GYG LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Company number 10001363

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Company Information

Directors:	Richard McGuire Remy Millott Rupert Savage Richard King (resigned 30 April 2024)
Registered Office:	Level 4 Dashwood House 69 Old Broad Street London EC2M 1QS
Company Number:	10001363 (England & Wales)
Legal Form:	Private limited company with share capital
Company Secretary:	Sue Steven
Company Website:	www.gygltd.com
Independent auditors:	**Ballards LLP** Oakmoore Court 11c Kingswood Road Hampton Lovett Droitwich Spa Worcestershire WR9 0QH United Kingdom
Company Registrars:	**Link Group** 10th Floor Central Square 29 Wellington Street Leeds LS1 4DL United Kingdom

Strategic Report

The Directors present the Strategic Report of GYG Limited (the "Company") and its subsidiary undertakings (together the "Group") for the year ended 31 December 2023.

SUMMARY

We are pleased to report that the core business operations of the Group are performing well. Building on the stability achieved in 2022, the Group's operating divisions have delivered a stronger performance in 2023. Whilst there was a temporary dip in revenue due to the transition of certain projects from the end of the year to the first quarter of 2024, the Group's strategic initiatives delivered improved margins for 2023.

The Group delivered revenues of €59.4m in the year ended 31 December 2023 (2022: €64.0m), with an increase of 260% in adjusted EBITDA[1] to €7.2m (2022: €2m) and an operating profit of €3.5m (2022: operating loss of €1.5m).

Coatings (Refit and New Build) revenue remained consistent at €53.2m (2022: €54.3m), with New Build contributing solid revenues of €9.2m with improved margins realised by decreasing overheads in displacements and more efficient use of subcontractors.

The Group is leveraging the New Build market to mitigate the effects of the summer Refit seasonality and ensure a more stable revenue stream. This strategic move has reduced the impact of seasonality on our company and achieved greater consistency in our performance.

Supply revenue decreased 36% to €6.2m (2022: €9.7m). The trading performance of Pinmar Yacht Supply has been impacted by the restructuring measures implemented during 2023 and the introduction of a new SAP business system which resulted in some disruption. However, the outlook for 2024 is positive, with sales increasing as a result of new team members improving efficiency and productivity, thus reducing lead times.

The Group ended the year with €0.8m cash at 31 December 2023 (€1.1m at 31 December 2022) and a net debt position[2] of €12.7m, reduced from €17.7m in 2022. Exceptional costs during the year remained at €0.2m, related to ongoing company restructuring (2022: €0.2m).

Year ended 31 December 2023	Coatings €'000	Supply €'000	Total reportable segments €'000
Revenue	53,175	6,228	59,403
Adjusted EBITDA	7,088	148	7,236

Year ended 31 December 2022	Coatings €'000	Supply €'000	Total reportable segments €'000
Revenue	54,335	9,701	64,036
Adjusted EBITDA	1,888	138	2,026

1 Adjusted EBITDA is defined as operating profit before depreciation, amortisation, impairment, performance share plan costs and exceptional items. This is an alternative performance measure used by the Directors to assess the operating performance of the Group.

2 Net debt position is defined as the net cash and cash equivalent balances, less short and long-term borrowings and obligations under leases. This is an alternative performance measure used by investors, financial analysts, rating agencies, creditors and other parties to ascertain a company's debt position.

Strategic Report

MARKET OBSERVATIONS

Data Source: 'The State of Yachting 2024' by Superyacht Times

The industry has responded to the record sales achieved in 2021 and 2022, with several shipyards making significant investments in expanding production facilities. In 2023, 202 yachts were completed, representing the highest number since 2010 and a 19% increase over the 2022 total. Current forecasts for 2024 indicate that the number of launches will remain stable at 205, demonstrating that the industry can consistently deliver over 200 yachts annually.

At the beginning of 2024, the global order book showed 695 superyachts under construction, representing an increase of 27 units compared to the previous year. The number of yachts actively under construction increased by 26 units to 658, while the number of projects on hold increased by 1 unit to 37. When analysed in terms of yacht length, growth was driven by yachts between 40 and 80 metres, while the number of yachts under construction below and above that range remained stable.

Conversion projects are becoming an increasingly popular choice for those seeking a more direct route to ownership than a traditional New Build process. The number of commercial and ex-military vessels being converted into superyachts or support vessels is growing at a steady annual rate. At the same time, a limited number of yachts are severely damaged, destroyed or scrapped each year, reducing the active operating fleet.

In terms of fleet ownership, the US maintained its position at the top of the table in 2023 with the same 24% share of the global fleet as seen in 2022. However, there has been a noticeable shift towards larger yachts for US owners with the average length and gross tonnage both increasing. The decline in Russian ownership, which began in 2022, has continued, with the country now accounting for less than 8% of the total fleet. The most notable change in the 2024 ranking is the increase in ownership across the board in the United Arab Emirates.

A review of Refit visits throughout 2023 indicates that the United States received the largest number of yachts undergoing maintenance and repair. This is perhaps to be expected, given the high concentration of superyachts based in the southern Florida region, where the majority of US refit yards are located.

Italian yards are in second place, a noticeable distance behind the USA. Italy is a significant centre for new yacht construction under 50m, so many vessels return to their original build yards for warranty & repair work. Spain and France also feature prominently in the rankings, with both countries hosting some of the largest refit yards in the world, including MB92 in Barcelona and La Ciotat. Spain's performance is further bolstered by the presence of a refit hub in Palma de Mallorca, with STP and Astilleros de Mallorca playing a prominent role.

CURRENT TRADING AND OUTLOOK

Following a strong performance in 2023, 2024 has seen a notable increase in revenue due to rising demand for GYG services. The confirmed Order Book for 2024 already surpasses original management forecasts, indicating a robust pipeline of secured projects.

The Company has also seen an increase in operating profit, driven by investments made in scaffolding and infrastructure materials in the previous year, enabling growth in high-margin revenue streams, and the benefits from wage settlements and restructuring initiatives agreed upon during 2023.

Strategic Report

Pinmar Yacht Supply is shifting its customer base towards a higher margin, direct to yacht model, moving away from its previous B2B focus on trade applicators. The company is well positioned to capitalise on this new strategy, and we anticipate a recovery for the 2024 financial year.

The improvement in operational management across the Group is playing a vital role in the Company's performance. By effectively managing operational and manpower costs, the Company is demonstrating efficiency and agility in adapting to external challenges that have diminished over time. These improvements have contributed to the long-term Group stability and provide a solid foundation for our future growth.

The Company continues to expect to generate significant free cash flow and to maintain a strong balance sheet. The company is focused on its strategy to deliver world-class margins and returns.

KEY PERFORMANCE INDICATORS

KPI	2023	2022
Revenue	€59.4m	€64.0m
Gross margin	28.2%	18%
Adjusted EBITDA profit	€7.2m	€2m
Adjusted EBITDA margin	12.2%	3.2%
Operating profit/(loss)	€3.5m	(€1.5m)
External net debt	€12.7m	€17.7m
Cash	€0.8m	€1.1m
Net Assets	€5.3m	€4.4m
Average number of employees	343	407

Strategic Report

RISK MANAGEMENT AND PRINCIPAL RISKS

Category	Risk	Description	Mitigation
COMMERCIAL	**Business and competitive environment**	• The Group operates in a competitive environment. • A substantial portion of current revenues are generated from recurring clients and the loss of any of these would adversely affect the Group. • Refit still represents the main key segment for the Group, introducing cyclicality in the Group's business. A correct balance between New Build, Supply and Refit would help to reduce this adverse impact of the refit cyclicality. • The Group's business is reliant on demand for new super yachts and the demand from ultra-high net worth yacht owners, which may not grow as anticipated or may be impacted by general political and economic conditions and/or changes in regulations. • The current geopolitical situation is creating uncertainty in the superyacht sector as an estimated 8% of the market is Russian owned and many of those owners are currently subject to sanctions.	• Ensure continuous high-level quality standards in all services and products. • Programme to improve the effectiveness of our projects and ensure that we optimise the performance of our current production capacity. • Continuous market analysis to detect new opportunities. • Expansion of client base and diversification of geographical location of key customers. • Continue establishing long term relationships with our clients. • Ensuring that the Group continues to maintain diversity in terms of the ownership mix of the boats on which it works.
REPUTATIONAL	**Reputational risk**	• The Group's brands, image and reputation constitute a significant part of our value proposition. Accordingly, any event, such as adverse publicity, current geopolitical issues or a significant project failure or warranty claim, that could damage the Group's image, reputation or brand, could	• Compliance in all regulatory matters. • Ensure high level quality in all services and products. • A properly conceived and adequately resourced communication and branding policy.

Strategic Report

Category	Risk	Description	Mitigation
		have a material adverse effect on its business.	• Avoiding working with individuals or specific boats which are owned by or associated with sanctioned or politically controversial individuals.
HUMAN RESOURCES	**Key person dependency**	• The Group's business depends on key senior management and highly skilled and technical employees. The departure of any such personnel or the failure to recruit and retain additional personnel, could adversely affect the Group's business.	• Executive Directors are significant shareholders in the Company and have a vested interest in ensuring its continued success. • Succession planning is in place for senior positions. • Ensure compensation and benefits are appropriate to the position, with particular attention paid to those in key roles to help ensure the long-term success of the Group.
OPERATIONS	**Adverse weather and changes in pattern cruises**	• Hurricanes or violent storms could cause relevant delays in operations. Due to our asset light model, the risk of suffering assets damages is not relevant but there could be a change in the cruising patterns and conflict with the capacity plan causing potential delays.	• Analysis of weather forecasts. • In case of adverse weather, relocating the work as a consequence of the different locations in which the Group operates and/or evaluate potential changes in the expected starting/completion dates.
FINANCE	**Debt Management**	• Financial capacity to handle acquisitions and growth opportunities. • The Group must ensure that it has an adequate level of facilities to provide sufficient funding to operate its businesses. • Inability to meet financial commitments.	• Regular cash flow forecasts are prepared and reviewed. • The financial reporting model used to manage the cash flow includes the analysis and follow-up of financial covenants. • The levels of drawn and undrawn facilities are permanently reviewed and the headroom of the available banking facilities and covenant position are also reviewed and discussed at Board level on a monthly basis.
FINANCE	**Impairment**	• The future expected cashflows to be generated by the Group's assets, either intangible or financial, fail to materialise.	• With regards to intangible assets, Management regularly reviews forecasts of the expected performance of each cash generating unit (CGU). To the

Strategic Report

Category	Risk	Description	Mitigation
			extent that those forecasted cashflows do not justify the value of the associated intangible asset, an impairment charge is taken to recognise the loss of carrying value of the asset. • With regard to financial assets, Management regularly reviews the recoverability of those assets. To the extent that Management conclude that they will not be able to recover the full value of those assets, an impairment charge is taken to recognise the loss of carrying value of the asset.
FINANCE	**International taxation**	• Individual countries can either increase or decrease their rates of corporation tax and other local taxes which may have a material impact on the profitability and cashflow of the Group.	• The Group regularly reviews specific rates of taxation in the countries where it operates. To the extent that it is commercially practical, Management will try to locate commercial operations in localities which have the most beneficial tax regimes.
FINANCE	**Inflation**	• Current inflationary pressures are pushing up the price of both labour and materials.	Wherever possible, the Group has negotiated supply arrangements with its suppliers to lock in prices for goods and services. The Group has worked with its workforce representatives to arrange below inflation level wage increases that will protect the Group for the current fiscal year. The Group has also increased the prices that it charges its clients and customers in both the Coatings and Supply divisions to mitigate the impact of inflation of profitability.

