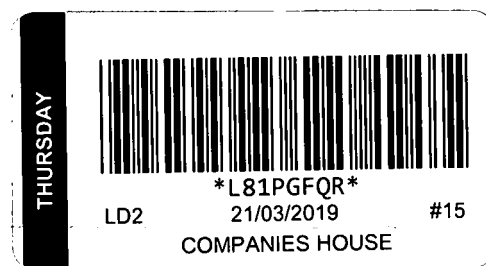


# British Marine Federation (A Company Limited By Guarantee)

## REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

for the year ended

30 June 2018



Company Number 02592536

# **BRITISH MARINE FEDERATION**

## **COMPANY INFORMATION**

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### **DIRECTORS**

A Allen  
W Blagdon  
E Helps  
C Manners  
J L Robinson  
P Gullett  
G Munford  
D Pougher  
A Morgan  
B Jones  
I Cooke  
P Martin  
P Woods

### **SECRETARY**

J Day

### **COMPANY NUMBER**

02592536 (England and Wales)

### **REGISTERED OFFICE**

Marine House  
Thorpe Lea Road  
Egham  
Surrey  
TW20 8BF

### **AUDITOR**

RSM UK Audit LLP  
Chartered Accountants  
3rd Floor  
One London Square  
Cross Lanes  
Guildford  
Surrey  
GU1 1UN

# **BRITISH MARINE FEDERATION**

## **STRATEGIC REPORT**

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The directors present their strategic report of British Marine Federation (“British Marine”) and its subsidiaries for the year ended 30 June 2018.

### **PRINCIPAL ACTIVITIES**

The group is governed by a trade association whose principal trading activity is providing services to members and representing the leisure marine, small commercial marine and superyacht sectors of the maritime industries and the organisation of boat shows. The company is a trade association whilst also providing management services to its subsidiaries.

### **REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

In year we provided services to members which included key representation of members interests and concerns with external parties such as government e.g. on illegal teak sourcing and on potential Brexit implications, the provision of training and technical services and also promotional messaging. Highlights have included delivery of IMM and apprenticeship courses as well as input into the IPA code which is now published. We represented members on ISO working groups to input into key international standards and we ran the successful superyacht technical seminar at the London boat show.

We also organised and ran both the London and Southampton boat shows and represented members interests at international shows such as Monaco, Dusseldorf and Miami with exhibition stands/trade missions. We also provided initial consultancy support for the Abu Dhabi boat show

Going forward British Marine will continue to meet the variety of challenges that the Brexit vote, with its UK economy and political landscape implications, presents. We will make representations to Government and advise our members on the best strategies to deal with the changing trading conditions and at the same time we will adapt effectively and efficiently to on-going developments within our industry, and the global economy in which it operates. Our Membership continues to be healthy with c 1,600 members.

Following on from the “futures” research project undertaken in 2016/17 we are working on behalf of members to help them understand the changing needs of future customers. We see the key tasks as follows:

- Communicating the research findings to our membership
- Liaising with our strategic partners to fully develop one cohesive industry strategy to promote boating and establish the basis on which we work with each partner organisation on a collaborative basis.
- Develop better accessibility/signposting for new customers to water activities
- Develop a new approach to assist our members with the products and services are they will be offering to meet the changing demands of tomorrow’s customer
- Support appropriate on water events with our members

The upcoming year will see a full strategic review of our organisation as we seek to add much greater value to our membership proposition and in so doing strengthen our own financial sustainability further.

British Marine’s boat show expertise and reputation in organising Boat Shows is recognised internationally. We have cancelled London 2019 in its current form, duration and location and the one-off loss associated with this will not be repeated. We will continue to run Southampton profitably as in previous years and are actively working with members to replace, identify, and then action appropriate promotional activity to support their business requirements.

# BRITISH MARINE FEDERATION

## STRATEGIC REPORT (CONTINUED)

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### KEY PERFORMANCE INDICATORS AND RISKS

Turnover in the current year has decreased by 10.04% (2017: 0.07%), resulting in a 6,277% decrease in operating profit, primarily due to the London boat show 2018 being shortened to 5 days. This resulted in the significant impact on operating profit and fall in turnover, (2017: increase of 104%) turning an operating profit of £13,266 reported in the last financial year to an operating loss of £819,458 reported in this financial year.

Overall, net assets for the group decreased by 23% (2017: increase of 23%) from £2,134,272 reported in the last financial year to £1,642,040 reported in this financial year.

The success and effectiveness of British Marine is measured by more than financial performance. The key measures are:

- Membership
- Representation of the industry and Interaction with Government
- Development of the Boat Shows to showcase the industry
- Number of people who go boating

#### Membership

We have done well to maintain our membership levels at around 1600 in a very challenging economic and political environment. This has been achieved through a focus on customer service and member engagement.

