

Company Registration No. SC394817 (Scotland)

GAEL FORCE ENGINEERING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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GAEL FORCE ENGINEERING LIMITED

COMPANY INFORMATION

Directors

S Graham
TRH Phillips FCA
J S Offord (Appointed 23 May 2014)

Secretary

T R H Phillips FCA

Company number

SC394817

Registered office

136 Anderson Street
Inverness
IV3 8DH

Auditors

Johnston Carmichael LLP
Clava House
Cradlehall Business Park
Inverness
IV2 5GH

GAEL FORCE ENGINEERING LIMITED

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GAEL FORCE ENGINEERING LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present the strategic report and financial statements for the year ended 31 December 2014.

Review of the business

Our trading results set out in these reports represent a satisfactory year for Gael Force Engineering Ltd. Much has been achieved in the establishment of this new business within the reorganised structure of the Gael Force Group. This is work which will continue on through 2015 in order to ensure that the business has the capacity and capability to grow strongly through both acquisition and organic growth over the coming years.

Gael Force Engineering Limited ("GFE") was established at the end of 2013 to bring together the engineering activities developed within the Gael Force Group, with those more recently acquired through Varis Engineering Ltd and to provide clear and focussed resource, both financial and management, to develop the combined business to its full future potential. The business is operating in aquaculture markets with its production of feeding barges and the provision of engineering services for that industry; building and installing of marina pontoons and provision of engineering services to the distillery and process industries in the north of Scotland. For the first two months of 2014 the operations were delivered, on its behalf, by the source businesses. From 1 March all engineering business took place in the new entity.

The full twelve month's trading is set out in the attached accounts which show good levels of profitability and cash generation and a sound balance sheet with no bank borrowing. The main risk to the business is a serious downturn in demand from any of the sectors in which it operates.

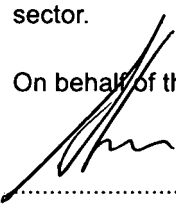
During the course of 2014 therefore the main objective for the management was to establish a single consolidated engineering business from the existing and acquired engineering activities. Beyond this we prepared a business plan and set clear financial and other key targets and objectives for the business which were monitored and managed through monthly reporting.

Operating within a Gael Force Group Vision and adhering to the Gael Force Core Values the 2014 business plan included detailed financial projections focussing on establishing profitability in the newly acquired activities of Varis Engineering Ltd which had been unprofitable. Within each of the group companies too there has been a developing focus on improved management of working capital to improve free cash flow. Profitability has been clearly established in the new business and some progress has been made too in improving working capital controls further.

Additionally a single operating Enterprise Resource Planning software application has been purchased and has been established at a basic level as the main operating software for the business. This is a powerful tool and will require further investment of resource to obtain the full benefits that it can bring to the company. Accreditation of the acquired Forres operations to the company's existing ISO9001 Quality Management System was also set as a target and was successfully met. Work will continue on integration of systems policies and procedures and that would expect to be largely complete by the end of 2015.

Each of these activities is planned to facilitate current and future growth plans and are part of ongoing initiatives which will continue through 2015 and which are set out in the 2015 Business Plan. The Directors see considerable potential for growth in each of the three main sectors in which the business currently operates and future business plans will require further investment to realise the opportunities in each market sector.

On behalf of the board


.....
S Graham
Group Chairman
29/1/15

GAEL FORCE ENGINEERING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their annual report and financial statements for the year ended 31 December 2014.

Principal activities

The company was dormant in the previous period. The principal activities during the current year were the fabrication of feed barges to the aquaculture industry, the manufacture and installation of marinas and general engineering services, in particular to the distilling industry.

Directors

The directors who served throughout the year, except as noted, were as follows:

S Graham

TRH Phillips FCA

J S Offord

(Appointed 23 May 2014)

C MacDougall

(Appointed 29 May 2014 and resigned 24 October 2014)

Results and dividends

The results for the year are set out on page 6.

The directors do not recommend payment of an ordinary dividend.

