

Aquavista Watersides Topco Ltd

Annual Report and Financial Statements

Year Ended

31 March 2023

Company Number 13771013

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Aquavista Watersides Topco Ltd

Company Information

Directors	D J Bains S M De Polo N M England G P Fletcher J E Grinsted R J Palmer M S Wanless R Powell
Registered number	13771013
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 Topco Ltd

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Aquavista Watersides Topco Ltd

Group Strategic Report For the Year Ended 31 March 2023

Introduction

The Directors present their Group Strategic Report together with the audited financial statements for the year ended 31 March 2023. The comparative information is for the period from date of incorporation on 29 November 2021 to 31 March 2022.

Objective and strategy

Aquavista operates 29 marinas across England, making it the largest marina operator by number of locations across the UK. The business owns and operates over 5,000 moorings across its 29 locations. The principal objective of the Group 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 business 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 Group 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 Group's results comprise the trading activities for the year ended 31 March 2023.

The Group utilises a range of key performance indicators to manage the business, including total revenue, occupancy volumes and profitability with reference to EBITDA before exceptional and non-recurring costs; with the business delivering growth across each of these key operational metrics. The Group's cash position closed at £4,495,000 (2022 - £4,656,000).

Trading for the Group has remained resilient. Management accounts show that average occupancy remained in line with the prior year at 84%. Marina revenue increase to £16,793,000 from £5,467,000 is largely driven by being a full year's trading of the enlarged group (prior period: 4 months) with revenue yield also increased by 5% from the prior year.

The Group's results for the year show operating loss of £5,202,000 (period ended 31 March 2022 - operating loss of £553,000), a loss for the year of £17,238,000 (period ended 31 March 2022 - £5,165,000), and turnover of £21,149,000 (period ended 31 March 2022 - £6,381,000).

Aquavista Watersides Topco Ltd

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

Business review (continued)

There were £6,573,000 (period ended 31 March 2022 - £1,378,000) of exceptional costs, of which £955,000 (period ended 31 March 2022 - £1,303,000) related to acquisition and integration costs, £Nil (period ended 31 March 2022 - £38,000) related to remedial works, £Nil (period ended 31 March 2022 - £37,000) related to operational restructuring costs and £5,618,000 (period ended 31 March 2022 - £Nil) relating to the impairment of goodwill and tangible assets.

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

	Year ended 31 March 2023	Period from 29 November 2021 to 31 March 2022
	£000	£000
Marina income	16,973	5,467
Retail, brokerage and floating homes	4,176	914
	<u>21,149</u>	<u>6,381</u>

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

Overall income is driven by moorings, with an average of 84% (period ended 31 March 2022 - 84%) of berths filled across the year.

Key movements on the Balance Sheet show:

- A decrease in intangible assets from £14,106,000 to £8,886,000 representing impairment and annual amortisation of goodwill;
- A decrease of £1,372,000 creditors falling due within one year;
- An increase of £14,306,000 in creditors falling due after one year representing additional borrowings and rolled up interest.

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 Group for a period of at least 12 months from the date of approval of the financial statements. The Group has net current liabilities of £2,344,000 (2022 - £4,829,000) and net liabilities of £20,634,000 (2022 - as restated £3,396,000). The Directors have also reviewed the associated credit facilities of the Group, including assessment of the recent and forecast future compliance with covenants. These trading and cash flow forecasts indicate the Group will be able to operate within the committed facilities, without recourse to the equity commitment, 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.

Based on the above the Directors are satisfied that the Group and the Company will be able to continue as a going concern.

Aquavista Watersides Topco Ltd

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

Principal risks and uncertainties

The Group's operations are managed according to policies and procedures approved by the Board of Directors. As a holding company the principal risks relate to the recovery of its investment. The risks associated with the trade of Aquavista Watersides Ltd are disclosed in that company's financial statements and are summarised below.

Competition

The Group 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 Group. Competitors' pricing and strategies are kept under review and the Group strives to mitigate this risk by maintaining and improving customer service and investing in essential infrastructure to remain competitive.

Information systems

The Group'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 Group 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 Group'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 Group's ability to meet its growth expectations. The Group'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 Group 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.

Financial instruments and financial risk management

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

Credit risk

The Group's principal financial assets are bank balances and cash, trade debtors and other receivables. The Group's credit risk is primarily related to trade debtors. The amount shown in the Balance Sheet is net of allowances for doubtful receivables. The Group 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 Group finances its operations through related party loan facilities and long term loan facilities (Loan Facilities B and C and a PIK Facility). The related party loan facilities attract a fixed rate of interest whilst long term loan facilities attract interest based on SONIA plus a margin as described in note 20 to the financial statements. The levels of debt and associated interest costs are carefully monitored and cash generation of the Group is modelled to ensure that all interest payments can be paid when they fall due. Aquavista Watersides 2 Ltd has an interest rate cap in place to reduce its exposure to interest rate risk.

Aquavista Watersides Topco Ltd

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

Financial instruments and financial risk management (continued)

Liquidity risk

The Group measures its liquidity risk by the performance of its trading subsidiaries. It seeks to manage the financial risk by ensuring sufficient liquidity is available in these subsidiaries to meet foreseeable needs assessed through careful monitoring of the long term cash requirements of the business. The objective is to ensure a mix of funding methods offering flexibility and costs effectiveness to match the needs of the Group. As described in note 20 to the financial statements, the Group has long-term loan facilities totalling £123m (2022-£109m) and the following undrawn facilities to ensure its liquidity requirements are met as required:

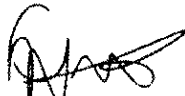
- a. Loan facility C - £18,750,000. This loan facility is available on the same terms and conditions as Loan facility B above; and
- b. Revolving credit facility - £4,400,000.

