

Gael Force Properties and Investments Limited

Financial Statements

For the year ended 31 December 2016

Pages for filing with Registrar



SCT 29/09/2017 #209
COMPANIES HOUSE

GAEL FORCE PROPERTIES AND INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	S Graham T R H Phillips FCA
Secretary	T R H Phillips FCA
Company number	SC254127
Registered office	136 Anderson Street INVERNESS IV3 8DH
Auditor	Johnston Carmichael LLP Clava House Cradlehall Business Park INVERNESS IV2 5GH

GAEL FORCE PROPERTIES AND INVESTMENTS LIMITED

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GAEL FORCE PROPERTIES AND INVESTMENTS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Investment properties	4	3,305,949		3,265,286	
Investments	6	385,719		462,519	
		<u>3,691,668</u>		<u>3,727,805</u>	
Current assets					
Debtors	7	370,979		8,015	
Cash at bank and in hand		100		100	
		<u>371,079</u>		<u>8,115</u>	
Creditors: amounts falling due within one year	8	<u>(1,549,228)</u>		<u>(1,372,430)</u>	
Net current liabilities		<u>(1,178,149)</u>		<u>(1,364,315)</u>	
Total assets less current liabilities		2,513,519		2,363,490	
Creditors: amounts falling due after more than one year	9	(385,574)		(456,684)	
Provisions for liabilities	10	<u>(112,391)</u>		<u>(179,974)</u>	
Net assets		<u>2,015,554</u>		<u>1,726,832</u>	
Capital and reserves					
Called up share capital	11	1		1	
Profit and loss reserves		<u>2,015,553</u>		<u>1,726,831</u>	
Total equity		<u>2,015,554</u>		<u>1,726,832</u>	

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

Although amounts due from and to group undertakings are treated as falling due within one year, the directors confirm that there is no intention that the group counterparty, all under common control, seek settlement within that period. The directors consider that adjustments should be made in respect of these values to obtain a fair view of the company's 'current' balance sheet ratios for third party purposes.

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

Gael Force Properties and Investments Limited

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2016

The financial statements were approved by the board of directors and authorised for issue on 27/9/17 and are signed on its behalf by:


S. Graham
Director

Company Registration No. SC254127

GAEL FORCE PROPERTIES AND INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Gael Force Properties and Investments Limited is a limited company domiciled and incorporated in Scotland. The registered office is 136 Anderson Street, INVERNESS, IV3 8DH.

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 sterling, 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 on the historical cost convention, modified to include investment properties and fixed asset investments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents rental income and recharged property expenses and is recognised on the accruals basis.

Compensation income represents income receivable for costs incurred by the company relating to flood alleviation works.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

1.3 Tangible fixed assets

Tangible fixed assets other than investment properties, are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

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

Fixtures and fittings

Fully depreciated during the period

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.

1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Although this accounting policy is in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

GAEL FORCE PROPERTIES AND INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.5 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.

1.6 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 statement of financial position 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.

Interests in listed investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in profit or loss. Transaction costs are expensed to profit or loss as incurred.

Impairment of financial assets

Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

GAEL FORCE PROPERTIES AND INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies 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.

1.7 Equity instruments

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

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit or loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

GAEL FORCE PROPERTIES AND INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Investment property valuation

Investment properties are included on the balance sheet at fair value. Calculation of this fair value requires estimation taking into account the condition of the property and the current property market. The directors utilise experienced third party professional valuers in arriving at these valuations.

At the year end the carrying value of the investment properties was £3,305,949.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 2 (2015 - 2).

GAEL FORCE PROPERTIES AND INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

4 Investment property

	£
Valuation	
At 1 January 2016	3,265,286
Addition through subsequent expenditure	40,663
	<u> </u>
At 31 December 2016	3,305,949
	<u> </u>
Carrying value	
At 31 December 2016	3,305,949
	<u> </u>
At 31 December 2015	3,265,286
	<u> </u>

Investment property comprises land and buildings. The fair value of the investment property has been arrived at on the basis of a valuation made on an open market basis carried out by Graham & Sibbald Chartered Surveyors on 14 July 2015, who are not connected with the company.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2016 £	2015 £
Cost	1,860,414	1,819,751
Accumulated depreciation	-	-
	<u> </u>	<u> </u>
Carrying amount	1,860,414	1,819,751
	<u> </u>	<u> </u>

GAEL FORCE PROPERTIES AND INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

5 Tangible fixed assets

Plant and machinery etc
£

Cost

At 1 January 2016

1,280

At 31 December 2016

1,280

Depreciation and impairment

At 1 January 2016

1,280

At 31 December 2016

1,280

Carrying amount

At 31 December 2016

-

6 Fixed asset investments

2016
£

2015
£

Investments

385,719

462,519

Movements in fixed asset investments

Shares
£

Valuation

At 1 January 2015

462,519

Valuation changes

(76,800)

At 31 December 2016

385,719

Carrying amount

At 31 December 2016

385,719

At 31 December 2015

462,519

7 Debtors

2016
£

2015
£

Amounts falling due within one year:

Amounts due from group undertakings

370,979

-

Other debtors

-

8,015

370,979

8,015

GAEL FORCE PROPERTIES AND INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

8 Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	68,272	166,725
Amounts due to group undertakings	1,412,237	1,094,898
Corporation tax	68,719	99,587
Other creditors	-	11,220
	<u>1,549,228</u>	<u>1,372,430</u>

9 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Bank loans and overdrafts	<u>385,574</u>	<u>456,684</u>
Amounts included above which fall due after five years are as follows:		
Payable by instalments	<u>(87,777)</u>	<u>166,276</u>

The bank loans are secured by a bond and floating charge over the whole assets of the company and by standard security over the quay and industrial premises at Inverness, property at Island Road, Stornoway and the warehouse, offices and land at Anderson Street, Inverness.

10 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2016 £	Liabilities 2015 £
Balances:		
Investment property revaluation	<u>112,391</u>	<u>179,974</u>
Movements in the year:		2016 £
Liability at 1 January 2016		179,974
Credit to profit or loss		(67,583)
Liability at 31 December 2016		<u>112,391</u>

GAEL FORCE PROPERTIES AND INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

11 Called up share capital

	2016 £	2015 £
Ordinary share capital Issued and fully paid 1 Ordinary share of £1 each	1	1

12 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.
The senior statutory auditor was David McBain.
The auditor was Johnston Carmichael LLP.

13 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Rental income	
	2016 £	2015 £
Group entities	328,861	328,859

14 Financial commitments, guarantees and contingent liabilities

There is a cross corporate guarantee in place between Gael Force Properties and Investments Limited and other group companies.

15 Parent company

The parent company of Gael Force Properties and Investments Limited is Gael Force Group Holdings Limited.