
FAIRLINE YACHTS DESIGN STUDIO LTD

UNAUDITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

FAIRLINE YACHTS DESIGN STUDIO LTD

COMPANY INFORMATION

Directors H Katechia (appointed 16 August 2023)
M Hicks (appointed 16 August 2023)

Registered number 11425221

Registered office Nene Valley Business Park
Oundle
Peterborough
Cambridgeshire
PE8 4HN

FAIRLINE YACHTS DESIGN STUDIO LTD

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FAIRLINE YACHTS DESIGN STUDIO LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The director presents his report and the financial statements for the year ended 31 December 2022.

Directors

The directors who served during the year were:

P J Gryns (resigned 16 August 2023)

P M Pankhania (resigned 17 March 2023)

Going concern

The Company provides product design studio services to Fairline Yachts Limited, a company under common control. The director of Fairline Yachts Design Studio Ltd is also the director of Fairline Yachts Limited.

In March 2023, as part of a wider corporate structure review, the director of Fairline Yachts Design Studio Limited decided to orderly unwind the activities of the Company. The director therefore decided that the Company would cease to trade and all trade, assets and liabilities will be transferred back to Fairline Yachts Limited.

After consideration of the matters above, the director is of the opinion that it is not appropriate to prepare the financial statements on a going concern basis. These financial statements have therefore been prepared on a basis other than going concern basis with assets and liabilities being carried at realisable value. The directors consider that no adjustments were necessary in these financial statements to reduce assets to their realisable values, or to provide for liabilities arising from the decision to wind down operations.

Small companies note

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

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

H Katechia
Director

M Hicks
Director

Date: 22 December 2023

**DIRECTOR'S RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, the director is 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; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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. The Director is 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.

FAIRLINE YACHTS DESIGN STUDIO LTD

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Turnover	487,403	625,000
Gross profit	487,403	625,000
Administrative expenses	(464,193)	(594,790)
Operating profit	23,210	30,210
Interest receivable and similar income	82,434	-
Interest payable and similar expenses	(4,737)	(323,614)
Profit/(loss) before tax	100,907	(293,404)
Tax on profit/(loss)	-	-
Profit/(loss) for the financial year	100,907	(293,404)

There was no other comprehensive income for 2022 (2021 - £Nil).

FAIRLINE YACHTS DESIGN STUDIO LTD
REGISTERED NUMBER:11425221

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	4	1,855,505	1,007,369
Tangible assets	5	1,294,738	-
		<u>3,150,243</u>	<u>1,007,369</u>
Current assets			
Debtors: amounts falling due within one year	6	961,272	1,189,250
Cash at bank and in hand		11,029	471,387
		<u>972,301</u>	<u>1,660,637</u>
Creditors: amounts falling due within one year	7	(1,078,103)	(610,636)
Net current (liabilities)/assets		<u>(105,802)</u>	<u>1,050,001</u>
Total assets less current liabilities		<u>3,044,441</u>	<u>2,057,370</u>
Creditors: amounts falling due after more than one year	8	(5,000,000)	(4,113,836)
Net liabilities		<u>(1,955,559)</u>	<u>(2,056,466)</u>
Capital and reserves			
Called up share capital		1,000	1,000
Capital contribution reserve		2,845,893	2,845,893
Profit and loss account		(4,802,452)	(4,903,359)
Shareholders' deficit		<u>(1,955,559)</u>	<u>(2,056,466)</u>

FAIRLINE YACHTS DESIGN STUDIO LTD
REGISTERED NUMBER:11425221

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

H Katechia
Director

M Hicks
Director

Date: 22 December 2023

The notes on pages 7 to 13 form part of these financial statements.