Future cashflows arising in the trading subsidiaries are closely monitored to manage cashflow and liquidity risk.

Price Risk

The Group 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 Topco Ltd

Directors' Report For the Year Ended 31 March 2023

The Directors present their report and the financial statements for the year ended 31 March 2023. The comparative information is for the period from date of incorporation on 29 November 2021 to 31 March 2022.

Principal activity

The principal activity of the Company is a holding company for its subsidiaries detailed in note 15 to the financial statements.

The principal activity of the Group 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.

Information in respect of the Group's financial performance, financial instruments, financial risk management and future developments has been included in the Group Strategic Report.

Results and dividends

The loss for the year, after taxation, amounted to £17,238,000 (period ended 31 March 2022 - loss of £5,165,000).

The Directors do not recommend the payment of a dividend for the year (period ended 31 March 2022 - £Nil).

Directors

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

D J Bains
S M De Polo
N M England
G P Fletcher
J E Grinsted
R J Palmer
R Sang (resigned 25 July 2023)
A J Saunders (resigned 31 August 2023)
M S Wanless
R Powell

Qualifying third party indemnity provisions

During the year, and up to the date of this report, Directors' indemnity insurance was in place. This covers all qualifying Directors.

Future developments

The Group 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.

Post balance sheet events

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

Aquavista Watersides Topco Ltd

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

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Disclosure of information to auditor

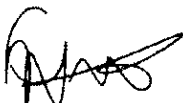
Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group'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 and the Group's auditor is aware of that information.

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 Topco Ltd

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

Opinion on the financial statements

In our opinion, the financial statements:

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

We have audited the financial statements of Aquavista Watersides Topco Ltd ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheet, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Consolidated Analysis of Net Debt 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 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 Group and the Parent 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 Group or Parent 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 Topco Ltd

Independent Auditor's Report to the Members of Aquavista Watersides Topco 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 Group 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 Group 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 Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the Group's and 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.

Aquavista Watersides Topco Ltd

Independent Auditor's Report to the Members of Aquavista Watersides Topco 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 Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group'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 Group 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 Group'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 Topco Ltd

Independent Auditor's Report to the Members of Aquavista Watersides Topco 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;
- 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.

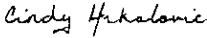
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 for the audit of the financial statements is located 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 Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Cindy Hrkalovic (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Nottingham
United Kingdom

Date: 04 December 2023

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

Aquavista Watersides Topco Ltd

Consolidated Statement of Comprehensive Income For the Year Ended 31 March 2023

		Year ended 31 March 2023 £000	Period from 29 November 2021 to 31 March 2022 £000
Turnover	4	21,149	6,381
Cost of sales		(1,966)	(562)
Gross profit		19,183	5,819
Administrative expenses		(17,812)	(4,998)
Exceptional administrative expenses	7	(6,573)	(1,378)
Other operating income	5	-	4
Operating loss	6	(5,202)	(553)
Interest receivable and similar income		5	-
Interest payable and similar charges	11	(13,350)	(4,746)
Other finance income	21	1,521	-
Loss before taxation		(17,026)	(5,299)
Tax on loss	12	(212)	134
Loss for the financial year/period		(17,238)	(5,165)
Loss for the year/period attributable to:			
Owners of the Parent Company		(17,238)	(5,165)

There was no other comprehensive income for 2023 (period ended 31 March 2022 - £Nil).

The notes on pages 19 to 43 form part of these financial statements.

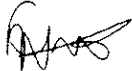
Aquavista Watersides Topco Ltd
Registered number: 13771013

Consolidated Balance Sheet
As at 31 March 2023

	Note	2023 £000	As restated (note 25) 2022 £000
Fixed assets			
Intangible assets	13	8,886	14,106
Tangible assets	14	112,266	112,725
		<u>121,152</u>	<u>126,831</u>
Current assets			
Stocks	16	1,991	1,146
Debtors: amounts falling due within one year	17	3,035	2,606
Bank and cash balances		4,495	4,656
		<u>9,521</u>	<u>8,408</u>
Creditors: amounts falling due within one year	18	(11,865)	(13,237)
Net current liabilities		<u>(2,344)</u>	<u>(4,829)</u>
Total assets less current liabilities		<u>118,808</u>	<u>122,002</u>
Creditors: amounts falling due after more than one year	19	(122,981)	(108,675)
Provisions for liabilities			
Deferred taxation	22	(16,461)	(16,723)
Net liabilities		<u>(20,634)</u>	<u>(3,396)</u>
Capital and reserves			
Called up share capital	23	65	65
Merger relief reserve	24	1,704	1,704
Profit and loss account	24	(22,403)	(5,165)
Total equity		<u>(20,634)</u>	<u>(3,396)</u>

Details of the restatement are provided in note 25.

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 19 to 43 form part of these financial statements.

