

Aquavista Watersides Ltd

Annual Report and Financial Statements

Year Ended

31 March 2023

Company Number 04930453

WEDNESDAY



ACHSC2D6

A07

06/12/2023

#16

COMPANIES HOUSE

Aquavista Watersides Ltd

Company Information

Directors	A Lloyd S M De Polo M S Wanless
Registered number	04930453
Registered office	Sawley Marina Long Eaton Nottinghamshire NG10 3AE
Independent auditor	BDO LLP Water Court, Ground Floor Suite B 116 118 Canal Street Nottingham NG1 7HF

Aquavista Watersides Ltd

Contents

	Page
Strategic Report	1 - 4
Directors' Report	5 - 6
Independent Auditor's Report	7 - 10
Statement of Comprehensive Income	11
Balance Sheet	12
Statement of Changes in Equity	13
Notes to the Financial Statements	14 - 30

Aquavista Watersides Ltd

Strategic Report For the Year Ended 31 March 2023

Objective and strategy

The Company operates 18 marinas with over 2,500 moorings across England, part of the wider Group (Aquavista Watersides Topco Limited and its subsidiaries) that operates a total of 29 sites with over 5,000. The principal objective of the Company is the operation of these marinas and associated services to provide an excellent quality of experience for customers whilst maximising the returns for shareholders.

The key to achieving this is the recruitment and retention of a well-trained and motivated workforce supported by a strong brand and marketing message and investment in the marina infrastructure to improve its offering to customers and drive strong shareholder returns.

The Group operates a range of sites across the inland and coastal network and is the only large marina operator to offer planning approved residential moorings to its customers. We operate over 900 of these currently across 17 sites with plans to extend this offering further into other locations under the Group's management.

Having successfully completed the acquisition of Castle Marinas Limited and its subsidiaries on 1 December 2021, the Company is now focused on building on this industry leading platform to improve customer services through targeted capital investment to create long-term value.

This acquisition has allowed us to create an unparalleled portfolio of inland and coastal sites which through further targeted investment has enabled the brand to offer greater benefits to all mooring customers through initiatives such as Explore 34 and our Moor Card. These strategic initiatives allow our annual contract holders access to a series of national and local commercial benefits that improve their mooring experience. This includes the ability to spend up to 34 nights away from their "home" berth at any of Aquavista's other marinas across the network allowing our customers to make the most of life boating with us.

Business review

The Company's results comprise the trading activities for the year ended 31 March 2023.

The integration of the Castle Marinas business has resulted in an increase in revenues and other trading balances. The Company's results for the year show an operating profit of £2,055,000 (2022 - £1,070,000), a profit for the year of £1,239,000 (2022 - £324,000), and turnover of £15,281,000 (2022 - £12,234,000). There were £955,000 of exceptional costs relation to acquisitions and the integration of the Castle Marinas business.

In the prior year, exceptional costs were £1,099,000, of which £622,000 related to aborted acquisition costs, £402,000 related to the integration of the Castle Marinas business, £37,000 related to remedial works and £38,000 related to operational restructuring costs.

Trading for the Company has remained resilient. Management accounts show that average occupancy for the Group remained in line with the prior year at 84%, but revenue from moorings has increased by 34% from the prior year due to the integration of the Castle business and higher yields.

The Company utilises a range of key performance indicators to manage the business, including total revenue, occupancy, profitability and cash generation. The Company's cash position increased from £2,792,000 to £3,423,000 during the year.

Aquavista Watersides Ltd

Strategic Report (continued) For the Year Ended 31 March 2023

Business review (continued)

The revenue performance by each of the main business areas was:

	2023 £000	2022 £000
Moorings (including hardstanding)	10,220	7,622
Floating homes	1,615	1,830
Retail	640	517
Brokerage fees	831	207
Other income	1,975	2,058
Total	15,281	12,234

Other income includes revenue from marina services, property rents, caravan permits, storage, car parking and cost recoveries.

Overall income has increased by 24.9% (2022 - 21.6%) driven by moorings as a result of integrating Castle Marinas sites into the Aquavista portfolio with an average of 84% of berths filled across the year for the Group.

