

Company Registration No. SC552705 (Scotland)

Gael Force Group Holdings Limited

**Annual report and
group financial statements
for the year ended 31 December 2022**

Gael Force Group Holdings Limited

Company information

| | |
|----------------------------|--|
| Directors | C Graham S Graham R Swanson |
| Secretary | R Foster |
| Company number | SC552705 |
| Registered office | 136 Anderson Street Inverness IV3 8DH |
| Independent auditor | Saffery LLP Kintail House Beechwood Park Inverness IV2 3BW |

Gael Force Group Holdings Limited

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Gael Force Group Holdings Limited

Strategic report

For the year ended 31 December 2022

The Directors present the strategic report for the year ended 31 December 2022.

Fair review of the business

Gael Force Group Holdings Limited is the ultimate holding company of all Gael Force companies. These are organised into a trading group, under the direct ownership of Gael Force Group Limited ("GFG"), which provides its trading subsidiaries with shared corporate services, and a non-trading arm, currently comprising, solely, Gael Force Properties & Investments Limited ("GFPI").

The consolidated performance, assets and liabilities of GFG and its subsidiaries, and GFPI are presented here. Turnover was £27.014M. Gross Profit Margins improved through 2022 to 26%. Net Asset Value was £9.340M.

The principal activities of the trading group continued to be the provision of equipment, technology and services for the aquaculture, commercial marine and leisure marine markets. The principal activities of the non-trading operations is investment in heritable property and the holding of listed investments.

While turnover and profitability was significantly impacted due to reduced demand in 2021, a consequence of Covid uncertainty in 2020, the Directors believed that the markets in which we operate, provide strong and sustainable international growth opportunities for the business over the medium to long term despite these short term Covid induced demand impacts. As a consequence of that view, the Group's focus on reinvestment in continual business improvement and product development across the product range continued through 2021 and 2022 in order to position us strongly for long term sustained and significant growth.

This strategy proved to be right, as in 2022 we built one of the strongest order books in our history, with the main challenges being supply chain and skills constraints. Additionally, the continual investment in developing and refining our products and service levels, which continues, will support very significant further growth domestically and internationally. We have developed and updated our Strategic Growth Plans as we continue to see great opportunities in the aquaculture sector internationally. This growth is focused on our comprehensive product portfolio and our unique SeaQureFarm sustainable fish farming concept along with strategic acquisitions which we will continue to focus on as strategic opportunities, at fair value, present themselves.

As we expected the challenges and setbacks that markets suffered in 2020 and 2021 due to Covid were short term and we continue to see huge growth potential in the business through the increased sales of our comprehensive, revised product portfolio and the potential of our SeaQureFarm system not only in the UK but in Europe, Scandinavia, Canada and other fin fish producing regions of the world. We continue to adhere to our ambitious growth strategy which is focussed on: Elevating our Workforce; Next generation Product Development; Sector Leading Customer Service which will Retain and Build Market Share and support further Export Sales Growth. Underpinning that strategy and all our activities and business planning are our Gael Force Group Vision and Core Values, which remain our guiding principles.

The improved trading performance and return to growth in 2022, continuing strongly through 2023, gave the Directors satisfaction that the strategy to support staff and skills development and build business capacity through a period of reduction in demand, was the correct strategy.

The company's balance sheet also remains very strong with very low debt and this positions us well for the targeted growth set out in our strategic plan and which is already showing strongly in 2023.

Gael Force Group Holdings Limited

Strategic report (continued)

For the year ended 31 December 2022

Principal risks and uncertainties

The main risk to the trading group as a whole is a serious downturn in the Scottish Aquaculture industry or loss of, or financial failure of, a major customer within that sector. Within the Group we work to detailed Annual Business Plans which seeks to achieve continuing growth within a long term strategy for the Group as a whole. Each annual plan sets clear financial and other key targets and objectives for the business, which are monitored and managed continuously.

In implementing the strategy and in pursuit of a position of market leadership in Scotland, the Group is actively extending capability and reach through substantial investment in innovative new product and service and skills development.

The Directors see considerable potential for medium and long term growth in the Group's key markets and will continue to target resources on those opportunities which deliver the best long term sustainable growth opportunities.

Whilst the Group experienced a severe reduction in demand through 2021 Directors felt that this was a short term reduction in demand and that the strength of the business was such that it should continue to support its medium to longer term growth strategy during this short term period of reduced demand. Demand as predicted returned strongly in 2022 and that continues in 2023.

Key performance indicators

Performance of the trading group companies is measured against financial KPIs. At a consolidated level the composite measures reflect specific factors bearing on the component parts and their relative weighting.

The following financial KPIs are derived from values as stated in the audited accounts.

| | Annual Movement |
|------------------|-----------------|
| P&L | 2022 / 2021 |
| Gross profit % | 26% / 24.2% |
| Pre-tax profit % | 4.06% / -4.46% |
| | |
| Balance sheet | |
| Net Asset Value | £9.34m / £8.98m |

Other activities

GFPI owns properties in Inverness, Forres, Stornoway, Strathcarron and Oban some of which it lets to other Gael Force group companies and some of which are held for development. To a limited degree therefore it is subject to similar risks as the trading group. However the properties have substantial open market value which mitigates this exposure and also some very significant development potential. Over time the company will diversify its holdings and as such are actively considering opportunities to do so. Investments are legacy holdings in two primary UK listed plc's, which are held for the long term and not considered to carry unusual or exceptional risk.

Gael Force Group Holdings Limited

Strategic report (continued)

For the year ended 31 December 2022

s172 statement

Gael Force Group as a privately owned and managed business aims for the long term sustainability of the Group and is structured and managed as such. The Gael Force Vision clearly lays out the intentions. “We aim to grow Gael Force to be recognised as a major world class Scottish company which will provide a sustainable, high yielding legacy for all its stakeholders over the very long term.”

a. the likely consequences of any decision in the long term

The company strategy is driven and guided by Gael Force Group’s, Vision, Mission and Core Values. These all point towards the long-term sustainability of the company. In line with the company’s Core values consideration is given to the impacts on all stakeholders from our strategic decision making.

b. the interests of the company’s employees

Gael Force recognises its employees are a major stakeholder of and a key asset to the company and its long-term success. The Group has an open policy to share information across the workforce. Each year business plans are shared and a regular “Waves” newsletter is produced to keep employees up to date.