Aquavista Watersides Topco Ltd
Registered number: 13771013

Company Balance Sheet
As at 31 March 2023

	Note	2023 £000	As restated (note 25) 2022 £000
Fixed assets			
Investments	15	24,877	24,976
Current assets			
Debtors: amounts falling due within one year	17	-	11
Creditors: amounts falling due within one year	18	(66)	(77)
Net current liabilities		(66)	(66)
Creditors: amounts falling due after more than one year	19	(26,584)	(23,949)
Net (liabilities)/assets		(1,773)	961
Capital and reserves			
Called up share capital	23	65	65
Merger relief reserve	24	1,704	1,704
Profit and loss account	24	(3,542)	(808)
		(1,773)	961

Details of the restatement are provided in note 25.

As permitted by Section 408 of the Companies Act 2006, the Company's Statement of Comprehensive Income has not been included in these financial statements. The loss for the year was £2,734,000 (period ended 31 March 2022 - £808,000).

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 19 to 43 form part of these financial statements.

Aquavista Watersides Topco Ltd

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

	Called up share capital £000	Merger relief reserve £000	Profit and loss account £000	Total equity £000
At 1 April 2022 (as previously stated)	65	2,515	(5,165)	(2,585)
Prior period adjustment (note 25)	-	(811)	-	(811)
At 1 April 2022 (as restated)	<u>65</u>	<u>1,704</u>	<u>(5,165)</u>	<u>(3,396)</u>
Comprehensive loss for the year				
Loss for the year	-	-	(17,238)	(17,238)
Total comprehensive loss for the year	<u>-</u>	<u>-</u>	<u>(17,238)</u>	<u>(17,238)</u>
At 31 March 2023	<u><u>65</u></u>	<u><u>1,704</u></u>	<u><u>(22,403)</u></u>	<u><u>(20,634)</u></u>

Consolidated Statement of Changes in Equity For the Period Ended 31 March 2022

	Called up share capital £000	Merger relief reserve £000	Profit and loss account £000	Total equity £000
At 29 November 2021	-	-	-	-
Comprehensive loss for the period				
Loss for the period	-	-	(5,165)	(5,165)
Total comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>(5,165)</u>	<u>(5,165)</u>
Shares issued during the period	65	-	-	65
Group restructure during the period (as restated)	-	1,704	-	1,704
Total transactions with owners	<u>65</u>	<u>1,704</u>	<u>-</u>	<u>1,769</u>
At 31 March 2022	<u><u>65</u></u>	<u><u>1,704</u></u>	<u><u>(5,165)</u></u>	<u><u>(3,396)</u></u>

Details of the restatement are provided in note 25.

The notes on pages 19 to 43 form part of these financial statements.

Aquavista Watersides Topco Ltd

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

	Called up share capital	Merger relief reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 April 2022 (as previously stated)	65	2,515	(808)	1,772
Prior period adjustment (note 25)	-	(811)	-	(811)
At 1 April 2022 (as restated)	65	1,704	(808)	961
Comprehensive loss for the year				
Loss for the year	-	-	(2,734)	(2,734)
Total comprehensive loss for the year	-	-	(2,734)	(2,734)
At 31 March 2023	65	1,704	(3,542)	(1,773)

Company Statement of Changes in Equity For the Period Ended 31 March 2022

	Called up share capital	Merger relief reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 29 November 2021	-	-	-	-
Comprehensive loss for the period				
Loss for the period	-	-	(808)	(808)
Total comprehensive loss for the period	-	-	(808)	(808)
Shares issued during the period	65	-	-	65
Group restructure during the period (as restated)	-	1,704	-	1,704
Total transactions with owners	65	1,704	-	1,769
At 31 March 2022	65	1,704	(808)	961

Details of the restatement are provided in note 25.

The notes on pages 19 to 43 form part of these financial statements.

Aquavista Watersides Topco Ltd

Consolidated Statement of Cash Flows For the Year Ended 31 March 2023

	Year ended 31 March 2023 £000	Period from 29 November 2021 to 31 March 2022 £000
Cash flows from operating activities		
Loss for the financial year/period	(17,238)	(5,165)
Adjustments for:		
Amortisation of intangible assets	1,480	493
Depreciation of tangible assets	3,233	1,098
Impairments of intangible fixed assets	6,065	-
Interest payable	13,350	4,746
Interest receivable	(5)	-
Taxation charge/(credit)	212	(134)
(Increase)/decrease in stocks	(845)	60
Decrease/(increase) in debtors	1,092	(641)
Decrease in creditors	(3,346)	(590)
Net fair value (gains)/losses recognised in P&L	(1,521)	-
Corporation tax paid	(320)	(143)
Net cash generated from/(used in) operating activities	2,151	(276)
Cash flows from investing activities		
Purchase of tangible fixed assets	(4,386)	(1,205)
Interest receivable	5	-
Acquisition of subsidiaries	-	(21,217)
Net cash acquired with subsidiaries	-	1,334
Net cash used in investing activities	(4,381)	(21,088)

Aquavista Watersides Topco Ltd

Consolidated Statement of Cash Flows (continued) For the Year Ended 31 March 2023

	2023 £000	2022 £000
Cash flows from financing activities		
Issue of ordinary shares	-	362
New bank loans	6,850	78,136
Repayment of loans	-	(47,237)
Interest paid	(3,341)	(997)
Debt issue costs	(1,440)	(4,244)
	2,069	26,020
Net cash generated from financing activities		
	(161)	4,656
Net (decrease)/increase in cash and cash equivalents		
Cash and cash equivalents at beginning of year/period	4,656	-
	4,495	4,656
Cash and cash equivalents at the end of year/period		
	4,495	4,656
Cash and cash equivalents at the end of year/period comprise:		
Cash at bank and in hand	4,495	4,656
	4,495	4,656
	4,495	4,656

The notes on pages 19 to 43 form part of these financial statements.

