

Registered number: 00859204

10.11.2020

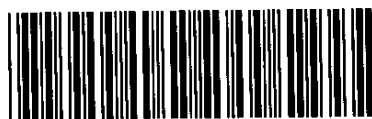
LYMINGTON MARINA LIMITED

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DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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LYMINGTON MARINA LIMITED

COMPANY INFORMATION

Directors	B O J May D O May
Company secretary	K M Light
Registered number	00859204
Registered office	The Shipyard Bath Road Lymington Hampshire SO41 3YL
Independent auditors	Nexia Smith & Williamson Chartered Accountants & Statutory Auditor 4th Floor Cumberland House 15-17 Cumberland Place Southampton Hampshire SO15 2BG
Bankers	Lloyds Bank Plc Lymington Hampshire SO41 9ZF

LYMINGTON MARINA LIMITED

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LYMINGTON MARINA LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020

The directors present their report and the financial statements for the year ended 30 September 2020.

Principal activities and review of the business

The principal activity of the company is to provide marine services to a wider audience to the marine industry as well as the leisure market. This includes manufacturing and sales of floating docks (VersaDock), sales and servicing of petrol outboard engines (BHG Marine & BHG Service) including sales of tenders and associated retail parts to commercial and leisure markets. Berthon Power is the exclusive UK & Ireland distributor of the only 300HP diesel outboard engine in the world, and Berthon RIB Solutions, manufactures Gemini RIBs in Great Britain.

Overview

Turnover increased 27% with profit falling only 3% as trading businesses performed better than the marina.

We thank all our managers, administrators and employees for their unending dedication to teamwork and providing exemplary customer service to both our leisure and commercial clients despite Coronavirus disruption.

Directors

The directors who served during the year were:

B O J May
D O May

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Small companies' note

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

Auditors

The auditors, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

LYMINGTON MARINA LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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

K M Light

K M Light
Secretary

Date: 30/11/2020

LYMINGTON MARINA LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LYMINGTON MARINA LIMITED

Opinion

We have audited the financial statements of Lymington Marina Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Consolidated Analysis of Net Debt and the 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 of the Parent Company's affairs as at 30 September 2020 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

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 and 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LYMINGTON MARINA LIMITED
(CONTINUED)**

Other information

The other information comprises the information included in the Directors' Report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in 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 set out on page 3, 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 and 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 and Parent Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LYMINGTON MARINA LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Nexia Smith & Williamson

Nexia Smith & Williamson (Incorporated in England and Wales)

Andrew Edmonds (Senior Statutory Auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants
Statutory Auditor

4th Floor Cumberland House
15-17 Cumberland Place
Southampton
Hampshire
SO15 2BG

Date: 30/11/2020

LYMINGTON MARINA LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	2020 £	2019 £
Turnover		6,425,251	5,024,064
Cost of sales		(4,207,310)	(2,874,315)
Gross profit		2,217,941	2,149,749
Administrative expenses		(1,768,240)	(1,603,927)
Other operating income	4	173,590	98,291
Other operating charges		-	(520)
Operating profit	5	623,291	643,593
Interest receivable and similar income	7	1,446	10,770
Interest payable and expenses	8	(4,560)	(5,819)
Profit before tax		620,177	648,544
Tax on profit	9	(375,997)	(196,047)
Profit for the financial year		244,180	452,497

There was no other comprehensive income for 2020 (2019: £Nil).

The notes on pages 16 to 35 form part of these financial statements.