#### Representation of the Industry and Interaction with Government

British Marine is recognised by Government, the media and other opinion formers as the voice of the leisure, Superyacht and small commercial marine industry. The industry has been well represented through British Marine's leading role in Maritime UK. Strong relationships are also maintained with politicians and officials across numerous Government Departments. Our work at the political level has established our industry as being widely viewed as a UK manufacturing success story.

#### Development of the Boat Shows

The Southampton Boat Show continues to provide the premier platform for sales and the promotion of the UK boating industry.

The show again created an excellent ambience and sales platform delivering encouraging trading for our 500 plus exhibitors and 106,000 visitors attended across the 10 days.

#### Number of people who go boating

The number of adults who participate in marine leisure activities is about 3.5 million. British Marine is continuing to address the participation issue and we have set out on the previous page how we plan to do this over the next 3-5 years.

#### Principal risks and uncertainties

The key risks are:

- Economic and political climate – continuing uncertainty around the implementation of Brexit vote will see the industry and British Marine operating in an uncertain environment. This could impact on membership subscriptions and Boat Show revenues.
- Cash flow and credit risk - the group manages credit and cash flow risk by regular monitoring of cashflow forecast against bank facilities. The group applies strict collection policies to debtors.
- Interest risk - the group has an overdraft facility available to them. The Group is therefore exposed to interest rate risk on the drawn facility at a fixed rate. To mitigate this risk the Group has robust cash forecasting procedures and working capital requirements are regularly monitored in the light of changing operational requirements.
- The changes that we are making to our Southampton boat show and our support going forward of different activities to encourage people into boating.

# BRITISH MARINE FEDERATION

## STRATEGIC REPORT (CONTINUED)

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### Principal risks and uncertainties (continued)

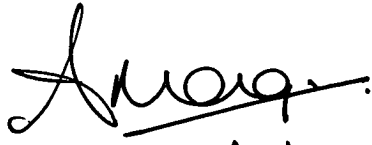
Although financial risks are considered to be minimal at present, future interest rate and liquidity risks could arise, and the Board will continue to monitor these risks in the new financial year.

The Directors continually monitor the risks facing the organisation.

The strategic report was approved by the board on 25.06 2018 and signed on its behalf by:

On behalf of the Board

  
J L Robinson

  
Director A. MORGAN

25.06.18 2018

# BRITISH MARINE FEDERATION

## DIRECTORS' REPORT

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The directors submit their report and the consolidated financial statements of British Marine Federation ("BMF") and its subsidiaries for the year ended 30 June 2018.

### RESULTS AND DIVIDENDS

The consolidated statement of comprehensive income for the year is set out on page 10.

The loss of the group for the year after taxation was £492,232 (2017: profit £418,444).

The company is limited by guarantee and consequently precluded from paying a dividend.

### DIRECTORS

The following directors have held office since 1 July 2017:

A Allen		
E Helps	(Appointed 17 July 2018)	
J L Robinson	(Appointed 16 July 2018)	
C Manners	(Appointed 17 July 2018)	
D Pougher		
H Pridding	(Resigned 25 May 2018)	
W Blagdon		
A Trafford	(Resigned 17 July 2018)	
A Davies	(Resigned 17 July 2018)	
L Fuller	(Resigned 17 July 2018)	
P Gullett		
G Munford		
F Pankhurst	(Resigned 11 July 2017)	
A Morgan	(Appointed 11 July 2017)	
B Metcalfe	(Appointed 11 July 2017)	(Resigned 17 July 2018)
B Jones	(Appointed 11 July 2017)	
I Cooke	(Appointed 11 July 2017)	
P Martin	(Appointed 11 July 2017)	
P Woods	(Appointed 11 July 2017)	
D Barrow	(Resigned 11 July 2017)	
G Beckwith	(Resigned 11 July 2017)	
S Limb	(Resigned 11 July 2017)	

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### 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 future developments and principal risks and uncertainties.

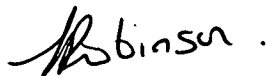
**BRITISH MARINE FEDERATION**  
**DIRECTORS' REPORT (Continued)**

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AUDITOR

The auditor, RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

By order of the board



J L Robinson  
Director

25<sup>th</sup> October 2018

## **BRITISH MARINE FEDERATION (A COMPANY LIMITED BY GUARANTEE)**

### **DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 the company and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the 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 the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the 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 the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITISH MARINE FEDERATION (A COMPANY LIMITED BY GUARANTEE)**

## **Opinion**

We have audited the financial statements of British Marine Federation (a company limited by guarantee) (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2018 which comprise the consolidated statement of comprehensive income, statements of financial position, statements of changes in equity, consolidated cash flow statement 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 of the parent company's affairs as at 30 June 2018 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

## **Opinions 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 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 has been prepared in accordance with applicable legal requirements.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITISH MARINE FEDERATION (A COMPANY LIMITED BY GUARANTEE)**

## **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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, 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.

