

**GOVERNMENT
RECOVERY**

**Gibraltar Mechanical and Electrical
Services Limited**

REPORT AND FINANCIAL STATEMENTS

31 December 2012



CO-99257-2708162
Gibraltar Mechanical and Electric
Document 461 (27)
ANNUAL FILING OF ACCOUNTS
YEAR ENDING 31/12/2012

Gibraltar Mechanical and Electrical Services Limited

DIRECTORS, OFFICERS AND OTHER INFORMATION

DIRECTORS

Gibraltar Investment (Directors) Limited
Michael Caetano
Gareth Flower

SECRETARY

GOC (Secretaries) Limited

REGISTERED OFFICE

206-210 Main Street
Gibraltar

ACCOUNTANTS

EY Limited
Chartered Accountants
Regal House
Queensway
Gibraltar

Gibraltar Mechanical and Electrical Services Limited

DIRECTORS' REPORT

The directors present their report and accounts of Gibraltar Mechanical and Electrical Services Limited ("the Company") for the year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The principal activity of the Company is employment and secondment of staff. Members of staff are seconded to AquaGib and HM Government of Gibraltar's ("HMGoG") Garages & Workshop Department. Additionally, a number of employees employed by the Company used to work at the Ministry of Defence ("MOD") power station. Since the decommission of this power station these employees assist in the running of the ex-MOD high voltage distribution network. The Company receives income from AquaGib, the Gibraltar Electricity Authority and HMGoG to cover the costs incurred by the Company.

REVIEW OF THE BUSINESS

The directors consider the state of affairs of the Company to be satisfactory.

POST-BALANCE SHEET EVENT

The directors note that the Company's principal activity is employment and secondment of staff and that its focus is not on profit generation. The Company incurs expenses that are not all fully recoverable hence its operating model is a loss-making one. The directors have assessed that the COVID-19 does not have an impact on the Company. In mid-March 2020, the Company implemented social distancing measures taking account the public health advice. Whilst the Company has remained operational throughout the COVID-19 lockdown, the directors have requested and received confirmation in writing from the ultimate parent entity that it will provide the necessary financial support to the Company to continue to meet its financial commitments for at least twelve months from the date of approval of the financial statements. Accordingly, the financial statements are prepared on a going concern basis.

The second lockdown in January 2021, once again saw the implementation of social distancing measures as case numbers and hospitalisations increased exponentially. Services to the public remained uninterrupted throughout the lockdown periods by utilising both established and new working processes which allowed the Company to continue its electricity production services.

There have been no other events subsequent to the balance sheet date that require adjustment or disclosure in the financial statements.

RESULTS, DIVIDENDS AND MOVEMENTS ON RESERVES

The results for the year are shown on page 6. The retained loss for the year of £80,233 (2011: loss of £1,415) has been transferred to reserves. The directors do not recommend the payment of a dividend.

DIRECTORS

The directors of the Company during the year and to the date of signing of these financial statements were:

	<i>Appointed:</i>	<i>Resigned:</i>
Dilip Dayaram Tirathdas		31/08/2014
Richard Armstrong		27/01/2012
Michael Gil		01/11/2013
Vanessa Ramos Israel		27/02/2012
Manolo Alecio		15/04/2016
Ernest Gomez	27/01/2012	30/10/2014
Gibraltar Investment (Directors) Limited	30/10/2014	
Michael Caetano	15/04/2016	
Gareth Flower	19/01/2022	

Gibraltar Mechanical and Electrical Services Limited

DIRECTORS' REPORT

DIRECTORS (continued)

None of the directors had any beneficial interest in the share capital of the Company during the year under review.

ACCOUNTANTS

A resolution to re-appoint EY Limited as accountants will be put to the members at the Annual General Meeting.

On behalf of the Board



**For and on behalf of
Gibraltar Investment
(Directors) Limited**

Director **05 DEC 2023**
Date.....

