

Company registration number 03117475 (England and Wales)

GAC NETHERLANDS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

GAC NETHERLANDS LIMITED

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GAC NETHERLANDS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022	2021
	Notes	€	€
Fixed assets			
Tangible assets	4	93,589	125,434
Current assets			
Debtors	5	8,679,041	4,713,827
Cash at bank and in hand		1,058,418	452,969
		9,737,459	5,166,796
Creditors: amounts falling due within one year	6	(8,627,427)	(4,897,060)
Net current assets		1,110,032	269,736
Total assets less current liabilities		1,203,621	395,170
Creditors: amounts falling due after more than one year	7	(4,417,800)	(3,417,800)
Net liabilities		(3,214,179)	(3,022,630)
Capital and reserves			
Called up share capital		40,121	40,121
Share premium account	8	7,126,025	7,126,025
Profit and loss reserves		(10,380,325)	(10,188,776)
Total equity		(3,214,179)	(3,022,630)

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 14 February 2024 and are signed on its behalf by:

Mr T H Okbo
Director

Company Registration No. 03117475

GAC NETHERLANDS LIMITED

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

	Share capital	Share premium account	Profit and loss reserves	Total
	€	€	€	€
Balance at 1 January 2021	40,121	7,126,025	(9,343,290)	(2,177,144)
Year ended 31 December 2021:				
Loss and total comprehensive income for the year	-	-	(845,486)	(845,486)
Balance at 31 December 2021	40,121	7,126,025	(10,188,776)	(3,022,630)
Year ended 31 December 2022:				
Loss and total comprehensive income for the year	-	-	(191,549)	(191,549)
Balance at 31 December 2022	40,121	7,126,025	(10,380,325)	(3,214,179)

GAC NETHERLANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

GAC Netherlands Limited is a private company limited by shares incorporated in England and Wales. The registered office is Christine House, Sorbonne Close, Thornaby, Stockton-On-Tees, United Kingdom, TS17 6DA.

Although the company is registered in England it carries out all its activity in the Netherlands. The business address is Mercuriusstraat 42, 3133 EN in Vlaardingen, Netherlands. The financial statements are therefore prepared in its functional currency, euros (€), and not sterling.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in euros, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest €.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of the Gulf Agency Company Limited. These consolidated financial statements are available from its registered office, P.O. Box 18006, Jebel Ali Free Zone, Dubai, United Arab Emirates.

GAC NETHERLANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.2 Going concern

Over the past years, including 2022, the company suffered severe losses. As a consequence the company's shareholders' equity is negative. Despite the uncertainties that exist, management looks to the future with confidence. Management are confident about the future ability to generate positive cash flows and results.

The uncertainties that exist relate to the consequences of the COVID-19 crisis (mainly the oil and gas business), the consequences of the war in Ukraine on the daily business (effects of sanctions), but would also partly be there without these special events as the market in which the company operates is often subject to change.

The (indirect) shareholder shares the confidence of the management and recognises the importance of the company's activities in Rotterdam harbour. The shareholder supports the company in meeting liabilities when they fall due (when other resources are not otherwise available).

On 18 March 2022 the group made a decision to transfer the company's trade and activities into the parent company, Gulf Agency Company (Holdings) B.V. a company registered in the Netherlands, where the trade of GAC Netherlands Limited takes place. Although the transfer was expected to take place during 2023, due to delays this is now expected to take place in the first half of 2024. GAC Group (Holdings) Limited, parent company, will continue to support the activities of the company until the transfer takes place. As the company's activities are expected to cease within 12 months of the approval of these financial statements, the company is technically not a going concern and therefore these accounts have not been prepared on the going concern basis. All assets and liabilities are expected to be transferred at their carrying value therefore no adjustments have been made in this regard.