## **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.

*RSM UK Audit LLP*

Christopher Hurren BA FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
3rd Floor  
One London Square  
Cross Lanes  
Guildford  
Surrey  
GU1 1UN

**25 October** 2018

**BRITISH MARINE FEDERATION (A COMPANY LIMITED BY GUARANTEE)****CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****For the year ended 30 June 2018**

	<i>Notes</i>	2018 £	2017 £
TURNOVER	1	9,035,027	10,043,190
Other operating expenses (net)	2	(9,854,485)	(10,029,924)
OPERATING (LOSS)/PROFIT		(819,458)	13,266
Fair value (losses)/gains on investments		(78,948)	406,029
Investment income	3	343,774	69,714
Interest payable and similar charges	4	(30,987)	(8,861)
(LOSS)/PROFIT BEFORE TAXATION	5	(585,619)	480,148
Taxation	7	93,387	(61,704)
(LOSS)/PROFIT AFTER TAXATION		(492,232)	418,444
OTHER COMPREHENSIVE INCOME			
Revaluation of land and buildings		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(492,232)	418,444

# BRITISH MARINE FEDERATION (A COMPANY LIMITED BY GUARANTEE)

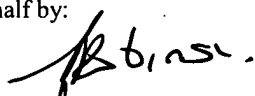
## STATEMENTS OF FINANCIAL POSITION (Company Registration Number: 02592536) 30 June 2018

		GROUP		COMPANY	
		2018	2017	2018	2017
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	8	83,456	174,332	59,831	174,332
Tangible assets	9	1,510,650	1,570,867	100,650	130,867
Investments	10	3,405,369	3,422,742	3,630,553	3,647,926
		<u>4,999,475</u>	<u>5,167,941</u>	<u>3,791,034</u>	<u>3,953,125</u>
<b>CURRENT ASSETS</b>					
Debtors	11	4,023,159	3,834,912	3,557,014	2,225,064
Cash at bank and in hand		35,301	33,289	2,621	4,829
<b>PREPAYMENTS AND ACCRUED INCOME</b>		656,263	806,760	267,920	341,312
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>(2,206,602)</u>	<u>(2,120,942)</u>	<u>(4,649,839)</u>	<u>(3,123,821)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>2,508,121</u>	<u>2,554,019</u>	<u>(822,284)</u>	<u>(552,616)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		7,507,596	7,721,960	2,968,750	3,400,509
<b>ACCRUALS AND DEFERRED INCOME</b>		(5,865,556)	(5,557,908)	(1,722,843)	(1,914,873)
<b>PROVISIONS</b>	14	<u>-</u>	<u>(29,780)</u>	<u>-</u>	<u>(30,534)</u>
<b>NET ASSETS</b>		<u>1,642,040</u>	<u>2,134,272</u>	<u>1,245,907</u>	<u>1,455,102</u>
<b>CAPITAL AND RESERVES</b>					
Fair value reserve	16	239,100	732,536	239,100	732,536
Capital reserve	16	253	253	92	92
Profit and loss account	16	1,402,687	1,401,483	1,006,715	722,474
<b>MEMBERS' FUNDS</b>		<u>1,642,040</u>	<u>2,134,272</u>	<u>1,245,907</u>	<u>1,455,102</u>

As permitted by s408 Companies Act 2016, the Company has not presented its own statement of comprehensive income. The Company's loss for the year and total comprehensive income for the year were £209,195 (2017: profit £402,136).

The financial statements were approved by the board of directors and authorised for issue on 25<sup>th</sup> June 2018 and are signed on its behalf by:

J L Robinson



Director

A Morgan



Director

**BRITISH MARINE FEDERATION (A COMPANY LIMITED BY GUARANTEE)****STATEMENTS OF CHANGES IN EQUITY (Company Registration Number: 02592536)**  
**30 June 2018**

<b>GROUP</b>	Capital reserve £	Fair value reserve £	Profit and loss account £	Total £
<b>Balance at 1 July 2016</b>	253	326,507	1,389,068	1,715,828
Profit for the year	-	406,029	12,415	418,444
<b>Balance at 30 June 2017</b>	253	732,536	1,401,483	2,134,272
Loss for the year	-	(78,948)	(413,284)	(492,232)
Transfer between reserves	-	(414,488)	414,488	-
<b>Balance at 30 June 2018</b>	253	239,100	1,402,687	1,642,040

<b>COMPANY</b>	Capital reserve £	Fair value reserve £	Profit and loss account £	Total £
<b>Balance at 1 July 2016</b>	92	326,507	726,367	1,052,966
(Profit)/loss for the year	-	406,029	(3,893)	402,136
<b>Balance at 30 June 2017</b>	92	732,536	722,474	1,455,102
Loss for the year	-	(78,948)	(130,247)	(209,195)
Transfer between reserves	-	(414,488)	414,488	-
<b>Balance at 30 June 2018</b>	92	239,100	1,006,715	1,245,907