Strategic Report

SECTION 172(1) STATEMENT

The Directors acknowledge their duty under s172 of the Companies Act 2006 and consider that they have, both individually and together, acted in the way that, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, they have had particular regard to:

- **the likely consequences of any decision in the long term**

  The Group's long-term strategic objectives, including progress made during the year, and principal risks to these objectives, are set out in the Strategic Report on pages 4 to 6 and in the Risk Management and Principal Risks section on pages 7 to 9 respectively.

- **the interests of the Company's employees**

  Group employees are fundamental to achieving long-term strategic objectives. The Board recognises the benefits of a diverse workforce which enables the Group to make better decisions about how to optimise resources and work by eliminating structural and cultural barriers and bias. It allows the Group to protect and enhance its reputation by recognising and respecting the needs and interests of diverse stakeholders; to deliver strong performance and growth by attracting, engaging and retaining diverse talent; and to innovate by drawing on the diversity of perspectives, skills, styles and experience of its employees and stakeholders.

  The Group is committed to ensuring that it treats its employees fairly and with dignity. This includes being free from any direct or indirect discrimination, harassment, bullying or other form of victimisation. The Group has policies in place to encourage employees to speak up about any inappropriate practices or behaviour.

  The Group believes that having empowered and enabled responsible employees who display sound judgement and awareness of the consequences of their decisions or actions, and who act in an ethical and responsible way, is key to the success of the business. Feedback from employees is received from employee representatives who meet with management on a regular basis to discuss business-related issues.

  Further details of the Group's employment policies are set out in the Directors' Report on page 13;

- **the need to foster the Company's business relationships with suppliers, customer and others**

  In addition to its shareholders, the Company believes its main stakeholder groups are its employees, clients, suppliers and relevant statutory authorities in its areas of operation.

  The Group encourages feedback from its customers through engagement with individual customers and relevant advisors. Any such feedback is taken under consideration and actioned as appropriate.

  The Group recognises the increasing importance of corporate social responsibility and endeavours to take it into account when operating its business in the interests of its stakeholders, including its investors, employees, customers, suppliers, business partners and the communities where it conducts its activities.

- **the impact of the Company's operations on the community and the environment**

  The operation of a profitable business is a priority and that means investing for sustainable growth as well as providing returns to its shareholders. To achieve this, the Group recognises that it needs to operate in a supportable manner and therefore has adopted core principles to its business operations

Strategic Report

which provide a framework for both managing risk and maintaining its position as a good 'corporate citizen', and also facilitate the setting of goals to achieve continuous improvement.

The Group aims to conduct its business with integrity, respecting the different cultures and the dignity and rights of individuals in the countries where it operates. The Group supports the UN Universal Declaration of Human Rights and recognises the obligation to promote universal respect for and observance of human rights and fundamental freedoms for all, without distinction as to race, religion, gender, language or disability.

The Directors are committed to minimising the impact of the Group's operations on the environment. The Group recognises that its business activities have an influence on the local, regional and global environment, and understanding and managing the environmental impact of the Group's operations across all of the Group's locations is an important part of being a responsible stakeholder. It is also strategically important for building resilience into the Group's business.

It is the Group's policy to endeavour to meet or, where possible, exceed relevant legal requirements and codes of practice on environmental issues so as to ensure that any adverse effects on the environment are minimised. Accordingly, there is a team dedicated to monitoring this across the Group, which seeks to mitigate the environmental impact of the Group's activities. The Group strives to provide and maintain safe and healthy working conditions, and to keep its entire staff informed of its environmental policy whilst encouraging them to consider environmental issues as an everyday part of their role.

The Directors are also cognisant of the potential impact of climate change. Whilst the ultimate impacts on society and the economy are unclear at this point, the Directors do not believe that climate change will have a material impact on the Group in the short to medium term. They are also encouraged by developments within the yachting industry as it looks to reduce its impact on the climate through new technologies and better operating practices.

- **the desirability of the Company maintaining a reputation for high standards of business conduct**

  Our intention is to behave in a responsible manner, operating within the high standard of business conduct and good corporate governance. Not only is this covered in this s172(1) statement, but is also epitomised in our risk management framework on pages 7 to 9; and

- **the need to act fairly as between members of the Company**

  Our intention is to behave responsibly towards our shareholders and treat them fairly and equally, so that they too may benefit from the successful delivery of our strategic objectives.

This report has been approved on 11 October 2024 by the Board and is signed on its behalf by:

Remy Millott
Chief Executive Officer

Registered office: Level 4, Dashwood House, 69 Old Broad Street, London, EC2M 1QS
Registered number: 10001363 (England & Wales)

Directors' Report

The Directors present their annual report together with the audited financial statements for the year ended 31 December 2023.

Principal activities

The principal activity of GYG Limited is that of a holding and investment company. The principal activity of the Group in the year under review was that of a superyacht painting, supply and maintenance company, offering services globally through operations in the Mediterranean, Northern Europe and the US.

Review of business and future developments

The Strategic Report on pages 4 to 11 provide a review of the business, the Group's trading for the year ended 31 December 2023, key performance indicators, risk and an indication of likely future developments in the business of the Group.

Results and dividend

The Group has reported its consolidated financial statements in accordance with UK adopted International Accounting Standards. The results for the financial year and financial position of the Company and the Group are set out in the financial statements and are reviewed in the Strategic Report.

The Board believed it was in the best interests of the Company not to pay a dividend in relation to 2023 and investors should not anticipate a dividend in 2024.

Political donations and political expenditure

The Company made no political donations nor incurred any political expenditure during the financial year.

Post balance sheet events

GYG Limited and MB92 Group announced on 23rd September 2024 that MB92 Group has signed a Heads of Terms agreement to acquire 100% of GYG Limited shares.

The offer documents to implement the acquisition are expected to be agreed and sent to shareholders of GYG Limited during October 2024, marking an important step in a longstanding relationship between the two companies. MB92 and GYG have worked together repeatedly on refit projects for over 30 years and will continue to respect and develop each company's existing partnerships.

This acquisition by MB92 Group, which has facilities in Barcelona, La Ciotat and the Red Sea, supports both companies' strategic vision to enhance market responsiveness and elevate client services. In a sector that demands the highest quality standards, GYG will continue to operate its businesses across Europe and the U.S., and the combination will allow GYG to meaningfully strengthen its growth potential and ability to deliver exceptional quality and value to clients.

At the date of signing the financial statements, the acquisition process is ongoing subject to the contract and is non-binding for either party.

Directors' Report

Directors

The Directors of the Company who served during the year ended 31 December 2023, and up to the date of signing of this report, were:

Richard McGuire
Remy Millott
Rupert Savage
Richard King (resigned 30 April 2024)

Directors' indemnity provisions

As permitted by the Company's articles of association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by s234 of the Companies Act 2006. The indemnity was in force throughout the financial year and at the date of approval of the financial statements. In addition, the Group has purchased and maintains Directors' and Officers' liability insurance in respect of itself and its Directors.

Employment policies

The Group's key operating businesses are empowered to manage within the context of the different legislative and social demands of the diverse countries in which those businesses operate. Within all the Group's businesses, the safe and effective performance of employees and the maintenance of positive employee relations are of fundamental importance. Managers are charged with ensuring that the following key principles are upheld:

- adherence to national legal standards on employment and workplace rights at all times;
- continual promotion of safe and healthy working practices;
- provision of opportunities for employees to enhance their work-related skills and capabilities; and
- adoption of fair and appropriate procedures for determining terms and conditions of employment.

It is the Group's policy that people with disabilities should have full and fair consideration for all vacancies. Employment of disabled people is considered on merit and with regard only to the ability of any applicant to carry out the role. The Group endeavours to retain the employment of, and arrange suitable retraining, for any employees in the workforce who may become disabled during their employment. Where possible the Group will adjust a person's working environment to enable them to stay in its employment.

The Group promotes an inclusive and diverse environment where every colleague is valued and respected for who they are, and has the opportunity to fulfil their potential. The Group is focused on providing a workplace where everyone can thrive and has introduced a number of Group-wide actions to encourage this. Further, the Group is committed to treating employees at all levels with respect and consideration, to investing in their development and to ensuring that their careers are not constrained by discrimination or arbitrary barriers.

Statement of engagement with suppliers, customers and others in a business relationship with the Group

The Directors are mindful of their statutory duty to act in a way they each consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, as set out in the s172(1) statement on page 10. A review of the Group's approach to developing and maintaining

Directors' Report

relationships with its wider stakeholders, and the impact on the Group's long-term strategic objectives, is set out in that statement.

Financial instruments – risk management

The Group's financial risk management policy is set out in note 22 in the notes to the consolidated financial statements.

Streamlined Energy and Carbon Reporting ("SECR")

The Group's UK energy and carbon information is not disclosed under the SECR regulations as the Company and its UK subsidiary qualify as low energy users in the UK, having consumed less than 40MWh during the reporting period.

Going concern

These financial statements have been prepared on a going concern basis, which assumes the Group and parent company will continue to be able to meet their liabilities as they fall due, within 12 months of the date of approval of these financial statements.

The Group has net current liabilities at the balance sheet date of €20.6m. This includes a deferred income balance of €11.5m, which represents deposits made by clients for advance works. Excluding the deferred income would reduce net current liabilities to €9.1m. The parent company, which is non-trading, has net current assets at the balance sheet of losses €0.2m. The Group and parent company meet their day-to-day working capital requirements from cash flows generated from operations, confirming facilities (December 2023: €3.5m), factoring facilities (December 2023: €3.5m) and other banking facilities (December 2023: €0.6m). The confirming and factoring facilities currently have a monthly rolling term and the other bank facilities have a maturity of October 2024. During 2024, the Group is negotiating to change the maturity of all bank facilities, including confirming and factoring, to a 12-month rolling term.