At the start of 2021 an initiative named “Force for Good” was launched to allow employees from across the Group to formally document their ideas and thoughts on how the Group could improve on various initiatives. These could be on employee welfare, work place efficiencies, environmental practices and or any other aspect of the business.

c. the need to foster the company’s business relationships with suppliers, customers and others

Inline with the Group’s vision statement, Gael Force understands the need to build relationships with all stakeholders to strengthen the sustainability of the company. Overall the vision of the company is to share the success of the company with its stakeholders and for all stakeholders to share in its success and grow sustainably. At the very heart “Our mission is to be the trusted product, technology and service supply partner of choice to our customers”. The Board understands the need to have strong relationships with our customers and the wider stakeholder group to understand our customer needs and to help to solve current issues from operational to environmental concerns. All levels of management throughout the Group actively seek to network to allow communication from the wider stakeholder group to be heard by the board, which in turn aids in decision making.

d. the impact of the company’s operations on the community and the environment

As a medium business within Scotland, the Group understands the impact that decisions can have on the local communities and environment where it operates. We are committed to reducing the environmental impact of our activities and our customer’s activities within the communities where we and they operate. The company is located in various remote areas throughout Scotland and beyond and we primarily aim to hire local employees and upskill them which has a long-term positive impact on the local community as new skillsets are introduced. The Group works closely with the Developing Young Workforce strategy; through this we have taken on numerous school leavers into the workforce and provided them with a wide range of skills to help them in their future success.

Gael Force Group Holdings Limited

Strategic report (continued)

For the year ended 31 December 2022

- c. the desirability of the company maintaining a reputation for high standards of business conduct

The Group believes that it is vital to maintaining high levels of trust, integrity and ethical standards when conducting business. The group's tagline of "Building Stronger" is founded on our first Core Value which is "Act with Integrity". As a privately owned company our workforce has a strong culture of executing business to the highest standard they can and this can be felt by the pride that the employees operate with.

In the event of any employee concerns, all levels of management are encouraged to have an open door policy which allows employees to raise any concerns with any member of management including Directors rather than their direct reporting line. The Groups Whistleblowing and Anti-bribery and Corruption policy clearly lays out how an employee should raise a concern and the procedure which would be followed to investigate and correct any concerns or breaches of standards or policy.

- f. the need to act fairly as between members of the company

The ownership structure comprises a Holding company which owns the Group Trading Company which in turn owns each of the trading companies. The board of Directors at the Group Trading Company comprises three non-family non shareholding Directors in addition to the owner/founder. The Group believes this ensures a diverse range of skillsets and challenges to ensure all stakeholders' interests are considered and are treated fairly over the long term.

On behalf of the board

S Graham
Director

8 December 2023

Gael Force Group Holdings Limited

Directors' report

For the year ended 31 December 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the group is the provision of commercial marine, leisure marine and fish-farm supplies, the fabrication of feed barges, engineering services and the manufacture and installation of pontoons.

Results and dividends

The results for the year are set out on page 11.

Ordinary dividends were paid amounting to £432,744. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

C Graham
S Graham
R Swanson

Supplier payment policy

The group's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the group's contractual and other legal obligations.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The group's policy is to consult and discuss with employees, through staff consultation and meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Auditor

The auditor, Saffery LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments and research and development.

Gael Force Group Holdings Limited

Directors' report (continued)
For the year ended 31 December 2022

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

S Graham
Director

8 December 2023

Gael Force Group Holdings Limited

**Directors' responsibilities statement
For the year ended 31 December 2022**

The directors are responsible for preparing the Annual Report and the 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 group and company, 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 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 ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

Gael Force Group Holdings Limited

Independent auditor's report

To the members of Gael Force Group Holdings Limited

Opinion

We have audited the financial statements of Gael Force Group Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group and of the parent company's affairs as at 31 December 2022 and of the group's profit 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.

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 are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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's and 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report 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.

Gael Force Group Holdings Limited

Independent auditor's report (continued)

To the members of Gael Force Group Holdings Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 by the parent company, 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 set out on page 7, 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 and the 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent company by discussions with directors and by updating our understanding of the sector in which the group and parent company operates.

Gael Force Group Holdings Limited

Independent auditor's report (continued)

To the members of Gael Force Group Holdings Limited

Laws and regulations of direct significance in the context of the group and parent company include The Companies Act 2006 and UK Tax legislation.

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of group and parent company financial statement disclosures. We reviewed the parent company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above 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 would become aware of it. Also, 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 or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available 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 auditors 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.

Eunice McAdam (Senior Statutory Auditor)

For and on behalf of Saffery LLP

11 December 2023

Chartered Accountants

Statutory Auditors

Kintail House
Beechwood Park
Inverness
IV2 3BW

Gael Force Group Holdings Limited

Group statement of comprehensive income
For the year ended 31 December 2022

| | Notes | 2022 £ | 2021 £ |
|---|-----------|--------------|--------------|
| Turnover | 3 | 27,014,445 | 23,679,734 |
| Cost of sales | | (19,993,337) | (17,950,036) |
| Gross profit | | 7,021,108 | 5,729,698 |
| Administrative expenses | | (5,858,778) | (7,058,783) |
| Other operating income | | 78,832 | 348,406 |
| Operating profit/(loss) | 4 | 1,241,162 | (980,679) |
| Interest receivable and similar income | 8 | 18,200 | 8,066 |
| Interest payable and similar expenses | 9 | (154,461) | (158,879) |
| Other gains and losses | 10 | (7,594) | 74,655 |
| Profit/(loss) before taxation | | 1,097,307 | (1,056,837) |
| Tax on profit/(loss) | 11 | (309,926) | 170,201 |
| Profit/(loss) for the financial year | 28 | 787,381 | (886,636) |
| Other comprehensive income | | | |
| Currency translation gain/(loss) taken to retained earnings | | - | (663) |
| Total comprehensive income for the year | | 787,381 | (887,299) |
| Profit/(loss) for the financial year is attributable to: | | | |
| - Owners of the parent company | | 810,569 | (836,729) |
| - Non-controlling interests | | (23,188) | (49,907) |
| | | 787,381 | (886,636) |
| Total comprehensive income for the year is attributable to: | | | |
| - Owners of the parent company | | 810,569 | (837,392) |
| - Non-controlling interests | | (23,188) | (49,907) |
| | | 787,381 | (887,299) |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