Aquavista Watersides Topco Ltd

Consolidated Analysis of Net Debt For the Year Ended 31 March 2023

	At 1 April 2022 £000	Cash flows £000	Non-cash movement £000	Other changes - interest payable £000	At 31 March 2023 £000
Cash at bank and in hand	4,656	(161)	-	-	4,495
Debt due after 1 year	(108,663)	(6,850)	-	(7,460)	(122,973)
Debt due within 1 year	(1,032)	3,341	-	(4,269)	(1,960)
Financial instrument (note 21)	-	-	1,521	-	1,521
	<u>(105,039)</u>	<u>(3,670)</u>	<u>1,521</u>	<u>(11,729)</u>	<u>(118,917)</u>

Other changes includes interest on the PIK facility (note 20) and loan notes (note 20 and 29) which is rolled over and added to the total debt and amortisation of debt issue costs. Debt due within 1 year represents the interest accrued on the bank loans which is payable within 1 year.

The notes on pages 19 to 43 form part of these financial statements.

Aquavista Watersides Topco Ltd

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

1. General information

Aquavista Watersides Topco Ltd is a private 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 and Group's operations and its principal activities are set out in the Group Strategic Report and Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

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

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102.

Aquavista Watersides Topco Ltd

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

2. Accounting policies (continued)

2.3 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 Group for a period of at least 12 months from the date of approval of the financial statements. The Group has net current liabilities of £2,344,000 (2022 - £4,829,000) and net liabilities of £20,634,000 (2022 - as restated £3,396,000). The Directors have also reviewed the associated credit facilities of the Group, including assessment of the recent and forecast future compliance with covenants. These trading and cash flow forecasts indicate the Group will be able to operate within the committed facilities, without recourse to the equity commitment, 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.

Based on the above the Directors are satisfied that the Group and the Company will be able to continue as a going concern.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, 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 Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Aquavista Watersides Topco Ltd

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

2. Accounting policies (continued)

2.4 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 Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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.

2.5 Operating leases: the Group as lessee

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

2.6 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 Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.7 Interest income

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

2.8 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.

2.9 Pensions

Defined contribution pension plan

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

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

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

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

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

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

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

2.11 Exceptional items

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

2.12 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of 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 Consolidated Statement of Comprehensive Income over its useful economic life. Goodwill is amortised over 10 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.

Aquavista Watersides Topco Ltd

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

2. Accounting policies (continued)

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.

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:

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 profit or loss.

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 profit or loss.

Aquavista Watersides Topco 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

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 Group 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.

From time to time the Group uses derivative financial instrument to reduce exposure to interest rate risk. The Group does not hold or issue derivative financial instrument for speculative purpose.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to the fair value to each reporting date. The resulting gains and loss is recognised in the Consolidates Statement of Comprehensive Income.

Aquavista Watersides Topco Ltd

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

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 circumstance.

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 as given 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, intangible assets and fixed asset investments

Determine whether there are indicators of impairment of the Group's tangible and intangible assets, including goodwill and investments in subsidiary undertakings held by the Company. 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.

Key sources of estimation uncertainty are:

d) Impairment of fixed assets

Where impairment indicators are present, management are required to make estimates of the value in use of the Group's assets to determine any potential impairments. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money. An impairment loss is recognised where the carrying value of the asset exceeds the value in use (note 14).

e) Financial instrument valuation

The Company holds an interest cap derivative that has been valued on a market to market basis to give a fair value at the balance sheet date (note 21).

Aquavista Watersides Topco 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:

	Year ended 31 March 2023 £000	Period from 29 November 2021 to 31 March 2022 £000
Marina income	16,973	5,467
Retail, brokerage and floating homes	4,176	914
	<u>21,149</u>	<u>6,381</u>

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

All turnover arose within the United Kingdom.

5. Other operating income

	Year ended 31 March 2023 £000	Period from 29 November 2021 to 31 March 2022 £000
Government grants received in respect of CJRS grants and Retail, Leisure and Hospitality grants	-	4
	<u>-</u>	<u>4</u>

Aquavista Watersides Topco Ltd

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

6. Operating loss

The operating loss is stated after charging:

	Year ended 31 March 2023 £000	Period from 29 November 2021 to 31 March 2022 £000
Amortisation of intangible fixed assets	1,480	493
Depreciation of tangible fixed assets	3,680	1,097
Other operating lease rentals	280	264
	1,480	1,854

7. Exceptional administrative expenses

	Year ended 31 March 2023 £000	Period from 29 November 2021 to 31 March 2022 £000
Remedial costs	-	37
Redundancy costs	-	38
Acquisition and integration costs	955	1,303
Impairment of goodwill and tangible assets	5,618	-
	6,573	1,378

During the year, the Group incurred the following exceptional items:

- a. Costs of £Nil (period ended 31 March 2022 - £37,000) in respect of remedial costs in relation to electrical works and floating homes.
- b. Costs of £Nil (period ended 31 March 2022 - £38,000) incurred by the Company to replace senior staff who left the business.
- c. Costs of £955,000 (period ended 31 March 2022 - £1,303,000) in respect of the acquisition and integration of the Castle Marinas business into the Aquavista Group.
- d. An impairment charge of £5,618,000 (period ended 31 March 2022 - £Nil) in respect of goodwill and freehold property assets (note 13 and 14 respectively).