The factoring and confirming facilities are established arrangements which continue on a rolling basis. Based on historical experience with these arrangements, management do not believe there is any reason for these facilities to not continue to roll in the future.

In evaluating the going concern assumption, management prepared a base case and severe but plausible downside profit and loss and cash flow forecasts for the period up to October 2025, the going concern assessment period, to assess the Group and parent company's ability to meet liabilities as they fall due.

Both the base case and downside model demonstrate an ability of the Group and parent company to be able to meet its liabilities as they fall due, but these models include significant assumptions such as the timing of work that will be undertaken and the margin achieved, and the impact these have on forecasted cash flow.

Given the information available, based on current trading and orders being received, the Directors are confident that the forecasts will be met, existing facilities will be renewed and sufficient liquidity will be available to meet liabilities as they fall due, and therefore believe it is appropriate to prepare the financial statements on a going concern basis.

Directors' Report

Statement of disclosure of information to the auditors

As far as the Directors are aware, there is no relevant audit information (that is, information needed by the Group's auditors in connection with preparing their report) of which the Group's auditors is unaware, and each Director has taken all reasonable steps as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditors is aware of that information.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

The Directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Company Information at the beginning of the annual report confirm that, to the best of their knowledge:

- the Group and Company financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and

Directors' Report

- the Directors' report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

Independent auditors

Under section 487(2) of the Companies Act 2006, Ballards LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the Registrar of Companies, whichever is earlier.

This report was approved by the Board of Directors on 11 October 2024 and is signed on its behalf by:

Remy Millott
Chief Executive Officer

Rupert Savage
Chief Commercial Officer

Independent auditors' report to the members of GYG Limited

Opinion

We have audited the financial statements of GYG Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023, which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted International Accounting Standards and as regards the parent company financial statements, as applied in accordance with the applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Checklist' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2023 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for signature. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GYG LIMITED (CONTINUED)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 during the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report has been prepared in accordance with applicable legal requirements.

Matters which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and their environment obtained during the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GYG LIMITED (CONTINUED)

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 15, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor Responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulation. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the group's and parent company's documentation of their policies and procedures relating to: – identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; – detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; – the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the group audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GYG LIMITED (CONTINUED)

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: consolidation and revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006, IFRS/UK-adopted IAS and tax compliance regulations.

In addition to the above, our procedures to respond to risks identified included, but were not limited to, the following:

- challenging judgements applied in valuation of intangible assets and goodwill;
- performing detailed testing to gain comfort over risk of fraud in revenue recognition and consolidation;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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.

…………………………………………
Benjamin Powell MSci FCA CTA (Senior Statutory Auditor)
For and on behalf of Ballards LLP, Statutory Auditors, Chartered Accountants
Oakmoore Court
11C Kingswood Road
Hampton Lovett
Droitwich
Worcestershire
WR9 0QH

11 October 2024

Financial Statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Note(s)	31 December 2023 € 000	31 December 2022 € 000
Continuing operations			
Revenue	4	59,403	64,036
Operating costs		(55,870)	(65,542)
Adjusted EBITDA		7,236	2,026
Depreciation and amortisation	**11,12**	(3,475)	(3,537)
Performance share plan	**21**	-	192
Exceptional items	**6**	(228)	(187)
Operating profit	**5**	**3,533**	**(1,506)**
Finance costs – net	**9**	(1,570)	(953)
Profit/(loss) before tax		**1,963**	**(2,459)**
Tax	**10**	(1,032)	389
Profit/(loss) for the period		**931**	**(2,070)**
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		20	(80)
Total other comprehensive income/ (expense)		**20**	**(80)**
Total comprehensive expense for the period		951	(2,150)
Total comprehensive expense for the period attributable to:			
Owners of the company		951	(2,150)

Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

ASSETS	Note	2023 €000	2022 €000
Non-current assets			
Goodwill	**11**	9,380	9,402
Other intangible assets	**11**	8,346	9,463
Property, plant and equipment	**12**	11,465	11,899
Other financial assets	**22**	135	219
Deferred tax assets	**10**	1,907	2,325
Total non-current assets		**31,233**	**33,308**
Current assets			
Inventories	**13**	3,231	2,636
Other financial assets	**22**	-	148
Trade and other receivables	**14**	10,335	11,093
Cash and cash equivalents	**15**	800	1,143
Total current assets		**14,366**	**15,020**
TOTAL ASSETS		**45,599**	**48,328**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 (continued)

	Note	2023 € 000	2022 € 000
Current liabilities			
Trade, deferred income and other payables	**17**	(23,766)	(22,601)
Current tax liabilities		(681)	(279)
Lease liabilities	**12**	(1,421)	(1,456)
Borrowings	**16**	(8,475)	(13,711)
Provisions	**18**	(603)	(228)
Total current liabilities		**(34,946)**	**(38,275)**
Net current liabilities		**(20,580)**	**(23,255)**
Non-current liabilities			
Lease liabilities	**12**	(2,092)	(1,582)
Borrowings	**16**	(1,506)	(2,080)
Deferred tax liabilities	**10**	(1,764)	(1,960)
Long-term provisions	**18**	(19)	(19)
Total non-current liabilities		**(5,381)**	**(5,641)**
Total liabilities		**(40,327)**	**(43,916)**
Net assets		**5,271**	**4,412**
EQUITY			
Share capital	**19**	106	106
Share premium		7,035	7,035
(Accumulated deficit)/Retained earnings		(1,892)	(2,823)
Translation reserve		(92)	(112)
Capital redemption reserve		114	114
Share based payment reserve	**21**	-	92
Equity attributable to owners of the Company		**5,271**	**4,412**
Total equity		**5,271**	**4,412**

The Consolidated financial statements on pages 22 to 62 were approved by the Board of Directors on 11 October 2024 and signed on its behalf by:

Remy Millott
Chief Executive Officer

Rupert Savage
Chief Commercial Officer

Registered Number: 10001363

Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Share capital € 000	*Share premium € 000*	*Retained earnings / (Accumulated deficit) € 000*	*Translation Reserves € 000*	*Capital Redemption reserve € 000*	*Share based payment reserve € 000*	*Total € 000*
Balance at 1 January 2022	**106**	**7,035**	**(753)**	**(32)**	**114**	**284**	**6,754**
Credit to equity for share based payments	-	-	-	-	-	(192)	(192)
Transactions with owners in their capacity of owners	**-**	**-**	**-**	**-**	**-**	**(192)**	**(192)**
Loss for the year	-	-	(2,070)	**-**	-	-	(2,070)
Other comprehensive loss for the year	-	-	-	(80)	-	-	(80)
Total comprehensive loss for the year	**-**	**-**	**(2,070)**	**(80)**	**-**	**-**	**(2,150)**
Balance at 31 December 2022	**106**	**7,035**	**(2,823)**	**(112)**	**114**	**92**	**4,412**
Credit to equity for share based payments	-	-	-	-	-	-	-
Transactions with owners in their capacity of owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Profit for the year	-	-	931	**-**	-	-	931
Other comprehensive profit for the year	-	-	-	20	-	(92)	(72)
Total comprehensive profit for the year	**-**	**-**	**931**	**20**	**-**	**(92)**	**859**
Balance at 31 December 2023	**106**	**7,035**	**(1,892)**	**(92)**	**114**	**-**	**5,271**

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CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2023

	Note	2023 €000	2022 € 000
CASH FLOWS FROM OPERATING ACTIVITIES (I)	**20**	**7,352**	**8,226**
- Purchase of intangible assets		(12)	(286)
- Purchase of property, plant and equipment		(330)	(920)
- Acquisition of other investments		-	-
- Proceeds from disposal of property, plant and equipment		-	-
CASH FLOWS USED IN INVESTING ACTIVITIES (II)		**(342)**	**(1,206)**
- Proceeds from borrowings and credit facilities		320	3,396
- Repayment of obligations under leases		(1,411)	(1,850)
- Repayment of borrowings		(6,274)	(7,882)
CASH FLOWS USED IN FINANCING ACTIVITIES (III)		**(7,365)**	**(6,336)**
Effect of exchange rate changes (IV)		**11**	**16**
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		**(343)**	**700**
Cash and cash equivalents at the beginning of the year		1,143	443
Cash and cash equivalents at the end of the year		800	1,143

Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023

1. GENERAL INFORMATION

GYG Limited (the 'Company') is a private company limited by shares incorporated under the Companies Act 2006 and domiciled in England in the United Kingdom. Prior to September 2022 the Company was a public company limited by shares listed on the AIM market of the London Stock Exchange. The Company cancelled the trading of its ordinary shares on AIM effective 8 September 2022. On 22 September 2022 the Company re-registered as a private limited company. The address of the registered office is Level 4, Dashwood House, 69 Old Broad Street, London EC2M 1QS, United Kingdom.

The principal activities of the Group are superyacht painting, supply, and maintenance, offering services globally through operations in the Mediterranean, Northern Europe, and the United States.

These consolidated financial statements are presented in Euro which is the currency of the primary economic environment in which the Group operates.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

The consolidated financial statements of the GYG Limited Group have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The consolidated financial statements have been prepared under the historical cost convention.

The principal accounting policies adopted are set out and have been applied consistently.

2.2. New accounting standards and interpretations

The Group adopted the following new pronouncements during 2022, which did not have a material impact on the Group´s financial statement:

- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16.
- Onerous contracts – Cost of Fulfilling a Contract – Amendments to IAS 37.
- Annual Improvements to IFRS Standards 2018-2020; and
- Reference to the Conceptual Framework – Amendments to IFRS 3.

The group also elected to adopt the following amendments early:

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12; and
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2.

Financial Statements

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective and, in some cases, have not yet been adopted by the United Kingdom:

Standard	Effective Date
• IAS 1 - Modifications on non-current liabilities with covenants	1 January 2024
• IFRS 16 - Modifications relating to a sale and leaseback transaction	1 January 2024
• IAS 7 - Modifications to the statement of cash flows and IFRS 7 Financial Instruments on the Disclosure of Supplier Financing Agreements	1 January 2024
• IAS 21 – Modifications due to lack of convertibility	1 January 2025

These new standards, amendments and interpretations are not expected to have a material impact on the Group's consolidated financial statements.

2.3. Going concern

These financial statements have been prepared on a going concern basis, which assumes the Group and parent company will continue to be able to meet their liabilities as they fall due, within 12 months of the date of approval of these financial statements.

