

Global Energy (Group) Limited

**Unaudited
Report and financial statements
For the year ended 31 March 2018**

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Global Energy (Group) Limited

Company Information

Directors	R J MacGregor J D MacDonald
Company secretary	J D MacDonald
Registered number	SC106415
Registered office	13 Henderson Road Inverness IV1 1SN
Bankers	Bank of Scotland 3/5 Albyn Place Aberdeen AB10 1PY
Solicitors	Stronachs 34 Albyn Place Aberdeen AB10 1FW

Global Energy (Group) Limited

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Global Energy (Group) Limited

Strategic report For the year ended 31 March 2018

The directors present their strategic report and the financial statements for the year ended 31 March 2018.

Business review

The principal activity of the business, throughout FY18, was the offering of offshore operations, maintenance, and construction and fabrication solutions to the international energy market. The business has significant track record in building and maintaining integrated, complex subsea and topside equipment for the oil and gas sector, as well as bespoke equipment for the nuclear and marine renewables sectors. The key financial performance indicators during the year were as follows:

Turnover - £118,148,000 (2017 - £121,751,000)
Operating Profit - £8,317,000 (2017 - £825,000)
Profit after tax - £13,037,000 (2017 - £1,020,000)

Global Energy (Group) Ltd, maintained its position of strength within the subsea, topside and marine oil and gas markets with a slight decrease in revenue from the prior year largely driven by the general market conditions particularly as legacy Subsea contracts came to an end. Significant internal restructuring contributed to an inflated bottom line performance.

The business continued to execute high profile scopes including subsea tie backs to existing fields, work on new developments as well as carry out extensive maintenance and repairs on ageing offshore topside equipment. Despite a slight decrease in turnover, the profitability has increased due to significant streamlining of the business as well as commercial diligence across all areas of the business to ensure costs are kept as low as possible, with marginal gain techniques being applied across Business to ensure that margins remained at a satisfactory level.

The low oil price and reduced capital spend has proved to be a catalyst for offshore asset owners to challenge conventional methods of maintaining their ageing infrastructure. The company continues to experience a positive response to its innovative and high performance methods of delivering critical repairs and maintenance.

The project CAPEX continues to be at a very low level, but is now starting to increase as sanctioned projects come back to the market. The business has gone through extensive reorganisation and streamlining to adjust the cost base and scale its operation for the sustained period of lower CAPEX activity.

Principal risks and uncertainties

General/financial

The Company has financial exposure through its considerable investment in facilities and a staff based workforce to perform work. As the oil price affects decisions on capital projects, the Company must prudently manage its cost base and successfully diversify into other end markets. The Company has been successful in previous oil cycles, and must continue to be dynamic in its business decision making. The Company has positioned itself well for future workload in the nuclear, petrochemical, water/utilities and renewable energy sectors – as well as pursuing international opportunities in oil and gas. Financial risks can be sub-divided as follows:

Liquidity risk

The Company policy is to ensure that sufficient liquidity is available to meet the foreseeable needs and to invest cash assets safely and profitably. Liquidity is achieved by overdraft and other long-term bank facilities.

Interest rate risk

The Company finances its operations through bank borrowing at floating rates. The group policy is to borrow at the lowest rates for periods that do not carry excessive time premiums.

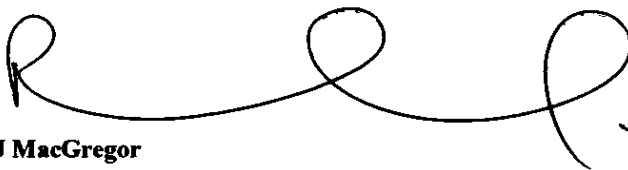
Global Energy (Group) Limited

Strategic report (continued)
For the year ended 31 March 2018

Credit risk

The Company policy is to minimise exposure to losses of defaulting customers. Credit terms are only granted to customers who satisfy credit worthiness procedures and in certain market sectors where appropriate credit insurance can be obtained. Credit limits are reviewed by finance department staff on a regular basis in conjunction with debt ageing and collection history.

This report was approved by the board on **17 DECEMBER 2018** and signed on its behalf.

A handwritten signature in black ink, consisting of a large capital 'R' followed by a series of loops and a final downward stroke.

R J MacGregor
Director

Global Energy (Group) Limited

Directors' report For the year ended 31 March 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

Results and dividends

The profit for the year, after taxation, amounted to £13,037,000 (2017 - £1,020,000).

Dividends paid in the year were £2,335,000 (2017 - £nil).

Directors

The directors who served during the year were:

R J MacGregor
J D MacDonald

Future developments

The Directors expect a more stable period following the hive up activities undertaken during the year, however they do remain cautious to reduced number of projects and the impact of commodity prices and sanctioned spend. The business will continue to manage its cost base in line with market outlook and seek opportunity to create further innovative solutions to the market.

Employee involvement

During the year, the policy of providing employees with information about the Global Energy group has continued through the newsletter "My Global Round Up" in which employees have also been encouraged to present their suggestions and views on the Company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Disabled employees

As part of the GEG (Holdings) group the Company, as part of its employment and ongoing practices has always and wishes to continue, to promote an environment of equality and fairness and therefore recognises and complies with the Disability Discrimination Act 1995 (DDA).

The Disability Discrimination Act defines "disability" as a physical or mental impairment which has a substantial and long term adverse effect on a person's ability to carry out their normal day-to-day activities.

The Act makes it unlawful for employers to discriminate against current or prospective workers who have a disability or who have had a disability in the past. When an employer treats a person with a disability less favourably than he treats other people and this treatment cannot be justified then discrimination has taken place. The employer also has a duty to make a 'reasonable adjustment' in relation to the disabled person and failure to do so is again discrimination, if it cannot be justified.