Aquavista Watersides Topco Ltd

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

8. Auditor's remuneration

	Year ended 31 March 2023 £000	Period from 29 November 2021 to 31 March 2022 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	37	37
Fees payable to the Group's auditor and its associates for the audit of the subsidiaries annual financial statements	69	29
	106	66
 Fees payable to the Group's auditor and its associates in respect of:		
Taxation compliance services	3	17
All other services	11	339
	14	356

9. Employees

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

	Group Year ended 31 March 2023 £000	Group Period from 29 November 2021 to 31 March 2022 £000	Company Year ended 31 March 2023 £000	Company Period from 29 November 2021 to 31 March 2022 £000
Wages and salaries	4,544	1,071	-	-
Social security costs	438	98	-	-
Cost of defined contribution scheme	227	60	-	-
	5,209	1,229	-	-

Aquavista Watersides Topco Ltd

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

9. Employees (continued)

The Company has no employees (period ended 31 March 2022 - none) other than the Directors.

During the year, a total of £173,000 (period ended 31 March 2022 - £Nil) of staff costs were capitalised.

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

	Year ended 31 March 2023 No.	Period from 29 November 2021 to 31 March 2022 No.
Full time	105	120
Part time	91	65
	196	185
	196	185

10. Directors' remuneration

	Year ended 31 March 2023 £000	Period from 29 November 2021 to 31 March 2022 £000
Directors' emoluments (paid from subsidiary undertakings)	779	204
Group contributions to defined pension schemes	78	15
	857	219
	857	219

During the year retirement benefits were accruing to 5 Directors (period ended 31 March 2022 - 6) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £170,000 (period ended 31 March 2022 - £58,000).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £24,000 (period ended 31 March 2022 - £5,000).

Included in the Directors' emoluments are the chairman's invoiced fees of £32,000 (period ended 31 March 2022 - £16,000) to the Group during the year in respect of his services.

Aquavista Watersides Topco Ltd

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

11. Interest payable and similar charges

	Year ended 31 March 2023 £000	Period from 29 November 2021 to 31 March 2022 £000
Bank loan interest payable	5,300	1,676
Other loan interest payable	5,521	1,707
Interest on deferred consideration	185	88
Amortisation of deal fees and other costs	2,344	1,275
	<u>13,350</u>	<u>4,746</u>

The amount charged in respect of deal fees and other costs includes:

- The amortisation of deal fees in respect of the loans described in note 20 below - £904,000 (period ended 31 March 2022 - £287,000);
- Additional interest rate cap and capital commitment fees - £1,440,000 (period ended 31 March 2022 - £668,000);
- Unamortised deal fees charged to the Statement of Comprehensive Income on bank loans fully repaid subsequent to the acquisition of Project Belize Limited - £Nil (period ended 31 March 2022 - £320,000).

12. Taxation

	Year ended 31 March 2023 £000	Period from 29 November 2021 to 31 March 2022 £000
Corporation tax		
Current tax on losses for the year/period	348	-
Adjustments in respect of previous periods	126	-
Total current tax	<u>474</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(130)	(134)
Adjustments in respect of previous periods	(126)	-
Effect of changes in tax rates	(6)	-
Total deferred tax	<u>(262)</u>	<u>(134)</u>
Taxation on loss	<u>212</u>	<u>(134)</u>

Aquavista Watersides Topco Ltd

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

12. Taxation (continued)

Factors affecting tax credit/(charge) for the year/period

The tax assessed for the year is higher than (period ended 31 March 2022 - higher than) the standard rate of corporation tax in the UK of 19% (period ended 31 March 2022 - 19%). The differences are explained below:

	Year ended 31 March 2023 £000	Period from 29 November 2021 to 31 March 2022 £000
Loss before tax	(16,644)	(5,298)
Loss multiplied by standard rate of corporation tax in the UK of 19% (period ended 31 March 2022 - 19%)	(3,162)	(1,007)
Effects of:		
Expenses not deductible for tax purposes	2,480	838
Fixed asset differences	-	57
Deferred tax changes in rates	(6)	35
Movement in deferred tax not recognised	900	(57)
Total tax charge/(credit) for the year/period	212	(134)

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.

Deferred tax assets of £2,055,000 (calculated at 25%) (2022 - £Nil) arising on trading losses carried forward are not recognised to the extent that it is not probable that taxable profit will be available against which the tax deductions can be offset.

Aquavista Watersides Topco Ltd

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

13. Intangible assets

Group and Company

	Website development £000	Goodwill £000	Total £000
Cost			
At 1 April 2022	107	14,492	14,599
At 31 March 2023	<u>107</u>	<u>14,492</u>	<u>14,599</u>
Amortisation			
At 1 April 2022	10	483	493
Charge for the year	31	1,449	1,480
Impairment charge	-	3,740	3,740
At 31 March 2023	<u>41</u>	<u>5,672</u>	<u>5,713</u>
Net book value			
At 31 March 2023	<u>66</u>	<u>8,820</u>	<u>8,886</u>
At 31 March 2022	<u>97</u>	<u>14,009</u>	<u>14,106</u>

An impairment charge of £3,740,000 arose when assessing recoverable amounts of individual CGUs based on a value in use calculation of each CGU. The estimate of the value in use was determined using a pre-tax discount rate of 10% and a terminal value growth rate of 2.5% from 2028.