Gael Force Group Holdings Limited

**Group balance sheet
As at 31 December 2022**

| | | | 2022 | | 2021 |
|--|-------|--------------|------------|-------------|------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Goodwill | 13 | | 1,234,649 | | 1,324,201 |
| Other intangible assets | 13 | | 2,032,108 | | 863,048 |
| | | | | | |
| Total intangible assets | | | 3,266,757 | | 2,187,249 |
| Tangible assets | 14 | | 7,475,428 | | 7,560,696 |
| Investments | 15 | | 301,942 | | 309,535 |
| | | | | | |
| | | | 11,044,127 | | 10,057,480 |
| Current assets | | | | | |
| Stocks | 17 | 4,759,684 | | 5,505,800 | |
| Debtors | 19 | 7,752,417 | | 4,785,915 | |
| Cash at bank and in hand | | 934,830 | | 1,818,271 | |
| | | | | | |
| | | 13,446,931 | | 12,109,986 | |
| Creditors: amounts falling due within one year | 20 | (11,225,903) | | (7,600,488) | |
| | | | | | |
| Net current assets | | | 2,221,028 | | 4,509,498 |
| | | | | | |
| Total assets less current liabilities | | | 13,265,155 | | 14,566,978 |
| | | | | | |
| Creditors: amounts falling due after more than one year | 21 | (3,175,201) | | (4,970,270) | |
| | | | | | |
| Provisions for liabilities | | | | | |
| Deferred tax liability | 25 | 749,511 | | 610,902 | |
| | | | (749,511) | | (610,902) |
| | | | | | |
| Net assets | | | 9,340,443 | | 8,985,806 |
| | | | | | |
| Capital and reserves | | | | | |
| Called up share capital | 27 | | 1 | | 1 |
| Revaluation reserve | 28 | | 1,350,245 | | 1,350,245 |
| Other reserves | 28 | | 137,463 | | 137,463 |
| Profit and loss reserves | 28 | | 7,988,424 | | 7,610,599 |
| | | | | | |
| Equity attributable to owners of the parent company | | | 9,476,133 | | 9,098,308 |
| Non-controlling interests | | | (135,690) | | (112,502) |
| | | | | | |
| | | | 9,340,443 | | 8,985,806 |

Gael Force Group Holdings Limited

Group balance sheet (continued)

As at 31 December 2022

The financial statements were approved by the board of directors and authorised for issue on 8 December 2023 and are signed on its behalf by:

S Graham

Director

Company Registration No. SC552705 (Scotland)

Gael Force Group Holdings Limited

**Company balance sheet
As at 31 December 2022**

| | | 2022 | 2021 |
|---|-------|-----------|-----------|
| | Notes | £ | £ |
| Fixed assets | | | |
| Investments | 15 | 2,015,554 | 2,015,554 |
| Current assets | | | |
| Debtors | 19 | 791,538 | 481,814 |
| Creditors: amounts falling due within one year | 20 | (915,811) | (575,272) |
| Net current liabilities | | (124,273) | (93,458) |
| Net assets | | 1,891,281 | 1,922,096 |
| Capital and reserves | | | |
| Called up share capital | 27 | 1 | 1 |
| Profit and loss reserves | 28 | 1,891,280 | 1,922,095 |
| Total equity | | 1,891,281 | 1,922,096 |

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £401,929 (2021 - £73,167 profit).

The financial statements were approved by the board of directors and authorised for issue on 8 December 2023 and are signed on its behalf by:

S Graham
Director

Company Registration No. SC552705 (Scotland)

Gael Force Group Holdings Limited

Group statement of changes in equity
For the year ended 31 December 2022

| | Share capital | Revaluation reserve | Profit and loss reserves | TotalNon-controlling interest | Total |
|--|---------------|---------------------|--------------------------|-------------------------------|-------------|
| Notes | £ | £ | £ | £ | £ |
| Balance at 1 January 2021 | 1 | 1,350,245 | 137,463 | 9,082,747 | 10,570,456 |
| | | | | | 981,928 |
| | | | | | 11,552,384 |
| Year ended 31 December 2021: | | | | | |
| Loss for the year | - | - | (836,729) | (836,729) | (49,907) |
| Other comprehensive income: | | | | | (886,636) |
| Currency translation differences | - | - | (663) | (663) | - |
| | | | | | (663) |
| Total comprehensive income | - | - | (837,392) | (837,392) | (49,907) |
| Dividends | 12 | - | (240,518) | (240,518) | (240,518) |
| Purchase of shares in subsidiary from non-controlling interest | - | - | (394,238) | (394,238) | (1,044,523) |
| | | | | | (1,438,761) |
| Balance at 31 December 2021 | 1 | 1,350,245 | 137,463 | 7,610,599 | 9,098,308 |
| | | | | | (112,502) |
| | | | | | 8,985,806 |
| Year ended 31 December 2022: | | | | | |
| Profit and total comprehensive income | - | - | 810,569 | 810,569 | (23,188) |
| Dividends | 12 | - | (432,744) | (432,744) | - |
| | | | | | (432,744) |
| Balance at 31 December 2022 | 1 | 1,350,245 | 137,463 | 7,988,424 | 9,476,133 |
| | | | | | (135,690) |
| | | | | | 9,340,443 |

Gael Force Group Holdings Limited

**Company statement of changes in equity
For the year ended 31 December 2022**

| | | Share capital | Profit and loss reserves | Total |
|--|-------|---------------|-----------------------------|-----------|
| | Notes | £ | £ | £ |
| Balance at 1 January 2021 | | 1 | 2,089,446 | 2,089,447 |
| Year ended 31 December 2021: | | | | |
| Profit and total comprehensive income for the year | | - | 73,167 | 73,167 |
| Dividends | 12 | - | (240,518) | (240,518) |
| Balance at 31 December 2021 | | 1 | 1,922,095 | 1,922,096 |
| Year ended 31 December 2022: | | | | |
| Profit and total comprehensive income | | - | 401,929 | 401,929 |
| Dividends | 12 | - | (432,744) | (432,744) |
| Balance at 31 December 2022 | | 1 | 1,891,280 | 1,891,281 |