Gibraltar Mechanical and Electrical Services Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the requirements of the Gibraltar Companies Act and the Companies (Accounts) Act 1999. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

COMPILATION REPORT TO THE BOARD OF DIRECTORS OF GIBRALTAR MECHANICAL AND ELECTRICAL SERVICES LIMITED

We have compiled the accompanying financial statements of Gibraltar Mechanical and Electrical Services Limited based on the accounting records of the Company and information and explanations supplied by management and the directors. These financial statements comprise the statement of financial position as at 31 December 2012, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity and the related notes for the year then ended.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with applicable law in Gibraltar and Gibraltar Accounting Standards (“Gibraltar Generally Accepted Accounting Practice”). We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

This report is made solely to the Board of Directors of Gibraltar Mechanical and Electrical Services Limited, as a body, in accordance with the terms of our engagement letter dated 01 December 2021. Our work has been undertaken solely to prepare for your approval the accounts of Gibraltar Mechanical and Electrical Services Limited and state those matters that we have agreed to state to the Board of Directors of Gibraltar Mechanical and Electrical Services Limited, as a body, in this report in accordance with the requirements of International Standard on Related Services 4410 (Revised), Compilation Engagements. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Gibraltar Mechanical and Electrical Services Limited and its Board of Directors as a body for our work or for this report.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with applicable law in Gibraltar and Gibraltar Accounting Standards (“Gibraltar Generally Accepted Accounting Practice”).

EY Limited

EY Limited
Regal House
Queensway
Gibraltar

Date: **23 JAN 2024**

Gibraltar Mechanical and Electrical Services Limited
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2012

	<i>Notes</i>	<i>2012</i> £	<i>2011</i> £
TURNOVER	3	11,905,316	2,988,255
Direct costs	4	(9,917,625)	(2,363,723)
GROSS PROFIT		<u>1,987,691</u>	<u>624,532</u>
Administrative expenses	5	(2,067,624)	(625,947)
OPERATING LOSS		<u>(79,933)</u>	<u>(1,415)</u>
Interest payable and similar charges		(300)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(80,233)</u>	<u>(1,415)</u>
Taxation	2	-	-
LOSS FOR THE FINANCIAL YEAR		<u>(80,233)</u>	<u>(1,415)</u>
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR		<u><u>(80,233)</u></u>	<u><u>(1,415)</u></u>

The Company has had no discontinued activities in the year. Accordingly, the above results for the Company relates solely to continuing activities. These results are stated on a historical cost basis.

There is no other comprehensive income recognised during the year.

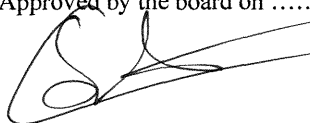
Gibraltar Mechanical and Electrical Services Limited
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2012

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
At 1 January 2011	9,000	(152,471)	(143,471)
Issuance of share capital	1,491,000	-	1,491,000
Loss for the year	-	(1,415)	(1,415)
At 31 December 2011	<u>1,500,000</u>	<u>(153,886)</u>	<u>1,346,114</u>
Loss for the year	-	(80,233)	(80,233)
At 31 December 2012	<u>1,500,000</u>	<u>(234,119)</u>	<u>1,265,881</u>

Gibraltar Mechanical and Electrical Services Limited
STATEMENT OF FINANCIAL POSITION
as at 31 December 2012

	<i>Notes</i>	<i>2012</i>	<i>2011</i>
		<i>£</i>	<i>£</i>
FIXED ASSETS			
Tangible assets	7	1,274,669	1,423,675
CURRENT ASSETS			
Debtors	8	9,224,102	1,963,427
		<u>9,224,102</u>	<u>1,963,427</u>
CREDITORS: amounts falling due and payable within one year	9	(9,232,890)	(2,040,988)
NET CURRENT LIABILITIES		<u>(8,788)</u>	<u>(77,561)</u>
NET ASSETS		<u>1,265,881</u>	<u>1,346,114</u>
 EQUITY CAPITAL AND RESERVES			
Called up share capital	10	1,500,000	1,500,000
Profit and loss account		(234,119)	(153,886)
SHAREHOLDER'S FUNDS		<u>1,265,881</u>	<u>1,346,114</u>