Key movements on the Balance Sheet show;

- An increase in our fixed assets of £1,389,000 (2022 - £543,000 increase) reflecting infrastructure spend on our marina portfolio.
- An increase of £1,229,000 (2022 - £171,000 increase) in stock being floating homes held for resale at the year end.
- An increase in cash held at the end of the period from £2,972,000 to £3,423,000 (2022 - £1,739,000 increase).

Going concern

In order to form an assessment of the continued applicability of the going concern basis of preparation, the Directors have prepared trading and cash flow forecasts for the Company for a period of at least 12 months from the date of approval of the financial statements. The Directors have also received and reviewed the trading and cash flow forecasts and associated credit facilities of the Group, including the Group's assessment of the recent and forecast future compliance with the associated covenants. These trading and cash flow forecasts indicate the Group will be able to operate within the committed facilities and in full compliance with all associated covenants.

Given the ongoing economic uncertainty, particularly around inflation and interest rates, the Directors have also applied various sensitivities to the trading and cash flow forecasts. These scenarios confirm that the Group will be able to continue to operate and settle its liabilities as they fall due under all reasonably foreseeable scenarios. Should the potential future impacts be greater than the Directors predict, they would look to implement cost management and cash flow initiatives.

Aquavista Watersides Ltd

Strategic Report (continued) For the Year Ended 31 March 2023

Going concern (continued)

The Company has net current liabilities of £34,961,000 (2022 - £35,019,000) at 31 March 2023. This includes amounts owed to Aquavista Watersides 2 Ltd, the parent company, of £60,284,000 (2022 - £58,661,000) and to Project Belize Limited, the parent of Aquavista Watersides 2 Ltd, of £12,338,000 (2022 - £11,434,000) which are repayable on demand. The Directors of Aquavista Watersides 2 Ltd and Project Belize Limited have confirmed, in writing, that they will not demand repayment of these loans if the funds are required to allow the Company to continue to trade. In addition, based upon review of the Group's trading and cash flow forecasts, the Directors are satisfied that the Cross Guarantee in respect of Group Borrowings (note 23) will not crystallise in the foreseeable future. Based on the above the Directors are satisfied that the Company will be able to continue as a going concern.

Principal risks and uncertainties

The Group's operations are managed according to policies and procedures approved by the Board of Directors. The risks associated with the trade of Aquavista Watersides Ltd are summarised below.

Competition

The Company operates in a competitive environment with other Marinas in similar geographic locations. The actions and performance of a competitor can have an impact on the Company. Competitors' pricing and strategies are kept under review and the Company strives to mitigate this risk by maintaining and improving customer service and investing in essential infrastructure to remain competitive.

Information systems

The Company's activities are dependent upon the performance of a variety of software packages and the stability of the platforms upon which they are hosted. The Company has utilised off site hosting and has partnered with a specialist IT support company to provide comprehensive support as well as investing in internal IT resource during this period. In addition, the Company's systems underwent penetration testing and we have introduced mandatory cyber security training for all staff.

Retention of key personnel

The retention of key personnel is a significant factor in the Company's ability to meet its growth expectations. The Company's employment policies, remuneration and benefits packages are regularly reviewed and are designed to be competitive.

Macro economy

The current year has seen high interest rates and inflation that impact the company directly and indirectly through the effect on our customers. The war in Ukraine led to more volatile energy costs across the year and contributes to further pressure on the cost of living. There remains uncertainty around how quickly inflation and interest rates will fall in the future.

Environment

The impact and trajectory of climate change remains uncertain, but could potentially have significant effects on the business in the future.

Aquavista Watersides Ltd

Strategic Report (continued) For the Year Ended 31 March 2023

Financial risk management

The Company's activities expose it to financial risks including credit risk, interest rate risk and liquidity risk.

Credit risk

The Company's principal financial assets are bank balances and cash, trade debtors and other receivables. The Company's credit risk is primarily related to trade debtors. The amount shown in the Balance Sheet is net of allowances for doubtful receivables. The Company has no concentration of credit risk with the amounts due spread over many customers and is continuing to improve its processes around the management of this to further reduce its exposure.