Gael Force Group Holdings Limited

Group statement of cash flows

For the year ended 31 December 2022

| | Notes | £ | 2022 £ | £ | 2021 £ |
|--|-------|-------------|--------------------|-------------|--------------------|
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 32 | | 3,786,086 | | 1,578,769 |
| Interest paid | | | (154,461) | | (158,879) |
| Income taxes refunded/(paid) | | | 8,462 | | (91,388) |
| Net cash inflow from operating activities | | | 3,640,087 | | 1,328,502 |
| Investing activities | | | | | |
| Purchase of intangible assets | | (1,474,154) | | (481,729) | |
| Proceeds from disposal of intangibles | | (10,136) | | - | |
| Purchase of tangible fixed assets | | (964,709) | | (929,395) | |
| Proceeds from disposal of tangible fixed assets | | 627,125 | | 338,929 | |
| Purchase of shares in subsidiary from non-controlling interest | | - | | (1,438,761) | |
| Repayment of loans | | 121,571 | | - | |
| Dividends received | | 18,200 | | 8,066 | |
| Net cash used in investing activities | | | (1,682,103) | | (2,502,890) |
| Financing activities | | | | | |
| Proceeds from borrowings | | - | | 1,400,000 | |
| Repayment of borrowings | | (545,000) | | (20,000) | |
| Proceeds from new bank loans | | - | | 3,653,000 | |
| Repayment of bank loans | | (1,185,879) | | (3,576,455) | |
| Payment of finance leases obligations | | (677,802) | | (166,057) | |
| Dividends paid to equity shareholders | | (432,744) | | (240,518) | |
| Net cash (used in)/generated from financing activities | | | (2,841,425) | | 1,049,970 |
| Net decrease in cash and cash equivalents | | | (883,441) | | (124,418) |
| Cash and cash equivalents at beginning of year | | | 1,818,271 | | 1,942,689 |
| Cash and cash equivalents at end of year | | | 934,830 | | 1,818,271 |

Gael Force Group Holdings Limited

Notes to the group financial statements For the year ended 31 December 2022

I Accounting policies

Company information

Gael Force Group Holdings Limited ("the company") is a private company limited by shares incorporated in Scotland. The registered office is 136 Anderson Street, Inverness, IV3 8DH.

The group consists of Gael Force Group Holdings Limited and all of its subsidiaries.

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.

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, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The 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 for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

Gael Force Group Holdings Limited was incorporated on 15 December 2016 and acquired the entire share capital of Gael Force Group Limited via share by share exchange on 23 December 2016. As the use of merger accounting is not prohibited by company law or other relevant legislation, the ultimate equity holders remain the same, the rights of each equity holder, relative to the others, were unchanged and no non-controlling interest was altered by transfer, merger accounting provisions were adopted in relation to this transaction.

Accordingly, no goodwill, other intangibles fair value adjustments were recognised on the business combination.

The difference between the nominal value of the shares issued and the nominal value of the shares received in exchange is shown as a merger reserve.

Gael Force Group Holdings Limited

Notes to the group financial statements (continued)

For the year ended 31 December 2022

1 Accounting policies (continued)

1.2 Basis of consolidation

The consolidated group financial statements incorporate those of the financial statements of the parent company Gael Force Group Holdings Limited together with all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Other than in respect of business combinations accounted for as group reconstructions using the merger method of accounting, subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

The group prepares projections which demonstrate their ability to continue to meet all liabilities as they fall due. At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in the preparation of the financial statements.

1.4 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.

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 contracts for the provision of services 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 it is probable will be recovered.

1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Gael Force Group Holdings Limited

Notes to the group financial statements (continued)

For the year ended 31 December 2022

1 Accounting policies (continued)

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of the net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets comprise both 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. 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.

Amortisation 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:

| | |
|--------------------|-------------------------|
| Patents & licences | Fully amortised |
| Development costs | 10% - 20% straight line |
| Design rights | 25% straight line |

1.8 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:

| | |
|-----------------------------|---|
| Freehold land and buildings | nil and 5% reducing balance |
| Marine vessels | 5% straight line |
| Leasehold improvements | 20% reducing balance |
| Plant and equipment | 20-33% straight line and 25% reducing balance |
| Fixtures and fittings | 10-33% straight line and 25% reducing balance |
| Computers | 20-25% straight line and 25% reducing balance |
| Motor vehicles | 25% 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 recognised in the profit and loss account.

Gael Force Group Holdings Limited

Notes to the group financial statements (continued)

For the year ended 31 December 2022

1 Accounting policies (continued)

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. In the event of an acquisition of a subsidiary via share by share exchange and falling within the merger relief provisions of the Companies Act, cost is the nominal value of shares issued in exchange for shares received.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Impairment of fixed assets

At each reporting period end date, the group 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).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.11 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 cost 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.

1.12 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.

1 Accounting policies (continued)

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.

1.13 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.

1.14 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and 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. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. 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 group transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Gael Force Group Holdings Limited

Notes to the group financial statements (continued)

For the year ended 31 December 2022

1 Accounting policies (continued)

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 group after deducting all of its liabilities.

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 group's contractual obligations expire or are discharged or cancelled.

1.15 Equity instruments

Equity instruments issued by the group 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 group.

1.16 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 and loss account 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies (continued)

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. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. 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.

1.17 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.

1.18 Retirement benefits

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

1.19 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 leased asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Gael Force Group Holdings Limited

Notes to the group financial statements (continued)

For the year ended 31 December 2022

1 Accounting policies (continued)

1.20 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.

Government grants relating to assets are treated as deferred income and released to profit or loss over the expected useful lives of the assets concerned.

Government grants relating to turnover and the Coronavirus job retention scheme are recognised as income over the periods when the related costs are incurred.

1.21 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 Critical accounting judgements and key sources of estimation uncertainty

In the application of the group'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.

Gael Force Group Holdings Limited

Notes to the group financial statements (continued)

For the year ended 31 December 2022

2 Critical accounting judgements and key sources of estimation uncertainty (continued)

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.

Construction contracts

The group undertakes construction contracts which take place over a period of time and revenue and profits are recognised as the group performs under these contracts. The extent to which revenue and profits have been earned involves estimating a percentage of completion under ongoing contracts which is based on costs incurred to date as a proportion of total estimated costs.

Tangible fixed assets

Freehold land and buildings 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.

Intangible assets

The group has intangible assets of which the carrying value involves assumptions regarding the period over which economic benefits are expected to be generated.

