

**REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020  
FOR  
GIGHA TRADING LIMITED**

**GIGHA TRADING LIMITED**

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For The Year Ended 31 March 2020**

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**GIGHA TRADING LIMITED**  
**COMPANY INFORMATION**  
**For The Year Ended 31 March 2020**

**DIRECTORS:** John G Bannatyne  
Kevin John Williams  
Ian Connell Wilson  
Elizabeth Jane Clements

**REGISTERED OFFICE:** Craft Workshop  
Isle of Gigha  
Argyll  
PA41 7AA

**REGISTERED NUMBER:** SC226956 (Scotland)

**AUDITORS:** R A Clement Associates  
Chartered Accountants  
Registered Auditors  
Argyll Square  
Oban  
Argyll  
PA34 4AZ

**BANKERS:** Bank of Scotland  
9 Longrow South  
Campbeltown  
ARGYLL  
PA28 6AL

**SOLICITORS:** T C Young Solicitors  
7 West George Street  
Glasgow  
G2 1BA

**GIGHA TRADING LIMITED**  
**REPORT OF THE DIRECTORS**  
**For The Year Ended 31 March 2020**

The directors present their report with the financial statements of the company for the year ended 31 March 2020.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2019 to the date of this report.

John G Bannatyne  
Kevin John Williams  
Ian Connell Wilson  
Elizabeth Jane Clements

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 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;

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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, R A Clement Associates, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

.....  
Ian Connell Wilson - Director

Date: .....

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GIGHA TRADING LIMITED**

### **Opinion**

We have audited the financial statements of Gigha Trading Limited (the 'company') for the year ended 31 March 2020 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of 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 company's affairs as at 31 March 2020 and of its 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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 the provisions available for small entities, in the circumstances set out in note sixteen to the financial statements, 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### **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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GIGHA TRADING LIMITED**

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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 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 company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' 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 a Report of the Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **Use of our report**

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 a Report of the Auditors 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.

Fiona McGlynn (Senior Statutory Auditor)  
for and on behalf of R A Clement Associates  
Chartered Accountants  
Registered Auditors  
Argyll Square  
Oban  
Argyll  
PA34 4AZ

Date: .....

**GIGHA TRADING LIMITED**  
**INCOME STATEMENT**  
**For The Year Ended 31 March 2020**

	Notes	2020 £	2019 £
<b>TURNOVER</b>		<b>101,254</b>	106,351
Cost of sales		<u>14,875</u>	<u>14,509</u>
<b>GROSS PROFIT</b>		<b>86,379</b>	91,842
Administrative expenses		<u>107,496</u>	<u>103,479</u>
		<b>(21,117)</b>	(11,637)
Other operating income		<u>61,771</u>	<u>86,479</u>
<b>OPERATING PROFIT</b>	4	<b>40,654</b>	74,842
Interest payable and similar expenses		<u>2,399</u>	<u>4,124</u>
<b>PROFIT BEFORE TAXATION</b>		<b>38,255</b>	70,718
Tax on profit		<u>281</u>	<u>670</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>37,974</u></b>	<b><u>70,048</u></b>

The notes form part of these financial statements

**GIGHA TRADING LIMITED (REGISTERED NUMBER: SC226956)**

**BALANCE SHEET  
31 March 2020**

	Notes	2020		2019	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	5		<b>281,355</b>		318,975
<b>CURRENT ASSETS</b>					
Debtors	6	<b>18,128</b>		6,271	
Cash at bank and in hand		<b>63,457</b>		29,380	
		<b>81,585</b>		35,651	
<b>CREDITORS</b>					
Amounts falling due within one year	7	<b>57,484</b>		28,053	
<b>NET CURRENT ASSETS</b>			<b>24,101</b>		7,598
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>305,456</b>		326,573
<b>CREDITORS</b>					
Amounts falling due after more than one year	8		<b>(52,797)</b>		(50,398)
<b>PROVISIONS FOR LIABILITIES</b>	10		<b>(951)</b>		(670)
<b>ACCRUALS AND DEFERRED INCOME</b>	11		<b>(185,313)</b>		(247,084)
<b>NET ASSETS</b>			<b>66,395</b>		28,421
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		<b>100</b>		100
Retained earnings	13		<b>66,295</b>		28,321
<b>SHAREHOLDERS' FUNDS</b>			<b>66,395</b>		28,421

The financial statements have been prepared 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 ..... and were signed on its behalf by:

.....  
Ian Connell Wilson - Director

The notes form part of these financial statements

## GIGHA TRADING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 31 March 2020

#### 1. STATUTORY INFORMATION

Gigha Trading Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

#### 2. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The accounts have been prepared on a going concern basis on the grounds that the directors consider that their strategy for returning the company to a profitable position will be effective and cashflow projections show that the company can remain within an agreed overdraft limit whilst the strategy is being implemented.

##### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Quarry infrastructure	- 4% on cost
Plant and machinery	- 20% on reducing balance
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

Depreciation on marine assets will be charged once the assets have been brought fully into operation

##### **Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

##### **Deferred grants**

Grants received in respect of capital expenditure are credited to a deferred grant account and are released to the profit and loss account in a similar proportion to the annual depreciation charge of the fixed assets concerned.

#### 3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was NIL (2019 - NIL).

**GIGHA TRADING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 March 2020**

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	2020	2019
	£	£
Depreciation - owned assets	<u>40,631</u>	<u>41,397</u>

**5. TANGIBLE FIXED ASSETS**

	Quarry infrastructure £	Catwalk & Pontoons £	Plant and machinery £
<b>COST</b>			
At 1 April 2019	33,300	377,660	5,424
Additions	-	-	3,011
	<u>33,300</u>	<u>377,660</u>	<u>8,435</u>
At 31 March 2020	<u>33,300</u>	<u>377,660</u>	<u>8,435</u>
<b>DEPRECIATION</b>			
At 1 April 2019	19,980	75,532	2,647
Charge for year	1,332	37,766	1,158
	<u>21,312</u>	<u>113,298</u>	<u>3,805</u>
At 31 March 2020	<u>21,312</u>	<u>113,298</u>	<u>3,805</u>
<b>NET BOOK VALUE</b>			
At 31 March 2020	<u>11,988</u>	<u>264,362</u>	<u>4,630</u>
At 31 March 2019	<u>13,320</u>	<u>302,128</u>	<u>2,777</u>
	<b>Motor vehicles £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>COST</b>			
At 1 April 2019	1,500	3,660	421,544
Additions	-	-	3,011
	<u>1,500</u>	<u>3,660</u>	<u>424,555</u>
At 31 March 2020	<u>1,500</u>	<u>3,660</u>	<u>424,555</u>
<b>DEPRECIATION</b>			
At 1 April 2019	750	3,660	102,569
Charge for year	375	-	40,631
	<u>1,125</u>	<u>3,660</u>	<u>143,200</u>
At 31 March 2020	<u>1,125</u>	<u>3,660</u>	<u>143,200</u>
<b>NET BOOK VALUE</b>			
At 31 March 2020	<u>375</u>	<u>-</u>	<u>281,355</u>
At 31 March 2019	<u>750</u>	<u>-</u>	<u>318,975</u>

**GIGHA TRADING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 March 2020**

6.	<b>DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2020</b>	2019
		£	£
	Trade debtors	551	-
	Other debtors	-	6,271
	Prepayments	<u>17,577</u>	<u>-</u>
		<u><b>18,128</b></u>	<u><b>6,271</b></u>
7.	<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2020</b>	2019
		£	£
	Trade creditors	14,778	7,186
	VAT	3,036	6,928
	Deferred Income	-	4,442
	Isle of Gigha Heritage Trust	24,000	-
	Accrued expenses	<u>15,670</u>	<u>9,497</u>
		<u><b>57,484</b></u>	<u><b>28,053</b></u>
8.	<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	<b>2020</b>	2019
		£	£
	Bank loans (see note 9)	<u>52,797</u>	<u>50,398</u>
	Amounts falling due in more than five years:		
	Repayable by instalments		
	Loan from Trust	<u>52,797</u>	<u>50,398</u>
9.	<b>LOANS</b>		
	An analysis of the maturity of loans is given below:		
		<b>2020</b>	2019
		£	£
	Amounts falling due in more than five years:		
	Repayable by instalments		
	Loan from Trust	<u>52,797</u>	<u>50,398</u>
10.	<b>PROVISIONS FOR LIABILITIES</b>	<b>2020</b>	2019
		£	£
	Deferred tax	<u>951</u>	<u>670</u>

**GIGHA TRADING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 March 2020**

**10. PROVISIONS FOR LIABILITIES - continued**

	<b>Deferred tax £</b>
Balance at 1 April 2019	<b>670</b>
Charge to Income Statement during year	<b>281</b>
	<b>951</b>
Balance at 31 March 2020	<b>951</b>

**11. ACCRUALS AND DEFERRED INCOME**

	<b>2020 £</b>	2019 £
Deferred government grants	<b>185,313</b>	247,084
	<b>185,313</b>	247,084

Government grants received in respect of the marine development project will be released over the useful life of the assets created once they have been brought fully into use.