Goodwill arising on consolidation of £8,232,000 (2020 - £13,346,000) is being amortised over the directors' estimate of its useful life of 10 years from December 2021. 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 Topco Ltd

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

14. Tangible fixed assets

Group

	Freehold property £000	Long-term leasehold property £000	Plant and machinery £000	Total £000
Cost				
At 1 April 2022	44,362	66,965	2,495	113,822
Additions	2,458	2,576	65	5,099
Transfers between classes	1,466	585	(2,051)	-
At 31 March 2023	<u>48,286</u>	<u>70,126</u>	<u>509</u>	<u>118,921</u>
Depreciation				
At 1 April 2022	285	481	331	1,097
Charge for the year	1,757	1,369	554	3,680
Transfers between classes	1,466	585	(2,051)	-
Impairment charge	1,878	-	-	1,878
At 31 March 2023	<u>5,386</u>	<u>2,435</u>	<u>(1,166)</u>	<u>6,655</u>
Net book value				
At 31 March 2023	<u>42,900</u>	<u>67,691</u>	<u>1,675</u>	<u>112,266</u>
At 31 March 2022	<u>44,077</u>	<u>66,484</u>	<u>2,164</u>	<u>112,725</u>

An impairment charge of £1,878,000 arose when assessing recoverable amounts of individual CGUs based on a value in use calculation of each Marina. The estimate of the value in use was determined using a pre-tax discount rate of 10% and a terminal value growth rate of 2.5% from 2028.

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

Aquavista Watersides Topco Ltd

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

15. Fixed asset investments

Company

	Investments in subsidiary companies £000	Loans to subsidiaries £000	Total £000
Cost			
At 1 April 2022 (as previously stated)	8,577	-	8,577
Prior period adjustment (note 25)	(811)	17,210	16,399
	<u>7,766</u>	<u>17,210</u>	<u>24,976</u>
At 1 April 2022 (as restated)	7,766	17,210	24,976
Repayment	-	(100)	(100)
	<u>7,766</u>	<u>17,110</u>	<u>24,876</u>
At 31 March 2023	<u><u>7,766</u></u>	<u><u>17,110</u></u>	<u><u>24,876</u></u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Company number	Class of shares	Holding
Project Belize Limited	Intermediate holding company	11579323	Ordinary	100%
Aquavista Watersides 2 Ltd*	Intermediate holding company	13740832	Ordinary	100%
Aquavista Watersides Ltd*	Marina operations and intermediate holding company	04930453	Ordinary	100%
Castle Marinas Limited*	Marina operations and intermediate holding company	05686351***	Ordinary	100%
Birdham Pool Ltd **	Marina Operations	00372062***	Ordinary	100%
Buckden Marina Ltd**	Marina Operations	05865308***	Ordinary	100%
Clarence Marina Limited **	Marina Operations	06017948***	Ordinary	100%
Kings Bromley Marina Limited **	Marina Operations	06351392***	Ordinary	100%
Nottingham Castle Marina Limited **	Marina Operations	02758408***	Ordinary	100%
Ventnor Marina Limited **	Marina Operations	06377573***	Ordinary	100%
Wigrams Turn Marina Limited **	Marina Operations	02797441***	Ordinary	100%
Crick Marina Limited **	Marina Operations	07375751***	Ordinary	100%
Cropredy Marina Limited **	Marina Operations	07572555***	Ordinary	100%
Birdham Shipyard Ltd **	Marina Operations	00434372***	Ordinary	100%
Castle Marinas One Limited **	Marina Operations	07757395***	Ordinary	100%
Castle Marinas Three Limited **	Marina Operations	08989009***	Ordinary	100%

The registered office of all entities is Sawley Marina, Long Eaton, Nottinghamshire, NG10 3AE.

* Indirectly held

** Subsidiaries of Castle Marinas Limited

*** Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

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

16. Stocks

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Finished goods and goods for resale	1,991	1,146	-	-

Stocks are stated after provision for impairment of £73,000 (2022 - £64,000).

17. Debtors

	Group 2023 £000	Group 2022 £000	Company 2023 £000	As restated (note 25) Company 2022 £000
Trade debtors	664	957	-	-
Other debtors	245	1,028	-	11
Prepayments and accrued income	587	603	-	-
Tax recoverable	18	18	-	-
Financial instruments	1,521	-	-	-
	3,035	2,606	-	11

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

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Trade creditors	1,144	1,198	-	-
Amounts owed to group undertakings	-	-	66	77
Corporation tax	427	279	-	-
Other taxation and social security	109	480	-	-
Other creditors	2,400	2,946	-	-
Accruals and deferred income	7,785	8,334	-	-
	11,865	13,237	66	77

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

18. Creditors: amounts falling due within one year (continued)

Other creditors include deferred consideration recognised in Project Belize Limited of £2,047,000 (2022 - £2,047,000). Accrued interest of £879,000 (2022 - £675,000) in respect of the deferred consideration has been recognised in accruals and deferred income.