Stock provision

In common with all businesses carrying trading stock, the group faces the possibility that stock held will not recover its carrying value at point of sale. The directors calculate a specific provision to allow for this based on the time that items have been held in stock. As with any estimate, this is subject to events proving otherwise where tested, but the directors do not consider that this amounts to significant risk.

3 Turnover and other revenue

| | 2022 | 2021 |
|---|-------------------|-------------------|
| | £ | £ |
| Turnover analysed by class of business | | |
| Engineering works | 4,589,145 | 6,356,948 |
| Marine equipment | 21,536,327 | 16,528,207 |
| Rental of equipment | 888,973 | 794,579 |
| | <u>27,014,445</u> | <u>23,679,734</u> |
| | 2022 | 2021 |
| | £ | £ |
| Turnover analysed by geographical market | | |
| UK | 22,951,910 | 20,262,426 |
| EEA | 3,658,561 | 792,242 |
| Other | 403,974 | 2,625,066 |
| | <u>27,014,445</u> | <u>23,679,734</u> |

Gael Force Group Holdings Limited**Notes to the group financial statements (continued)****For the year ended 31 December 2022****3 Turnover and other revenue (continued)**

| | 2022 | 2021 |
|----------------------|-------------------|-------------------|
| | £ | £ |
| Other revenue | | |
| Dividends received | 18,200 | 8,066 |
| Grants received | 78,709 | 348,406 |
| | <u> </u> | <u> </u> |

Included within grants received in 2021 are amounts totalling £143,202 received under the Coronavirus Job Retention Scheme.

4 Operating profit/(loss)

| | 2022 | 2021 |
|--|-------------------|-------------------|
| | £ | £ |
| Operating profit/(loss) for the year is stated after charging/(crediting): | | |
| Exchange gains | (73,860) | (21,199) |
| Government grants | (78,709) | (348,406) |
| Depreciation of owned tangible fixed assets | 270,705 | 741,604 |
| Depreciation of tangible fixed assets held under finance leases | 258,051 | 311,390 |
| Profit on disposal of tangible fixed assets | (105,904) | (49,998) |
| Amortisation of intangible assets | 402,482 | 419,803 |
| Loss on disposal of intangible assets | 2,300 | - |
| Operating lease charges | 184,416 | 176,768 |
| | <u> </u> | <u> </u> |

5 Auditor's remuneration

| | 2022 | 2021 |
|---|-------------------|-------------------|
| | £ | £ |
| Fees payable to the company's auditor and associates: | | |
| For audit services | | |
| Audit of the financial statements of the group and company | 8,000 | 6,000 |
| Audit of the financial statements of the company's subsidiaries | 48,000 | 48,000 |
| | <u> </u> | <u> </u> |
| | <u>56,000</u> | <u>54,000</u> |

Gael Force Group Holdings Limited

Notes to the group financial statements (continued)

For the year ended 31 December 2022

6 Employees

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

| | Group 2022 Number | 2021 Number | Company 2022 Number | 2021 Number |
|------------------------------------|----------------------------------|------------------------|------------------------------------|------------------------|
| Directors | 7 | 4 | 3 | 3 |
| Management, back office and sales | 83 | 77 | - | - |
| Shop, yard, warehouse and workshop | 96 | 127 | - | - |
| Total | 186 | 208 | 3 | 3 |

Their aggregate remuneration comprised:

| | Group 2022 £ | 2021 £ | Company 2022 £ | 2021 £ |
|-----------------------|-----------------------------|-------------------|-------------------------------|-------------------|
| Wages and salaries | 4,644,592 | 6,066,956 | 4,000 | 10,771 |
| Social security costs | 443,497 | 538,576 | - | - |
| Pension costs | 114,566 | 175,622 | - | - |
| Total | 5,202,655 | 6,781,154 | 4,000 | 10,771 |

7 Directors' remuneration

| | 2022 £ | 2021 £ |
|---|-------------------|-------------------|
| Remuneration for qualifying services | 88,375 | 73,810 |
| Company pension contributions to defined contribution schemes | 2,154 | 1,635 |
| Total | 90,529 | 75,445 |

8 Interest receivable and similar income

| | 2022 £ | 2021 £ |
|---|-------------------|-------------------|
| Other income from investments | | |
| Dividends received | 18,200 | 8,066 |
| Investment income includes the following: | | |
| Dividends from financial assets measured at fair value through profit or loss | 18,200 | 8,066 |

Gael Force Group Holdings Limited

Notes to the group financial statements (continued)

For the year ended 31 December 2022

9 Interest payable and similar expenses

| | 2022 | 2021 |
|--|----------------|----------------|
| | £ | £ |
| Interest on bank overdrafts and loans | 101,351 | 94,058 |
| Interest on finance leases and hire purchase contracts | 28,294 | 64,105 |
| Other interest | 24,816 | 716 |
| | <u>154,461</u> | <u>158,879</u> |

10 Other gains and losses

| | 2022 | 2021 |
|---|----------------|---------------|
| | £ | £ |
| Fair value gains/(losses) on financial instruments | | |
| (Loss)/gain on financial assets held at fair value through profit or loss | (7,594) | 74,655 |
| | <u>(7,594)</u> | <u>74,655</u> |

11 Taxation

| | 2022 | 2021 |
|--|----------------|------------------|
| | £ | £ |
| Current tax | | |
| UK corporation tax on profits for the current period | 147,752 | (23,364) |
| Adjustments in respect of prior periods | 23,565 | (293,366) |
| | <u>171,317</u> | <u>(316,730)</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 140,286 | 22,024 |
| Changes in tax rates | 44,302 | 123,746 |
| Adjustment in respect of prior periods | (45,979) | 759 |
| | <u>138,609</u> | <u>146,529</u> |
| | <u>309,926</u> | <u>(170,201)</u> |

Gael Force Group Holdings Limited**Notes to the group financial statements (continued)****For the year ended 31 December 2022****11 Taxation (continued)**