Approved by the board on **05 DEC 2023**



For and on behalf of
Gibraltar (Investment) Directors Limited
Director

**GIBRALTAR MECHANICAL AND
ELECTRICAL SERVICES LTD.**

05 DEC 2023

Michael Castano
Director

DIRECTOR

Gibraltar Mechanical and Electrical Services Limited
STATEMENT OF CASH FLOWS
for the year ended 31 December 2012

	<i>Notes</i>	<i>2012</i>	<i>2011</i>
		£	£
CASH FLOW FROM OPERATING ACTIVITIES			
Loss on ordinary activities before taxation		(80,233)	(1,415)
Adjustment for:			
Depreciation of tangible assets	7	149,006	66,389
Increase in debtors		(7,260,675)	(1,954,427)
Increase in creditors		7,192,202	1,888,517
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES		<u>300</u>	<u>(936)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payments to acquire tangible assets		-	(1,490,064)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		<u>-</u>	<u>(1,490,064)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Interest payable and similar charges		(300)	-
Issuance of share capital		-	1,491,000
NET CASH (OUTFLOW) / INFLOW FROM FINANCING ACTIVITIES		<u>(300)</u>	<u>1,491,000</u>
NET INCREASE IN CASH		-	-
As at 1 January		-	-
As at 31 December		<u>-</u>	<u>-</u>

Gibraltar Mechanical and Electrical Services Limited

PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 December 2012

COMPANY INFORMATION

Gibraltar Mechanical and Electrical Services Limited ("the Company") was incorporated as a limited liability company on 03 August 2007. The registered office is as stated on page 1 and the principal activities are as stated on page 2.

BASIS OF ACCOUNTING

The Company's financial statements have been prepared in compliance with Gibraltar Financial Reporting Standards 102 ("GFRS"), as it applies to the financial statements of the Company for the year ended 31 December 2012. The Company is also subject to the requirements of Gibraltar Companies Act and the Companies (Accounts) Act 1999.

The financial statements are prepared in Pounds Sterling (£) which is the functional currency of the Company and rounded to the nearest Pounds Sterling.

This is the first year in which the financial statements have been prepared under GFRS 102. The Company transitioned from previously extant Gibraltar Accounting Standards to GFRS 102 as at 1 January 2012. The directors have taken advantage of the early application permitted for accounting periods ending on or after 31 December 2012.

The financial statements have been prepared under the historical cost convention. A summary of the more important accounting policies is set out below. The transition to GFRS 102 has resulted in a small number of changes in accounting policies to those used previously. The nature of these changes and their impact on opening equity and profit for the comparative year are explained in Note 13.

GOING CONCERN

The directors note that the Company's principal activity is employment and secondment of staff and that its focus is not on profit generation. The Company incurs expenses that are not all fully recoverable hence its operating model is a loss-making one. The directors have assessed that the COVID-19 does not have an impact on the Company. In mid-March 2020, the Company implemented social distancing measures taking account the public health advice. Whilst the Company has remained operational throughout the COVID-19 lockdown, the directors have requested and received confirmation in writing from the ultimate parent entity that it will provide the necessary financial support to the Company to continue to meet its financial commitments for at least twelve months from the date of approval of the financial statements. Accordingly, the financial statements are prepared on a going concern basis.

The second lockdown in January 2021, once again saw the implementation of social distancing measures as case numbers and hospitalisations increased exponentially. Services to the public remained uninterrupted throughout the lockdown periods by utilising both established and new working processes which allowed the Company to continue its electricity production services.

TURNOVER

Turnover represents the value of the services it provides for the production of electricity, together with the amounts reimbursed in relation to employees seconded to HMGoG and Aquagib Limited.

DEBTORS AND CREDITORS

Debtors and creditors with no stated interest rate and receivable or payable within one year are measured at the transaction price. Any losses arising from impairment are recognised in the profit and loss.

Gibraltar Mechanical and Electrical Services Limited

PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 December 2012

TANGIBLE ASSETS AND DEPRECIATION

The Company's tangible assets pertain to its purchased generators which are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life of 10 years.

TAXATION

Current taxation

Current taxation is provided for on the basis of tax rates and tax laws that have been enacted or substantially enacted at the year-end date.

PENSIONS

Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable.