1.3 Turnover

Turnover represents commission, charges and related income (excluding interest) in respect of amounts invoiced to customers, after deducting directly attributable expenses excluding VAT. GAC Netherlands Limited trades as a disclosed agent and only recognises its own commission as revenue in the profit and loss account.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	20% straight line
Computers	20% straight line
Motor vehicles	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

GAC NETHERLANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

GAC NETHERLANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.9 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

GAC NETHERLANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	32	36

4 Tangible fixed assets

	Plant and machinery etc
	€
Cost	
At 1 January 2022	954,670
Additions	16,077
Disposals	(1,329)
At 31 December 2022	969,418
Depreciation and impairment	
At 1 January 2022	829,236
Depreciation charged in the year	47,285
Eliminated in respect of disposals	(692)
At 31 December 2022	875,829
Carrying amount	
At 31 December 2022	93,589
At 31 December 2021	125,434

5 Debtors

	2022 €	2021 €
Amounts falling due within one year:		
Trade debtors	2,151,536	1,375,038
Amounts owed by group undertakings	719,397	861,550
Other debtors	5,808,108	2,477,239
	8,679,041	4,713,827

GAC NETHERLANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Creditors: amounts falling due within one year

	2022	2021
	€	€
Trade creditors	2,966,980	2,673,238
Amounts owed to group undertakings	413,166	665,032
Taxation and social security	176,699	164,378
Other creditors	5,070,582	1,394,412
	<u>8,627,427</u>	<u>4,897,060</u>

An amount of €1,549,921 (2021: €628,698) of the prepayments on invoices relates to group companies.

7 Creditors: amounts falling due after more than one year

	2022	2021
	€	€
Other creditors	<u>4,417,800</u>	<u>3,417,800</u>

Included in other creditors is a subordinated loan from Gulf Agency Company (Holdings) B.V, the parent. The loan carries an interest of 6 months EUR LIBOR plus 3% margin per annum. The loan is unsecured and is subject to the claims and rights of other creditors. The loan expires on 31 December 2026.

8 Share premium account

The share premium account of €7,126,025 represents the premium arising on the issue of 1,000 ordinary £1 C shares issued during the year ended 31 December 2020, net of issue costs.

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Emphasis of matter in respect of going concern

As referred to in accounting policy 1.2, the company is expecting to transfer its trade, assets and liabilities to the parent company within 12 months of the approval of the financial statements. Therefore the directors have not prepared the accounts on a going concern basis.

The company incurred net losses of €191,549 (2021: €845,486) during the year and at the year end the company's net liabilities were €3,214,179 (2021: €3,022,630). We have obtained sufficient assurances that the company will be supported until the point that the trade and liabilities are transferred.

Our opinion is not modified in respect of this matter.

Senior Statutory Auditor:
Statutory Auditor:

Angela Ingham FCA
Azets Audit Services

GAC NETHERLANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2022	2021
	€	€
Within one year	254,975	281,157
Between two and five years	730,719	309,051
	<u>985,694</u>	<u>590,208</u>

11 Financial commitments, guarantees and contingent liabilities

A credit facility of €723,852 (2021: €717,000) by KBC Bank to GAC Netherlands Limited (bank guarantee facility).

At the balance sheet date the company had contingent liabilities of €723,852 (2021: €710,069) in respect of bank guarantees.

12 Events after the reporting date

On 18 March 2022 the group made a decision to transfer the company's trade and activities into the parent company, Gulf Agency Company (Holdings) B.V. a company registered in the Netherlands, where the trade of GAC Netherlands Limited takes place. Although the transfer was expected to take place during 2023, due to delays this is now expected to take place in the first half of 2024.

13 Parent company

As in the previous year, the immediate parent company is GAC Netherlands B.V (previously Gulf Agency Company (Holdings) B.V.), a company registered in the Netherlands.

The ultimate parent company is the Gulf Agency Company Limited, a company registered in Liechtenstein.

The company is ultimately controlled by the Stablehold Foundation, which is situated in Liechtenstein.

The only group in which the results of the company are consolidated is that headed by the Gulf Agency Company Limited. The consolidated accounts of Gulf Agency Company Limited can be obtained from Gulf Agency Company Limited, P.O. Box 18006, Jebel Ali Free Zone, Dubai, United Arab Emirates.

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.