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

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

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Bank loans (see note 20)	64,889	56,359	-	-
Other loans (see note 20)	58,084	52,304	26,584	23,949
Other creditors	8	12	-	-
	<u>122,981</u>	<u>108,675</u>	<u>26,584</u>	<u>23,949</u>

20. Loans

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Amounts falling due 2-5 years				
Other loans	31,500	28,355	-	-
Amounts falling due after more than 5 years				
Bank loans	64,889	56,359	-	-
Other loans	26,584	23,949	26,584	23,949
	<u>91,473</u>	<u>80,308</u>	<u>26,584</u>	<u>23,949</u>
	<u>122,973</u>	<u>108,663</u>	<u>26,584</u>	<u>23,949</u>

Group other loans due in 2-5 years

The loan notes are recognised in Project Belize Limited and are held by LDC (Nominees) Limited, LDC Parallel (Nominees) Limited, Samelhana Limited (a company related to Mr G P Fletcher, a Director), and the Directors referred to in note 29 below.

All loan notes issued attract an interest rate of 10% and are repayable in December 2025. Loans notes with a balance of £10,510,000 are secured by a Guarantee and Debenture over the Company's assets. The remaining loan notes are unsecured.

The loan notes are recognised net of debt issue costs of £242,000 (2022 - £398,000).

Aquavista Watersides Topco Ltd

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

20. Loans (continued)

Group bank loans due after more than 5 years

Aquavista Watersides 2 Ltd - £63,914,000 (2022 - £56,359,000)

The loan comprise, Loan facility B of £48,000,000 (2022 - £48,000,000), Loan facility C of £6,250,000 (2022 - £Nil) and a PIK facility of £13,452,000 (2022 - £12,420,000).

Loan facilities B and C attract interest based on SONIA + 6% as long as adjusted senior net leverage is 5.5%. If net debt leverage is 5.0-5.5% it is SONIA +5.75%, if it is 4.5-5.0% it is 5.5% and if is below 4.5% it is 5.25%. The interest on the PIK facility is based on SONIA plus 10.5%. Both loans are repayable in 2028.

The loans are secured by a fixed and floating charge over property and undertakings of the Group. The loans are recognised net of debt issue costs at £3,413,000 (2022 - £4,061,000).

Bank loans also include a revolving credit facility of £600,000 (2022 - £Nil). Interest is accrued at SONIA +6% and is included in accruals and deferred income in note 10. The facility is repayable in 2028 and are secured by a fixed and floating charge over property and undertakings of the Group.

Bank loans comprise an RCF facility drawn down in the year. Interest is based on SONIA + 6%. The facility is secured by a fixed and floating over property and undertakings of the Group.

Company other loans due after more than 5 years

Loan facility of £23,837,000 (2022 - £23,837,000) held by LDC (Nominees) Limited and the management of the Company. The loans attract a fixed interest rate of 10%. Repayment of the capital and accrued interest is in 2029.

Loans with a balance £9,068,000 (2022 - £9,068,000) are secured by a Guarantee and Debenture over the Group's assets. The remaining loans are unsecured.

The loans are recognised net of debt issue costs of £564,000 (2022 - £663,000).

21. Financial instruments

	Group 2023 £000	Group 2022 £000
Financial assets		
Financial assets measured at fair value through profit or loss	1,521	-

Derivative financial instruments measured at fair value through profit or loss is in respect of an interest rate swap arrangement. This instrument was purchased in March 2022 with a termination date of April 2024. The product has a cap rate of 1.75%.

£1,521,000 has been recognised in the income statement in the year (2022: £Nil).

Aquavista Watersides Topco Ltd

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

22. Deferred taxation

Group

	2023	As restated
	£000	2022
		£000
At beginning of year	(16,723)	-
Charged to Statement of Comprehensive Income	262	134
Arising on group reconstructions and business combinations	-	(16,857)
At end of year	(16,461)	(16,723)
	Group	Group
	2023	As restated
	£000	2022
		£000
Other short term timing differences	40	6
Arising on group reconstructions and business combinations	(16,501)	(15,847)
Accelerated capital allowances	-	(882)
	(16,461)	(16,723)

Details of the restatement are provided in note 25.

23. Share capital

	2023	2022
	£000	£000
Allotted, called up and fully paid		
845,000 (2022 - 845,000) A Ordinary shares of £0.02 each	17	17
38,873 (2022 - 38,873) B Ordinary shares of £0.30 each	12	12
121,203 (2022 - 121,203) C Ordinary shares of £0.30 each	36	36
	65	65

A ordinary shares carry voting rights of 1 per share, provided that all such shares held by LDC entities shall not confer more than 49.9% of the total voting rights of all shares. B and C ordinary shares carry voting rights of 1 vote per share. All shares rank equally on a return of capital and full dividend rights are pro rata on the nominal value of shares.

Aquavista Watersides Topco Ltd

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

24. Reserves

Called up share capital

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

Merger relief reserve

The other reserves arose on the acquisition of Project Belize Limited and represent £1,704,000 of merger relief reserve from shares issued where the merger relief provisions of the Companies Act were applied.

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.

25. Prior period adjustment

Group

	As previously stated £000	Prior period adjustment £000	As restated £000
Provisions for liabilities:			
Deferred taxation (note 22)	(15,912)	(811)	(16,723)
Net liabilities	(2,585)	(811)	(3,396)
Capital and reserves:			
Merger relief reserve (note 24)	2,515	(811)	1,704
Equity	(2,585)	(811)	(3,396)

The prior period adjustment had no impact on the reported consolidated loss for the period or on the reported consolidated cash flow statement.