The Group has net current liabilities at the balance sheet date of €20.6m. This includes a deferred income balance of €11.5m, which represents deposits made by clients for advance works. Excluding the deferred income would reduce net current liabilities to €9.1m. The parent company, which is non-trading, has net current assets at the balance sheet of losses €0.2m. The Group and parent company meet their day-to-day working capital requirements from cash flows generated from operations, confirming facilities (December 2023: €3.5m), factoring facilities (December 2023: €3.5m) and other banking facilities (December 2023: €0.6m). The confirming and factoring facilities currently have a monthly rolling term and the other bank facilities have a maturity of October 2024. During 2024, the Group is negotiating to change the maturity of all bank facilities, including confirming and factoring, to a 12-month rolling term.

The factoring and confirming facilities are established arrangements which continue on a rolling basis. Based on historical experience with these arrangements, management do not believe there is any reason for these facilities to not continue to roll in the future.

In evaluating the going concern assumption, management prepared a base case and severe but plausible downside profit and loss and cash flow forecasts for the period up to October 2025, the going concern assessment period, to assess the Group and parent company's ability to meet liabilities as they fall due.

Both the base case and downside model demonstrate an ability of the Group and parent company to be able to meet its liabilities as they fall due, but these models include significant assumptions such as the timing of work that will be undertaken and the margin achieved, and the impact these have on forecasted cash flow.

Financial Statements

Given the information available, based on current trading and orders being received, the Directors are confident that the forecasts will be met, existing facilities will be renewed and sufficient liquidity will be available to meet liabilities as they fall due, and therefore believe it is appropriate to prepare the financial statements on a going concern basis.

2.4. Basis of consolidation

The Group financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (and its subsidiaries) made up to 31 December each period.

Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial information of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation process.

2.5. Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquire. Acquisition-related costs are recognised in profit or loss as incurred.

The acquirer’s identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date.

2.6. Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful economic lives. The estimated useful economic life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful economic lives that are acquired separately are carried at cost less accumulated impairment losses.

Computer software is valued at acquisition cost, amortisation is registered as a function of the useful economic life determined between 3 and 5 years.

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquisition and the fair value of the acquirer’s previously held equity interest (if any) in the entity over the net of the acquisition-date fair value of the identifiable assets acquired and the liabilities assumed.

Financial Statements

Goodwill is considered to have indefinite useful life and not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group’s cash-generating units (‘‘CGUs’’) expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Order backlog has an estimated useful economic life of less than one year. Customer relationships and brands have an estimated useful economic life of 15 years.

Derecognition of intangible assets

An Intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.7. Revenue

Performance obligations and timing of revenue recognition

The Group records certain contracts on an over-time basis and other contracts on the point in tie basis.

The Group sells maintenance materials, consumables, spare parts and equipment to customers through its retail outlets as well as shipping products. For sales of such products to retail customers, revenue is recognised when control of goods has transferred, being at the point the customer purchases the goods at the retail outlet or when the goods have been shipped to the specific location.

Revenue derived from selling goods is recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to, and accepted by, the customer. There is limited judgement needed in identifying the point control passes: once physical hand over of the products has occurred and the goods have been accepted, the Group no longer has physical possession of the goods, usually will have a present right to the payment and retains none of the significant risks and rewards of the goods in question.

Financial Statements

Some goods sold by the Group include warranties which require the Group to either replace or mend a defective product during the warranty period if the goods fail to comply with agreed-upon specification. In accordance with IFRS 15, such warranties are not accounted for as separate performance obligations and hence no revenue is allocated to them. Instead, a provision for the costs of satisfying the warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets is considered.

Revenue from providing services is recognised in the accounting period in which the services are rendered.

Revenue from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred; and servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold.

The Group carries out contract for customers, with revenue recognised typically on an over time basis. This is because the contracts for the Refit or New Build project are determined as the proportion of the total time expected on the project that has elapsed at the end of the reporting period.

Services are typically provided over short periods of time. However, for fixed-price contracts that span accounting periods, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours.

On partially complete contracts, the Group recognises revenue based on stage of completion of the project which is estimated by comparing the actual costs incurred on the project with the total costs expected to complete the project.

This is considered a faithful depiction of the transfer of goods and services to the customer as the contracts are initially priced on the basis of anticipated costs to complete the projects and therefore also represents the amount to which the Group would be entitled based on its performance to date.

Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the year in which the circumstances that give rise to the revision become known to management. An expected loss on a contract is recognised immediately in the income statement.

Determining the transaction price

The Group’s revenue on point in time sales is derived principally from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

The Group’s revenue on over time sales is generally based on fixed price contracts but these are subject to more variability as a result of the nature of the contract. Any variable consideration in constrained in estimating contract revenue in order that it is highly probable that there will not be a future reversal in the amount of revenue recognised when the final amounts of any variations has been determined.

Allocating amounts to performance obligations

For most contacts, there is a fixed unit price for each product sold/each service provided, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price in such contracts. Some contacts include multiple deliverables.

Financial Statements

Where the allocating the contracts include multiple performance obligations, which are determined to be separate performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin.

2.8. Leases

The group leases various offices, warehouses and equipment.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the Group's incremental borrowing rate is used, being the rate that it would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.9. Exceptional items

Certain items are presented in the Consolidated Statement of Comprehensive Income as exceptional where, in the judgement of the Directors, by virtue of their nature, size or incidence, in order to obtain a clear and consistent presentation of the Group's underlying business performance they need to be disclosed separately. These are items that fall outside the normal day to day operations of the business and the Directors believe are unlikely to ever occur again. Examples of items which may give rise to disclosure as exceptional items include restructuring costs if the restructuring involves a fundamental change to the Group´s business model and transaction fees if the transaction involves a significant change to the structure or investment case for the Group. See note 6 for further details.

2.10. Adjusted EBITDA

Adjusted Earnings before Interest, Taxation, Depreciation and Amortisation ("Adjusted EBITDA") is a non-IFRS measure used by the Directors to assess the operating performance of the Group.

The "Adjusted EBITDA" is also used as a metric to determine management remuneration as well as being measured within the financial covenants calculations.

"Adjusted EBITDA" is defined as operating profit before depreciation and amortisation, impairment, performance share plan and exceptional items.

As a non-IFRS measure, the Company's calculation of "Adjusted EBITDA" may be different from the calculation used by other companies and therefore comparability may be limited.

2.11. Foreign currency

For the purpose of presenting these financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used.

At each period end date, monetary assets and liabilities that are denominated in foreign currencies are re-translated at the rates prevailing on the period end date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on changes in fair value of non-monetary assets and liabilities that are recognised directly in equity.

2.12. Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

2.12.1. Current Tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

The Spanish subsidiaries group companies are included in a consolidated tax return within fiscal group under Spanish regulation.

2.12.2. Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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.

Financial Statements

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 based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the consolidated statement of comprehensive income, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.13. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is recognised so as to write off the cost of assets (other than land and assets under construction) less their residual values over their useful economic lives, using the straight-line method in the following bases:

	Useful economic lives (years)
Property	10 – 33
Plant and equipment	3 – 10
Other plant, tools and furniture	4 - 10
Other tangible assets	3 – 20
Right of use asset – finance lease	5 – 10
Right of use asset – operating lease	Term of lease

The estimated useful economic lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.14. Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

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.

2.15. Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average price basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.16. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.17. Financial assets

The Group classifies its financial assets as those to be measured at amortised cost.

Recognition and derecognition

Sales of financial assets are recognised when the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value. Transaction costs that are directly attributable to the acquisition of the financial asset are included in the fair value initial assessment of fair value.

Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The group

holds trade and other receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

2.18. Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is equal to their fair value.

2.19. Other financial assets – long term

Other financial assets – long term are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Other financial assets and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate.

Financial liabilities

Financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Fair value measurement

All financial instruments for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.20. Related party transactions

The Group carries out all its related-party transactions (financial, commercial or otherwise) by setting transfer prices stipulated by the OECD to regulate transactions with subsidiaries.

2.21. Consolidated cash flow statements

In these financial statements cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value.

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The consolidated cash flow statements have been prepared using the indirect method and the terms used are defined as follows:

- Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.
- Operating activities: the principal revenue-producing activities of the entities composing the consolidated Group and other activities that are not investing or financing activities.
- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents, if they have a direct impact on current cash flows.
- Financing activities: activities that result in changes in the size and composition of the equity and liabilities that are not operating activities, if they have a direct impact on current cash flows.

2.22. Share-based payments

Equity-settled share-based payments to employees and other entities are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market vesting conditions. Details regarding the determination of the fair value of equity-settled share-based payments are set out in note 21.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group´s estimate of equity instruments that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the counterparty renders the service.

2.23. Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received. Grants that compensate the Group for expenses incurred are recognised in the Income statement in the relevant financial statement caption on a systematic basis in the periods in which the expenses are recognised.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts 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.

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3.1 *Critical judgements in applying the Group's accounting policies*

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Information on the funding position and going concern assessment of the Group is set out in the detail in the Section "Going Concern".

3.2 *Key sources of estimation uncertainty*

3.2.1 *Revenue recognition*

The accounting for long term contracts requires management to apply judgement in estimating the total revenue and total costs expected on each project and also to estimate the stage of completion. Such estimates are revised as a project progresses to reflect the current status of the project and the latest information available to management. Project management teams perform regular reviews to ensure the latest estimates are appropriate.

Revenue from contracts to provide services is recognised by reference to the stage of completion of the contract, determined as the proportion of the total labour hours expected to provide the service that have elapsed at the end of the reporting period. This requires the Directors to estimate labour hours to complete, based on the Company's experience and professional judgement.

3.2.2 *Impairment of goodwill*

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

The key assumptions for determining the value in use include the pre-tax discount rate, which has been estimated at 16.25% for the goodwill registered for each of the Coatings and Supply segments (and at 17.25% for ACA Marine, SAS) and a long-term growth rate of 3.0%. These estimates, including the methodology used, may have a significant impact on the registered values and impairment losses. Management has concluded that the estimated growth rate used does not exceed the average long-term growth rate for the relevant markets where the group operates (Europe and USA).

3.2.3 *Deferred tax asset*

The company recognises deferred tax assets only to the extent that it is probable that future taxable profits, feasible tax planning strategies and deferred tax liabilities will be available against which the tax losses can be utilised. Estimation of the level of future taxable profits is therefore required in order to determine the appropriate carrying value of the deferred tax asset. If the forecast taxable profits were to fall by 10% in future years, there is no impact on the deferred tax asset recognised.

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4. REVENUE

4.1 Disaggregation of revenue

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major classes of business and geographical areas.