LYMINGTON MARINA LIMITED
REGISTERED NUMBER:00859204

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	10	596,455	671,554
Tangible assets	11	16,849,343	16,859,388
		<u>17,445,798</u>	<u>17,530,942</u>
Current assets			
Stocks	13	999,682	1,322,819
Debtors: amounts falling due within one year	14	538,589	278,412
Cash at bank and in hand	15	2,618,947	1,443,228
		<u>4,157,218</u>	<u>3,044,459</u>
Creditors: amounts falling due within one year	16	(1,742,131)	(1,184,082)
Net current assets		<u>2,415,087</u>	<u>1,860,377</u>
Total assets less current liabilities		<u>19,860,885</u>	<u>19,391,319</u>
Creditors: amounts falling due after more than one year	17	(96,000)	(96,000)
Provisions for liabilities			
Deferred taxation	18	(3,026,898)	(2,801,512)
		<u>(3,026,898)</u>	<u>(2,801,512)</u>
Net assets		<u><u>16,737,987</u></u>	<u><u>16,493,807</u></u>
Capital and reserves			
Called up share capital	19	22,600	22,600
Revaluation reserve	20	13,701,705	13,701,705
Capital redemption reserve	20	51,000	51,000
Profit and loss account	20	2,962,682	2,718,502
Shareholders' funds		<u><u>16,737,987</u></u>	<u><u>16,493,807</u></u>

LYMINGTON MARINA LIMITED
REGISTERED NUMBER:00859204

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2020

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

Dominic May
Dominic May (Nov 30, 2020 17:25 GMT)

Brian May
brian may (Nov 30, 2020 16:54 GMT)

D O May
Director

B O J May
Director

Date: 30/11/2020

30/11/2020

The notes on pages 16 to 35 form part of these financial statements.

LYMINGTON MARINA LIMITED
REGISTERED NUMBER:00859204

COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	16,593,177	16,562,340
Investments	12	1,745,072	1,745,072
		<u>18,338,249</u>	<u>18,307,412</u>
Current assets			
Stocks	13	4,601	4,422
Debtors: amounts falling due within one year	14	751,879	924,996
Cash at bank and in hand	15	1,987,976	1,062,342
		<u>2,744,456</u>	<u>1,991,760</u>
Creditors: amounts falling due within one year	16	(1,055,060)	(769,380)
Net current assets		<u>1,689,396</u>	<u>1,222,380</u>
Total assets less current liabilities		<u>20,027,645</u>	<u>19,529,792</u>
Creditors: amounts falling due after more than one year	17	(96,000)	(96,000)
Provisions for liabilities			
Deferred taxation	18	(2,984,813)	(2,773,992)
		<u>(2,984,813)</u>	<u>(2,773,992)</u>
Net assets		<u>16,946,832</u>	<u>16,659,800</u>
Capital and reserves			
Called up share capital	19	22,600	22,600
Revaluation reserve	20	13,701,705	13,701,705
Capital redemption reserve	20	51,000	51,000
Profit and loss account carried forward	20	3,171,527	2,884,495
Shareholders' funds		<u>16,946,832</u>	<u>16,659,800</u>

LYMINGTON MARINA LIMITED
REGISTERED NUMBER:00859204

COMPANY BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2020

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The profit of the Company for the year was £287,032 (2019: £618,521).

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

Dominic May
Dominic May (Nov 30, 2020 17:25 GMT)

Brian May
brian may (Nov 30, 2020 16:54 GMT)

D O May
Director

B O J May
Director

Date: 30/11/2020

30/11/2020

The notes on pages 16 to 35 form part of these financial statements.

LYMINGTON MARINA LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Called up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2018	22,600	51,000	13,701,705	2,266,005	16,041,310
Comprehensive income for the year					
Profit for the year	-	-	-	452,497	452,497
At 1 October 2019	22,600	51,000	13,701,705	2,718,502	16,493,807
Comprehensive income for the year					
Profit for the year	-	-	-	244,180	244,180
At 30 September 2020	22,600	51,000	13,701,705	2,962,682	16,737,987

LYMINGTON MARINA LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Called up share capital £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 October 2018	22,600	51,000	13,701,705	2,265,974	16,041,279
Comprehensive income for the year					
Profit for the year	-	-	-	618,521	618,521
At 1 October 2019	22,600	51,000	13,701,705	2,884,495	16,659,800
Comprehensive income for the year					
Profit for the year	-	-	-	287,032	287,032
At 30 September 2020	22,600	51,000	13,701,705	3,171,527	16,946,832