Auditors

Johnston Carmichael LLP were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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 (Financial Reporting Standard 102). 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 company and of the profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GAEL FORCE ENGINEERING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

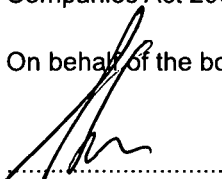
Statement of disclosure to auditors

Each of the directors at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board



S Graham

Director

29/9/15

GAEL FORCE ENGINEERING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GAEL FORCE ENGINEERING LIMITED

We have audited the financial statements of Gael Force Engineering Limited for the year ended 31 December 2014 which comprise the Profit And Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland").

This report is made solely to the 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 company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Gael Force Engineering Limited

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GAEI FORCE ENGINEERING LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Johnston Carmichael LLP

David McBain (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

30/9/15.....

Chartered Accountants
Statutory Auditor

Clava House
Cradlehall Business Park
Inverness
IV2 5GH

GAEL FORCE ENGINEERING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Turnover	3	7,071,378	-
Cost of sales		(4,851,688)	-
Gross profit		2,219,690	-
Administrative expenses		(1,701,386)	-
Other operating income		418	-
Operating profit	4	518,722	-
Interest payable and similar charges	7	(6,037)	-
Profit before taxation		512,685	-
Tax on profit on ordinary activities	8	(114,137)	-
Profit for the financial year		398,548	-

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

There are no recognised gains and losses other than those passing through the Profit and loss account.

GAEL FORCE ENGINEERING LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2014

	Notes	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible fixed assets	9		301,698		-
Investments	10		71,858		117,366
			<u>373,556</u>		<u>117,366</u>
Current assets					
Stocks	11	91,515		-	
Debtors	12	1,568,419		-	
Cash at bank and in hand		10,529		1	
		<u>1,670,463</u>		<u>1</u>	
Creditors: amounts falling due within one year	13	1,576,016		117,366	
		<u></u>		<u></u>	
Net current assets/(liabilities)			94,447		(117,365)
Total assets less current liabilities			468,003		1
Creditors: amounts falling due after more than one year	13		(42,593)		-
Provisions for liabilities	16		(26,861)		-
Net assets			<u>398,549</u>		<u>1</u>
Capital and reserves					
Called up share capital	18		1		1
Profit and loss account	19		398,548		-
Total equity			<u>398,549</u>		<u>1</u>

The financial statements were approved by the Board of directors and authorised for issue on
Signed on its behalf by:


S Graham
Director

Company Registration No. SC394817

GAEL FORCE ENGINEERING LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

	Share capital £	Retained earnings £	Total £
Balance at 1 January 2013	1	-	-
	<hr/>	<hr/>	<hr/>
Profit for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2013	1	-	1
	<hr/>	<hr/>	<hr/>
Profit for the year	-	398,548	398,548
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2014	1	398,548	398,549
	<hr/>	<hr/>	<hr/>

GAEL FORCE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

Company Information

Gael Force Engineering Limited is a limited company domiciled and 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. FRS 102 is mandatory for accounting periods beginning on or after 1 January 2015 but, as permitted, was adopted early and for the first time in the year ended 31 December 2013.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

The company, as a subsidiary of Gael Force Group Limited, is included within the consolidated accounts of that company. Copies of those accounts can be obtained from the company's registered office detailed above.

Accordingly, the company has taken advantage of the reduced disclosure framework of FRS 102 available to certain qualifying subsidiaries; namely:

- The requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the financial period;
- The requirement to present a Statement of Cash Flows;
- The disclosure requirements in relation to financial instruments;
- The disclosure requirements in relation to certain share-based payment arrangements; and
- The requirement to disclose key management personnel compensation in total.

1.2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue from construction contracts is recognised by reference to the stage of completion of the contract.

1.4 Investments in associates and subsidiaries

Investments in subsidiaries are all held at cost less impairment in the separate financial statements of the company.

1.5 Tangible fixed assets

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:

Fixtures and fittings	- 20% straight line
Plant and equipment	- 20% straight line and 25% reducing balance
Computer equipment	- 20% straight line
Motor vehicles	- 25% straight line

GAEL FORCE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

(Continued)

1 Accounting policies

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.