	2023	2022
	€ 000	*€ 000*
Point in time sale of goods – Supply	6,228	9,701
Contracts recognized over time - Coatings	53,175	54,355
	59,403	**64,036**

4.2. Geographical location

Revenues from external customers attributed to the Group's country of domicile and attributed to foreign countries from which the Group derives revenue is presented below.

	2023	2022
	€ 000	*€ 000*
Spain	23,138	27,481
United Kingdom	188	-
Rest of Europe	32,341	26,696
Rest of World	3,736	9,859
	59,403	**64,036**

4.3 Assets and liabilities related to contracts with customers

Group's right to consideration for construction work completed but not invoiced at the balance sheet date form the balance on contract assets.

Contract liabilities relate to contractual advances from customers related to on-going and future projects. As revenue is recognised in relation to these contracts, the liability is decreased by an equal amount until the liability is fully extinguished.

	31 December 2023	31 December *2022*
Contract Assets	*€ 000*	*€ 000*
Consideration for construction work completed and not invoiced	966	3,200
	966	**3,200**
Contract Liabilities		
Contractual advances from customers related to on-going and future projects	11,548	11,999
	11,548	**11,999**

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5. OPERATING PROFIT / (LOSS)

Operating profit/loss has been arrived at after (charging)/crediting:

	2023 € 000	2022 € 000
Exceptional items (see note 6)	(228)	(187)
Net foreign exchange losses	(57)	15
Depreciation of property, plant and equipment	(2,346)	(2,502)
Amortisation of intangible assets	(1,129)	(1,035)
(Losses)/gains on disposals	(73)	(1)
Reversal of impairment on trade receivables	-	5
Cost of materials	(10,220)	(12,946)
Staff costs (see note 8)	(20,163)	(23,183)

Other losses consist net foreign exchange losses and losses on disposals.

5.1. Other operating costs

	2023 € 000	2022 € 000
Cost of materials	10,220	12,946
Staff costs (see note 8)	20,163	23,183
Other costs of sales	12,535	16,219
Administrative expenses	9,249	9,662
Depreciation and amortisation	3,475	3,537
Exceptional items	228	187
Performance share plan	-	(192)
	55,870	65,542

6. EXCEPTIONAL ITEMS

	2023 € 000	2022 € 000
Restructuring costs	(320)	(183)
Delisting	-	(4)
Transaction fees	92	-
	(228)	(187)

Excluding the impact of the exceptional items shown above, the operating profit for 2023 was €3,761 thousand (2022: loss €1,319 thousand).

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Restructuring costs

During 2022 the company started to implement the restructuring program that started in July 2021, to develop a more efficient and cost-effective structure. In 2023 Group continued with the restructuring program, employee severance costs and other directly associated costs that incurred in the year to 31 December 2023, amounted to €320 thousand (€183 thousand in 2022).

Transaction fees

In 2017, The Company has established a Performance Share Plan for Directors and other selected senior management.

The Company has granted a warrant to Zeus Capital to subscribe for such number of ordinary shares as is equal to 1 per cent of the enlarged share capital of the Company following completion of the placing.

The warrant was not exercised in 2023, as conditions were not met. Expense of €92 thousand recognized for this warrant at inception, in 2017, has been reversed in 2023.

7. AUDITORS' REMUNERATION

The fees for audit and non-audit services provided by the auditors of the Group's consolidated financial statements and of certain individual financial statements of the consolidated companies, Ballards LLP (in 2022 was PricewaterhouseCoopers LLP., and by companies belonging to PricewaterhouseCoopers's network), were as follows:

	2023	**2022**
	€ 000	***€ 000***
Fees payable to the Company's auditors for the audit of the parent company and consolidated financial statements	68	150
Fees payable to component auditors for the audit of the company's subsidiaries	94	189
Additional fees payable to the company's previous auditors	19	23
Fees payable to the Company's auditors for other services:		
Other non-audit services	-	5
	181	369

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8. STAFF COSTS

The monthly average number of employees (including Executive Directors) was:

	2023	2022
Senior Management	12	13
Sales & Administration	76	88
Production	255	306
	343	407

Their aggregate remuneration comprised:

	2023	2022
	€ 000	*€ 000*
Wages and salaries	16,602	20,408
Social security costs	3,561	2,775
	20,163	23,183

Directors' emoluments:

	2023	2022
	€ 000	*€ 000*
Directors' emoluments		
Salaries, fees and bonus	943	1,050
Highest paid Director		
Salaries, fees and bonus	284	387

The director who resigned during 2022 received € 194 thousand as compensation for loss of office. This compensation, included in the directors' emoluments, makes him the highest paid director in the year 2022. There are no arrangements under which any Director has waived or agreed to waive future emoluments, nor have there been any such waivers or emoluments during the financial year immediately preceding the date of this report.

9. FINANCE COSTS

	2023	2022
	€ 000	*€ 000*
Interest on bank overdrafts and loans	982	499
Unwinding of capitalised loan issue costs	145	243
Interest on obligations under leases	174	93
Other financial costs – net	269	118
	1,570	953

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10.TAX

10.1 Tax recognised in profit or loss

	2023 *€ 000*	2022 *€ 000*
Corporation Tax		
Current year	(649)	(202)
Prior years	(161)	-
	(810)	(202)
Deferred tax		
Timing differences	196	196
Tax losses	(418)	395
	(222)	591
Total	(1,032)	389

Corporate tax rates used for the calculation relate to the respective tax rates in prevailing jurisdictions of the individual group company.

The income tax expense for the year can be reconciled to the accounting (loss)/profit as follows:

	2023 *€ 000*	2022 *€ 000*
Profit before tax from continuing operations	**1,963**	**(2,459)**
Tax at the Spanish corporation tax rate (25%)	(491)	615
Overseas tax differences	(300)	(6)
Under provision of tax in the prior years	(161)	-
Tax effect of expenses that are not considered in determining tax profit	(4)	(155)
Other differences	(76)	(65)
Total	(1,032)	389

10.2 Deferred tax balances

The following is an analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

2023	Opening Balance € 000	Recognised in profit or loss € 000	Closing Balance € 000
Property, plant & equipment	70	322	392
Tax losses	3,050	(740)	2,310
Intangible and tangible assets	(2,755)	196	(2,559)
Net	**365**	**(222)**	**(143)**
Deferred tax assets	**2,325**	**(418)**	**1,907**
Deferred tax liabilities	**(1,960)**	**196**	**(1,764)**

2022	Opening Balance € 000	Recognised in profit or loss € 000	Closing Balance € 000
Property, plant & equipment	119	(49)	70
Tax losses	2,606	444	3,050
Intangible and tangible assets	(2,951)	196	(2,755)
Net	**(226)**	**591**	**365**
Deferred tax assets	**1,936**	**389**	**2,325**
Deferred tax liabilities	**(2,162)**	**202**	**(1,960)**

Deferred tax assets are calculated at the existing tax rates for the specific jurisdiction where the losses have occurred.

The deferred tax assets from tax losses are related to tax losses from Spain and other countries like France and United States with no time limit for their application.

10.3 Unrecognised deductible temporary differences, unused tax losses and unused tax credits

	2023 *€ 000*	2022 *€ 000*
Tax losses	1,115	592
Deductible temp. diff	193	193
	1,308	785

In determining the recoverable amounts of the Group's deferred tax assets, the Group applied the future taxable income projections from the approved business plans. Given the estimation uncertainty of the timing the Group exercises judgement in the determination of cash flows during this recovery and subsequent periods. In exercising this judgement, while there are no time restrictions on the utilisation of historic tax losses in the principal jurisdictions in which the Group operates, future cash flow projections are forecast for a period of up to two years from the balance sheet date.

11. GOODWILL AND INTANGIBLE ASSETS

11.1 Goodwill

Goodwill	€ 000
Cost	
At 1 January 2022	9,344
Exchange differences	58
At 31 December 2022	9,402
Exchange differences	(22)
At 31 December 2023	9,380
Carrying amount	
At 31 December 2023	9,380
At 31 December 2022	9,402

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Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) or group of units that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

	2023 *€ 000*	2022 *€ 000*
Coatings	8,532	8,554
Supply	848	848
	9,380	9,402

11.2 Other intangible assets

	Customer relationships, brands and backlog € 000	Software € 000	Total € 000
Cost			
At 1 January 2022	15,233	1,836	17,069
Additions	-	446	446
At 31 December 2022	15,233	2,282	17,515
Additions	-	12	12
At 31 December 2023	15,233	2,294	17,527
Accumulated amortisation			
At 1 January 2022	6,756	261	7,017
Charge of the period	922	113	1,035
At 31 December 2022	7,678	374	8,052
Charge of the period	921	208	1,129
At 31 December 2023	8,599	582	9,181
Carrying amount			
At 31 December 2023	6,634	1,712	8,346
At 31 December 2022	7,555	1,908	9,463

Impairment reviews

The Group performs an annual impairment review for goodwill and other intangible assets, or more frequently if there are indications that these might be impaired.

Testing is carried out by allocating the carrying value of these assets to cash-generating units (CGUs) and determining the recoverable amounts of those CGUs. The recoverable amount is the higher of the fair value minus the costs of selling and its value in use. Value in use calculations are based on cash-flow discounting methods.

The discounted cash-flows are calculated based on 3-year projections of the budgets approved by the Board of Directors. These cash-flows consider past experience and represent the best estimate of management on future market developments and Group performance.

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The key assumptions for determining the value in use include the pre-tax discount rate, which has been estimated at 16.25% for the goodwill registered for each of the Coatings and Supply segments (and at 17.25% for ACA Marine, SAS) and a long-term growth rate of 3.0%. These estimates, including the methodology used, may have a significant impact on the registered values and impairment losses. Management has concluded that the estimated growth rate used does not exceed the average long-term growth rate for the relevant markets where the group operates (Europe and USA).

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each of the group of CGUs to which goodwill and other intangible assets are allocated.

As part of this scenario analyses, the Directors considered the impact on the recoverable amounts of the assets based upon the following changes to the two key assumptions set out above for both of the periods under review:

- Long-term growth rate: reduced from 3.0% to 2.0%
- Pre-tax discount rate: increased from 16.25% to 17.25%

If we reduce the long-term growth rate by 1% and increase the pre-tax discount rate by 1% the level of headroom would decrease by €5 million. Under neither of these scenarios did the recoverable amounts fall below or anywhere near the carrying value of the assets. As a result of this analysis, the Directors believe that any reasonably possible change in the key assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related CGUs.