**12. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			<b>2020 £</b>	2019 £
Number:	Class:	Nominal value:	<b>£</b>	£
100	Ordinary	1	<b>100</b>	100
			<b>100</b>	100

**13. RESERVES**

	<b>Retained earnings £</b>
At 1 April 2019	<b>28,321</b>
Profit for the year	<b>37,974</b>
	<b>66,295</b>
At 31 March 2020	<b>66,295</b>

**14. TRANSACTIONS WITH DIRECTORS**

The directors have adopted a policy regarding potential conflicts of interest. This includes maintaining a register of board members/directors interest which details any contractual or financial relationship or position of authority, with outside companies, firms or organisations. Where a board member/director has an interest in any item discussed by the Board, he/she takes no part in the discussions and decision making process.

Gigha Trading Limited is a wholly owned subsidiary of the Isle of Gigha Heritage Trust and transactions may take place which involve the directors of the parent company. Where transactions take place, these are carried out on an arms length basis and in the normal course of business.

The average number of directors during the year was 4, but all of these directors were voluntary and unpaid.

**GIGHA TRADING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 March 2020**

**15. RELATED PARTY DISCLOSURES**

The company was charged a management fee of £24,000 by the Trust for the year (2019: £30,416)

Gigha Trading Limited paid a donation to the Trust of £15,464 (2019: £Nil). A further dividend has been voted to be paid within nine months of the year end of £29,568.

The company owed the Trust a total of £52,797 by way of a loan in relation to the Marine project. Accrued interest is included in the outstanding balance.

**16. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES**

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

**17. POST BALANCE SHEET EVENTS**

The Directors have reviewed both the financial and business risks that the current COVID crisis presents for the company and are satisfied that all threats have been adequately identified as far as reasonably possible. As at the date the accounts were signed, there are no going concern indications and the Directors are confident that the company has sufficient resources to emerge from the COVID hibernation period to continue trading in accordance with any applicable restrictions.

**GIGHA TRADING LIMITED**  
**TRADING AND PROFIT AND LOSS ACCOUNT**  
**For The Year Ended 31 March 2020**

	2020		2019	
	£	£	£	£
<b>Turnover</b>				
Self catering accommodation	76,914		73,925	
Boat & Activity Centre	210		2,740	
Sundry income	6,862		6,827	
Moorings and Berths	17,268		22,859	
	<u>101,254</u>	<u>101,254</u>	<u>106,351</u>	<u>106,351</u>
<b>Cost of sales</b>				
Moorings direct costs	6,306		6,281	
Self Catering Direct Costs	8,569		8,228	
	<u>14,875</u>	<u>14,875</u>	<u>14,509</u>	<u>14,509</u>
<b>GROSS PROFIT</b>		<b>86,379</b>		<b>91,842</b>
<b>Other income</b>				
Grants received/released		61,771		86,479
		<u>148,150</u>		<u>178,321</u>
<b>Expenditure</b>				
Rates and water	2,786		3,404	
Furnishings and replacements	776		7,610	
Light and heat	7,787		7,717	
Repairs to property	173		6,303	
Telephone	464		256	
Post and stationery	91		201	
Advertising	1,569		883	
Sundry expenses	1,861		3,195	
Accountancy	4,061		3,073	
Professional fees	-		2,657	
Management charge	24,000		30,416	
Legal fees	1,540		-	
Auditors' remuneration	5,500		5,500	
Profit/loss on sale of tangible fixed assets	-		(9,969)	
Donations	15,464		-	
	<u>66,072</u>	<u>66,072</u>	<u>61,246</u>	<u>61,246</u>
		<b>82,078</b>		<b>117,075</b>
<b>Finance costs</b>				
Bank charges	793		836	
Loan interest	2,399		4,124	
	<u>3,192</u>	<u>3,192</u>	<u>4,960</u>	<u>4,960</u>
Carried forward		<b>78,886</b>		<b>112,115</b>

This page does not form part of the statutory financial statements

**GIGHA TRADING LIMITED**  
**TRADING AND PROFIT AND LOSS ACCOUNT**  
**For The Year Ended 31 March 2020**

	2020		2019	
	£	£	£	£
Brought forward		78,886		112,115
<b>Depreciation</b>				
Freehold property	1,332		1,332	
Short leasehold	37,766		37,766	
Plant and machinery	1,158		694	
Motor vehicles	375		375	
Computer equipment	-		1,230	
	<u>          </u>	<b>40,631</b>	<u>          </u>	41,397
<b>NET PROFIT</b>		<b>38,255</b>		<b>70,718</b>
		<u><u>          </u></u>		<u><u>          </u></u>

This page does not form part of the statutory financial statements