# BRITISH MARINE FEDERATION (A COMPANY LIMITED BY GUARANTEE)

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2018

	Note	2018 £	2017 £
OPERATING ACTIVITIES			
Cash generated from operations	17	(128,437)	116,842
Corporation tax paid		(13,303)	-
NET CASH (USED IN)/FROM OPERATING ACTIVITIES		<u>(128,437)</u>	<u>116,842</u>
INVESTING ACTIVITIES			
Interest received		16,350	89
Investment income received		83,748	83,969
Interest paid		(30,987)	(8,861)
Purchase of fixed assets		(26,842)	(23,640)
Purchase of investments		(1,422,580)	(716,760)
Proceeds from sales of investments		1,604,681	640,135
NET CASH FROM/(USED IN) INVESTING ACTIVITIES		<u>211,067</u>	<u>(25,068)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		<u>82,630</u>	<u>91,774</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		(734,548)	(826,322)
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>(651,918)</u></u>	<u><u>(734,548)</u></u>
Relating to:			
Bank balances and short term deposits included in cash at bank and in hand		35,301	33,289
Bank overdrafts		(687,219)	(767,837)
		<u><u>(651,918)</u></u>	<u><u>(734,548)</u></u>

# **BRITISH MARINE FEDERATION (A COMPANY LIMITED BY GUARANTEE)**

## **ACCOUNTING POLICIES**

**For the year ended 30 June 2018**

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### **COMPANY INFORMATION**

British Marine Federation is a private company limited by guarantee domiciled and incorporated in England. The address of the company's registered office and principal place of business is Marine House, Thorpe Lea Road, Egham, Surrey, TW20 8BF. The principal activity of the group is to be a trade association representing the British marine industry and the organisation and promotion of boat shows. The principal activity of the company in the year was to be a trade association whilst also providing management services to its subsidiaries.

### **BASIS OF ACCOUNTING**

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and 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.

### **REDUCED DISCLOSURES**

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures,
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, 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 33 'Related Party Disclosures' – Compensation for key management personnel.

### **COMPANY STATEMENT OF COMPREHENSIVE INCOME**

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income. The Company's loss for the year and total comprehensive income for the year were £209,195 (2017 profit of: £402,136).

### **BASIS OF CONSOLIDATION**

The consolidated financial statements incorporate those of British Marine Federation and all of its subsidiary undertakings (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the acquisition method. Their results are incorporated from the date that control passes. All financial statements are made up to 30 June 2018.

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.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

### **GOING CONCERN**

The Directors have reviewed the Group's cash flows and the available finance and have determined that it can continue to invest in its services to members and delivery of the Southampton boat show. The London boat show 2019, operated by National Boat Shows Limited, has been cancelled, with the Directors working on delivering alternative options for 2019, and beyond, to address its members' needs for sales and promotional platforms.

On the basis of this review the Directors have determined that the group has sufficient working capital for its needs for at least 12 months from the date of signing of these accounts.

### **FUNCTIONAL AND PRESENTATIONAL CURRENCIES**

The financial statements are presented in sterling which is also the functional currency of the Group.

# **BRITISH MARINE FEDERATION (A COMPANY LIMITED BY GUARANTEE)**

## **ACCOUNTING POLICIES**

**For the year ended 30 June 2018**

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### **FOREIGN CURRENCY TRANSLATION**

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to income and expenditure, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

### **TURNOVER**

Turnover is derived from subscription income, events, government grants and the annual London and Southampton boat shows. Subscription income is received annually from all members of British Marine Federation. Turnover is accounted for on an accrual's basis.

Both event revenue and costs are recognised in the period in which the event has been completed. Deposits, relating to an event, received in advance are recorded as deferred income in the balance sheet.

Government grants are recognised in the profit and loss account so as to match them with expenditure towards which they are intended to contribute.

### **OTHER INCOME**

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

Dividend income is recognised when the investments become ex-div.

### **INTANGIBLE ASSETS**

Intangible assets are stated at cost net of amortisation and any provision for impairment. Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life, as follows

Computer Software	25% reducing balance/straight line
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### **TANGIBLE FIXED ASSETS**

Tangible fixed assets are initially recognised at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight-line basis over its expected useful life, as follows:

Leasehold buildings	2% straight line
Office, fixtures and equipment	25% reducing balance

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.



# **BRITISH MARINE FEDERATION (A COMPANY LIMITED BY GUARANTEE)**

## **ACCOUNTING POLICIES**

**For the year ended 30 June 2018**

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### **REVALUATION OF LEASEHOLD PROPERTIES**

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity, such gains and loss are recognised in profit or loss.

### **INVESTMENTS**

#### *Group*

The Group's trade investments are classified as financial instruments and accounted for at fair value through profit or loss. They represent investments quoted on a recognised stock exchange and fair value is the quoted bid price.