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12. PROPERTY, PLANT AND EQUIPMENT

	Property € 000	Plant and equipment € 000	Other plant, tools, and furniture € 000	Other tangible assets € 000	Total € 000
Cost					
At 1 January 2022	7,233	2,508	3,847	13,998	27,586
Reclassifications	9	16	-	(25)	-
Additions	76	3	63	779	921
IFRS 16 – Right of use assets – Additions	1,546	-	-	-	1,546
Disposals	-	-	-	(6)	(6)
Exchange differences	(5)	41	2	8	56
At 31 December 2022	8,869	2,568	3,912	14,754	30,103
Reclassifications	-	-	-	-	-
Additions	65	45	40	180	330
IFRS 16 – Right of use assets – Additions	1,822	-	-	-	1,822
IFRS 16- Right of use assets-Disposals	(1,197)				(1,197)
Disposals	-	-	-	(36)	(36)
Exchange differences	(2)	(19)	(1)	(12)	(34)
At 31 December 2023	9,557	2,594	3,951	14,886	30,998
Accumulated depreciation					
At 1 January 2022	4,261	1,745	3,201	6,458	15,665
Charge of the period	134	139	243	884	1,400
IFRS 16 – Right of use assets – Charges	1,103	-	-	-	1,103
Disposals	-	-	-	(5)	(5)
Exchange differences	4	31	1	5	41
At 31 December 2022	5,502	1,915	3,445	7,342	18,204
Charge for the period	106	165	163	885	1,319
IFRS 16 – Right of use assets – Charges	1,027	-	-	-	1,027
IFRS 16- Right of use assets- Disposals	(1,087)	-	-	-	(1,087)
Disposals	-	-	-	37	37
Exchange differences	2	16	1	4	23
At 31 December 2023	5,550	2,096	3,609	8,268	19,523
Carrying amount					
At 31 December 2023	4,007	498	342	6,618	11,465
At 31 December 2022	3,367	653	467	7,412	11,899

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Property, plant and equipment consists of different categories of tangible assets which are used across the Group in the delivery of goods and services. Other tangible assets consist primarily of scaffolding equipment.

The main additions for the year ended 31 December 2023 and 2022 correspond to the acquisition of machinery, other equipment, a new property scaffolding.

Leases

This note provides information for the leases where the group is a lessee. The amounts recognised in the balance sheet are as follows:

	31 December 2023 € 000	31 December 2022 € 000
Right use of assets		
Property	2,370	1,724
Plant and Equipment	2,811	2,917
	5,181	**4,641**
Lease Liabilities		
Current liabilities	1,421	1,456
Non-current liabilities	2,092	1,582
	3,513	**3,038**

The following table sets out a maturity analysis of lease payments related to IFRS16, showing the undiscounted lease payments to be made after the reporting date.

In thousands of euros	2023	2022
Less than a year	1,421	1,493
One to five years	1,863	1,713
More than five years	229	-

During the year, the Group made payments of €1,411 thousand towards leases (2022: €1,850 thousand).

13. INVENTORIES

	31 December 2023 *€ 000*	31 December 2022 *€ 000*
Raw materials	918	554
Goods for resale	2,313	2,082
	3,231	2,636

The cost of inventories recognised as an expense during the year amounted to €10,220 thousand (€12,946 thousand in 2022).

14. TRADE AND OTHER RECEIVABLES

	31 December 2023 € 000	31 December 2022 € 000
Trade receivables	7,387	6,585
Contract assets	966	3,200
Other receivables	1,537	489
Other taxation and social security	445	819
	10,335	11,093

Trade and other receivables are all current and any fair value difference is not material. Trade receivables are considered past due once they have passed their contracted due date.

Amounts invoiced to customers are due in 30 days. The Group recognises an allowance for doubtful debts of 100% against those receivables overdue that after a specific analysis are considered not recoverable.

Trade receivables disclosed above include amounts (see below for aged analysis) which are past due at the reporting date but against which the Group has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality of the customers and the amounts are still considered recoverable.

The Group does not hold any collateral or other credit enhancements over any of its trade receivables nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Amounts receivable from customers can be analysed as follows:

	31 December 2023 € 000	31 December 2022 € 000
Amount receivable not past due	4,776	2,523
Amount receivable past due but not impaired	2,611	4,062
Amount receivable impaired (gross)	146	206
Less impairment	(146)	(206)
	7,387	8,685

Neither the amounts due from service contract customers nor receivables from other debts are past due or impaired in the current and prior periods.

The ageing of past due but not impaired receivables is as follows:

	31 December 2023 € 000	31 December 2022 € 000
<60 days	2,094	1,731
61-90 days	93	373
>91 days	424	1,958
	2,611	4,062

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The movement in the allowance recorded for doubtful debts is as follows:

	31 December 2023 € 000	31 December 2022 € 000
Balance at the beginning of the year	(206)	(211)
Amounts written off during the year as uncollectible	151	-
Impairment losses (recognised)	(91)	-
Amounts recovered during the year	-	5
	(146)	(206)

Contract assets

The contract assets primarily relate to the Group's right to consideration for construction work completed but not invoiced at the balance sheet date. The contract assets are included within the caption "Trade and other receivable". The balance decreased during the year by €2.2 million.

15. CASH AND CASH EQUIVALENTS

	31 December 2023 € 000	31 December 2022 € 000
Cash and cash equivalents	800	1,143
	800	1,143

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value.

Net debt

Movements in net debt were as follows:

€ 000	Balance At January 1, 2023	Financing Cash flows	New Leases and modifications	Foreign exchange	Other items	Balance at December 31,2023
Borrowings	15,791	(5,954)	-	(1)	145	9,981
Cash and cash equivalents	(1,143)	353	-	(10)	-	(800)
Lease liabilities	3,038	(1,411)	1,712	-	174	3,513
	17,686	(7,012)	1,712	(11)	319	12,694

€ 000	Balance At January 1, 2022	Financing Cash flows	New Leases and modifications	Foreign exchange	Other items	Balance at December 31,2022
Borrowings	19,891	(4,486)	-	-	(386)	15,791
Cash and cash equivalents	(443)	(684)	-	-	(16)	(1,143)
Lease liabilities	3,246	(1,850)	1,546	-	96	3,038
	22,694	7,020	1,546	-	446	17,686

16. BORROWINGS

	31 December 2023 € 000	31 December 2022 € 000
ICO loan	1,900	2,958
Related Party Loan - Shareholders	-	2,668
Capitalised costs – net	(4)	(149)
Confirming facility	3,482	3,489
Factoring facility	3,500	5,428
CDTI loan	453	231
Credit facilities	650	1,166
Total borrowings	9,981	15,791
Amount due for settlement within 12 months	8,475	13,711
Amount due for settlement after 12 months	1,506	2,080

The difference in capitalised costs – net set out above and the figure in note 9 relates to fees charged to the Group by the banks for ICO loans and related party loans-shareholders.

16.1 Summary of the borrowing arrangements

ICO Loan -

On 29 June 2020, the Group entered into floating rate syndicated financing agreements of €3.0 million of new borrowing facilities through the Spanish government´s ICO loan facility. The ICO in Spain guarantees 70 per cent of the value of loans.

On 5 October 2021, the Group entered into floating rate financing agreement of €0.5 million of new borrowing facilities through the Spanish government´s ICO loan facility. The ICO in Spain guarantees 70 per cent of the value of loans.

Under the terms of these ICO loans, there is no repayment during the twelve months following execution and the outstanding balance is repaid over the subsequent 48 months via equal monthly payments. The payback term was renegotiated in March 2021 extending the no repayment period from twelve months to twenty-four months.

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The ICO facilities bear interest at 4% and 1.5%. The amount drawn on 31 December 2023 was €1,900 thousand (2022: €2,958 million).

Related Party Loan –

They are detailed in note 24.

Additionally, the Group has at its disposal at 31 December 2023:

- Credit facilities up to € 1.5 million.
- Factoring and discounting facilities up to € 7 million.
- Confirming facilities up to 3.5 million
- Bank guarantees up to €3,322 thousand, of which €3,245 thousand were drawn as of 31 December 2023.

As a result of the above agreements, at year end the Group has bank facilities totalling €15,322 thousand of which €10,850 thousand were drawn and €4,471 thousand were undrawn as of 31 December 2023.

17. TRADE, DEFERRED INCOME AND OTHER PAYABLE

	31 December 2023 € 000	31 December 2022 € 000
Trade payables	11,183	8,845
Contract liabilities – Deferred income	11,548	11,999
Wages and salaries	-	60
Other taxation and social security payables	1,035	1,697
	23,766	22,601

Under the caption “Contract liabilities - Deferred income” are contractual advances from customers related to on-going and future projects. This number increased by €600 thousand, as the Group received more in deposits from clients during the period than it did in 2022. As revenue is recognised in relation to these contracts, the liability is decreased by an equal amount until the liability is fully extinguished.

The average credit period taken for trade purchases is normally between 30 and 60 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

The directors consider that the carrying amount of trade payables approximates to their fair value.

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18. PROVISIONS

	€ 000
At 1 January 2022	214
Charge for the year	50
Released	(17)
At 1 December 2022	247
Charge for the year	509
Released	(134)
At 31 December 2023	622
Current	603
Non-current	19

	31 December 2023 € 000	31 December 2022 € 000
Guarantee provision	203	228
Legal and tax provision	19	19
Restructuring costs	400	-
	622	247

As of 31 December 2023, the Group has a current provision amounting to €203 thousand (2022: €228 thousand), for re-painting guarantees contemplated in the contractual agreements with clients for the painting of boats and vessels. This provision is calculated as guarantee borne in the past year compared to the total turnover for the corresponding year.

Additionally, during the year 2023 the Company made a provision related to the restructuring as an estimate of future obligations. The Company exercises judgement in determining the expected direct costs of the reorganisation based on plans that are sufficiently detailed and advanced.

At 31 December 2023 the Group and its legal advisers consider that the provisions recorded are sufficient for covering future obligations.

19. SHARE CAPITAL

At 31 December 2023 the Company's share capital amounted to €106 thousand represented by 46,615,500 (2022: 46,640,000) ordinary shares with a par value of £0.002, issued and fully paid up.

No dividend was declared or paid during the year ended 31 December 2023.

At 31 December 2023 the Group no longer has a share based payment reserve amount based on the agreements disclosed in note 21 (2022: €92 thousand).

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20. NOTES TO THE CASH FLOW STATEMENT

	2023 € 000	2022 €000
Profit/(Loss) for the year before tax	**1,964**	**(2,459)**
- Depreciation and amortisation	3,475	3,537
- Other gains	(47)	-
- Loss on asset disposal	73	1
- Performance share plan	(92)	(192)
- Finance costs	1,570	953
Adjustments to Profit	**4,979**	**4,299**
- (Increase)/decrease in inventories	(599)	976
- Decrease in trade and other receivables	1,048	4,391
- Increase in trade, other payables and provisions	1,572	1,475
Changes in working capital	**2,021**	**6,842**
- Interest paid	(1,251)	(523)
- Income tax paid	(361)	67
Other cash flows used in operating activities	**(1,612)**	**(456)**
CASH FLOWS FROM OPERATING ACTIVITIES	**7,352**	**8,226**

21. SHARE-BASED PAYMENTS

Performance Share Plan

The Company established a Performance Share Plan (the "PSP") for Directors and other selected senior management, which was adopted by the Board on 23 June 2017.