Interest rate risk

The Company finances its operations through a mixture of retained profits and borrowings from its holding company, Aquavista Watersides 2 Ltd. Aquavista Watersides 2 Ltd has an interest rate cap in place to reduce its exposure to interest rate risk.

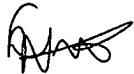
Liquidity risk

The Company has long-term loan facilities totalling £70.3m and undrawn short-term Revolving Credit Facilities totalling £4.4m through its parent company, Aquavista Watersides 2 Ltd. Future cashflows are closely monitored to manage cashflow and liquidity risk.

Price Risk

The Company is exposed to fluctuations in pricing of supplies and seeks to mitigate this wherever appropriate by making use of fixed-price contracts.

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



S M De Polo
Director

Date: 1 December 2023

Aquavista Watersides Ltd

Directors' Report For the Year Ended 31 March 2023

The Directors present their report together with the audited financial statements for the year ended 31 March 2023.

Principal activity

The principal objective of the Company is the operation of a portfolio of marinas and associated services in the United Kingdom to provide an excellent quality of experience for customers whilst maximising the returns for shareholders.

Results and dividends

The profit for the year, after taxation, amounted to £1,239,000 (2022 - £324,000).

The Directors do not recommend the payment of a dividend (2022 - £Nil).

Directors

The Directors who served during the year, and up to the date of this report, were:

A Lloyd
S M De Polo
R Sang (resigned 25 July 2023)
M S Wanless
A J Saunders (resigned 31 August 2023)

Directors' responsibilities statement

The Directors are the Strategic Report, 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 Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Aquavista Watersides Ltd

Directors' Report (continued) For the Year Ended 31 March 2023

Future developments

The Company will continue its work to fully integrate the Castle Marinas sites into its operations over the coming year. The core operations of the business are not expected to change significantly.

Qualifying third party indemnity provisions

Throughout the year and up to the date of this report the Company maintained qualifying third party indemnity insurance for the Directors.

Disclosure of information to auditor

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

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

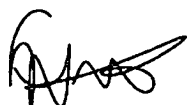
Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



S M De Polo
Director

Date: 1 December 2023

Aquavista Watersides Ltd

Independent Auditor's Report to the Members of Aquavista Watersides Ltd

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Aquavista Watersides Ltd ("the Company") for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

Aquavista Watersides Ltd

Independent Auditor's Report to the Members of Aquavista Watersides Ltd (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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 have been prepared in accordance with applicable legal requirements.

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

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the 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 Company or to cease operations, or have no realistic alternative but to do so.

Aquavista Watersides Ltd

Independent Auditor's Report to the Members of Aquavista Watersides Ltd (continued)

Auditor's responsibilities for the audit of the financial statements

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be UK Accounting Standards (FRS 102), Companies Act 2006, Corporate and VAT legislation, Employment Taxes, and Bribery Act 2010.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be Health and Safety legislation, Local Authority legislation and regulations and Maritime and Coastguard Agency regulations.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with relevant authorities for any instances of non-compliance with laws and regulations; and
- Review of financial statement disclosures and agreeing to supporting documentation.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- We remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Aquavista Watersides Ltd

Independent Auditor's Report to the Members of Aquavista Watersides Ltd (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

Based on our risk assessment, we considered the area's most susceptible to fraud to be management override of controls and revenue, specifically the manipulation of revenue using fraudulent journals.

Our procedures in respect of the above included:

- Testing of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Consideration of significant accounting estimates for evidence of misstatement or possible bias and testing any significant transactions that appeared to be outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

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.

DocuSigned by:

Cindy Hrkalovic

7FC81602FBEA456...

Cindy Hrkalovic (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Nottingham

United Kingdom

Date: 01 December 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Aquavista Watersides Ltd

Statement of Comprehensive Income For the Year Ended 31 March 2023

	Note	2023 £000	2022 £000
Turnover	4	15,281	12,234
Cost of sales		(1,340)	(1,450)
Gross profit		13,941	10,784
Administrative expenses		(10,931)	(8,619)
Exceptional administrative expenses	5	(955)	(1,099)
Other operating income	7	-	4
Operating profit	6	2,055	1,070
Interest payable and similar charges	11	(557)	(539)
Profit before tax		1,498	531
Tax on profit	12	(259)	(207)
Profit for the financial year		1,239	324

All amounts above relate to continuing activities.

