

Company Registration No. SC590781 (Scotland)

**Gael Force Boatbuilding
Limited**

Financial Statements

For the year ended 31 December 2020

Pages for filing with Registrar



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GAEL FORCE BOATBUILDING LIMITED

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GAEL FORCE BOATBUILDING LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	4		3,750		6,750
Tangible assets	5		232,353		253,429
			<u>236,103</u>		<u>260,179</u>
Current assets					
Stocks		6,631		100,960	
Debtors	6	309,108		140,066	
Cash at bank and in hand		26,233		40,406	
		<u>341,972</u>		<u>281,432</u>	
Creditors: amounts falling due within one year	7	(808,218)		(557,686)	
Net current liabilities			(466,246)		(276,254)
Total assets less current liabilities			(230,143)		(16,075)
Provisions for liabilities			(20,234)		(979)
Net liabilities			<u>(250,377)</u>		<u>(17,054)</u>
Capital and reserves					
Called up share capital	8	200,000		200,000	
Profit and loss reserves		(450,377)		(217,054)	
Total equity			<u>(250,377)</u>		<u>(17,054)</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.

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



S Graham
Director

Company Registration No. SC590781

GAEL FORCE BOATBUILDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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 statement have been prepared on a going concern basis. The company have reported a loss for the year of £233,323 for the year and at the reporting period end had net liabilities £250,377. Included within the balance sheet is a net amount of £715,061 due to group companies. The parent group are committed to supporting the company and ensure that they meet all liabilities as they fall due and will not recall the balance until the company is in a position to be able to settle this.

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

The group demonstrated its resilience and the directors felt the group companies were able to quickly adjust and adopt measures which, together with the strength of the group's balance sheet and financial position, allows them to continue to support Gael Force Boatbuilding Limited. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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 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.

GAEL FORCE BOATBUILDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of 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, net of depreciation and any impairment losses.

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

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 at bank and in hand

Cash at bank and in hand 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.

1.9 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.

GAEL FORCE BOATBUILDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

1.11 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.

GAEL FORCE BOATBUILDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

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.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 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.

GAEL FORCE BOATBUILDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Change in accounting policy

The approach to revenue recognition in respect of ongoing services has changed in the current period. Revenue is now being recognised throughout each service job based on the percentage completion method. Previously costs in respect of ongoing jobs were accounted for as work in progress and the revenue recognised upon completion. The reason for the change is that the directors consider this to provide a more appropriate basis for the recognition of income in respect of ongoing services.

At 31 December 2020 accrued income of £165,149 has been recognised with costs recognised to date of £121,943 on ongoing service jobs.

No adjustment has been made retrospectively for comparative periods on grounds of materiality as the net profit realised would not have altered materially.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 21 (2019 - 23).

4 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 January 2020 and 31 December 2020	12,000
Amortisation and impairment	
At 1 January 2020	5,250
Amortisation charged for the year	3,000
At 31 December 2020	8,250
Carrying amount	
At 31 December 2020	3,750
At 31 December 2019	6,750

GAEL FORCE BOATBUILDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2020	157,054	134,369	291,423
Additions	6,256	4,769	11,025
	<u>163,310</u>	<u>139,138</u>	<u>302,448</u>
At 31 December 2020	163,310	139,138	302,448
Depreciation and impairment			
At 1 January 2020	5,994	32,000	37,994
Depreciation charged in the year	9,752	22,349	32,101
	<u>15,746</u>	<u>54,349</u>	<u>70,095</u>
At 31 December 2020	15,746	54,349	70,095
Carrying amount			
At 31 December 2020	<u>147,564</u>	<u>84,789</u>	<u>232,353</u>
At 31 December 2019	<u>151,060</u>	<u>102,369</u>	<u>253,429</u>

Gael Force Boatbuilding Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	7,248	38,543
Amounts owed by group undertakings	112,739	56,840
Other debtors	189,121	44,683
	<u>309,108</u>	<u>140,066</u>

7 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	48,810	45,768
Amounts owed to group undertakings	715,061	396,884
Corporation tax	-	1,267
Other taxation and social security	12,285	17,886
Other creditors	32,062	95,881
	<u>808,218</u>	<u>557,686</u>

8 Called up share capital

	2020	2019
	£	£
Ordinary share capital Issued and fully paid 200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Allison Dalton.
The auditor was Johnston Carmichael LLP.

10 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 2020

11 Operating lease commitments

Lessee

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

2020	2019
£	£
117,000	135,000
<u><u>117,000</u></u>	<u><u>135,000</u></u>

GAEL FORCE BOATBUILDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Related party transactions

Transactions with related parties

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

	Purchases	
	2020	2019
	£	£
Other related parties	-	230,210

The following amounts were outstanding at the reporting end date:

	2020	2019
	£	£
Amounts due to related parties		
Other related parties	715,061	432,923

The following amounts were outstanding at the reporting end date:

	2020	2019
	£	£
Amounts due from related parties		
Other related parties	112,739	44,179

Amounts owed to other related parties are included within creditors at the year end and represent amounts due to former directors and 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.

13 Parent company

The immediate parent company is Gael Force Group Limited.

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