times ahead.

At the time of approving these financial statements, the directors have a reasonable expectation that the company has 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.

1.3 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.

1.4 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.

1.5 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

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.

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.6 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.

1.7 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.

1.8 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.

1.9 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 FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.10 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 FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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.

1.11 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.

1.12 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.

1.13 Taxation

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

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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.

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.

1.14 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.

1.15 Retirement benefits

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

1.16 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.

1.17 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 FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.18 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:

	2020 £	2019 £
Revenue analysed by class of business		
Sale of goods	15,641,078	23,533,694
Rendering of services	3,625,133	4,266,143
Commissions	45,232	45,228
	<u>19,311,443</u>	<u>27,845,065</u>

	2020 £	2019 £
Other significant revenue		
Interest income	482	1,058
Grants received	231,685	-
	<u>232,167</u>	<u>1,058</u>

	2020 £	2019 £
Revenue analysed by geographical market		
UK	14,343,016	14,358,938
Overseas	4,968,427	13,486,127
	<u>19,311,443</u>	<u>27,845,065</u>

3 Exceptional items

	2020 £	2019 £
Expenditure		
Exceptional items	94,599	-
	<u>94,599</u>	<u>-</u>

Exceptional items of £95k (2019 - £nil) consist of the costs of redundancies and associated legal and professional expenses incurred as a result of restructuring the yacht repairs and refit business of the group.

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

4 Operating (loss)/profit

	2020 £	2019 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(83,661)	(167,812)
Government grants	(231,685)	-
Depreciation of owned property, plant and equipment	62,573	58,218
Loss/(profit) on disposal of property, plant and equipment	777	(1,280)
Operating lease charges	392,718	404,282
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	18,000	15,900
	<u> </u>	<u> </u>

6 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Sales and marketing	29	29	-	-
Aftersales and administration	24	24	-	-
Boat repairs	28	28	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	81	81	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	2,638,093	2,968,777	-	-
Social security costs	286,435	308,377	-	-
Pension costs	189,732	271,412	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	3,114,260	3,548,566	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

7 Investment income

	2020	2019
	£	£
Interest income		
Interest on bank deposits	482	1,058
	<u> </u>	<u> </u>

8 Finance costs

	2020	2019
	£	£
Interest on bank overdrafts and loans	5,837	6,260
Other interest on financial liabilities	12,475	6,708
	<u> </u>	<u> </u>
Total finance costs	18,312	12,968
	<u> </u>	<u> </u>

9 Other gains and losses

	2020	2019
	£	£
Fair value gains/(losses) on financial instruments		
Change in the value of financial liabilities held at fair value through profit or loss	(5,610)	(21,267)
	<u> </u>	<u> </u>

10 Taxation

	2020	2019
	£	£
Current tax		
Adjustments in respect of prior periods	1,305	4,307
Foreign current tax on profits for the current period	15,544	21,741
	<u> </u>	<u> </u>
Total current tax	16,849	26,048
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(7,639)	-
	<u> </u>	<u> </u>
Total tax charge	9,210	26,048
	<u> </u>	<u> </u>

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

10 Taxation

(Continued)

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

	2020 £	2019 £
(Loss)/profit before taxation	(355,079)	128,442
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(67,465)	24,404
Tax effect of expenses that are not deductible in determining taxable profit	2,582	12,964
Unutilised tax losses carried forward	54,763	-
Adjustments in respect of prior years	1,305	4,307
Other permanent differences	(246)	-
Effect of overseas tax rates	19,424	-
Foreign exchange differences	450	-
Capital allowances and depreciation add back	(4,075)	(3,054)
Other tax adjustments	2,472	(12,573)
Taxation charge	9,210	26,048

The group has estimated tax losses of £767,073 (2019 - £464,524) available for carry forward against future trading profits in the subsidiaries where the losses originated from.

11 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 September 2019 and 31 August 2020	2,234,418
Amortisation and impairment	
At 1 September 2019 and 31 August 2020	2,234,418
Carrying amount	
At 31 August 2020	-
At 31 August 2019	-

The company had no intangible fixed assets at 31 August 2020 or 31 August 2019.