Gibraltar Mechanical and Electrical Services Limited
NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2012

1. OPERATING LOSS

	2012	2011
	£	£
Operating loss is stated after charging:		
Depreciation	149,006	66,389
Accounting fees	1,000	1,000
Tax fees	500	500
	<u> </u>	<u> </u>

2. TAXATION

	2012	2011
	£	£
<i>Current tax:</i>		
Corporate tax on profits of the year	-	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	-	-
	<u> </u>	<u> </u>

Factors affecting the total tax charge:

The tax assessed for the year is lower (2011: lower) than the standard rate of corporate tax in Gibraltar of 10% (2011: 10%)

	2012	2011
	£	£
Loss on ordinary activities before taxation	(80,233)	(1,415)
	<u> </u>	<u> </u>
Loss on ordinary activities multiplied by the standard rate of corporation tax of 10%	(8,023)	(142)
<i>Effects of:</i>		
Difference between depreciation and capital allowance	(3,715)	(18,262)
Effect of tax losses not utilised in current year	11,738	18,404
	<u> </u>	<u> </u>
Total tax expense	-	-
	<u> </u>	<u> </u>

Gibraltar Mechanical and Electrical Services Limited

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2012

3. TURNOVER

	2012	2011
	£	£
Electricity production income	10,619,325	2,401,775
Reimbursement of salaries related to seconded employees to HMGoG	949,720	283,181
Reimbursement of salaries of seconded employees to AquaGib Limited	260,156	250,524
Contribution income	76,115	52,715
Other income	-	60
	<u>11,905,316</u>	<u>2,988,255</u>

4. DIRECT COSTS

	2012	2011
	£	£
Fuel and oil	5,179,067	366,448
Salaries and wages	2,334,002	674,121
Hire of equipment	2,014,188	1,251,965
Production costs	236,862	4,800
Depreciation expense	149,006	66,389
Administration fee expense	4,500	-
	<u>9,917,625</u>	<u>2,363,723</u>

5. ADMINISTRATIVE EXPENSES

	2012	2011
	£	£
Salaries and wages	1,231,343	556,430
Repairs	581,261	50,921
Security and safety equipment	81,226	5,715
Legal and professional fees	43,855	6,570
Office expenses	36,016	457
Customs duty	27,903	-
Cleaning costs	27,537	854
Utilities expense	17,130	-
Insurance	11,556	5,000
Travel and training	4,724	-
Miscellaneous expenses	5,073	-
	<u>2,067,624</u>	<u>625,947</u>

Gibraltar Mechanical and Electrical Services Limited
NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2012

6. STAFF COST

	<i>2012</i>	<i>2011</i>
	<i>No.</i>	<i>No.</i>
The average number of persons employed by the Company during the year was:		
Electricity production	47	23
Seconded employees to HMGoG	26	26
Seconded employees to Aquagib Limited	3	3
	<u>76</u>	<u>52</u>
	<i>2012</i>	<i>2011</i>
	<i>£</i>	<i>£</i>
Staff costs for above persons:		
Wages and salaries	3,356,624	1,141,115
Social security costs	120,471	46,358
Pension costs	88,250	43,078
	<u>3,565,345</u>	<u>1,230,551</u>

The pension cost charge represents contributions payable by the Company. There are no contributions payable at the year-end and the comparative year.

7. TANGIBLE ASSETS

	<i>Generators</i>
	<i>£</i>
Cost	
At 1 January 2012	1,490,064
Additions	-
At 31 December 2012	<u>1,490,064</u>
Depreciation	
At 1 January 2012	66,389
Charge for the year	149,006
At 31 December 2012	<u>215,395</u>
Net book value	
At 31 December 2012	<u>1,274,669</u>
At 31 December 2011	<u>1,423,675</u>

Gibraltar Mechanical and Electrical Services Limited

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2012

8. DEBTORS

	2012	2011
	£	£
Trade debtors	6,464,559	1,903,467
Amounts due from related parties	58,543	59,960
Corporate tax debtor	1,000	-
Other debtor	2,700,000	-
	<u>9,224,102</u>	<u>1,963,427</u>

Amounts due from related parties are unsecured, interest free and due and repayable on demand.