LYMINGTON MARINA LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	244,180	452,497
Adjustments for:		
Amortisation of intangible assets	75,099	75,099
Depreciation of tangible assets	86,667	61,681
Loss on disposal of tangible assets	(5,637)	1,058
Interest paid	4,560	5,819
Interest received	(1,446)	(10,770)
Taxation charge	375,997	196,047
Decrease in stocks	323,137	160
(Increase)/decrease in debtors	(229,892)	478,157
Increase/(decrease) in creditors	525,392	(1,107,977)
Corporation tax (paid)	(148,239)	(295,319)
Net cash generated from operating activities	1,249,818	(143,548)
Cash flows from investing activities		
Purchase of tangible fixed assets	(79,298)	(215,439)
Sale of tangible fixed assets	8,313	5,501
Net cash (outflow)/inflow on acquisition of subsidiaries	-	(1,403,605)
Interest received	1,446	10,770
Net cash used in investing activities	(69,539)	(1,602,773)
Cash flows from financing activities		
Repayment of finance leases	-	(11,160)
Interest paid	(4,560)	(5,819)
Net cash used in financing activities	(4,560)	(16,979)
Net increase/(decrease) in cash and cash equivalents	1,175,719	(1,763,300)
Cash and cash equivalents at beginning of year	1,443,228	3,206,528
Cash and cash equivalents at the end of year	2,618,947	1,443,228
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,618,947	1,443,228
	2,618,947	1,443,228

LYMINGTON MARINA LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	At 1 October 2019 £	Cash flows £	At 30 September 2020 £
Cash at bank and in hand	1,443,228	1,175,719	2,618,947
Debt due after 1 year	(96,000)	-	(96,000)
	<u>1,347,228</u>	<u>1,175,719</u>	<u>2,522,947</u>

LYMINGTON MARINA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. General information

Lymington Marina Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 00859204). The address of the registered office is The Shipyard, Bath Road, Lymington, Hampshire SO41 3YL.

The principal activity of the Company is described in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

Parent Company disclosure exemptions

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliation for the Company and the Parent Company would be identical;
- No Statement of Cash Flows has been presented for the Parent Company;
- Disclosures in respect of the Parent Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Company as a whole; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Company as a whole.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

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

LYMINGTON MARINA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis.

The directors have carefully reviewed the future prospects of the Parent Company and the Group and its future cash flows, including an assessment of the potential impact of the COVID-19 pandemic. The full impact of the COVID-19 pandemic on our business remains uncertain and as a result unquantifiable at this stage. Nevertheless, having assessed this the directors have a reasonable expectation that the Company and Group has adequate resources to continue in operational existence for the foreseeable future being at least the next 12 months from signing of these financial statements.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of boats, marine engines, floating docks and parts is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- *it is probable that the Group will receive the consideration due under the transaction; and*
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services for boat repair and marine services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

LYMINGTON MARINA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

2.6 Operating leases: the Group as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the profit or loss in the same period as the related expenditure.

2.8 Interest income

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

2.9 Finance costs

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

LYMINGTON MARINA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

2. Accounting policies (continued)

2.10 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the profit or loss over its useful economic life of ten years.

Other intangible assets

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

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Other intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

LYMINGTON MARINA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.11 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as follows.

Depreciation is provided on the following basis:

Freehold land	- not depreciated
S/Term Leasehold Property	- 6 years straight-line
Plant & machinery	- 15-25% reducing balance and 10-25% straight-line
Motor vehicles & Vessels	- 25% reducing balance and 10% straight-line
Fixtures & fittings	- 15% reducing balance and 10-33.3% straight-line
Office equipment	- 25% straight-line
Computer equipment	- 25% straight-line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Tangible fixed assets have been recognised at deemed cost on transition to FRS 102.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

LYMINGTON MARINA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.14 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.15 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Group's cash management.

Financial liabilities and equity instruments issued by the Group are classified in accordance with the *substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument*. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are *recorded at the proceeds received, net of direct issue costs*.