Assets transferred at book value from other group companies are depreciated by reference to the original historic cost to the group.

1.6 Impairment of tangible and intangible assets

At each reporting 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and net realisable value. 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.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.8 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at the transaction price plus transaction costs, other than any classified as Fair Value Through Profit Or Loss, which are measured at fair value.

GAEL FORCE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

(Continued)

1 Accounting policies

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables, except for short-term receivables when the recognition of interest would be immaterial, are measured at amortised cost using the effective interest method, less any 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 of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.9 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at transaction price, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

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 ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

(Continued)

1 Accounting policies

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

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

1.13 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 the profit and loss account 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 income 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 lease asset are consumed.

GAEL FORCE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

2 Critical accounting estimates and judgements

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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

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

3 Turnover

An analysis of the company's turnover is as follows:

	2014 £	2013 £
Engineering works	7,071,378	-

Geographical market

	Turnover 2014 £	2013 £
UK	7,057,305	-
International	14,073	-
	7,071,378	-

4 Profit for the year

	2014 £	2013 £
Profit for the year is stated after charging/(crediting):		
Depreciation of property, plant and equipment		
- owned assets	97,504	-
- assets held under finance lease	18,178	-
Profit on disposal of property, plant and equipment	(19,007)	-
Cost of inventories recognised as an expense	2,866,807	-
Operating lease charges	15,398	-

GAEL FORCE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

5 Auditors' remuneration

The analysis of auditor's remuneration is as follows:

	2014 £	2013 £
Fees payable to the company's auditors for the audit of the company's annual accounts	10,200	-

6 Employees

The average monthly number of employees (including non-executive directors) were:

	2014 Number	2013 Number
Directors	1	2
Staff	62	-
	63	2

Their aggregate remuneration comprised:

Employment costs	2014 £	2013 £
Wages and salaries	1,997,302	-
Social security costs	147,217	-
Pension costs	22,243	-
	2,166,762	-

7 Interest payable and similar charges

	2014 £	2013 £
Interest on financial liabilities measured at amortised cost:		
Interest on obligations under hire purchase agreements	5,646	-
Other interest payable	391	-
	6,037	-

GAEL FORCE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

8 Taxation

	2014 £	2013 £
Current tax		
UK corporation tax	87,276	-
Deferred tax		
Origination and reversal of timing differences	26,861	-
	<u>114,137</u>	<u>-</u>

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2014 £	2013 £
Profit before taxation on continued operations	<u>512,685</u>	<u>-</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.49% (2013 - 23.25%)	<u>110,176</u>	<u>-</u>
Capital allowances in excess of depreciation	(1,989)	-
Tax credits	(1,196)	-
Fixed asset differences	7,146	-
	<u>3,961</u>	<u>-</u>
Tax expense for the year	<u>114,137</u>	<u>-</u>

9 Tangible fixed assets

	Fixtures and fittings £	Plant and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost					
Additions	15,297	227,341	94,240	80,745	417,623
Disposals	-	-	(2,300)	-	(2,300)
At 31 December 2014	<u>15,297</u>	<u>227,341</u>	<u>91,940</u>	<u>80,745</u>	<u>415,323</u>
Accumulated depreciation and impairment					
Charge for the year	9,885	72,570	9,132	24,095	115,682
Eliminated on disposal	-	-	(2,057)	-	(2,057)
At 31 December 2014	<u>9,885</u>	<u>72,570</u>	<u>7,075</u>	<u>24,095</u>	<u>113,625</u>

GAEL FORCE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

9	Tangible fixed assets					(Continued)
		Fixtures and fittings £	Plant and equipment £	Computer equipment £	Motor vehicles £	Total £

Carrying amount

At 31 December 2014	5,412	154,771	84,865	56,650	301,698
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10 Investments

	Current assets		Fixed Assets	
	2014 £	2013 £	2014 £	2013 £
Investments in subsidiaries	-	-	71,858	117,366