There was no other comprehensive income for 2023 (2022 - £Nil).

The notes on pages 14 to 30 form part of these financial statements.

Aquavista Watersides Ltd

Registered number: 04930453

Balance Sheet As at 31 March 2023

	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	13	654	761
Tangible fixed assets	14	26,228	24,837
Investments	15	20,903	20,903
		<u>47,785</u>	<u>46,501</u>
Current assets			
Stocks	16	1,825	596
Debtors: amounts falling due within one year	17	38,639	36,144
Cash at bank and in hand		3,423	2,792
		<u>43,887</u>	<u>39,532</u>
Current liabilities			
Creditors: amounts falling due within one year	18	(78,848)	(74,551)
Net current liabilities		<u>(34,961)</u>	<u>(35,019)</u>
Total assets less current liabilities		<u>12,824</u>	<u>11,482</u>
Non current liabilities			
Creditors: amounts falling due after more than one year	19	(8)	(12)
Provisions for liabilities			
Deferred tax	20	(835)	(728)
Net assets		<u>11,981</u>	<u>10,742</u>
Capital and reserves			
Called up share capital	21	2	2
Share premium account	22	11,159	11,159
Profit and loss account	22	820	(419)
Total equity		<u>11,981</u>	<u>10,742</u>

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



S M De Polo
Director

Date: 1 December 2023

The notes on pages 14 to 30 form part of these financial statements.

Aquavista Watersides Ltd

Statement of Changes in Equity For the Year Ended 31 March 2023

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 April 2022	2	11,159	(419)	10,742
Comprehensive income for the year				
Profit for the year	-	-	1,239	1,239
Total comprehensive income for the year	-	-	1,239	1,239
At 31 March 2023	2	11,159	820	11,981

Statement of Changes in Equity For the Year Ended 31 March 2022

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 April 2021	2	11,159	(743)	10,418
Comprehensive income for the year				
Profit for the year	-	-	324	324
Total comprehensive income for the year	-	-	324	324
At 31 March 2022	2	11,159	(419)	10,742

The notes on pages 14 to 30 form part of these financial statements.

Aquavista Watersides Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

1. General information

Aquavista Watersides Ltd is a private limited company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the Company's operations and its principal activities are set out 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 management to exercise judgement in applying the Company's accounting policies (see note 3).

The financial statements are prepared in Pounds Sterling (£), which is the functional currency of the Company, and are rounded to the nearest £'000.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Aquavista Watersides Topco Ltd as at 31 March 2023 and these financial statements may be obtained from Sawley Marina, Long Eaton, Nottinghamshire, NG10 3AE.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

Aquavista Watersides Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.4 Going concern

In order to form an assessment of the continued applicability of the going concern basis of preparation, the Directors have prepared trading and cash flow forecasts for the Company for a period of at least 12 months from the date of approval of the financial statements. The Directors have also received and reviewed the trading and cash flow forecasts and associated credit facilities of the Group, including the Group's assessment of the recent and forecast future compliance with the associated covenants. These trading and cash flow forecasts indicate the Group will be able to operate within the committed facilities and in full compliance with all associated covenants.

Given the ongoing economic uncertainty, particularly around inflation and interest rates, the Directors have also applied various sensitivities to the trading and cash flow forecasts. These scenarios confirm that the Group will be able to continue to operate and settle its liabilities as they fall due under all reasonably foreseeable scenarios. Should the potential future impacts be greater than the Directors predict, they would look to implement cost management and cash flow initiatives.

The Company has net current liabilities of £34,961,000 (2022 - £35,019,000) at 31 March 2023. This includes amounts owed to Aquavista Watersides 2 Ltd, the parent company, of £60,284,000 (2022 - £58,661,000) and to Project Belize Limited, the parent of Aquavista Watersides 2 Ltd, of £12,338,000 (2022 - £11,434,000) which are repayable on demand. The Directors of Aquavista Watersides 2 Ltd and Project Belize Limited have confirmed, in writing, that they will not demand repayment of these loans if the funds are required to allow the Company to continue to trade. In addition, based upon review of the Group's trading and cash flow forecasts, the Directors are satisfied that the Cross Guarantee in respect of Group Borrowings (note 23) will not crystallise in the foreseeable future. Based on the above the Directors are satisfied that the Company will be able to continue as a going concern.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company 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 Company 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.