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

| | 2022 | 2021 |
|---|-------------|-------------|
| | £ | £ |
| Profit/(loss) before taxation | 1,097,307 | (1,056,837) |
| Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%) | 208,488 | (200,799) |
| Tax effect of expenses that are not deductible in determining taxable profit | 220,889 | 66,791 |
| Tax effect of income not taxable in determining taxable profit | (21,624) | (81,856) |
| Unutilised tax losses carried forward | - | 70,003 |
| Change in unrecognised deferred tax assets | (122,841) | - |
| Adjustments in respect of prior years | 23,565 | (293,336) |
| Effect of change in corporation tax rate | 43,867 | 123,746 |
| Deferred tax adjustments in respect of prior years | (45,979) | - |
| Effect of other reliefs | 3,561 | 145,250 |
| Taxation charge/(credit) | 309,926 | (170,201) |

12 Dividends

| | 2022 | 2021 |
|--|-------------|-------------|
| | £ | £ |
| Recognised as distributions to equity holders: | | |
| Final paid | 432,744 | 240,518 |

Gael Force Group Holdings Limited

Notes to the group financial statements (continued)

For the year ended 31 December 2022

13 Intangible fixed assets

| Group | Goodwill | Patents & licences | Development costs | Design rights | Total |
|------------------------------------|-----------------|-------------------------------|--------------------------|----------------------|--------------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 January 2022 | 2,180,158 | 55,087 | 1,772,211 | 34,328 | 4,041,784 |
| Additions - internally developed | - | - | 1,283,889 | - | 1,283,889 |
| Additions - separately acquired | 184,741 | 5,524 | - | - | 190,265 |
| Disposals | - | - | (259,997) | - | (259,997) |
| Transfers | - | 4,390 | (57,247) | - | (52,857) |
| At 31 December 2022 | 2,364,899 | 65,001 | 2,738,856 | 34,328 | 5,203,084 |
| Amortisation and impairment | | | | | |
| At 1 January 2022 | 855,957 | 55,087 | 925,847 | 17,644 | 1,854,535 |
| Amortisation charged for the year | 274,293 | 439 | 126,428 | 1,322 | 402,482 |
| Disposals | - | - | (221,939) | - | (221,939) |
| Transfers | - | 205 | (98,956) | - | (98,751) |
| At 31 December 2022 | 1,130,250 | 55,731 | 731,380 | 18,966 | 1,936,327 |
| Carrying amount | | | | | |
| At 31 December 2022 | 1,234,649 | 9,270 | 2,007,476 | 15,362 | 3,266,757 |
| At 31 December 2021 | 1,324,201 | - | 846,364 | 16,684 | 2,187,249 |

The company had no intangible fixed assets at 31 December 2022 or 31 December 2021.

Gael Force Group Holdings Limited

Notes to the group financial statements (continued)
For the year ended 31 December 2022

14 Tangible fixed assets

| Group | Freehold land and buildings | Marine vessels | Leasehold improvements | Plant and equipment | Fixtures and fittings | Computer | Motor vehicles | Total |
|------------------------------------|-----------------------------|----------------|------------------------|---------------------|-----------------------|----------|----------------|-------------|
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Cost or valuation | | | | | | | | |
| At 1 January 2022 | 4,592,023 | 811,255 | 113,785 | 5,611,341 | 549,765 | 340,599 | 691,490 | 12,710,258 |
| Additions | 201,293 | - | - | 674,212 | 17,857 | 21,293 | 50,054 | 964,709 |
| Disposals | - | - | - | (537,861) | (13,467) | - | (77,664) | (628,992) |
| Transfers | (208) | - | (10,764) | (1,283,760) | (152,371) | 411,525 | (126,258) | (1,161,836) |
| At 31 December 2022 | 4,793,108 | 811,255 | 103,021 | 4,463,932 | 401,784 | 773,417 | 537,622 | 11,884,139 |
| Depreciation and impairment | | | | | | | | |
| At 1 January 2022 | 22,546 | 227,756 | 33,190 | 3,842,479 | 274,361 | 273,887 | 475,343 | 5,149,562 |
| Depreciation charged in the year | 9,359 | 32,522 | 21,586 | 380,024 | (69,773) | 89,378 | 65,660 | 528,756 |
| Eliminated in respect of disposals | - | - | - | (366,777) | (8,831) | - | (62,060) | (437,668) |
| Transfers | 4,542 | - | (10,058) | (1,080,996) | 127,138 | 217,328 | (89,893) | (831,939) |
| At 31 December 2022 | 36,447 | 260,278 | 44,718 | 2,774,730 | 322,895 | 580,593 | 389,050 | 4,408,711 |
| Carrying amount | | | | | | | | |
| At 31 December 2022 | 4,756,661 | 550,977 | 58,303 | 1,689,202 | 78,889 | 192,824 | 148,572 | 7,475,428 |
| At 31 December 2021 | 4,569,477 | 583,499 | 80,595 | 1,768,862 | 275,404 | 66,712 | 216,147 | 7,560,696 |

The company had no tangible fixed assets at 31 December 2022 or 31 December 2021.

Gael Force Group Holdings Limited

Notes to the group financial statements (continued)

For the year ended 31 December 2022

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

| | Group | | Company | |
|---------------------|----------------|----------------|----------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Plant and equipment | 867,333 | 77,050 | - | - |
| Motor vehicles | 5,400 | 167,395 | - | - |
| Computers | 4,500 | 72,697 | - | - |
| | <u>877,233</u> | <u>317,142</u> | <u>-</u> | <u>-</u> |

The fair value of the land and buildings has been arrived at on the basis of a valuation made on an on-going market basis carried out by Graham Sibbald Chartered Surveyors in April 2021, who are not connected with the group. The directors are of the opinion that the market value has not changed in the period to 31 December 2022.