This award grants an option to acquire ordinary shares in the capital of the Company at a price of £0.002 per ordinary share, subject to the Performance Target. The award will normally vest on the third anniversary of grant or, if later, when the Remuneration Committee determines the extent to which any performance conditions have been satisfied. These will be exercisable up until the tenth anniversary of grant unless they lapse earlier.

In 2020, the 2017 plan was cancelled because the performance conditions had not been satisfied.

Due to the delisting in 2022 the directors approved that condition were not meet and all the plans were cancelled.

The Company established a subsequent Performance Share Plan (the "PSP") for Directors and other selected senior management, which was adopted by the Board on 18 August 2020. The rules and conditions of this plan are identical to the 2017 plan.

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Details of the share options outstanding during the year are as follows:

	Number of share options	Weighted average exercise price (pence)
Outstanding at 1 January 2022	452,668	0.2
Granted during the year	-	0.2
Cancelled during the year	(452,668)	-
Outstanding at 31 December 2022	-	0.2
Granted during the year	-	0.2
Cancelled during the year	-	-
Outstanding at 31 December 2023	-	0.2

Warrant

The Company granted a warrant to Zeus Capital to subscribe for such number of ordinary shares as is equal to 1 per cent of the enlarged share capital of the Company following completion of the placing. The warrant shall be exercisable in whole or in part at any time during the period of 5 years from the first anniversary of Admission. The warrant shall be exercisable at the placing price multiplied by 105%.

Details of the warrant outstanding during the year are as follows:

	Number of share options	Weighted average exercise price (pence)
Outstanding at 31 December 2023	466,400	105
Outstanding at 31 December 2022	466,400	105

Assumptions used in the Black-Scholes model to determine the fair value:

Share price at grant date (pence)	100
Exercise price (pence)	105
Option life (years)	5
Risk-free interest rate (%)	2.50%
Expected volatility (%)	28.60%

22. FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The Directors regularly review the working capital forecasts of the Group to understand the impact of Group performance and outside factors on the liquidity position of the Group. Where necessary, the Directors alter the balance of different types of equity that the Group can access.

The capital structure of the Group consists of net debt (borrowings disclosed in note 16) and equity of the Group.

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Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 2.

Categories of financial instruments

	31 December 2023 € 000	31 December 2022 € 000
Financial assets		
At amortised cost		
Cash and cash equivalents (note 15)	800	1,143
Other financial instruments – non-current	135	219
Other financial assets - current	-	148
Trade receivables (note 14)	7,387	6,585
	8,322	8,095

	31 December 2023 € 000	31 December 2022 € 000
Financial liabilities		
At amortised cost		
Amortised cost - borrowings (note 16)	2,999	6,874
Lease liabilities (note 12)	3,513	3,206
Confirming liabilities (note 16)	3,482	3,489
Liabilities under factoring facilities (note 16)	3,500	5,428
Trade payables (note 17)	11,183	8,845
	24,677	27,842

The carrying value of all financial assets and financial liabilities equate to the fair value.

Management of the Group’s financial risks is centralised in the Group's Finance Department, which has established mechanisms to monitor interest rate and exchange rate exposure, as well as credit and liquidity risk. The main financial risks affecting the Group are indicated below:

1. *Credit risk*

Credit risk arises from cash and cash equivalents and credit exposure to customers, including outstanding receivables. Credit risk is managed on a group basis.

For banks and financial institutions, only those with a Moody´s rating of AAA (or equivalent) or with which the Group has an existing borrowing relationship are accepted.

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Clients within the Coatings sector is either ultra-high net worth individuals, the companies through which they own their boats or shipyards that act as main contractors on behalf of the boat owners. The credit risk of the first two categories is extremely low. The risk is also mitigated by the fact that the Group has to complete a project before the owner can use the vessel again. The staged payments typical in these types of contracts means that there is very little exposure to unpaid receivables by the end of a project.

The Group regularly reviews the credit ratings of each shipyard with whom in contracts to understand any potential credit risk associated with them. Individual risk limits are set based on external ratings in accordance with limits set by the board.

Credit exposure within the supply business comprises trade receivables with yachts and their owners which are described above. Trade customers (e.g. not yachts) have individual credit limits based on public ratings and payment history. The compliance with credit limits by Supply customers is regularly monitored by line management. For some trade receivables the group may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Group´s treatment of bad debts and potential bad debts during the periods under review for trade and other receivables, including an analysis of past due amounts, is set out in note 14.

2. Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash and equivalents and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

At the end of the reporting period, the Group held cash and cash equivalents of €800 thousand (2022: €1.143 million) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents based on expected cash flows. This is carried out by management at Group level.

In addition, the group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against external regulatory requirements and maintaining debt financing plans.

Financing arrangements

The Group had access to €15,322 thousand of working capital facilities on 31 December 2023. The Group´s working capital facilities are subject to annual review and renewal.

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for: all non-derivative financial liabilities and net settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows. For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

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Contractual maturities of financial liabilities at 31 December 2023	Less than 12 months	Greater than 12 months	Contractual cash flows	Carrying amount
	€ 000	*€ 000*	*€ 000*	*€ 000*
Non-derivatives				
Trade payables	11,183	-	11,183	11,183
Borrowings	1,493	1,506	2,999	2,999
Liabilities under factoring facilities	3,500	-	3,500	3,500
Liabilities under confirming facilities	3,482	-	3,482	3,482
Lease liabilities	1,421	2,092	3,513	3,513
Total	**21,079**	**3,598**	**24,677**	**24,677**

Contractual maturities of financial liabilities at 31 December 2022	Less than 12 months	Greater than 12 months	Contractual cash flows	Carrying amount
Non-derivatives	*€ 000*	*€ 000*	*€ 000*	*€ 000*
Trade payables	8,845	-	8,845	8,845
Borrowings	4,794	2,080	6,874	6,874
Liabilities under factoring facilities	5,428	-	5,428	5,428
Liabilities under confirming facilities	3,489	-	3,489	3,489
Lease liabilities	1,456	1,582	3,206	3,206
Total	**28,873**	**3,662**	**27,842**	**27,842**

3. *Currency risk*

The Group operates primarily in euro and US Dollar. The Group mitigates the risk by incurring costs in currencies matching its revenues. Any remaining transactional foreign currency exposure is not considered to be material and is not hedged. As at 31 December 2023, the Group has not derivative contracts for currency hedging purposes.

4. *Market risk*

The Group's activities have an expose it primarily to the financial risks of changes in interest rates. The Group's management focusses on the uncertainty of financial markets and attempts to minimise the potential adverse effects on its profitability.

Interest rate risk

As of 31 December 2023 and 2022, the main borrowing corresponds to the factoring facility and confirming which bear a variable interest rate.

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Sensitivity analysis:

A change of a 0.5% in interest rates would have the following impact on the Group financial statements:

	2023 € 000	2022 € 000
Profit for the year		
Increase in rates	(35)	(40)
Decrease in rates	35	40

This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date. This analysis also assumes that all other variables remain constant and considers the effect of financial instruments with variable interest.

5. Capital management

The primary objective of the Group's capital management is to ensure that it has the capital required to operate and grow the business at a reasonable cost of capital without incurring undue financial risks.

23. SUBSIDIARIES

The Group consists of a parent company, GYG Limited (formerly GYG Plc), incorporated in the UK and a number of subsidiaries held directly by GYG Limited (formerly GYG Plc), which operate and are incorporated mainly in Spain but also in some other countries around the world.

A list of the Company's subsidiaries is included below:

Name	Principal activity	Registered Office	Direct Ownership
Civisello Inversiones, S.L.U.	Holding	Camino Escollera, 5. Palma de Mallorca. Spain	100%
Hemisphere Yachting Services, S.L.U.	Holding	Camino Escollera, 5. Palma de Mallorca. Spain	100%
Hemisphere Coating Services, S.L.U.	Coatings	Camino Escollera, 5. Palma de Mallorca. Spain	100%
Hemisphere Central Services, S.L.U.	Central Services	Camino Escollera, 5. Palma de Mallorca. Spain	100%
Pinmar Yacht Supply, S.L.	Supply	Camino Escollera, 5. Palma de Mallorca. Spain	100%
Pinmar USA, Inc.	Coatings	Avenue 2010. Riviera Beach. FL 33404. USA.	100%
Global Yachting Group, Ltd	Coatings	Level 4, Dashwood House, 69 Old Broad Street London, UK.	100%
ACA Marine, Ltd	Holding	Level 4, Dashwood House, 69 Old Broad Street London, UK	100%
Hemisphere Yachting Services, GmbH	Coatings	Heidenkampsweg 58,20097 Hamburg. Germany.	100%
Hemisphere Coating Services, B.V.	Coatings	Kingsfordweg 151, 1043GR Amsterdam. Netherlands.	100%
Hemisphere Coating Services, S.A.S.	Coatings	46 Quai Francois Mitterrand. 13600 La Ciotat. France.	100%

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The Group financial statements incorporate the financial statements of the parent Company, GYG Limited, and the above subsidiaries.

For the year ending 31 December 2023 the following subsidiaries of the Company were entitled to exemption from audit under s479 A of the Companies Act 2006 related to subsidiary companies:

Name	Principal activity	Companies House Registration Number	Direct Ownership
Global Yachting Group, Ltd	Coatings	09533209	100%
ACA Marine, Ltd	Holding	10649007	100%

24. RELATED PARTY TRANSACTIONS

Services provided

	2023 *€ 000*	2022 *€ 000*
Global Yacht Finishing, S.L.	45	41
	45	41

Services received

	2023 *€ 000*	2022 *€ 000*
Harwood Capital Management Ltd	189	
Lombard	194	51
Remy John Millott	45	6
Global Yacht Finishing, S.L.	155	203
	583	431

GYG leases offices from Global Yacht Finishing, S.L. (Rupert Savage is a director of both GYG and Global Yacht Finishing).

The Directors who are independent of any related party review the commercial terms of any contract or transaction prior to the Group entering into the relevant contract. They base their decisions upon prior commercial experience and, when necessary, outside advice.