Aquavista Watersides Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.5 Revenue (continued)

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the 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 Company 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.

Revenue invoiced in advance is held in deferred income until the service has been provided whilst revenue billed in arrears is included within accrued income.

2.6 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.7 Government grants

Government grants including the CJRS grants and the Retail, Leisure and Hospitality grants are accounted for under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.8 Interest expenses

Interest expenses are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Pensions

Defined contribution pension plan

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

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

Aquavista Watersides Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.10 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

2.11 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.12 Intangible assets

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value 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 Statement of Comprehensive Income over its useful economic life. Goodwill is amortised over 20 years.

Other intangible assets

Other intangible assets consist of the Aquavista website. 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. The website is deemed to have a useful economic life of five years.

2.13 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.

Aquavista Watersides Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-
- Buildings	- 2.5%
- Pontoons	- 4 - 10%
Long-term leasehold property	-
- Long leases	- The unexpired lease term
- Buildings	- 2.5%
- Pontoons	- 4 - 10%
Plant and machinery	- 4 - 25%

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.14 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each Balance Sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each Balance Sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 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 the Statement of Comprehensive Income.

Aquavista Watersides Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.17 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.19 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.20 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

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

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

In preparing these financial statements, the Directors have made the following judgements:

a) Operating leases

A number of marinas are held on long term leases. Judgement is made to classify these as operating leases and not finance leases. This is based on the assessment indicators in FRS 102. Included within these is a comparison between lease length and useful economic life. In estimating the useful economic life, management consider the age of other similar assets on the waterway network from which value is still being derived (e.g docks) and lease terms on similar properties.

b) Recoverability of intercompany receivables

The Directors consider intercompany receivables to be recoverable in full given the structure of the group and current trading.

c) Impairment of tangible and intangible assets

Determine whether there are indicators of impairment of the Company's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

There are no key sources of estimation uncertainty.

Aquavista Watersides Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £000	2022 £000
Moorings (including hardstanding)	10,220	7,622
Retail	640	517
Floating Homes	1,615	1,830
Brokerage Fees	831	207
Other income	1,975	2,058
	<u>15,281</u>	<u>12,234</u>

Other income includes revenue from marina services, property rents, caravan permits, storage, car parking and cost recoveries.

All turnover arose within the United Kingdom.

5. Exceptional items

	2023 £000	2022 £000
Abortive acquisition costs	471	622
Remedial works	-	37
Redundancy costs	-	38
Integration costs	484	402
	<u>955</u>	<u>1,099</u>

During the current year and prior year the Company incurred the following exceptional items:

- Costs of £471,000 (2022 - £622,000) in respect of the acquisition of marinas which were subsequently aborted.
- Costs of £Nil (2022 - £37,000) in respect of remedial works in relation to electrical works and floating homes.
- Costs of £Nil (2022 - £38,000) incurred by the Company to replace senior staff who left the business.
- Costs of £484,000 (2022 - £402,000) in respect of the integration of the Castle Marinas business into the Aquavista Group.

Aquavista Watersides Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

6. Operating profit

The operating profit is stated after charging:

	2023 £000	2022 £000
Intangible assets - amortisation	107	105
Tangible fixed assets - depreciation	1,430	1,641
Operating lease expense - property	139	139
Operating lease expense - plant and machinery	92	92
	<u> </u>	<u> </u>

7. Other operating income

	2023 £000	2022 £000
Government grants received in respect of CJRS grants and Retail, Leisure and Hospitality grants	-	4
	<u> </u>	<u> </u>

8. Auditor's remuneration

	2023 £000	2022 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's financial statements	37	29
	<u> </u>	<u> </u>

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

Aquavista Watersides Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

9. Employees

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

	2023 £000	2022 £000
Wages and salaries	4,474	2,472
Social security costs	432	222
Cost of defined contribution scheme	227	176
	<u>5,133</u>	<u>2,870</u>

Included in the amounts above are £314,000 charged to exceptional items (2022 – £72,000) and £1,138,000 in relation to employees at Castle Marinas sites (2022 - £nil).