The following assets are carried at valuation. If the assets were measured using the cost model, the carrying amounts would be as follows:

| | 2022 | 2021 |
|--------------|------------------|------------------|
| | £ | £ |
| Group | | |
| Cost | <u>1,890,017</u> | <u>1,890,017</u> |

15 Fixed asset investments

| | | Group | | Company | |
|-----------------------------|--------------|----------------|----------------|------------------|------------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | Notes | £ | £ | £ | £ |
| Investments in subsidiaries | 16 | - | - | 2,015,554 | 2,015,554 |
| Listed investments | | <u>301,942</u> | <u>309,535</u> | <u>-</u> | <u>-</u> |
| | | <u>301,942</u> | <u>309,535</u> | <u>2,015,554</u> | <u>2,015,554</u> |

Gael Force Group Holdings Limited

Notes to the group financial statements (continued)

For the year ended 31 December 2022

15 Fixed asset investments (continued)

**Movements in fixed asset investments
Group**

**Investments
£**

Cost or valuation

At 1 January 2022

309,535

Valuation changes

(7,593)

At 31 December 2022

301,942

Carrying amount

At 31 December 2022

301,942

At 31 December 2021

309,535

**Movements in fixed asset investments
Company**

**Shares in
subsidiaries
£**

Cost or valuation

At 1 January 2022 and 31 December 2022

2,015,554

Carrying amount

At 31 December 2022

2,015,554

At 31 December 2021

2,015,554

Gael Force Group Holdings Limited

Notes to the group financial statements (continued)

For the year ended 31 December 2022

16 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

| Name of undertaking | Registered office | Nature of business | Class of shares held | % Held | |
|---|-------------------|--|----------------------|--------|----------|
| | | | | Direct | Indirect |
| Gael Force Aquahomes Ltd | Scotland | Dormant | Ordinary | 0 | 100 |
| Gael Force Engineering Limited | Scotland | Marine and marina engineering | Ordinary | 0 | 100 |
| Gael Force Group Limited | Scotland | Holding company | Ordinary | 100 | - |
| Gael Force Marine Equipment Limited | Scotland | Manufacture and supply of marine equipment | Ordinary | 0 | 100 |
| Gael Force Marine Technology Limited | Scotland | Manufacture and sale of marine equipment | Ordinary | 0 | 100 |
| Gael Force Properties and Investments Limited | Scotland | Property rental and investment | Ordinary | 100 | - |
| Gael Force Rentals Limited | Scotland | Rental of marine equipment | Ordinary | 0 | 100 |
| Gael Force Fusion Limited | Scotland | Manufacture of marine equipment | Ordinary | 0 | 100 |
| Gael Force Boatbuilding Limited | Scotland | Repairs to marine equipment | Ordinary | 0 | 75 |
| Gael Force Canada | Canada | Maintenance and supply of marine equipment | Ordinary | 0 | 100 |
| Gael Force Europe S.L. | Spain | Manufacture and supply of marine equipment | Ordinary | 0 | 100 |

17 Stocks

| | Group 2022 £ | 2021 £ | Company 2022 £ | 2021 £ |
|-------------------------------------|--------------------|------------------|----------------------|-----------|
| Raw materials and consumables | 2,222,119 | 2,228,898 | - | - |
| Work in progress | 76,186 | 940,047 | - | - |
| Finished goods and goods for resale | 2,461,379 | 2,336,855 | - | - |
| | <u>4,759,684</u> | <u>5,505,800</u> | <u>-</u> | <u>-</u> |

18 Financial instruments

| | Group 2022 £ | 2021 £ | Company 2022 £ | 2021 £ |
|---|--------------------|-----------|----------------------|-----------|
| Instruments measured at fair value through profit or loss | 301,942 | 309,535 | n/a | n/a |

Gael Force Group Holdings Limited

Notes to the group financial statements (continued)

For the year ended 31 December 2022

19 Debtors

| | Group | | Company | |
|---|------------------|------------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| Amounts falling due within one year: | £ | £ | £ | £ |
| Trade debtors | 3,149,011 | 2,324,876 | 14,063 | 14,062 |
| Unpaid share capital | 1 | 1 | - | - |
| Corporation tax recoverable | 57,268 | 23,236 | - | - |
| Amounts owed by group undertakings | - | - | 1,770 | 294 |
| Other debtors | 2,131,169 | 1,773,304 | 255,548 | 377,120 |
| Prepayments and accrued income | 2,414,968 | 664,498 | 520,157 | 90,338 |
| | <u>7,752,417</u> | <u>4,785,915</u> | <u>791,538</u> | <u>481,814</u> |

20 Creditors: amounts falling due within one year

| | | Group | | Company | |
|------------------------------------|--------------|-------------------|------------------|----------------|----------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | Notes | £ | £ | £ | £ |
| Bank loans | 22 | 134,000 | 434,000 | - | - |
| Obligations under finance leases | 23 | 398,727 | 663,405 | - | - |
| Other borrowings | 22 | 835,000 | 536,418 | - | - |
| Trade creditors | | 3,453,091 | 2,106,429 | - | - |
| Amounts owed to group undertakings | | - | - | 745,892 | 485,684 |
| Corporation tax payable | | 316,953 | 103,142 | - | (8,663) |
| Other taxation and social security | | 2,204,860 | 632,074 | - | - |
| Deferred income | 24 | 1,931,313 | 61,816 | - | - |
| Other creditors | | 70,678 | 990,524 | - | - |
| Accruals and deferred income | | 1,881,281 | 2,072,680 | 169,919 | 98,251 |
| | | <u>11,225,903</u> | <u>7,600,488</u> | <u>915,811</u> | <u>575,272</u> |

21 Creditors: amounts falling due after more than one year

| | | Group | | Company | |
|----------------------------------|--------------|------------------|------------------|----------------|-------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | Notes | £ | £ | £ | £ |
| Bank loans and overdrafts | 22 | 2,335,000 | 3,220,879 | - | - |
| Obligations under finance leases | 23 | 141,645 | 554,769 | - | - |
| Other borrowings | 22 | - | 843,582 | - | - |
| Deferred income | 24 | 272,331 | 351,040 | - | - |
| Other creditors | | 426,225 | - | - | - |
| | | <u>3,175,201</u> | <u>4,970,270</u> | <u>-</u> | <u>-</u> |

Gael Force Group Holdings Limited

Notes to the group financial statements (continued)

For the year ended 31 December 2022

22 Loans and overdrafts

| | Group | | Company | |
|-------------------------|------------------|------------------|----------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Bank loans | 2,469,000 | 3,654,879 | - | - |
| Other loans | 835,000 | 1,380,000 | - | - |
| | <u>3,304,000</u> | <u>5,034,879</u> | <u>-</u> | <u>-</u> |
| Payable within one year | 969,000 | 970,418 | - | - |
| Payable after one year | <u>2,335,000</u> | <u>4,064,461</u> | <u>-</u> | <u>-</u> |

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

Bank loans include a bank loan repayable in 60 monthly instalments with interest payable at base rate plus 2.25% per annum. The bank overdraft has interest payable at base rate plus 2.25%.

