

**Gael Force Properties and
Investments Limited**

Financial Statements

For the year ended 31 December 2019

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GAEL FORCE PROPERTIES AND INVESTMENTS LIMITED

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GAEL FORCE PROPERTIES AND INVESTMENTS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Investment properties	5	4,061,517		3,265,286	
Investments	6	391,547		328,796	
		<u>4,453,064</u>		<u>3,594,082</u>	
Current assets					
Debtors	7	962,545		852,080	
Cash at bank and in hand		3,372		29,106	
		<u>965,917</u>		<u>881,186</u>	
Creditors: amounts falling due within one year	8	<u>(1,109,621)</u>		<u>(293,595)</u>	
Net current (liabilities)/assets			<u>(143,704)</u>		<u>587,591</u>
Total assets less current liabilities			<u>4,309,360</u>		<u>4,181,673</u>
Creditors: amounts falling due after more than one year	9		<u>(1,350,000)</u>		<u>(1,550,000)</u>
Provisions for liabilities			<u>(95,290)</u>		<u>(95,290)</u>
Net assets			<u>2,864,070</u>		<u>2,536,383</u>
Capital and reserves					
Called up share capital	11		1		1
Profit and loss reserves			2,864,069		2,536,382
Total equity			<u>2,864,070</u>		<u>2,536,383</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 2019

The financial statements were approved by the board of directors and authorised for issue on 29/9/20
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 2019

1 Accounting policies

Company information

Gael Force Properties and Investments Limited (SC254127) is a private company limited by shares 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.

Gael Force Properties and Investments Limited is a wholly owned subsidiary of Gael Force Group Holdings Limited. The results of Gael Force Properties and Investments Limited are included in the consolidated financial statements of Gael Force Group Holdings Limited which are publicly available.

1.2 Going concern

Whilst there is uncertainty and risk arising from Covid-19 the directors feel that the impact to the business in the short term is limited and does not pose a significant material threat to the business. The core aquaculture market has remained strong through the pandemic in 2020 and industry outlook remains positive on investment in growing capacity.

During the initial lockdown period in 2020 the company demonstrated its resilience and the directors felt the company was able to quickly adjust and adopt measures which together with the strength of the company's balance sheet and financial position allows the business to continue to adopt the going concern basis of accounting in preparing the financial statements

1.3 Turnover

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

Dividend income from investments is recognised when the shareholder's right to receive payment has been established. These amounts have been included within interest receivable and similar income.

1.4 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.

GAEL FORCE PROPERTIES AND INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.5 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.

1.6 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, 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 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. 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.

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 2019

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

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.

1.9 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 2019

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 £4,061,517.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 2 (2018 - 2).

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2019	1,280
At 31 December 2019	1,280
Depreciation	
At 1 January 2019	1,280
At 31 December 2019	1,280
Carrying amount	
At 31 December 2019	-

Gael Force Properties and Investments Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

5 Investment property

	2019 £
Fair value	
At 1 January 2019	3,265,286
Additions	796,231
At 31 December 2019	<u>4,061,517</u>

Investment property comprises land and buildings. The fair value of the investment property has been assessed by the directors, taking into account formal valuations obtained and future development prospects of the sites.

The directors consider this to remain representative of the fair value of the investment properties at the year end.

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

	2019 £	2018 £
Cost	2,615,982	1,819,751
Accumulated depreciation	-	-
Carrying amount	<u>2,615,982</u>	<u>1,819,751</u>

6 Fixed asset investments

	2019 £	2018 £
Investments	<u>391,547</u>	<u>328,796</u>

GAEL FORCE PROPERTIES AND INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

6 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares £
Valuation	
At 1 January 2018	328,796
Valuation changes	62,751
At 31 December 2019	391,547
Carrying amount	
At 31 December 2019	391,547
At 31 December 2018	328,796

7 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Amounts owed by group undertakings	941,797	841,794
Other debtors	20,748	10,286
	962,545	852,080

8 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans	200,000	200,000
Trade creditors	4,070	400
Amounts owed to group undertakings	794,214	8,330
Corporation tax	101,411	73,780
Other creditors	9,926	11,085
	1,109,621	293,595

9 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Bank loans and overdrafts	1,350,000	1,550,000

Gael Force Properties and Investments Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Loans and overdrafts

	2019 £	2018 £
Bank loans	1,550,000	1,750,000
Payable within one year	200,000	200,000
Payable after one year	1,350,000	1,550,000

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.

Bank loan is repayable in 20 quarterly instalments with interest payable at LIBOR plus an interest margin of 2.25%.

11 Called up share capital

	2019 £	2018 £
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 Allison Dalton.

The auditor was Johnston Carmichael LLP.

13 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.

14 Events after the reporting date

Subsequent to the year end, the unprecedented COVID-19 pandemic has brought uncertainty and increased risk across the entire economic environment. This event has resulted in an expected diminution in the value of the investment portfolio but the extent of this has not been quantified due to on-going volatility in the markets meaning that it could be subject to further change.

Also subsequent to the year end, the company acquired property for a purchase price and associated costs of £240,000.

GAEL FORCE PROPERTIES AND INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

15 Parent company

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