#### *Company*

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in profit or loss.

The Company's trade investments are classified as financial instruments and accounted for at fair value through profit or loss. They represent investments quoted on a recognised stock exchange and fair value is the quoted bid price.

### **IMPAIRMENTS**

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

### **TAXATION**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

# **BRITISH MARINE FEDERATION (A COMPANY LIMITED BY GUARANTEE)**

## **ACCOUNTING POLICIES**

**For the year ended 30 June 2018**

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### **TAXATION (CONTINUED)**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### **LEASES**

#### *Operating leases*

The annual rentals are charged to profit or loss on a straight-line basis over the lease term.

Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

### **RETIREMENT BENEFITS**

#### *Defined contribution plan*

For defined contribution schemes the amount charged to profit and loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

### **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, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **Financial assets**

##### *Trade, group and other debtors*

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

# **BRITISH MARINE FEDERATION (A COMPANY LIMITED BY GUARANTEE)**

## **ACCOUNTING POLICIES**

**For the year ended 30 June 2018**

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### **FINANCIAL INSTRUMENTS (CONTINUED)**

#### *Trade investments*

Trade investments are equity investments over which the Group has no significant influence, joint control or control and are initially measured at transaction price. Transaction price includes transaction costs, except where trade investments are measured at fair value through profit or loss when transaction costs are expensed to profit or loss as incurred.

Trade investments in non-convertible and non-puttable preference shares or non-puttable ordinary shares are measured at fair value through profit or loss.

The fair value of trade investments quoted on a recognised stock exchange is the quoted bid price. The fair value of unlisted investments is measured using valuation techniques which include turnover multiple, earnings multiple, net assets or discounted cash flows, as appropriate, based on the nature and circumstances of the investment.

#### **Financial liabilities and equity**

Financial instruments are classified as liabilities and equity instruments 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.

#### *Equity instruments*

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

#### *Trade, group and other creditors*

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

#### *Bank overdrafts*

Bank overdrafts are presented within creditors: amounts falling due within one year.

#### *Derecognition of financial assets and liabilities*

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### **CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### *Critical accounting estimates and assumptions*

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *Going concern*

The key assumption is that the annual boat show will continue to generate sufficient revenue to fund the group's services to members.

#### *Deferred taxation*

Deferred tax liabilities are assessed on the basis of assumptions regarding the future, the likelihood that assets will be realised and liabilities will be settled, and estimates as to the timing of those future events and as to the future tax rates that will be applicable.

# BRITISH MARINE FEDERATION (A COMPANY LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

### 1. TURNOVER

The total turnover of the group for the year has been derived from services wholly provided in the United Kingdom.

### 2. OTHER OPERATING EXPENSES (NET)

	2018	2017
	£	£
Administrative expenses	9,906,929	10,087,017
Other operating income	(52,444)	(57,093)
	<u>9,854,485</u>	<u>10,029,924</u>

### 3. INVESTMENT INCOME

	2018	2017
	£	£
Profit/(loss) on disposal of listed investments	243,676	(14,344)
Other investment income	100,098	83,969
Bank interest	-	89
	<u>343,774</u>	<u>69,714</u>

### 4. INTEREST PAYABLE

	2018	2017
	£	£
Bank interest	<u>30,987</u>	<u>8,861</u>

### 5. (LOSS)/PROFIT BEFORE TAXATION

	2018	2017
	£	£

(Loss)/profit before taxation is stated after charging/(crediting):

Depreciation of tangible fixed assets:

Charge for the year:

- owned assets

64,402 73,624

Operating lease rentals:

Plant and machinery

7,549 45,261

Land and buildings

959,408 1,041,745

Auditor's remuneration to RSM UK Audit LLP:

Statutory audit

34,000 34,000

Tax compliance

10,750 10,750

Rents receivable

(52,444) (57,093)

(Gain)/loss on disposal of investments

(243,676) 14,344

Loss on disposal of fixed assets

5,956 -

Amortisation of intangible assets

114,402 125,675

# BRITISH MARINE FEDERATION (A COMPANY LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

### 6. EMPLOYEES

The average monthly number of persons (including directors) employed by the group during the year was:	2018 No.	2017 No.
Administration	50	53
	£	£
Staff costs for the above persons:		
Wages and salaries	1,813,420	1,940,354
Social security costs	186,761	201,300
Other pension costs	74,724	92,911
	2,074,905	2,234,565

DIRECTORS' REMUNERATION	2018 £	2017 £
In respect of the directors of the group and company		
Emoluments for qualifying services	126,641	134,335
Group pension contributions to money purchase schemes	21,736	11,413
	148,377	145,748

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2017: 1).

### REMUNERATION OF KEY MANAGEMENT PERSONNEL

The total remuneration of the directors and senior management team, who are considered to be the key management personnel of the Group was £511,157 (2017: £427,744) including employer's national insurance of £65,524 (2017: £42,152).