2.16 Provisions for liabilities

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

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

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

LYMINGTON MARINA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.17 Current and deferred taxation

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

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

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

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

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

LYMINGTON MARINA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are evaluated at each reporting date and are based on historical experience as adjusted for current market conditions and other factors. Management makes estimates and assumptions concerning the future in preparing the financial statements and the actual results will not always reflect the accounting estimates made. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities of the Company are outlined below.

Impairment of fixed assets

The fixed asset balance recorded in the Company's Balance Sheet is assessed by management for impairment at each year end based on knowledge of market conditions and other factors. Whilst management use their best judgement to evaluate this, there remains a risk that the assets carrying value exceeds its recoverable amount. No impairment of fixed assets has been recognised in the current year.

4. Other operating income

	2020 £	2019 £
Government grants receivable	65,862	-
Sundry income	107,728	98,291

5. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	86,667	61,681
Amortisation of intangible assets, including goodwill	75,099	75,099
Exchange differences	(2,460)	(4,153)
Defined contribution pension cost	13,043	7,685
Other operating lease rentals	124,665	108,049

LYMINGTON MARINA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

6. Employees

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

	2020 No.	2019 No.
Directors	2	2
Operational	20	28
	<u>22</u>	<u>30</u>

Two directors of Lymington Marina Limited are also directors of the parent, Berthon Boat Company Limited as well as other group companies. The total emoluments received by these directors during the year are disclosed in the financial statements of the Parent Company, Berthon Boat Company Limited. It is not practicable to allocate the emoluments received between their services as directors of Berthon Boat Company Limited and their services as directors of other group companies.

7. Interest receivable

	2020 £	2019 £
Other interest receivable	<u>1,446</u>	<u>10,770</u>

8. Interest payable and similar expenses

	2020 £	2019 £
Other loan interest payable	4,560	4,640
Finance leases and hire purchase contracts	-	1,179
	<u>4,560</u>	<u>5,819</u>

LYMINGTON MARINA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

9. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	150,611	183,895
	<u>150,611</u>	<u>183,895</u>
Total current tax	<u>150,611</u>	<u>183,895</u>
Deferred tax		
Origination and reversal of timing differences	225,386	12,152
Total deferred tax	<u>225,386</u>	<u>12,152</u>
Taxation on profit on ordinary activities	<u>375,997</u>	<u>196,047</u>

LYMINGTON MARINA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019: *higher than*) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	620,177	648,544
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	117,834	123,223
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	14,253	25,497
Capital allowances for year in excess of depreciation	1,607	2,686
Adjustments to tax charge in respect of prior periods	-	2,960
Rate change	-	935
R&D deduction	(6,817)	-
Tax losses carried back	(122,560)	1,628
Deferred tax not recognised	-	226
Adjust deferred tax rate	330,675	(2,338)
Group relief	41,005	41,230
Total tax charge for the year	375,997	196,047

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

LYMINGTON MARINA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

10. Intangible assets

Group and Company

	Patents £	Goodwill £	Total £
Cost			
At 1 October 2019	5,667	740,986	746,653
At 30 September 2020	5,667	740,986	746,653
Amortisation			
At 1 October 2019	1,000	74,099	75,099
Charge for the year	1,000	74,099	75,099
At 30 September 2020	2,000	148,198	150,198
Net book value			
At 30 September 2020	3,667	592,788	596,455
At 30 September 2019	4,667	666,887	671,554

LYMINGTON MARINA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

11. Tangible fixed assets

Group

	Freehold land £	S/Term Leasehold Property £	Plant & machinery £	Motor vehicles & vessels £	Fixtures & fittings £
Cost					
At 1 October 2019	16,550,000	54,755	622,417	139,701	41,368
Additions	-	-	49,343	29,955	-
Disposals	-	-	(28,075)	-	-
At 30 September 2020	16,550,000	54,755	643,685	169,656	41,368
Depreciation					
At 1 October 2019	-	9,228	527,693	8,835	6,639
Charge for the year	-	14,766	40,879	24,283	5,223
Disposals	-	-	(25,705)	-	-
At 30 September 2020	-	23,994	542,867	33,118	11,862
Net book value					
At 30 September 2020	16,550,000	30,761	100,818	136,538	29,506
At 30 September 2019	16,550,000	45,527	94,724	130,866	34,729