23 Finance lease obligations

| | Group | | Company | |
|---|----------------|------------------|----------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Future minimum lease payments due under finance leases: | | | | |
| Within one year | 398,727 | 663,405 | - | - |
| In two to five years | 141,645 | 554,769 | - | - |
| | <u>540,372</u> | <u>1,218,174</u> | <u>-</u> | <u>-</u> |

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

24 Deferred income

| | Group | | Company | |
|--------------------------------|------------------|----------------|----------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Arising from government grants | 272,331 | 412,856 | - | - |
| Other deferred income | 1,931,313 | - | - | - |
| | <u>2,203,644</u> | <u>412,856</u> | <u>-</u> | <u>-</u> |

Gael Force Group Holdings Limited

Notes to the group financial statements (continued)

For the year ended 31 December 2022

24 Deferred income (continued)

Deferred income is included in the financial statements as follows:

| | | | | |
|-------------------------|------------------|----------------|----------|----------|
| Current liabilities | 1,931,313 | 61,816 | - | - |
| Non-current liabilities | 272,331 | 351,040 | - | - |
| | <u>2,203,644</u> | <u>412,856</u> | <u>-</u> | <u>-</u> |

25 Deferred taxation

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

| | Liabilities 2022 £ | Liabilities 2021 £ |
|--------------------------------|-----------------------------------|-----------------------------------|
| Group | | |
| Accelerated capital allowances | 654,221 | 515,612 |
| Investment property | 95,290 | 95,290 |
| | <u>749,511</u> | <u>610,902</u> |

The company has no deferred tax assets or liabilities.

| | Group 2022 £ | Company 2022 £ |
|---|-----------------------------|-------------------------------|
| Movements in the year: | | |
| Liability at 1 January 2022 | 610,902 | - |
| Charge to profit or loss | 98,953 | - |
| Effect of change in tax rate - profit or loss | 39,656 | - |
| | <u>749,511</u> | <u>-</u> |

26 Retirement benefit schemes

| | 2022 £ | 2021 £ |
|---|-------------------|-------------------|
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | 114,566 | 175,622 |

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Gael Force Group Holdings Limited

Notes to the group financial statements (continued)

For the year ended 31 December 2022

27 Share capital

| Group and company | 2022 | 2021 | 2022 | 2021 |
|-------------------------------|---------------|---------------|-------------|-------------|
| Ordinary share capital | Number | Number | £ | £ |
| Issued and fully paid | | | | |
| Ordinary share of £1 each | 1 | 1 | 1 | 1 |
| | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> |

The company has one class of ordinary share which carries full voting rights but no right to fixed income or repayment of capital. Distributions are at the discretion of the company.

28 Reserves

Revaluation reserve

The revaluation reserve represents increases in the valuation of land and buildings over the original cost price, net of deferred tax.

Other reserve

This reserve relates to a merger reserve being the difference between the nominal value of shares issued and the nominal value of shares received in exchange, arising on a group reorganisation in 2016.

Profit and loss reserves

Retained earnings represent accumulated profits less losses and distributions.

29 Operating lease commitments

Lessee

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

| | Group | | Company | |
|----------------------------|---------------|---------------|----------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Within one year | 6,260 | 66,620 | - | - |
| Between two and five years | 16,694 | 9,706 | - | - |
| | <u>22,954</u> | <u>76,326</u> | <u>-</u> | <u>-</u> |

Lessor

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

| | Group | | Company | |
|----------------------------|----------------|------------------|----------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Within one year | 494,910 | 629,832 | - | - |
| Between two and five years | 434,308 | 895,907 | - | - |
| | <u>929,218</u> | <u>1,525,739</u> | <u>-</u> | <u>-</u> |

Gael Force Group Holdings Limited**Notes to the group financial statements (continued)****For the year ended 31 December 2022****30 Related party transactions****Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

| | 2022 | 2021 |
|------------------------|--------|---------|
| | £ | £ |
| Aggregate compensation | 90,528 | 345,611 |

The company has taken advantage of section 33.1A available in FRS 102 from the requirement to disclose related party transactions.

31 Directors' transactions

Dividends totalling £361,075 (2021 - £167,767) were paid in the year in respect of shares held by the company's directors.

Advances or credits have been granted by the group to its directors as follows:

| Description | % Rate | Opening balance | Amounts advanced | Amounts repaid | Closing balance |
|-------------|--------|-----------------|------------------|------------------|-----------------|
| | | £ | £ | £ | £ |
| S Graham - | - | 377,119 | 249,494 | (371,065) | 255,548 |
| | | <u>377,119</u> | <u>249,494</u> | <u>(371,065)</u> | <u>255,548</u> |

Gael Force Group Holdings Limited

Notes to the group financial statements (continued)

For the year ended 31 December 2022

32 Cash generated from group operations

| | 2022 | 2021 |
|--|------------------|------------------|
| | £ | £ |
| Profit/(loss) for the year after tax | 787,381 | (886,636) |
| Adjustments for: | | |
| Taxation charged/(credited) | 309,926 | (170,201) |
| Finance costs | 154,461 | 158,879 |
| Investment income | (18,200) | (8,066) |
| Gain on disposal of tangible fixed assets | (105,904) | (49,998) |
| Loss on disposal of intangible assets | 2,300 | - |
| Amortisation and impairment of intangible assets | 402,482 | 419,803 |
| Depreciation and impairment of tangible fixed assets | 528,756 | 1,052,994 |
| Other gains and losses | 7,594 | (74,655) |
| Forex translation on brought forward reserves | - | (633) |
| Movements in working capital: | | |
| Decrease/(increase) in stocks | 746,116 | (280,588) |
| (Increase)/decrease in debtors | (1,761,775) | 3,624,632 |
| Increase/(decrease) in creditors | 942,161 | (2,163,002) |
| Increase/(decrease) in deferred income | 1,790,788 | (43,760) |
| Cash generated from operations | 3,786,086 | 1,578,769 |

33 Analysis of changes in net debt - group

| | 1 January 2022 | Cash flows | 31 December 2022 |
|----------------------------------|-----------------------|-------------------|-------------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 1,818,271 | (883,441) | 934,830 |
| Borrowings excluding overdrafts | (5,034,879) | 1,730,879 | (3,304,000) |
| Obligations under finance leases | (1,218,174) | 677,802 | (540,372) |
| | (4,434,782) | 1,525,240 | (2,909,542) |

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