

## **GSE (UK) Limited**

**Company number:** 2886396

**Directors' Report and Financial Statements**

**Year Ended**

**31 December 2009**



# **GSE (UK) Limited**

**Annual report and financial statements  
for the year ended 31 December 2009**

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## **Directors**

Dieter Jost

## **Registered office**

7310 Cambridge Research Park, Waterbeach, Cambridge CB5 9TN

## **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

## **Auditors**

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

# **GSE (UK) Limited**

## **Report of the directors for the year ended 31 December 2009**

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The directors present their report together with the audited financial statements for the year ended 31 December 2009

### **Results and dividends**

The profit and loss account is set out on page 5 and shows the result for the year

### **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 is engaged in the manufacture and supply of geosynthetic lining systems and products

In 2010 a decision was taken to cease manufacturing operations in UK and to service the worldwide group's customers in the UK market by utilizing GSE Corporate resources in other parts of the world. This decision has resulted in the transfer of trading assets and liabilities from GSE Lining Technology Limited to fellow group companies. GSE Lining Technology Limited has incurred impairment losses on its fixed asset carrying values in 2010 as a result of this strategic decision in the post balance sheet period, which may lead to an impairment in the value of GSE (UK) Limited's investment in its subsidiary company

### **Directors**

The directors of the company during the year were

P Firrell (resigned 1 March 2009)  
B Richards (resigned 31 January 2009)  
P Emmel (resigned 16 May 2010)  
D Jost

### **Directors' responsibilities**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

## **GSE (UK) Limited**

### **Report of the directors for the year ended 31 December 2009**

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#### **Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves 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 directors are not aware of any relevant audit information of which the auditors are unaware.

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**

  
D. Jost  
Director  
Date

8, MAY 2011

# **GSE (UK) Limited**

## **Report of the independent auditors**

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### **Independent auditor's report to the shareholders of GSE (UK) Limited**

We have audited the financial statements of GSE (UK) Limited for the year ended 31 December 2009 which comprise the profit and loss account, 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](http://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 2009 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 auditors (*Continued*)

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#### **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



*Gary Hanson (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Cambridge, UK*

*Date 11 May 2011*

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

## **GSE (UK) Limited**

### **Profit and loss account for the year ended 31 December 2009**

	<b>Note</b>	<b>2009 £</b>	<b>2008 £</b>
Administrative expenses		-	-
<b>Profit on ordinary activities before taxation</b>		-	-
Taxation on profit from ordinary activities		-	-
<b>Profit for the financial year</b>	<b>7</b>	-	-

All amounts relate to continuing activities

There were no recognised gains and losses for 2009 or 2008 other than those included in the profit and loss accounts

The notes on pages 7 and 8 form part of these financial statements

**GSE (UK) Limited**  
Company number 2886396  
**Balance sheet**  
at 31 December 2009

	Note	2009 £	2009 £	2008 £	2008 £
<b>Fixed assets</b>					
Fixed asset investments	3		2,749,878		2,749,878
<b>Current assets</b>					
Debtors	4	899,290		899,290	
Cash at bank and in hand		346		346	
		<u>899,636</u>		<u>899,636</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(110,377)</u>		<u>(110,377)</u>	
<b>Net current assets</b>			<u>789,259</u>		<u>789,259</u>
<b>Total assets less current liabilities</b>			<u>3,539,137</u>		<u>3,539,137</u>
<b>Capital and reserves</b>					
Called up share capital	6		2,932,000		2,932,000
Profit and loss account	7		607,137		607,137
<b>Shareholders' funds</b>			<u>3,539,137</u>		<u>3,539,137</u>

The financial statements were approved by the Board of Directors and authorised for issue on

9 May 2011

  
D. Jost  
Director

The notes on pages 7 and 8 form part of these financial statements



# GSE (UK) Limited

## Notes forming part of the financial statements for the year ended 31 December 2009

### 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

#### *Investments*

Investments in subsidiaries are valued at cost less provision for impairment

### 2 Operating profit

During the year, no director received any emoluments (2008 - £Nil)

### 3 Fixed asset investments

Shares in group  
undertakings  
£

#### *Cost or valuation*

At 1 January 2009 and 31 December 2009

**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 2009 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	<b>3,479,749</b>	<b>484,418</b>

### 4 Debtors

	2009 £	2008 £
Amounts owed by group undertakings	<b>899,290</b>	<b>899,290</b>

### 5 Creditors' amounts falling due within one year

	2009 £	2008 £
Amounts owed to group undertakings	<b>110,377</b>	<b>110,377</b>

# GSE (UK) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2009 (Continued)

## 6 Share capital

	2009 Number	Authorised 2008 Number	2009 £	2008 £
Ordinary shares of £1 each	5,000,000	5,000,000	5,000,000	5,000,000
	2009 Number	Allotted, called up and fully paid 2008 Number	2009 £	2008 £
Ordinary shares of £1 each	2,932,000	2,932,000	2,932,000	2,932,000

## 7 Reserves

	Profit and loss account £
At 1 January 2009	607,137
Profit for the year	-
At 31 December 2009	607,137

## 8 Reconciliation of movement in shareholders' funds

	2009 £	2008 £
Opening shareholders' funds	3,539,137	3,539,137
Profit for the year	-	-
Closing shareholders' funds	3,539,137	3,539,137

## 9 Controlling party

The immediate parent company is GSE International Inc, a company registered in Delaware, USA

In the directors' opinion, the ultimate parent company and controlling party is GEO Holdings Corp, a company registered in Delaware, USA. Copies of its group accounts, which include the company, are available from 19103 Gundle Road, Houston, Texas 77073, USA

## 10 Post balance sheet events

In 2010 a decision was taken to cease the worldwide group's manufacturing operations in the UK and to service the group's customers in the UK market by utilizing GSE Corporate resources based in other parts of the world. This decision has resulted in the transfer of trading assets and liabilities from GSE Lining Technology Limited to fellow group companies. GSE Lining Technology Limited has incurred impairment losses on its fixed asset carrying values in 2010 as a result of this strategic decision in the post balance sheet period, which may lead to an impairment in the value of GSE (UK) Limited's investment in its subsidiary company.