During the year, a total of £173,000 (2022 - £nil) of staff costs were capitalised.

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

	2023 No.	2022 No.
Full time	91	63
Part time	105	46
	<u>196</u>	<u>109</u>

Staff costs and staff numbers for the year ended 31 March 2023 included £1,138k of costs and 75 employees related to a fellow subsidiary, Castle Marinas Limited. These staff were contracted to the Company from 1 April 2022 but have continued to work at marinas of Castle Marinas Limited. Accordingly, these costs were recharged to Castle Marinas Limited.

10. Directors' remuneration

	2023 £000	2022 £000
Directors salaries	639	584
Directors pension costs	78	43
	<u>717</u>	<u>627</u>

During the year retirement benefits were accruing to 5 Directors (2022 - 5) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £170,000 (2022 - £173,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £24,000 (2022 - £14,000).

Aquavista Watersides Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

11. Interest payable and similar charges

	2023 £000	2022 £000
Interest payable to group companies	557	539

12. Taxation

	2023 £000	2022 £000
Corporation tax		
Current tax on profits for the year	150	-
Adjustments in respect of previous periods	2	-
Total current tax	152	-
Deferred tax		
Origination and reversal of timing differences	103	42
Adjustments in respect of previous periods	(29)	-
Effect of change in rates	33	165
Total deferred tax	107	207
Taxation charge on profit	259	207

Aquavista Watersides Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - higher than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £000	2022 £000
Profit before tax	1,498	531
Profit multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	285	101
Effects of:		
Expenses not deductible for tax purposes	286	92
Adjustments in respect of previous periods	(29)	-
Non qualifying fixed asset differences	-	184
Group relief	(316)	(353)
Movement in deferred tax not recognised	-	8
Adjustments in respect of change in rates	33	175
Total tax charge for the year	259	207

Factors that may affect future tax charges

On the 3rd March 2021 Budget it was announced that the UK corporation tax rate will increase to 25% from 1 April 2023. This was substantively enacted on 24 May 2021.

Aquavista Watersides Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

13. Intangible assets

	Website development £000	Goodwill £000	Total £000
Cost			
At 1 April 2022	152	2,354	2,506
At 31 March 2023	152	2,354	2,506
Amortisation			
At 1 April 2022	55	1,690	1,745
Charge for the year	31	76	107
At 31 March 2023	86	1,766	1,852
Net book value			
At 31 March 2023	66	588	654
At 31 March 2022	97	664	761

Goodwill arising on acquisition of marinas is being amortised over the directors' estimate of its useful life of 20 years from October 2011. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed and assumptions that market participants would consider in respect of similar businesses.

Aquavista Watersides Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

14. Tangible fixed assets

	Freehold property £000	Long-term leasehold property £000	Plant and machinery £000	Total £000
Cost				
At 1 April 2022	15,957	14,669	3,910	34,536
Additions	622	2,271	97	2,990
Disposals	(169)	-	-	(169)
Transfers between classes	1,466	585	(2,051)	-
At 31 March 2023	17,876	17,525	1,956	37,357
Depreciation				
At 1 April 2022	4,003	2,740	2,956	9,699
Charge for the year	711	524	195	1,430
Transfers between classes	1,466	585	(2,051)	-
At 31 March 2023	6,180	3,849	1,100	11,129
Net book value				
At 31 March 2023	11,696	13,676	856	26,228
At 31 March 2022	11,954	11,929	954	24,837

Transfers between classes reflect movement of existing assets which have been reclassified to better reflect the nature of the assets.

