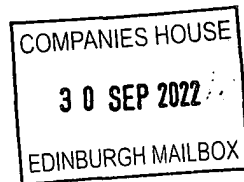


Company Registration No. SC590781 (Scotland)



**Gael Force Boatbuilding Limited**

**Financial statements  
for the year ended 31 December 2021**

**Pages for filing with the Registrar**



**Saffery Champness**  
CHARTERED ACCOUNTANTS

# **Gael Force Boatbuilding Limited**

## **Contents**

---

|  | <b>Page</b>   |
|--|---------------|
| <b>Balance sheet</b>                     | <b>1 - 2</b>  |
| <b>Notes to the financial statements</b> | <b>3 - 11</b> |

---

**Gael Force Boatbuilding Limited**

**Balance sheet**

**As at 31 December 2021**

|  | Notes | £              | 2021<br>£               | £              | 2020<br>£               |
|--|-------|----------------|-------------------------|----------------|-------------------------|
| <b>Fixed assets</b>  |       |                |                         |                |                         |
| Intangible assets  | 4     |                | 750                     |                | 3,750                   |
| Tangible assets  | 5     |                | 293,575                 |                | 232,353                 |
|  |       |                | <u>294,325</u>          |                | <u>236,103</u>          |
| <b>Current assets</b>  |       |                |                         |                |                         |
| Stocks   |       | 2,131          |                         | 6,631          |                         |
| Debtors  | 6     | 565,301        |                         | 309,108        |                         |
| Cash at bank and in hand                                       |       | 63,751         |                         | 26,233         |                         |
|  |       | <u>631,183</u> |                         | <u>341,972</u> |                         |
| <b>Creditors: amounts falling due within one year</b>          | 7     | (1,335,222)    |                         | (808,218)      |                         |
| <b>Net current liabilities</b>                                 |       |                | <u>(704,039)</u>        |                | <u>(466,246)</u>        |
| <b>Total assets less current liabilities</b>                   |       |                | <u>(409,714)</u>        |                | <u>(230,143)</u>        |
| <b>Creditors: amounts falling due after more than one year</b> | 8     |                | (10,365)                |                | -                       |
| <b>Provisions for liabilities</b>                              |       |                | <u>(29,927)</u>         |                | <u>(20,234)</u>         |
| <b>Net liabilities</b>   |       |                | <u><u>(450,006)</u></u> |                | <u><u>(250,377)</u></u> |
| <b>Capital and reserves</b>                                    |       |                |                         |                |                         |
| Called up share capital  | 9     |                | 200,000                 |                | 200,000                 |
| Profit and loss reserves                                       |       |                | <u>(650,006)</u>        |                | <u>(450,377)</u>        |
| <b>Total equity</b>  |       |                | <u><u>(450,006)</u></u> |                | <u><u>(250,377)</u></u> |

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

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

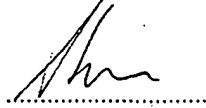
**Gael Force Boatbuilding Limited**

**Balance sheet (continued)**

**As at 31 December 2021**

---

The financial statements were approved by the board of directors and authorised for issue on 29/09/2022 and are signed on its behalf by:



S Graham

Director

**Company Registration No. SC590781**

## **Gael Force Boatbuilding Limited**

### **Notes to the financial statements For the year ended 31 December 2021**

---

#### **1 Accounting policies**

##### **Company information**

Gael Force Boatbuilding 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.

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

##### **1.2 Going concern**

The financial statements have been prepared on a basis other than going concern. The directors have decided that within the next 12 months the trade and assets and business of the company will be transferred to the parent company, Gael Force Group Limited, and therefore it is not appropriate to prepare the financial statements on the going concern basis. As the intention is to transfer assets and liabilities at book values, no adjustment to the carrying amounts at 31 December 2021 are considered necessary.

##### **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.

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 Accounting policies (continued)**

**1.4 Intangible fixed assets - goodwill**

Goodwill represents the excess of the cost of the consideration 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 four years.

**1.5 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 | 5% reducing balance  |
| Plant and equipment         | 20% reducing balance |

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 and work in progress 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.

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.

**1.8 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 Accounting policies (continued)**

**1.9 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.

***Classification of financial liabilities***

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

***Basic financial liabilities***

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

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

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

**1.10 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 Accounting policies (continued)**

**1.11 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 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. 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.

**1.12 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.

**1.13 Retirement benefits**

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



**1 Accounting policies (continued)**

**1.14 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 leases asset are consumed.

**1.15 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.

**2 Critical accounting judgements and key sources of estimation uncertainty**

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

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

The assessment of assets useful lives and depreciation rates is a key estimate required in preparing the financial statements.