All employees of the group are also employees of the company.

# BRITISH MARINE FEDERATION (A COMPANY LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

7. TAXATION	2018 £	2017 £
U.K. corporation tax:		
Current period	-	13,303
Adjustments in respect of prior periods	(6,129)	-
Current tax (credit)/charge	(6,129)	13,303
Deferred tax:		
Deferred tax (credit)/charge for current period	(76,589)	55,028
Effect of change in tax rate	10,669	(6,627)
Deferred tax (credit)/charge	(87,258)	48,401
Total tax (credit)/charge	(93,387)	61,704
Factors affecting the tax (credit)/charge for the year;		
(Loss)/profit on ordinary activities before taxation	(585,619)	480,148
(Loss)/profit on ordinary activities before taxation multiplied by effective rate of UK corporation tax of 19% (2017: 19.75%)	(111,268)	94,829
Effects of:		
Non-deductible expenses	16,812	22,182
Income not deductible for tax purposes	(8,818)	-
Adjustments in respect of prior periods	(6,129)	-
Chargeable gains	(3,355)	(14,333)
Other tax adjustments	(19,461)	(32,116)
Other short term timing differences	-	(2,231)
Unrelieved tax losses	28,163	-
Effect of change in tax rate	10,669	(6,627)
	17,881	(33,125)
Current tax (credit)/charge	(93,387)	61,704

The group has estimated tax losses of £709,561 (2017: £587,576) available to carry forward against future profits. Deferred tax in respect of these losses has been accounted for as detailed in note 14 below.

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2018 had already been substantively enacted on 26 October 2015. As a result of the change in the UK main rates of corporation tax, the relevant unrecognised deferred tax balances have been remeasured.

# BRITISH MARINE FEDERATION (A COMPANY LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

### 8. INTANGIBLE FIXED ASSETS GROUP

	<i>Computer Software £</i>
Cost	
At 1 July 2017	789,930
Additions	23,625
Disposals	(231,699)
At 30 June 2018	581,856
Amortisation	
At 1 July 2017	615,598
Charge for the year	114,402
Disposals	(231,600)
At 30 June 2018	498,400
Net book value	
At 30 June 2018	83,456
At 30 June 2017	174,332

### INTANGIBLE FIXED ASSETS COMPANY

	<i>Computer software £</i>
Cost	
At 1 July 2017	789,930
Disposals	(231,699)
At 30 June 2018	558,231
Amortisation	
At 1 July 2017	615,598
Charge for the year	114,402
Disposals	(231,600)
At 30 June 2018	498,400
Net book value	
At 30 June 2018	59,831
At 30 June 2017	174,332

# BRITISH MARINE FEDERATION (A COMPANY LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

### 9. TANGIBLE FIXED ASSETS GROUP

	<i>Leasehold land and buildings</i> £	<i>Office fixtures &amp; equipment</i> £	<i>Total</i> £
Cost or valuation			
At 1 July 2017	1,500,000	947,560	2,447,560
Additions	-	10,042	10,042
Disposals		(109,893)	(109,893)
At 30 June 2018	1,500,000	847,709	2,347,709
Depreciation			
At 1 July 2017	60,000	816,693	876,693
Charge for the year	30,000	34,402	64,402
Disposals		(104,036)	(104,036)
At 30 June 2018	90,000	747,059	837,059
Net book value			
At 30 June 2018	1,410,000	100,650	1,510,650
At 30 June 2017	1,440,000	130,867	1,570,867

The long leasehold properties were valued on an existing use basis by Perry Hill, a firm of independent Chartered Surveyors as at June 2015 at a valuation of £1,500,000. The directors consider any movement in value since that date immaterial to the accounts.

If the property was sold for its revalued amount an estimated tax liability of £Nil (2017: £Nil) would fall due on the gain.

On an historical cost basis leasehold land and buildings would have been included at:

	£
Cost	
1 July 2017 and 30 June 2018	2,183,536
Depreciation based on cost	
1 July 2017	793,806
Charge in the year	43,671
At 30 June 2018	837,477
Net book value	
At 30 June 2018	1,346,059
At 30 June 2017	1,389,730



# BRITISH MARINE FEDERATION (A COMPANY LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

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9. TANGIBLE FIXED ASSETS (continued)  
COMPANY

	<i>Office fixtures &amp; equipment</i> £
Cost	
At 1 July 2017	947,560
Additions	10,042
Disposals	(109,893)
	<hr/>
At 30 June 2018	847,709
	<hr/>
Depreciation	
At 1 July 2017	816,693
Charge for the year	34,402
Disposals	(104,036)
	<hr/>
At 30 June 2018	747,059
	<hr/>
Net book value	
At 30 June 2018	100,650
	<hr/>
At 30 June 2017	130,867
	<hr/>

10. FIXED ASSET INVESTMENTS  
GROUP

	<i>Listed investments</i> £
Valuation	
At 1 July 2017	3,422,742
Additions	1,422,580
Disposals	(1,361,005)
Valuation changes	(78,948)
	<hr/>
At 30 June 2018	3,405,369
	<hr/>
At 30 June 2017	3,422,742
	<hr/>

The cost of the listed investments at 30 June 2018 was £3,166,271 (2017: £2,690,206).