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Balances

	31 December 2023 € 000	31 December 2022 € 000
Harwood Capital Management Ltd.	-	(1,091)
Lombard	-	(1,091)
Remy John Millott	-	(467)
AKC Management Services Ltd.	-	(10)
Global Yacht Finishing, S.L.	(2)	(117)
	(2)	(2,776)

Above outstanding balances include applicable accumulated interest.

In July 2021, the Group agreed terms with North Atlantic Smaller Companies Investment Trust plc (“NASCIT”, an associate of Harwood Capital LLP (“Harwood”), the parent Company´s second largest shareholder) to provide the Group with a short-term loan (“Loan” or “Loan Agreement”) for €3 million. The maturity date of the Loan was 31 December 2021, however, on 15 December 2021, the Group agreed terms with Harwood Capital Management Ltd, an associate of Harwood, to advance a new loan of €3 million (the “New Loan” or “New Loan Agreement”) which was used to repay the Loan. The New Loan attracted interest at 8% p.a., with a maturity date of 31 March 2022. It was repaid on maturity date.

In October 2022, the Company agreed terms with Lombard Odier Asset Management (Europe) Ltd, Harwood Holdco Ltd and Remy John Millott to provide the Company with a short-term loans ("Loan" or "Loan Agreement") for £925 thousand (€1,047 thousand), for £925 thousand (€1,047 thousand) and £400 thousand (€461 thousand) , respectively. The loans attract interest between 12.5% p.a. and 25% p.a., which was repaid during 2023. Fees incurred on the loan amounting to €127 thousand was capitalized during the year and is being amortised over the term of loans.

Remuneration of key management personnel

The remuneration of Executive Directors and Non-Executive Directors, who are the key management personnel of the group, is set out below.

	2023 € 000	2022 € 000
Short-term employee benefits	943	1,050

The above amounts include “salaries and fees” paid in € amounting to £110 thousand in 2023 and £100 thousand in 2022. 2022 also includes compensation paid to Mr. Kevin McNair upon his resignation in November 2022 in the amount of €194 thousand.

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25. POST BALANCE SHEETS EVENTS

GYG Limited and MB92 Group announced on 23rd September 2024 that MB92 Group has signed a Heads of Terms agreement to acquire 100% of GYG Limited shares.

The offer documents to implement the acquisition are expected to be agreed and sent to shareholders of GYG Limited during October 2024, marking an important step in a longstanding relationship between the two companies. MB92 and GYG have worked together repeatedly on refit projects for over 30 years and will continue to respect and develop each company’s existing partnerships.

This acquisition by MB92 Group, which has facilities in Barcelona, La Ciotat and the Red Sea, supports both companies’ strategic vision to enhance market responsiveness and elevate client services. In a sector that demands the highest quality standards, GYG will continue to operate its businesses across Europe and the U.S., and the combination will allow GYG to meaningfully strengthen its growth potential and ability to deliver exceptional quality and value to clients.

At the date of signing the financial statements, the acquisition process is ongoing subject to the contract and is non-binding for either party.

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PARENT COMPANY STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Note	2023 € 000	2022 € 000
Non-current assets			
Investment in subsidiary	**3**	12,159	12,159
Long-term receivables from Group companies	**5**	4,059	4,059
		16,218	16,218
Current assets			
Short-term receivables from Group companies	**6**	4,301	6,652
Trade and other receivables		20	134
Cash at bank and in hand		22	6
		4,343	6,792
Total assets		**20,561**	**23,010**
Current liabilities			
Trade and other payables	**7**	(298)	(664)
Short-term payables from Group companies	**8**	(4,233)	(3,465)
Borrowings	**9**	-	(2,559)
Total current liabilities		**(4,531)**	**(6,688)**
Net current assets		**(188)**	**104**
Total liabilities		**(4,531)**	**(6,688)**
Net assets		**16,030**	**16,322**
Equity			
Called up Share capital	**10**	106	106
Share premium account		7,035	7,035
Capital redemption reserve		114	114
Share based payment reserve	**11**	-	92
Retained earnings		8,775	8,975
Equity attributable to owners of the Company		**16,030**	**16,322**
Total equity		**16,030**	**16,322**

The Parent Company loss for the year was €200 thousand (loss of €208 thousand in 2022).

The financial statements on pages 63 to 67 were approved by the Board of Directors on 11 October 2024 and signed on its behalf by

Remy Millott
Chief Executive Officer

Rupert Savage
Chief Commercial Officer

Registered Number: 10001363

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PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023

	Called up Share capital € 000	*Share premium account € 000*	*Retained earnings € 000*	*Capital redemption reserve € 000*	*Share based payment reserve € 000*	*TOTAL EQUITY € 000*
Balance at 1 January 2022	**106**	**7,035**	**9,183**	**114**	**284**	**16,722**
Loss for the financial year and total comprehensive expense for the year	**-**	**-**	(208)	-	-	(208)
Transactions with owners in their capacity as owners						
Credit to equity for share based payments	**-**	-	-	-	(192)	(192)
Balance at 31 December 2022	**106**	**7,035**	**8,975**	**114**	**92**	**16,322**
Loss for the financial year and total comprehensive expense for the year	**-**	**-**	(200)	-	-	(200)
Transactions with owners in their capacity as owners						
Credit to equity for share based payments	**-**	**-**	-	-	(92)	(92)
Balance at 31 December 2023	**106**	**7,035**	**8,775**	**114**	**-**	**16,030**

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NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

1. GENERAL INFORMATION

GYG Plc was a public limited company incorporated in the United Kingdom, registered number 10001363, and was listed on the AIM market of London Stock Exchange. However, on 8 September 2022, the Company delisted from AIM and on 22 September 2022 re-registered as a private limited company with the name GYG Limited, retaining the same registered number.

The principal activity of GYG Limited is that of a holding and investment company. The principal activity of the Group in the year under review was that of a superyacht painting, supply and maintenance company, offering services globally through operations in the Mediterranean, Northern Europe and the US.

The corporate purpose of the Company is to act as the parent company for a Group operating in superyacht painting, supply, and maintenance, offering services globally through operations in the Mediterranean, Northern Europe and the United States.

2. SIGNIFICANT ACCOUNTING POLICIES

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under Financial Reporting Standard 101, “Reduced Disclosure Framework” (FRS 101) issued by the Financial Reporting Council. Accordingly, the financial statements have therefore been prepared in accordance with FRS 101. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

These financial statements have been prepared on a going concern basis, which assumes the Group and parent company will continue to be able to meet their liabilities as they fall due, within 12 months of the date of approval of these financial statements. The Directors assessment of this judgement is set out in note 2 to the consolidated financial statements.

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions permitted under the relevant standards in relation to the following disclosures:

- share-based payments (IFRS 2);
- financial instruments (IFRS 7);
- capital management (IAS 1);
- presentation of a statement of cash flows for the period (IAS 7); and
- certain related party transactions (IAS 24, paragraphs 17, 18, 19).

Where required, equivalent disclosures are given in the consolidated financial statements.

There are not amendments to accounting standards, or IFRIC interpretation that are effective for the year ended 31 December 2023 that have a material impact on the company´s financial statements.

The principal accounting policies adopted are the same as those set out in note 2 of the consolidated financial statements except as noted below. The policies have been consistently applied to all the years presented, unless otherwise stated.

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

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3. INVESTMENT IN SUBSIDIARY

	31 December 2023 € 000	31 December 2022 € 000
Cost and carrying amount	12,159	12,159
	12,159	12,159

The Company's only direct investment is a 100% ownership in Civisello Inversiones, S.L.U. This company is the direct owner of the Hemisphere Yachting Services, S.L.U. subgroup. The Directors believe that the carrying value of the investment is supported by its underlying net assets. To arrive at this belief, they complete a regular assessment of the recoverability of the investment based on the value in use of the Group´s subsidiaries.

The Company's subsidiary undertakings are shown in note 23 of the consolidated financial statements.

4. LOSS FOR THE YEAR

Per section 408 of the Companies Act 2006 no Statement of Comprehensive Income for the parent company has been presented. The total comprehensive loss for the year was €200 thousand (loss of €208 thousand in 2022).

The Auditors' remuneration for audit and other services are disclosed in note 7 of the consolidated financial statements.

4.1. Staff Costs

The monthly average number of employees (including Directors) was:

	Number 2023	Number 2022
Non-executive Directors	2	2
	2	2

Their aggregate remuneration comprised:

	2023 € 000	2022 € 000
Wages and salaries	126	149
Social security costs	15	19
	141	168

Directors´ emoluments are disclosed in note 8 to the consolidated group financial statements.

5. LONG-TERM RECEIVABLES FROM GROUP COMPANIES

The Company holds loan notes receivable from Civisello Inversiones, S.L.U. amounting to €4,059 thousand (2022: €4,059 thousand). These bear interest at 4.5% and are due to be repaid in full by 31 December 2026.

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The Directors believe that the total value of the Company's investment in its subsidiaries is not less than the amounts at which they are stated in the Parent Company Statement of Financial Position.

6. SHORT-TERM RECEIVABLES FROM GROUP COMPANIES

The Company held loan notes receivable from Hemisphere Coating Services S.L.U. amounting to €2,114 thousand in 2022. These bear interest at 12,5% p.a. and was repaid in full by 31 December 2023.

The other short-term receivables are generally non-interest-bearing and on 30 days terms.

7. TRADE AND OTHER PAYABLES

	31 December 2023 € 000	31 December 2022 € 000
Trade payables	291	645
Tax payables	7	19
	298	664

The average credit period taken for trade purchases is normally between 30 and 60 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

8. SHORT-TERM PAYABLES FROM GROUP COMPANIES

The amount due to group companies are unsecured interest free and repayable on demand.

9. BORROWINGS

In October 2022, the Company agreed terms with Lombard Odier Asset Management (Europe) Ltd, Harwood Holdco Ltd and Remy John Millott to provide the Company with a short-term loan ("Loan" or "Loan Agreement") for £925 thousand (€1,047 thousand), for £925 thousand (€1,047 thousand) and £400 thousand (€461 thousand), respectively.

The loans attracted interest at 12.5% p.a. and 25% p.a. and were repaid in full in 2023.

10. CALLED UP SHARED CAPITAL

At 31 December 2023 the Company's share capital amounted to €106 thousand represented by 46,615,500 (2022: 46,640,000) ordinary shares with a par value of €0.002, issued and fully paid up.

11. SHARE-BASED PAYMENTS

Details of equity-settled share-based payment arrangements by the Company to Directors, other selected senior management and other entities that remain outstanding at the year end, are set out in note 22 to the group financial statements.

12. POST BALANCE SHEETS EVENTS

The post balance sheet events have been disclosed in note 25 to the group financial statements.

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