**Gael Force Boatbuilding Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2021**

---

**3 Employees**

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

|       | <b>2021<br/>Number</b> | <b>2020<br/>Number</b> |
|-------|------------------------|------------------------|
| Total | <u>19</u>              | <u>21</u>              |

**4 Intangible fixed assets**

|  | <b>Goodwill<br/>£</b> |
|--|-----------------------|
| <b>Cost</b>                            |                       |
| At 1 January 2021 and 31 December 2021 | <u>12,000</u>         |
| <b>Amortisation and impairment</b>     |                       |
| At 1 January 2021                      | <u>8,250</u>          |
| Amortisation charged for the year      | <u>3,000</u>          |
| At 31 December 2021                    | <u>11,250</u>         |
| <b>Carrying amount</b>                 |                       |
| At 31 December 2021                    | <u>750</u>            |
| At 31 December 2020                    | <u>3,750</u>          |

**Gael Force Boatbuilding Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2021**

**5 Tangible fixed assets**

|                                    | Land and<br>buildings<br>£ | Plant and<br>machinery etc<br>£ | Total<br>£ |
|------------------------------------|----------------------------|---------------------------------|------------|
| <b>Cost</b>                        |                            |                                 |            |
| At 1 January 2021                  | 163,310                    | 139,138                         | 302,448    |
| Additions                          | 34,869                     | 62,983                          | 97,852     |
| At 31 December 2021                | 198,179                    | 202,121                         | 400,300    |
| <b>Depreciation and impairment</b> |                            |                                 |            |
| At 1 January 2021                  | 15,746                     | 54,349                          | 70,095     |
| Depreciation charged in the year   | 8,842                      | 27,788                          | 36,630     |
| At 31 December 2021                | 24,588                     | 82,137                          | 106,725    |
| <b>Carrying amount</b>             |                            |                                 |            |
| At 31 December 2021                | 173,591                    | 119,984                         | 293,575    |
| At 31 December 2020                | 147,564                    | 84,789                          | 232,353    |

**6 Debtors**

|   | 2021<br>£ | 2020<br>£ |
|---|-----------|-----------|
| <b>Amounts falling due within one year:</b> |           |           |
| Trade debtors                               | 94,616    | 7,248     |
| Amounts owed by group undertakings          | 371,909   | 112,739   |
| Other debtors                               | 98,776    | 189,121   |
|   | 565,301   | 309,108   |

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

|                                    | 2021<br>£ | 2020<br>£ |
|------------------------------------|-----------|-----------|
| Trade creditors                    | 43,612    | 48,810    |
| Amounts owed to group undertakings | 1,162,383 | 715,061   |
| Taxation and social security       | 37,323    | 12,285    |
| Other creditors                    | 91,904    | 32,062    |
|                                    | 1,335,222 | 808,218   |

**Gael Force Boatbuilding Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2021**

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

|                 | <b>2021</b>   | <b>2020</b> |
|-----------------|---------------|-------------|
|                 | <b>£</b>      | <b>£</b>    |
| Other creditors | <u>10,365</u> | <u>-</u>    |

**9 Called up share capital**

|   | <b>2021</b>    | <b>2020</b>    | <b>2021</b>    | <b>2020</b>    |
|---|----------------|----------------|----------------|----------------|
|   | <b>Number</b>  | <b>Number</b>  | <b>£</b>       | <b>£</b>       |
| Ordinary share capital<br>Issued and fully paid |                |                |                |                |
| Ordinary shares of £1 each                      | <u>200,000</u> | <u>200,000</u> | <u>200,000</u> | <u>200,000</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.

**Emphasis of matter - accounts prepared on a basis other than going concern**

We draw attention to note 1.2 to the financial statements which explains that within the next 12 months the directors intend to cease operations within the company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in note 1.2. Our opinion is not qualified in respect of this matter.

The senior statutory auditor was Eunice McAdam and the auditor was Saffery Champness LLP.

**11 Financial commitments, guarantees and contingent liabilities**

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

**Gael Force Boatbuilding Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2021**

**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:

|  | <b>2021</b>          | <b>2020</b>           |
|--|----------------------|-----------------------|
|  | <b>£</b>             | <b>£</b>              |
|  | <b>24,000</b>        | <b>117,000</b>        |
|  | <u><u>24,000</u></u> | <u><u>117,000</u></u> |

**13 Related party transactions**

|                                       | <b>2021</b>             | <b>2020</b>           |
|---------------------------------------|-------------------------|-----------------------|
|                                       | <b>£</b>                | <b>£</b>              |
| <b>Amounts due to related parties</b> |                         |                       |
| Other related parties                 | <b>1,153,290</b>        | <b>715,061</b>        |
|                                       | <u><u>1,153,290</u></u> | <u><u>715,061</u></u> |

The following amounts were outstanding at the reporting end date:

|   | <b>2021</b>          | <b>2020</b>           |
|---|----------------------|-----------------------|
|   | <b>£</b>             | <b>£</b>              |
| <b>Amounts due from related parties</b> |                      |                       |
| Other related parties                   | <b>98,141</b>        | <b>112,739</b>        |
|   | <u><u>98,141</u></u> | <u><u>112,739</u></u> |

Amounts owed to other related parties are included within creditors at the year end and represent amounts due to fellow subsidiary companies. No interest or security have been provided on any balances.

Amounts owed by other related parties are included within debtors at the year end and represent amounts due from fellow subsidiary companies. No interest or security have been provided on any balances.

The company has taken advantage of the exemption within FRS102 Section 1A from the requirement to disclose transactions entered into under market conditions.

**14 Parent company**

The immediate parent company and the smallest group which the company is consolidated into 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.