# BRITISH MARINE FEDERATION (A COMPANY LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

### 10. FIXED ASSET INVESTMENTS (continued) COMPANY

	<i>Listed investments</i>	<i>Shares in group undertakings</i>	<i>Total investments</i>
	£	£	£
Cost/valuation			
At 1 July 2017	3,422,742	225,184	3,647,926
Additions	1,422,580	-	1,422,580
Disposals	(1,361,005)	-	(1,361,005)
Valuation changes	(78,948)	-	(78,948)
	<hr/>	<hr/>	<hr/>
At 30 June 2018	3,405,369	225,184	3,630,553
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 June 2018	3,405,369	225,184	3,630,553
	<hr/>	<hr/>	<hr/>
At 30 June 2017	3,422,742	225,184	3,647,926
	<hr/>	<hr/>	<hr/>

The cost of the listed investments at 30 June 2018 was £3,166,271 (2017: £2,690,206).

The company holds 100% of the ordinary share capital of the following subsidiary undertakings:

Company	Country of Incorporation	Nature of business
BMF Property Limited	Great Britain	Property ownership
National Boat Shows Limited	Great Britain	Boat show organisers
Southampton International Boat Show Limited	Great Britain	Boat show organisers

The registered address of the above subsidiaries is Marine House, Thorpe Lea Road, Egham, Surrey, TW20 8BF.

# BRITISH MARINE FEDERATION (A COMPANY LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

### 11. DEBTORS

	GROUP		COMPANY	
	2018	2017	2018	2017
	£	£	£	£
Due within one year				
Trade debtors	3,902,028	3,803,628	899,984	1,120,439
Amounts owed by group undertakings	-	-	2,542,646	1,073,341
Corporation tax receivable	6,129	-	-	-
Other debtors	57,524	31,284	57,524	31,284
Deferred tax asset (note 14)	57,478	-	56,860	-
	<u>4,023,159</u>	<u>3,834,912</u>	<u>3,557,014</u>	<u>2,225,064</u>

### 12. CREDITORS: Amounts falling due within one year

	GROUP		COMPANY	
	2018	2017	2018	2017
	£	£	£	£
Bank overdrafts	687,219	767,837	687,219	767,837
Trade creditors	450,750	342,509	211,401	183,360
Amounts owed to group undertakings	-	-	3,236,086	1,617,702
Corporation tax payable	-	13,303	-	1,071
Other taxes and social security	724,950	686,406	280,638	294,990
Other creditors	343,683	310,887	234,495	258,861
	<u>2,206,602</u>	<u>2,120,942</u>	<u>4,649,839</u>	<u>3,123,821</u>

### 13. FINANCIAL INSTRUMENTS

The carrying amount of the Group's financial instruments at 30 June were

	GROUP	
	2018	2017
	£	£
Financial assets:		
- Debt instruments measured at amortised costs	3,959,552	3,834,912
- Investments measured at fair value	3,405,369	3,422,742
	<u>7,364,921</u>	<u>7,257,654</u>
Financial liabilities:		
- Measured at amortised cost	1,809,310	1,717,703
	<u>1,809,310</u>	<u>1,717,703</u>

# BRITISH MARINE FEDERATION (A COMPANY LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

### 14. PROVISIONS

	<i>Deferred taxation</i>
GROUP	£
Balance at 1 July 2017	29,780
Released in the year	(87,258)
	<u>(57,478)</u>
Balance at 30 June 2018 (note 11)	<u>(57,478)</u>
COMPANY	£
Balance at 1 July 2017	30,534
Released in the year	(87,394)
	<u>(56,860)</u>
Balance at 30 June 2018 (note 11)	<u>(56,860)</u>

Deferred taxation provided in the financial statements as follows:

GROUP	2018 £	2017 £
Fixed asset timings differences	(14,976)	(3,261)
Short term timing differences	(1,776)	(203)
Assets measured at fair value	31,254	108,947
Losses available	(71,980)	(75,703)
	<u>(57,478)</u>	<u>29,780</u>
COMPANY	2018 £	2017 £
Fixed asset timings differences	(14,358)	(2,507)
Short term timing differences	(1,776)	(203)
Assets measured at fair value	31,254	108,947
Losses available	(71,980)	(75,703)
	<u>(56,860)</u>	<u>30,534</u>

# BRITISH MARINE FEDERATION (A COMPANY LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

### 15. LIMITED BY GUARANTEE

The liability of each Member of British Marine is limited to £1, being the amount that each Member undertakes to contribute to the assets of British Marine in the event of its being wound up while the business concerned is a Member or within one year after that business ceases to be a Member, for-

- (a) payment of British Marine's debts and liabilities contracted before they ceased to be a Member,
- (b) payment of the costs, charges and expenses of winding up, and
- (c) adjustment of the rights of the contributories among themselves.