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

12 Property, plant and equipment

Group	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost						
At 1 September 2019	339,276	138,348	208,892	727,309	39,408	1,453,233
Additions	3,520	3,684	4,726	6,811	-	18,741
Disposals	-	(2,365)	(523)	-	-	(2,888)
Exchange adjustments	-	-	-	-	(235)	(235)
At 31 August 2020	342,796	139,667	213,095	734,120	39,173	1,468,851
Depreciation and impairment						
At 1 September 2019	258,100	94,069	202,059	671,032	9,355	1,234,615
Depreciation charged in the year	8,040	11,382	5,540	31,717	5,894	62,573
Eliminated in respect of disposals	-	(1,588)	(523)	-	-	(2,111)
Exchange adjustments	-	-	-	-	(17)	(17)
At 31 August 2020	266,140	103,863	207,076	702,749	15,232	1,295,060
Carrying amount						
At 31 August 2020	76,656	35,804	6,019	31,371	23,941	173,791
At 31 August 2019	81,176	44,279	6,833	56,277	30,053	218,618

The company had no property, plant and equipment at 31 August 2020 or 31 August 2019.

13 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	14	-	-	1,150,000	1,150,000

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

13 Fixed asset investments (Continued)

Movements in non-current investments Company

Shares in
group
undertakings
£

Cost or valuation

At 1 September 2019 and 31 August 2020

1,150,000

Carrying amount

At 31 August 2020

1,150,000

At 31 August 2019

1,150,000

14 Subsidiaries

Details of the company's subsidiaries at 31 August 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Ancasta Group Limited	England and Wales	Holding company	Ordinary	100.00	-
Ancasta International Boat Sales Limited	England and Wales	Boat sales and brokerage	Ordinary	-	100.00
Ancasta Yacht Services SL	Spain	Boat sales and maintenance	Ordinary	-	100.00
Aqualinus Limited	England and Wales	Dormant	Ordinary	-	100.00
Ancasta Yacht Services Limited (formerly Hamble Yacht Services Refit and Repair Limited)	England and Wales	Boat repairs	Ordinary	-	100.00

The investments in subsidiaries are all stated at cost.

15 Financial instruments

	Group 2020 £	2019 £	Company 2020 £	2019 £
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
- Other financial liabilities	5,610	21,267	-	-

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

16 Inventories

	Group 2020 £	2019 £	Company 2020 £	2019 £
Raw materials and consumables	147,873	166,834	-	-
Work in progress	68,204	49,010	-	-
Finished goods and goods for resale	3,897,194	7,351,509	-	-
	<u>4,113,271</u>	<u>7,567,353</u>	<u>-</u>	<u>-</u>

17 Trade and other receivables

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Trade receivables	650,635	607,284	-	-
Corporation tax recoverable	44,984	31,115	-	-
Other receivables	1,577,828	293,591	-	-
Prepayments and accrued income	383,294	975,767	-	-
	<u>2,656,741</u>	<u>1,907,757</u>	<u>-</u>	<u>-</u>
Deferred tax asset (note 22)	18,780	10,741	-	-
	<u>2,675,521</u>	<u>1,918,498</u>	<u>-</u>	<u>-</u>

18 Derivatives

The group enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency receivables. As at 31 August 2020, the outstanding contracts all mature within 7 months of the year end. The group is committed to buy €715,000 at a fixed sterling amount.

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

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19 Current liabilities

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	21	16,667	-	-	-
Stock finance	21	2,920,744	6,845,668	-	-
Payments received on account		2,528,647	344,547	-	-
Trade payables		785,546	988,407	-	-
Amounts owed to group undertakings		-	-	101	101
Corporation tax payable		1,305	-	-	-
Other taxation and social security		1,340,918	717,559	-	-
Derivative financial instruments		5,610	21,267	-	-
Other payables		139,955	99,201	-	-
Accruals and deferred income		600,567	770,401	-	-
		<u>8,339,959</u>	<u>9,787,050</u>	<u>101</u>	<u>101</u>

20 Non-current liabilities

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans and overdrafts	21	<u>483,333</u>	<u>-</u>	<u>-</u>	<u>-</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>83,334</u>	<u>-</u>	<u>-</u>	<u>-</u>
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21 Borrowings

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	500,000	-	-	-
Other loans	<u>2,920,744</u>	<u>6,845,668</u>	<u>-</u>	<u>-</u>
	<u>3,420,744</u>	<u>6,845,668</u>	<u>-</u>	<u>-</u>
Payable within one year	2,937,411	6,845,668	-	-
Payable after one year	<u>483,333</u>	<u>-</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.

