

GSE (UK) Limited

Company number: 2886396

Directors' Report and Financial Statements

Year Ended

31 December 2011



GSE (UK) Limited

**Annual report and financial statements
for the year ended 31 December 2011**

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Directors

Brian Richards

Registered office

49C Fordham Road, Soham, Ely, Cambridgeshire, CB7 5AH

Company number

2886396

Bankers

Barclays Bank Plc, Units 1 & 2, Trinity Way, Trinity Business Park, Chingford E4 9AY

Solicitors

Jarmans Solicitors, Bell House, Bell Road, Sittingbourne, Kent ME10 4DH

Auditor

BDO LLP, Lockton House, Clarendon Road, Cambridge CB2 8FH

GSE (UK) Limited

Report of the director for the year ended 31 December 2011

The director presents his report together with the audited financial statements for the year ended 31 December 2011

Results and dividends

The company did not trade during the year, and accordingly no profit and loss account has been included in these financial statements

Principal activities, trading review and future developments

The principal activity of the company is that of a holding company to GSE Lining Technology Limited, a company which ceased trading activity in the year, following the transfer of its trade and related assets to related companies

Directors

The directors of the company during the year were

D Jost	Resigned May 17, 2011
B Richards	Appointed May 13, 2011

Director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the director 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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

GSE (UK) Limited

Report of the director (*continued*) for the year ended 31 December 2011

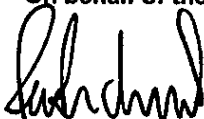
Auditors

The current director has taken all the steps that he ought to have taken to make himself aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The director is not aware of any relevant audit information of which the auditors are unaware.

In preparing the Director's report advantage has been taken of the small companies' exemption.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the Board



B Richards

Director

Date: 14 December, 2012

GSE (UK) Limited

Report of the independent auditor

Independent auditor's report to the members of GSE (UK) Limited

We have audited the financial statements of GSE (UK) Limited for the year ended 31 December 2011 which comprise the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

GSE (UK) Limited

Report of the independent auditor (*Continued*)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the directors' report in accordance with the small companies regime

BDO LLP

*Piers Harrison (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Cambridge*

Date 14 December 2012

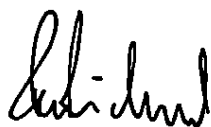
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

GSE (UK) Limited
Company number 2886396
Balance sheet
at 31 December 2011

	Note	2011 £	2010 £	2011 £	2010 £
Fixed assets					
Fixed asset investments	3		2,749,878		2,749,878
Current assets					
Debtors	4	899,290		899,290	
Cash at bank and in hand		346		346	
		<u>899,636</u>		<u>899,636</u>	
Creditors: amounts falling due within one year	5	<u>(110,377)</u>		<u>(110,377)</u>	
Net current assets			<u>789,259</u>		<u>789,259</u>
Total assets less current liabilities			<u>3,539,137</u>		<u>3,539,137</u>
Capital and reserves					
Called up share capital	6	2,932,000		2,932,000	
Profit and loss account		607,137		607,137	
Shareholders' funds			<u>3,539,137</u>		<u>3,539,137</u>

The company did not trade during the current or preceding year and accordingly no profit and loss account has been prepared. The Company has not received any income or incurred any expense or recognized any other recognized gains or losses during the current or preceding year.

The financial statements were approved by the Board of Directors and authorised for issue on 16th December, 2012



B Richards
Director

The notes on pages 6 to 7 form part of these financial statements

GSE (UK) Limited

Notes forming part of the financial statements
for the year ended 31 December 2011

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

The following principal accounting policies have been applied

Consolidated Financial Statements

These financial statements contain information about GSE (UK) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 401 of the Companies Act 2006 not to prepare consolidated financial statements as it is included in non-EEA group accounts of a larger group.

Investments

Investments in subsidiaries are valued at cost less provision for impairment

2 Directors' emoluments

During the year, no director received any emoluments (2010 - £Nil)

3 Fixed asset investments

Shares in group
undertakings
£

Cost or valuation

At 1 January 2011 and 31 December 2011

2,749,878

Subsidiary undertaking

The following was a subsidiary undertaking of the company

GSE Lining Technology Limited 100%

The aggregate of the share capital and reserves as at 31 December 2011 and of the profit or loss for the year then ended for the subsidiary undertaking was as follows

	Aggregate of share capital and reserves £	Profit/(loss) £
GSE Lining Technology Limited	2,961,803	226,147

4 Debtors

	2011 £	2010 £
Amounts owed by group undertakings	899,290	899,290

GSE (UK) Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 *(Continued)*

5 Creditors: amounts falling due within one year

	2011 £	2010 £
Amounts owed to group undertakings	110,377	110,377

6 Share capital

	2011 Number	Authorised 2010 Number	2011 £	2010 £
Ordinary shares of £1 each	5,000,000	5,000,000	5,000,000	5,000,000
	2011 Number	Allotted, called up and fully paid 2010 Number	2011 £	2010 £
Ordinary shares of £1 each	2,932,000	2,932,000	2,932,000	2,932,000

7 Controlling party

The immediate parent company is GSE International Inc, a company registered in Delaware, USA. In the directors' opinion, the company's ultimate parent undertaking and controlling party is GSE Holding Inc, which is incorporated in Delaware, United States of America. Copies of its group accounts, which include the company, are available from 19103, Gundle Road, Houston, Texas 77073, USA.