Aquavista Watersides Topco Ltd

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

25. Prior period adjustment (continued)

Company

	As previously stated £000	Prior period adjustment 1 £000	Prior period adjustment 2 £000	As restated £000
Fixed assets:				
Investments (note 15)	8,577	(811)	17,210	24,976
Current assets:				
Debtors (note 17)			(17,210)	(17,210)
Net assets	1,772	(811)	-	961
Capital and reserves:				
Merger relief reserve (note 24)	2,515	(811)	-	1,704
Equity	1,772	(811)	-	961

The prior period adjustments had no impact on the reported loss for the period.

1. As reported in the financial statements for the period ended 31 March 2022, on 30 November 2021, the Company acquired the share capital of Project Belize Limited and subsidiaries. In the prior period, adjustments made in arriving at the fair value recognised of assets acquired and liabilities assumed on that acquisition included adjustments to tangible fixed assets to reflect the valuation of those assets at the acquisition date. For an element of those adjustments, an associated deferred tax liability was calculated using a tax rate of 19% rather than the tax rate of 25% which was substantively enacted on 24 May 2021. The incorrect tax rate being used on the date of acquisition is considered an error and the tax impact is £811,000, which is material to both the Group and Parent Company financial statements. As such, prior year comparative has been restated as disclosed above.

2. During the year it was determined that the amounts due from group undertakings were financing in nature, therefore akin to an investment in subsidiary. Consequently these amounts have been reclassified to loans to subsidiaries within fixed asset investments. This has resulted in a reduction in net current assets of £17,210,000 and there has been no impact on net assets or results.

26. 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 Limited, Castle Marinas Limited and its subsidiaries. At the period end date, the total drawn bank facilities over which a guarantee has been given were £70.3m (2022 - £60.9m) of outstanding capital.

Aquavista Watersides Topco Ltd

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

27. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £227,000 (period ended 31 March 2022 - £170,000). Contributions totalling £36,000 (2022 - £91,000) were payable to the fund at the Balance Sheet date and are included in creditors.

28. Commitments under operating leases

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

	Group 2023 £000	Group 2022 £000
Not later than 1 year	788	794
Later than 1 year and not later than 5 years	3,000	3,037
Later than 5 years	59,078	58,795
	<u>62,866</u>	<u>62,626</u>

Aquavista Watersides Topco Ltd

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

29. Related party transactions

The Group 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.

The following table summarises the loan notes held by related parties referred to in note 20 above:

	Balance at 1 April 2022 £000	Loan notes acquired £000	Loan notes issued £000	Loan notes repaid £000	Interest Charged £000	Balance at 31 March 2023 £000
2023						
LDC (Nominees) Limited	50,350	-	-	-	5,205	55,555
LDC Parallel (Nominees) Limited*	381	-	-	-	39	420
Samelhana Limited**	726	-	-	-	75	801
G P Fletcher ***	313	-	-	-	33	346
S M de Polo ***	474	-	-	-	49	523
N England ***	495	-	-	-	56	551
J E Grinsted ***	202	-	-	-	21	223
A Lloyd ***	12	-	-	-	1	13
R Palmer ***	24	-	-	-	2	26
R Sang ***	256	-	-	-	26	282
A Saunders ***	36	-	-	-	4	40
M Wanless ***	99	-	-	-	10	109
	53,368	-	-	-	5,521	58,889

The loan notes above are before debt issue costs referred to in note 20 above.

* Shareholders

** A company of which G P Fletcher is a shareholder and director

*** Shareholders and directors

The total compensation paid to key management personnel for services provided to the Group was £877,000 (2022 - £227,000).

Aquavista Watersides Topco Ltd

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

29. Related party transactions (continued)

	Loan notes acquired £000	Loan notes issued £000	Loan notes repaid £000	Interest Charged £000	Balance at 31 March 2022 £000
2022					
LDC (Nominees) Limited	27,038	21,686	-	1,626	50,350
LDC Parallel (Nominees) Limited*	205	164	-	12	381
Samelhana Limited**	319	383	-	24	726
J G Whyatt	88	-	(88)	-	-
D Bramhall	44	-	(44)	-	-
G P Fletcher ***	-	303	-	10	313
S M de Polo ***	141	318	-	15	474
N England ***	-	495	-	-	495
J E Grinsted ***	38	157	-	7	202
A Lloyd ***	-	12	-	-	12
R Palmer ***	-	23	-	1	24
R Sang ***	68	180	-	8	256
A Saunders ***	-	35	-	1	36
M Wanless ***	17	79	-	3	99
	<u>27,958</u>	<u>23,835</u>	<u>(132)</u>	<u>1,707</u>	<u>53,368</u>

The loan notes above are before debt issue costs referred to in note 20 above.

* Shareholders

** A company of which G P Fletcher is a shareholder and director

*** Shareholders and directors

J G Whyatt resigned as a director on 1 December 2021. Loan notes of £88,000 (inclusive of accumulated interest) were repaid at this date.

D Bramhall's loan notes of £44,000 (inclusive of accumulated interest) were repaid on 1 December 2021.

30. Controlling party

No party has a controlling beneficial interest in the Group.