FAIRLINE YACHTS DESIGN STUDIO LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £	Capital contribution reserve £	Profit and loss account £	Total equity £
At 1 January 2021	1,000	2,845,893	(4,609,955)	(1,763,062)
Comprehensive income for the year				
Loss for the year	-	-	(293,404)	(293,404)
At 1 January 2022	1,000	2,845,893	(4,903,359)	(2,056,466)
Comprehensive income for the year				
Profit for the year	-	-	100,907	100,907
At 31 December 2022	<u>1,000</u>	<u>2,845,893</u>	<u>(4,802,452)</u>	<u>(1,955,559)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Fairline Yachts Studio Design Ltd is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 11425221). The registered office address is Nene Valley Business Park, Oundle, Peterborough, Cambridgeshire, PE8 4HN.

Principal activities

The Company provides product design studio services to Fairline Yachts Limited, a company under common control. The directors of Fairline Yachts Design Studio Limited are also the directors of Fairline Yachts Limited. The Company has no other customers.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The Company provides product design studio services to Fairline Yachts Limited, a company under common control. The director of Fairline Yachts Design Studio Ltd is also the director of Fairline Yachts Limited.

In March 2022, as part of a wider corporate structure review, the director of Fairline Yachts Design Studio Limited decided to orderly unwind the activities of the Company. The director therefore decided that the Company would cease to trade and all trade, assets and liabilities will be transferred back to Fairline Yachts Limited.

After consideration of the matters above, the director is of the opinion that it is not appropriate to prepare the financial statements on a going concern basis. These financial statements have therefore been prepared on a basis other than going concern basis with assets and liabilities being carried at realisable value. The director considers that no adjustments were necessary in these financial statements to reduce assets to their realisable values, or to provide for liabilities arising from the decision to wind down operations.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Turnover represents a charge to its fellow subsidiary company Fairline Yachts Limited in respect of design services provided.

2.5 Interest income

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

2.6 Finance costs

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.7 Intangible assets

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

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

Assets under construction are not amortised.

2.8 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- 50%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.10 Financial instruments**

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

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

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

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

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

2.11 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

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

2022	<i>2021</i>
No.	<i>No.</i>
-	<i>14</i>

FAIRLINE YACHTS DESIGN STUDIO LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Intangible assets

	Assets under construction
	£
Cost	
At 1 January 2022	1,007,369
Additions	848,136
	<hr/>
At 31 December 2022	1,855,505
	<hr/>
Net book value	
At 31 December 2022	1,855,505
	<hr/> <hr/>
<i>At 31 December 2021</i>	<i>1,007,369</i>
	<hr/> <hr/>

5. Tangible fixed assets

	Office equipment
	£
Cost	
At 1 January 2022	-
Additions	1,294,738
	<hr/>
At 31 December 2022	1,294,738
	<hr/>
Net book value	
At 31 December 2022	1,294,738
	<hr/> <hr/>
<i>At 31 December 2021</i>	-
	<hr/> <hr/>

FAIRLINE YACHTS DESIGN STUDIO LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

6. Debtors

	2022 £	2021 £
Amounts owed by group undertakings	890,152	1,188,304
Prepayments and accrued income	71,120	946
	<u>961,272</u>	<u>1,189,250</u>

7. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	264,403	73,042
Other taxation and social security	65,354	114,903
Other creditors	306,202	391,908
Accruals and deferred income	442,144	30,783
	<u>1,078,103</u>	<u>610,636</u>

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

	2022 £	2021 £
Amounts owed to group undertakings	<u>5,000,000</u>	<u>4,113,836</u>

9. Related party transactions

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Controlling party

The immediate parent undertaking is Fairline Yachts Holding Limited, a company incorporated in England and Wales.

The ultimate parent undertaking is Hanover Active Equity Fund II, S.C.A.SICAV-RAIF, a company incorporated in Luxembourg.

The smallest and largest group of undertakings for which group accounts for the year ending 31 December 2022 have been drawn up, is that headed by Fairline Yachts Holding Limited. The registered office address of Fairline Yachts Holding Limited is 25 Savile Row, London, W1S 2ER. Copies of the group accounts are available from Companies House.

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

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.