15. Fixed asset investments

	Investments in subsidiary company £000
Cost	
At 1 April 2022	20,903
At 31 March 2023	20,903

Aquavista Watersides Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

15. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Castle Marinas Limited	Ordinary	100
Birdham Pool Ltd **	Ordinary	100
Clarence Marina Limited **	Ordinary	100
Buckden Marina Ltd**	Ordinary	100
Kings Bromley Marina Limited **	Ordinary	100
Nottingham Castle Marina Limited **	Ordinary	100
Ventnor Marina Limited **	Ordinary	100
Wigrams Turn Marina Limited **	Ordinary	100
Crick Marina Limited **	Ordinary	100
Cropredy Marina Limited **	Ordinary	100
Birdham Shipyard Ltd **	Ordinary	100
Castle Marinas One Limited **	Ordinary	100
Castle Marinas Three Limited**	Ordinary	100

** Subsidiaries of Castle Marinas Limited

With the exception of Castle Marinas Limited, the principal activity of all subsidiaries is marina operations. Castle Marinas Limited's principal activities is an intermediate holding company as well as marina operations.

The registered office of Aquavista Watersides Ltd and all its subsidiaries is Sawley Marina, Long Eaton, Nottinghamshire, NG10 3AE.

16. Stocks

	2023 £000	2022 £000
Finished goods and goods for resale	1,825	596

Stocks are stated after provision for impairment of £73,000 (2022 - £42,000).

Aquavista Watersides Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

17. Debtors: amounts falling due within one year

	2023 £000	2022 £000
Trade debtors	506	537
Amounts owed by group undertakings	36,983	34,803
Other debtors	562	440
Prepayments and accrued income	588	364
	<u>38,639</u>	<u>36,144</u>

Trade debtors are stated after provision for impairment of £100,000 (2022 - £100,000).

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

18. Creditors: amounts falling due within one year

	2023 £000	2022 £000
Trade creditors	1,144	967
Amounts owed to group undertakings	72,622	70,094
Corporation tax	150	-
Other taxation and social security	109	196
Other creditors	188	777
Accruals and deferred income	4,635	2,517
	<u>78,848</u>	<u>74,551</u>

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

19. Creditors: amounts falling due after more than one year

	2023 £000	2022 £000
Other creditors	<u>8</u>	<u>12</u>

Aquavista Watersides Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

20. Deferred taxation

	2023 £000
At beginning of year	(728)
Charged to Statement of Comprehensive Income	(107)
At end of year	(835)

The provision for deferred taxation is made up as follows:

	2023 £000	2022 £000
Accelerated capital allowances	(874)	(781)
Other timing differences	39	53
	(835)	(728)

21. Share capital

	2023 £000	2022 £000
Allotted, called up and fully paid		
2,116 (2022 - 2,116) Ordinary shares of £1 each	2	2

22. Reserves

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Share premium account

The share premium account includes any premium received on issue of share capital.

Profit and loss account

The profit and loss account includes all current and prior period profits and losses, net of dividends and historic gift aid payments.

Aquavista Watersides Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

23. Contingent liabilities

As at 31 March 2023, there were guarantees with group companies in respect of group borrowings which are secured by a fixed and floating charge over the properties of Aquavista Watersides Ltd and Castle Marinas Limited and its subsidiaries. At the year end date the total drawn bank facilities over which a guarantee has been given were £70.3m (2022 - £60.9m) of outstanding capital.

24. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge cost represents contributions by the Company to the fund and amounted to £227,000 (2022 - £167,000). Contributions totalling £36,000 (2022 - £91,000) were payable to the fund at the Balance Sheet date.

25. Commitments under operating leases

At 31 March 2023, the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £000	2022 £000
Not later than 1 year	213	228
Later than 1 year and not later than 5 years	701	775
Later than 5 years	12,470	12,609
	<u>13,384</u>	<u>13,612</u>

26. Related party transactions

The Company has taken advantage of the exemption offered by Financial Reporting Standard 102 (section 33) from the requirement to disclose transactions with other group companies that are 100% owned.

27. Controlling party

As at the year end, the Company was controlled by Aquavista Watersides 2 Ltd, a company incorporated in the United Kingdom. Aquavista Watersides Topco Ltd is the ultimate parent company and its registered office is the same as the Company.

The smallest and largest group for which consolidated accounts are prepared is Aquavista Watersides Topco Ltd. Consolidated accounts are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

No party has a controlling beneficial interest in the Group.