

Company Registration No. SC391440 (Scotland)

**Gael Force Marine Technology  
Limited**

**Financial Statements**

**For the year ended 31 December 2020**

**Pages for filing with Registrar**



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# **GAEL FORCE MARINE TECHNOLOGY LIMITED**

## **CONTENTS**

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	<b>Page</b>
Balance sheet	1 - 2
Notes to the financial statements	3 - 10

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# GAEL FORCE MARINE TECHNOLOGY LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Intangible assets	3		629,647		499,394
Tangible assets	4		20,915		19,370
			<u>650,562</u>		<u>518,764</u>
<b>Current assets</b>					
Stocks	5	1,103,428		819,268	
Debtors	6	826,766		950,119	
Cash at bank and in hand		296,844		8,973	
		<u>2,227,038</u>		<u>1,778,360</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(1,535,899)</u>		<u>(1,175,600)</u>	
<b>Net current assets</b>			<u>691,139</u>		<u>602,760</u>
<b>Total assets less current liabilities</b>			<u>1,341,701</u>		<u>1,121,524</u>
<b>Creditors: amounts falling due after more than one year</b>	8		(147,254)		(151,972)
<b>Provisions for liabilities</b>			(871)		-
<b>Net assets</b>			<u>1,193,576</u>		<u>969,552</u>
<b>Capital and reserves</b>					
Called up share capital	9		4		4
Profit and loss reserves			1,193,572		969,548
<b>Total equity</b>			<u>1,193,576</u>		<u>969,552</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.

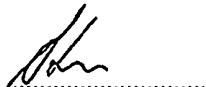
# **Gael Force Marine Technology Limited**

## **BALANCE SHEET (CONTINUED)**

**AS AT 31 DECEMBER 2020**

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The financial statements were approved by the board of directors and authorised for issue on 30/09/21 and are signed on its behalf by:



S Graham  
Director

**Company Registration No. SC391440**

# GAEL FORCE MARINE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1 Accounting policies**

#### **Company information**

Gael Force Marine Technology Limited 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 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': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; 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 33 'Related Party Disclosures': Compensation for key management personnel.

Gael Force Marine Technology Limited is a wholly owned subsidiary of Gael Force Group Limited which itself is a wholly owned subsidiary of Gael Force Group Holdings Limited. The results of Gael Force Marine Technology 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.

Therefore, the directors consider that the company is well placed to adapt to any future challenges, and will have adequate resources to continue in operation as a going concern for at least 12 months from the approval date of these financial statements. Consequently, the directors consider the going concern basis to remain appropriate.

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

# GAEL FORCE MARINE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the provision of construction contracts is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

#### 1.4 Intangible fixed assets other than goodwill

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets comprise development costs and intellectual property rights which are defined as having finite useful lives and the costs are amortised on a straight line basis over their estimated useful life of 5-10 years. Intangible assets are stated at cost less amortisation and are reviewed for impairment whenever there is an indication that the carrying value may be impaired.

#### 1.5 Tangible fixed assets

Tangible fixed assets 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:

Plant and machinery	15-25% on reducing balance
Fixtures, fittings & equipment	33% on reducing balance
Computer equipment	25-35% on cost

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.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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).

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Cost is calculated using the weighted average method.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

# GAEL FORCE MARINE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### 1.8 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

#### 1.9 Cash and cash equivalents

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.

#### 1.10 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. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets 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.

##### **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 MARINE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

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

#### **Derecognition of financial liabilities**

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

#### **1.11 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.

#### **1.12 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 statement of income and retained earnings 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 profit or loss, 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 MARINE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1 Accounting policies**

**(Continued)**

#### **1.13 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.

#### **1.14 Retirement benefits**

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

#### **1.15 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.

#### **1.16 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.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

#### **1.17 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 are included in profit or loss for the period.

### **2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 24 (2019 - 15).

# GAEL FORCE MARINE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 3 Intangible fixed assets

	Development Costs	Design rights	Total
	£	£	£
<b>Cost</b>			
At 1 January 2020	616,468	15,000	631,468
Additions	312,390	-	312,390
At 31 December 2020	928,858	15,000	943,858
<b>Amortisation and impairment</b>			
At 1 January 2020	123,636	8,438	132,074
Amortisation charged for the year	178,387	3,750	182,137
At 31 December 2020	302,023	12,188	314,211
<b>Carrying amount</b>			
At 31 December 2020	626,835	2,812	629,647
At 31 December 2019	492,832	6,562	499,394

### 4 Tangible fixed assets

	Plant and machinery etc
	£
<b>Cost</b>	
At 1 January 2020	39,784
Additions	10,903
At 31 December 2020	50,687
<b>Depreciation and impairment</b>	
At 1 January 2020	20,414
Depreciation charged in the year	9,358
At 31 December 2020	29,772
<b>Carrying amount</b>	
At 31 December 2020	20,915
At 31 December 2019	19,370

### 5 Stocks

	2020	2019
	£	£
Stocks	1,103,428	819,268

# GAEL FORCE MARINE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 6 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	53,853	218,792
Corporation tax recoverable	28,496	30,041
Amounts owed by group undertakings	544,664	476,489
Other debtors	199,753	224,797
	<u>826,766</u>	<u>950,119</u>

### 7 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	111,101	166,353
Amounts owed to group undertakings	1,198,892	658,162
Corporation tax	27,691	-
Other taxation and social security	9,340	114,536
Other creditors	188,875	236,549
	<u>1,535,899</u>	<u>1,175,600</u>

### 8 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Other creditors	<u>147,254</u>	<u>151,972</u>

### 9 Called up share capital

	2020 £	2019 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
4 Ordinary shares of £1 each	<u>4</u>	<u>4</u>

### 10 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.

# GAEL FORCE MARINE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 11 Financial commitments, guarantees and contingent liabilities

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

Local Enterprise government grants are subject to terms and conditions, any breach of which, may result in the grants having to be repaid in part or in full.

### 12 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:

	2020	2019
	£	£
	71,000	119,625
	<u>71,000</u>	<u>119,625</u>

### 13 Related party transactions

The following amounts were outstanding at the reporting end date:

	2020	2019
	£	£
<b>Amounts due to related parties</b>		
Other related parties	50,761	-
	<u>50,761</u>	<u>-</u>

Other related parties represents other group entities which are not wholly owned within the group. Amounts owed to other related parties are included within creditors at the year end. These amounts are unsecured, interest-free and have no fixed terms of repayment.

The company has taken advantage of the section 33.1A exemption available in FRS 102 from the requirement to disclose related party transactions with wholly owned group companies.

### 14 Parent company

The immediate parent company is Gael Force Group Limited.

The ultimate parent company is Gael Force Group Holdings Limited and the registered office is 136 Anderson Street, Inverness, IV3 8DH.