LYMINGTON MARINA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

11. Tangible fixed assets (continued)

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 October 2019	2,643	2,832	17,413,716
Additions	-	-	79,298
Disposals	(2,339)	-	(30,414)
At 30 September 2020	<u>304</u>	<u>2,832</u>	<u>17,462,600</u>
Depreciation			
At 1 October 2019	1,225	708	554,328
Charge for the year	923	708	86,782
Disposals	(2,148)	-	(27,853)
At 30 September 2020	<u>-</u>	<u>1,416</u>	<u>613,257</u>
Net book value			
At 30 September 2020	<u>304</u>	<u>1,416</u>	<u>16,849,343</u>
At 30 September 2019	<u>1,418</u>	<u>2,124</u>	<u>16,859,388</u>

On 10 November 2014, the directors obtained an independent valuation for the Parent Company's marina based in Lymington, Hampshire, at 30 September 2014. The valuation, made by Lambert Smith Hampton, Consultant Surveyors, showed that on an existing use basis the marina was valued at £16,550,000, and it is the value that the directors have used in the financial statements. On transition to FRS102, the valuation method applied under FRS102 was deemed cost.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2020 £	2019 £
Group		
Cost	324,958	324,958
Accumulated depreciation	(234,920)	(234,920)
Net book value	<u>90,038</u>	<u>90,038</u>

LYMINGTON MARINA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

11. Tangible fixed assets (continued)

Company

	Freehold property £	Plant & machinery £	Total £
Cost			
At 1 October 2019	16,550,000	517,843	17,067,843
Additions	-	49,343	49,343
Disposals	-	(25,000)	(25,000)
At 30 September 2020	<u>16,550,000</u>	<u>542,186</u>	<u>17,092,186</u>
Depreciation			
At 1 October 2019	-	505,503	505,503
Charge for the year	-	18,506	18,506
Disposals	-	(25,000)	(25,000)
At 30 September 2020	<u>-</u>	<u>499,009</u>	<u>499,009</u>
Net book value			
At 30 September 2020	<u>16,550,000</u>	<u>43,177</u>	<u>16,593,177</u>
At 30 September 2019	<u>16,550,000</u>	<u>12,340</u>	<u>16,562,340</u>

Valuation/deemed cost at 30 September 2020 is as follows:

	Land and buildings £
At valuation/deemed cost	16,550,000

LYMINGTON MARINA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

12. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 October 2019	1,745,072
At 30 September 2020	<u>1,745,072</u>
Net book value	
At 30 September 2020	<u>1,745,072</u>
At 30 September 2019	<u>1,745,072</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
BHG Service Limited	Marine service	Ordinary	100%
BHG Marine Limited	Marine retail	Ordinary	100%
Berthon Power Limited	Marine engine distributor	Ordinary	100%
Berthon Rib Solutions Limited	RIB distributor	Ordinary	100%
Marine IP Limited	Floating docks	Ordinary	100%

All subsidiaries share the same registered office address as the Parent Company of The Shipyard, Bath Road, Lymington, Hampshire, SO41 3YL.

All subsidiaries are directly owned.

13. Stocks

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Finished goods and goods for resale	<u>999,682</u>	<u>1,322,819</u>	<u>4,601</u>	<u>4,422</u>

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

LYMINGTON MARINA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

14. Debtors

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Trade debtors	294,402	82,353	-	-
Amounts owed by group undertakings	-	-	584,008	777,104
Other debtors	19,767	19,590	-	-
Prepayments and accrued income	57,969	40,303	1,420	11,726
Tax recoverable	166,451	136,166	166,451	136,166
	538,589	278,412	751,879	924,996

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

15. Cash and cash equivalents

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Cash at bank and in hand	2,618,947	1,443,228	1,987,976	1,062,342