Movements in Fixed asset investments

	Shares £
Cost	
At 31 December 2014	117,366
Adjustment	(45,508)
At 31 December 2014	71,858
Impairment	
At 1 January 2014	-
Carrying amount	
At 31 December 2014	71,858
At 31 December 2013	117,366

11	Stocks	2014 £	2013 £
	Raw materials	64,659	-
	Work in progress	26,856	-
		91,515	-

GAEL FORCE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

12 Debtors

	2014 £	2013 £
Trade debtors	387,276	-
Amounts due from fellow group undertakings	534,481	-
Prepayments and accrued income	646,662	-
	<u>1,568,419</u>	<u>-</u>

13 Creditors

	Due within one year		Due after one year	
	2014 £	2013 £	2014 £	2013 £
Obligations under finance leases (note 14)	46,036	-	42,593	-
Taxation and social security	426,337	-	-	-
Trade creditors	546,167	-	-	-
Amounts due to fellow group undertakings	315,129	117,366	-	-
Accruals	242,347	-	-	-
	<u>1,576,016</u>	<u>117,366</u>	<u>42,593</u>	<u>-</u>

14 Finance leases commitments

	Present value	
	2014 £	2013 £
Amounts payable under finance leases:		
Within one year	46,036	-
Between two and five years	42,593	-
	<u>88,629</u>	<u>-</u>

Analysis of finance leases

Finance lease obligations are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2014 £	2013 £
Current liabilities	46,036	-
Non-current liabilities	42,593	-
	<u>88,629</u>	<u>-</u>

The fair value of the company's lease obligations is approximately equal to their carrying amount.

Finance lease obligations are secured over the related assets.

GAEL FORCE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	ACAs £
Deferred tax liability at 1 January 2013 and 1 January 2014	-
Deferred tax movements in current year	
Credit to profit or loss	26,861
Deferred tax liability at 31 December 2014	<u>26,861</u>

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2014 £	2013 £
Deferred tax liabilities	<u>26,861</u>	<u>-</u>
16 Provisions	2014 £	2013 £
Deferred tax liabilities (note 15)	<u>26,861</u>	<u>-</u>
	<u>26,861</u>	<u>-</u>

17 Retirement benefit schemes

Defined contribution schemes

The total costs charged to income in respect of defined contribution schemes is £22,243 (2013 - £nil).

	2014 £	2013 £
18 Share capital		
Ordinary share capital		
Issued and fully paid		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

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

GAEL FORCE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

19 Retained earnings

	£
Profit for the year	398,548
At 31 December 2014	<u>398,548</u>

Retained earnings represent accumulated profits less losses and distributions.

20 Contingent liabilities

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

21 Operating leases commitments

Lessee

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements are as follows:

	2014 £	2013 £
Minimum lease payments under operating leases	<u>15,398</u>	<u>-</u>

GAEL FORCE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

21 Operating leases commitments

(Continued)

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

	Other 2014 £	2013 £
Within one year	10,210	-
Between two and five years	24,674	-
	<u>34,884</u>	<u>-</u>

22 Related party transactions

No guarantees have been given or received.

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

23 Controlling party

The parent company of Gael Force Engineering Limited is Gael Force Group Limited.

The ultimate controlling party is S Graham.

24 Subsidiaries

These financial statements are separate company financial statements for Gael Force Engineering Limited.

Separate company financial statements are required to be prepared by law. The company is a wholly owned subsidiary of Gael Force Group Limited and is exempt from the requirement to prepare consolidated accounts under section 400 of the Companies Act 2006. Consolidated financial statements for Gael Force Group Limited are prepared and are publicly available.

Details of the company's subsidiaries at 31 December 2014 are as follows:

	Country of incorporation (or residence)	Proportion of ownership interest (%)	Proportion of voting power held (%)	Nature of business
Varis Engineering Limited	Scotland	100	100	Marina, distillery and water works engineering

GAEL FORCE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

25 Directors' remuneration	2014 £	2013 £
Remuneration for qualifying services	45,870	-
	<u>45,870</u>	<u>-</u>