Other debtor represents the cash deposit in a bank which was restricted for less than twelve months after year end as it relates to a letter of credit arrangement that did not materialise in the subsequent year.

9. CREDITORS: amounts falling due and payable within one year

	2012	2011
	£	£
Trade creditors	2,878,214	366,448
Amounts due to related parties	5,911,376	1,507,123
Accruals	443,300	167,417
	<u>9,232,890</u>	<u>2,040,988</u>

Amounts due to related parties are unsecured, interest free and due and repayable on demand.

10. SHARE CAPITAL

	2012	2011
	£	£
Authorised:		
1,500,000 ordinary shares of £1 each	1,500,000	1,500,000
	<u>1,500,000</u>	<u>1,500,000</u>
Allotted, called-up and fully paid:		
1,500,000 ordinary shares of £1 each	1,500,000	1,500,000
	<u>1,500,000</u>	<u>1,500,000</u>

Gibraltar Mechanical and Electrical Services Limited

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2012

11. RELATED PARTY TRANSACTIONS AND DISCLOSURES

	2012		2011	
	<i>Income/ (Expense)</i>	<i>Debtor/ (Creditor)</i>	<i>Income/ (Expense)</i>	<i>Debtor/ (Creditor)</i>
	£	£	£	£
<i>Entities with control, joint control or significant influence over the entity</i>				
HMGoG				
Reimbursements	949,720	-	283,181	-
Contribution income	76,115	-	52,715	-
Advances	-	(5,903,376)	-	(1,088,335)
Deposits	-	58,543	-	59,960
Gibraltar Investment (Holdings) Limited				
Other income	-	-	60	-
Loans and advances	-	(8,000)	-	(418,788)
<i>Entity under common control</i>				
GEA				
Electricity production income	6,517,997	-	1,585,895	-
Trade debtors	-	4,250,360	-	1,569,936
<i>Other related party</i>				
Aquagib Limited				
Reimbursements	260,156	-	250,524	-

Key management personnel

The directors do not receive emoluments from the Company for their services as directors.

12. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate and ultimate parent undertaking is Gibraltar Investment (Holdings) Limited, a company registered in Gibraltar. The ultimate controlling party is HM Government of Gibraltar.

13. TRANSITION TO GFRS

The Company has adopted GFRS 102 for the year ended 31 December 2012. There are no recognition and measurement adjustments identified on adoption of GFRS 102, accordingly no reconciliation of equity at date of transition (1 January 2012) or at 31 December 2011 and no reconciliation of profit and loss for the year ended 31 December 2011 has been presented.

Gibraltar Mechanical and Electrical Services Limited

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2012

14. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT

	2012	2011
	£	£
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Trade debtors	6,464,559	1,903,467
Amounts due from related parties	58,543	59,960
Other debtors	2,700,000	-
	<u>9,223,102</u>	<u>1,963,427</u>
<i>Financial liabilities that are debt instruments measured at amortised cost</i>		
Trade creditors	2,878,214	366,448
Amounts due to related parties	5,911,376	1,507,123
Accruals	443,300	167,417
	<u>9,232,890</u>	<u>2,040,988</u>

Included in the statement of comprehensive income are the following amounts per category of financial instruments:

	2012	2011
	£	£
Financial liabilities that are debt instruments measured at amortised cost	300	-

15. EVENTS AFTER THE END OF THE REPORTING PERIOD

The directors note that the Company's principal activity is employment and secondment of staff and that its focus is not on profit generation. The Company incurs expenses that are not all fully recoverable hence its operating model is a loss-making one. The directors have assessed that the COVID-19 does not have an impact on the Company. In mid-March 2020, the Company implemented social distancing measures taking account the public health advice. Whilst the Company has remained operational throughout the COVID-19 lockdown, the directors have requested and received confirmation in writing from the ultimate parent entity that it will provide the necessary financial support to the Company to continue to meet its financial commitments for at least twelve months from the date of approval of the financial statements. Accordingly, the financial statements are prepared on a going concern basis.

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There have been no other events subsequent to the balance sheet date that require adjustment or disclosure in the financial statements.