16. Creditors: Amounts falling due within one year

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Trade creditors	348,337	218,664	-	-
Amounts owed to group undertakings	152,932	58,489	197,835	58,489
Corporation tax	42,509	9,852	-	-
Other taxation and social security	99,967	30,545	-	-
Other creditors	223,015	155,166	59,081	50,866
Accruals and deferred income	875,371	711,366	798,144	660,025
	1,742,131	1,184,082	1,055,060	769,380

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

LYMINGTON MARINA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

17. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Debentures loans	96,000	96,000	96,000	96,000
	96,000	96,000	96,000	96,000

The 5% perpetual debentures are secured by a first floating charge against the undertaking, property and assets present and future of the Company. They are repayable in more than 5 years.

18. Deferred taxation

Group

	2020 £	2019 £
At beginning of year	2,801,512	2,774,445
Charged to profit or loss	225,386	16,754
Arising on business combinations	-	10,313
At end of year	3,026,898	2,801,512

Company

	2020 £	2019 £
At beginning of year	2,773,992	2,774,445
Charged to profit or loss	210,821	(453)
At end of year	2,984,813	2,773,992

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Accelerated capital allowances	66,700	26,923	24,615	15,735
Tax losses carried forward	2,960,198	2,774,589	2,960,198	2,758,257
	3,026,898	2,801,512	2,984,813	2,773,992

LYMINGTON MARINA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

19. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
22,600 Ordinary shares of £1.00 each	22,600	22,600

20. Reserves

Revaluation reserve

The revaluation reserve represents the cumulative value of revaluations movements from cost.

Capital redemption reserve

This reserve relates to the nominal value of shares that the Company has bought back.

Profit & loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

21. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £13,043 (2019: £7,685). Contributions totalling £2,769 (2019: £1,962) were payable to the fund at the balance sheet date and are included in creditors.

22. Commitments under operating leases

At 30 September 2020 the Group had future minimum lease payments under non-cancellable operating leases as follows:

Group	2020 £	2019 £
Not later than 1 year	82,250	80,000
Later than 1 year and not later than 5 years	277,625	291,375
Later than 5 years	137,000	205,500
	496,875	576,875

LYMINGTON MARINA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

23. Related party transactions

The Group has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

During the year, £456,479 (2019: £507,205) was paid as a management fee to Berthon Boat Company Limited, the parent company of Lymington Marina Limited, and £68,500 was paid in car parking charges (2019: £68,500) and a washroom fee of £60,000 (2019: £Nil). The Company also made purchases from Berthon Boat Company Limited, totalling £77,033 (2019: £68,993). Sales totalling £Nil (2019: £1,412) were made to Berthon Boat Company in the year.

At the year end, £152,932 was due to Berthon Boat Company Limited (2019: £58,489).

During the year, the Company made sales to Express Cruisers Limited, its fellow subsidiary undertaking, totalling £17,935 (2019: £23,538).

24. Controlling party

The immediate and ultimate parent undertaking is Berthon Boat Company Limited, a company registered in England and Wales.

The largest group of undertakings for which group accounts for the year ended 30 September 2020 have been drawn up is that headed by Berthon Boat Company Limited. Copies of the group accounts are available from Companies House.

The directors do not consider there to be an ultimate controlling party.

25. Subsidiaries claiming audit exemption

The following companies have taken the exemption from an audit for the year ended 30 September 2020 by virtue of s479A of Companies Act 2006. In order to allow the subsidiary to take the audit exemption, the Parent Company, Lymington Marina Limited, has given a statutory guarantee, in line with s479C of the Companies Act 2006, of all the outstanding liabilities as at 30 September 2020.

<u>Company name</u>	<u>Reg. number</u>	<u>Country of incorporation</u>
BHG Service Limited	06720488	England and Wales
BHG Marine Limited	04590734	England and Wales
Berthon Power Limited	10673484	England and Wales
Berthon Rib Solutions Limited	11612326	England and Wales
Marine IP Limited	09028710	England and Wales