### 16. RESERVES

#### *Fair value reserve*

This represents the unrealised fair value gains arising on the group's trade investments.

#### *Capital reserve*

This reserve represents the reserve arising on the group reconstruction upon the incorporation of the company.

#### *Profit and loss account*

This represents the accumulated profits of the group and company.

### 17. CASH FLOWS

17. CASH FLOWS		2018	2017	
		£	£	
a.	Reconciliation of loss after tax to net cash generated from/(used in) operations			
	(Loss)/profit after tax	(492,232)	418,444	
	Adjustments for:			
	Taxation	(93,387)	61,704	
	Interest payable	30,987	8,861	
	Depreciation of tangible fixed assets	64,402	73,624	
	Amortisation of intangible fixed assets	114,402	125,675	
	Interest receivable	-	(89)	
	(Gain)/loss on disposal of investments	(243,676)	14,344	
	Loss on disposal of fixed assets	5,956	-	
	Investment income received	(100,098)	(83,969)	
	Fair value losses/(gains) on investments	78,948	(402,118)	
	Operating cash flow movements in working capital	(634,698)	216,476	
	(Increase)/decrease in debtors	(124,640)	758,442	
	Decrease in prepayments and accrued income	150,497	572,739	
	Increase/(decrease) in creditors within one year	172,756	(732,276)	
	Increase/(decrease) in accruals and deferred income	307,648	(677,539)	
	Cash generated from operating activities	(128,437)	116,842	
b.	Analysis of net debt	1 July 2017	Cash flow	30 June 2018
		£	£	£
	Net cash:			
	Cash at bank and in hand	33,289	2,012	35,301
	Bank overdrafts	(767,837)	80,618	(687,219)
	Net debt	(734,548)	82,630	(651,918)

# BRITISH MARINE FEDERATION (A COMPANY LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

### 17. CASH FLOWS (Continued)

c.	2018 £	2017 £
Reconciliation of net cash flow to movement in net debt		
Increase in cash in the year	82,630	91,774
Movement in net debt in the year	82,630	91,774
Opening net debt	(734,548)	(826,332)
Closing net debt	(651,918)	(734,558)

### 18. COMMITMENTS UNDER OPERATING LEASES

#### The Group as a lessee:

The total future minimum lease payments under non-cancellable operating leases for exhibition space are as follows:

	2018 £	2017 £
Amounts due:		
Within one year	163,676	61,911
Between one and five years	-	185,734
	163,676	247,645

The total future minimum lease payments under non-cancellable operating leases for plant and machinery are as follows:

	2018 £	2017 £
Amounts due:		
Within one year	25,180	31,015
Between one and five years	19,673	29,131
	44,853	60,146

#### The Group as a lessor:

At the year end, the company had contracted with tenants, under non-cancellable operating leases, for the following future minimum lease payments:

	2018 £	2017 £
Amounts due:		
Within one year	56,003	54,547
Between one and five years	25,824	90,780
	81,827	145,327

The operating leases receivable represent amounts due from tenants in respect of the investment property. This relates to one property rented to two tenants with current annual income of £52,444 and lease expiry dates of August 2019 and June 2021. The next rent reviews will take place in June 2019.

# BRITISH MARINE FEDERATION (A COMPANY LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

### 18. COMMITMENTS UNDER OPERATING LEASES (CONTINUED)

#### The Company as a lessee:

The total future minimum lease payments under non-cancellable operating leases for plant and machinery are as follows:

	2018	2017
	£	£
Amounts due:		
Within one year	30,714	31,015
Between one and five years	36,275	29,131
	<u>66,989</u>	<u>60,146</u>

### 19. PENSION COSTS

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 to certain employees' individual money purchase pension schemes.

	2018	2017
	£	£
Contributions payable by the group for the year	<u>74,724</u>	<u>92,911</u>

Contributions totalling £6,795 (2017: £27,093) were payable to the schemes at the year end.

### 20. TRANSACTIONS WITH DIRECTORS

No director, who is an exhibitor at the group's exhibitions and shows, receives any preferential rates for exhibiting at them.

The company has taken advantage of the exemptions provided by FRS102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

### 21. CONTINGENT LIABILITY

The company is included in the group registration for VAT purposes and is therefore jointly and severally liable for all other participating group undertakings' unpaid debts in the connection. The total liability for the VAT group is £674,686 at 30 June 2018 (2017: £604,143).

### 22. CONTROL

The ultimate controlling party is the Board of Directors who are elected by the members of the British Marine Federation.