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

21 Borrowings

(Continued)

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.

22 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 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
Accelerated/decelerated (asset) capital allowances	5,124	4,724	-	-
Retirement benefit obligations	-	-	2,526	2,590
Other timing differences	-	-	16,254	8,151
	<u>5,124</u>	<u>4,724</u>	<u>18,780</u>	<u>10,741</u>

The company has no deferred tax assets or liabilities.

	Group 2020 £	Company 2020 £
Movements in the year:		
Asset at 1 September 2019	(6,017)	-
Credit to profit or loss	(7,639)	-
Asset at 31 August 2020	<u>(13,656)</u>	<u>-</u>

23 Retirement benefit schemes

Defined contribution schemes	2020 £	2019 £
Charge to profit or loss in respect of defined contribution schemes	<u>189,732</u>	<u>271,412</u>

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.

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

23 Retirement benefit schemes

(Continued)

Contributions totalling £19,786 (2019 - £22,621) were outstanding at the year end.

24 Share capital

	Group and company	
	2020	2019
	£	£
Ordinary share capital Issued and fully paid		
1,150,000 Ordinary shares of £1 each	1,150,000	1,150,000

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

25 Other reserves

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

26 Retained earnings

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
At the beginning of the year	1,220,324	1,117,930	(101)	(101)
Profit/(loss) for the year	(364,289)	102,394	-	-
Currency translation differences	(5,596)	-	-	-
At the end of the year	850,439	1,220,324	(101)	(101)

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

27 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 £500,000 (2019 - £nil). The bank borrowings are secured by a fixed and floating charge over the assets of the group.

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

28 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 2020 £	2019 £	Company 2020 £	2019 £
Within one year	181,814	211,632	-	-
Between two and five years	650,142	535,256	-	-
In over five years	570,060	691,270	-	-
	<u>1,402,016</u>	<u>1,438,158</u>	<u>-</u>	<u>-</u>

29 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	<u>445,962</u>	<u>537,205</u>

Transactions with related parties

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

	Sales			
	2020 £	2019 £		
Group				
Other related parties	<u>15,435</u>	<u>24,704</u>		
	Rent and purchases		Interest paid	
	2020 £	2019 £	2020 £	2019 £
Group				
Key management personnel	-	-	-	107
Other related parties	<u>484,770</u>	<u>500,700</u>	<u>-</u>	<u>107</u>

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

29 Related party transactions

(Continued)

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

Included in the above is £17,000 (2019 - £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 interest paid represents amounts paid to the shareholders of Ancasta Topco Limited in relation to loans made to the group. These loans were fully repaid during 2019.

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2020 £	2019 £
Group		
Entities over which the group has control, joint control or significant influence	101	-
Other related parties	67,238	53,474
	<u> </u>	<u> </u>
Company		
Entities over which the company has control, joint control or significant influence	-	101
	<u> </u>	<u> </u>

Included in the above is £9,917 (2019 - £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.

Amounts due from related parties	2020 Balance £
Group	
Other related parties	483
	<u> </u>

30 Controlling party

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

ANCASTA TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

31 Cash generated from/(absorbed by) group operations

	2020 £	2019 £
(Loss)/profit for the year after tax	(364,289)	102,394
Adjustments for:		
Taxation charged	9,210	26,048
Finance costs	18,312	12,968
Investment income	(482)	(1,058)
Loss/(gain) on disposal of property, plant and equipment	777	(1,280)
Depreciation and impairment of property, plant and equipment	62,573	58,218
Other gains and losses	5,610	21,267
Movements in working capital:		
Decrease/(increase) in inventories	3,454,082	(1,480,246)
(Increase)/decrease in trade and other receivables	(735,115)	237,426
Increase/(decrease) in trade and other payables	2,475,518	(841,849)
Cash generated from/(absorbed by) operations	4,926,196	(1,866,112)

32 Analysis of changes in net debt - group

	1 September 2019 £	Cash flows £	Market value movements £	Exchange rate movements £	31 August 2020 £
Cash at bank and in hand	1,307,631	1,414,021	-	(5,378)	2,716,274
Borrowings excluding overdrafts	(6,845,668)	3,430,534	(5,610)	-	(3,420,744)
	<u>(5,538,037)</u>	<u>4,844,555</u>	<u>(5,610)</u>	<u>(5,378)</u>	<u>(704,470)</u>