This report was approved by the board on 17 DECEMBER 2018 and signed on its behalf.



R J MacGregor
Director

Global Energy (Group) Limited

Directors' responsibilities statement For the year ended 31 March 2018

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Global Energy (Group) Limited

**Statement of comprehensive income
For the year ended 31 March 2018**

	Note	2018 £000	2017 £000
Turnover	2	118,148	121,751
Cost of sales		(94,377)	(106,244)
Gross profit		23,771	15,507
Administrative expenses		(20,704)	(14,682)
Exceptional credit	6	5,250	-
Operating profit	3	8,317	825
Income from shares in group undertakings		6,032	-
Income from fixed asset investments		-	600
Loss on sale of tangible fixed assets		(398)	-
Interest payable and expenses	7	(16)	(29)
Profit before tax		13,935	1,396
Tax on profit	8	(898)	(376)
Profit for the year		13,037	1,020
Other comprehensive income		-	-
Total comprehensive income for the year		13,037	1,020

The notes on pages 9 to 23 form part of these financial statements.

Global Energy (Group) Limited
Registered number:SC106415

Balance sheet
As at 31 March 2018

	Note	2018 £000	2017 £000
Fixed assets			
Tangible assets	11	9,001	12,027
Investments	12	31,162	30,652
		<u>40,163</u>	<u>42,679</u>
Current assets			
Stocks	13	898	1,419
Debtors: amounts falling due within one year	14	27,990	37,050
Cash at bank and in hand		3,725	11,062
		<u>32,613</u>	<u>49,531</u>
Creditors: amounts falling due within one year	15	(43,742)	(73,707)
Net current liabilities		<u>(11,129)</u>	<u>(24,176)</u>
Total assets less current liabilities		<u>29,034</u>	<u>18,503</u>
Creditors: amounts falling due after more than one year	16	(765)	(765)
Provisions for liabilities			
Deferred tax	17	-	(133)
Deferred government grants	18	(657)	(695)
		<u>(657)</u>	<u>(828)</u>
Net assets		<u><u>27,612</u></u>	<u><u>16,910</u></u>

Global Energy (Group) Limited
Registered number: SC106415

Balance sheet (continued)
As at 31 March 2018

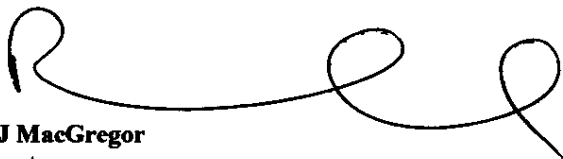
	Note	2018 £000	2017 £000
Capital and reserves			
Called up share capital	19	650	650
Other reserves		17	17
Profit and loss account		26,945	16,243
Shareholders' funds		<u>27,612</u>	<u>16,910</u>

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



R J MacGregor
Director

The notes on pages 9 to 23 form part of these financial statements.

Global Energy (Group) Limited

**Statement of changes in equity
For the year ended 31 March 2018**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 April 2017	650	17	16,243	16,910
Profit for the year	-	-	13,037	13,037
Total comprehensive income for the year	-	-	13,037	13,037
Dividends: Equity capital	-	-	(2,335)	(2,335)
At 31 March 2018	650	17	26,945	27,612

**Statement of changes in equity
For the year ended 31 March 2017**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000
At 2 April 2016	650	17	15,223	15,890
Profit for the year	-	-	1,020	1,020
Total comprehensive income for the year	-	-	1,020	1,020
At 31 March 2017	650	17	16,243	16,910

The notes on pages 9 to 23 form part of these financial statements.

Global Energy (Group) Limited

Notes to the financial statements For the year ended 31 March 2018

1. Accounting policies

1.1 Statement of compliance and basis of preparation

Global Energy (Group) Limited is a limited liability company incorporated in Scotland. The registered office is 13 Henderson Road, Inverness, IV1 1SN.

The financial statements have been prepared in compliance with Financial Reporting Standard 102, as it applies to the financial statements of the Company for the year ended 31 March 2018.

The financial statements have been prepared under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the Company.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of GEG (Holdings) Limited as at 31 March 2018 and these financial statements may be obtained from 13 Henderson Road, Inverness, IV1 1SN.

1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1. Accounting policies (continued)

1.4 Intangible assets

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to profit or loss over its estimated economic life.

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method as follows:

Buildings	-	4-25%
Plant & machinery	-	12.5% - 33%
Motor vehicles	-	20% - 25%
Fixtures and fittings	-	20% - 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Land is not depreciated in the financial statements.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the Statement of comprehensive income.

1.6 Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Lease incentives are recognised over the lease term on a straight line basis.

1.7 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Global Energy (Group) Limited

**Notes to the financial statements
For the year ended 31 March 2018**

1. Accounting policies (continued)**1.9 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Notes to the financial statements
For the year ended 31 March 2018**

1. Accounting policies (continued)

1.13 Foreign currency translation

The Company's functional and presentational currency is GBP.

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

1.14 Government grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment. Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

1.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.16 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

Global Energy (Group) Limited

**Notes to the financial statements
For the year ended 31 March 2018**

2. Turnover

An analysis of turnover by class of business is as follows:

	2018 £000	2017 £000
Rendering of services	118,148	121,751
	<u>118,148</u>	<u>121,751</u>

Analysis of turnover by country of destination:

	2018 £000	2017 £000
United Kingdom	117,478	121,255
Rest of the world	670	496
	<u>118,148</u>	<u>121,751</u>

3. Operating profit

The operating profit is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets	2,240	2,145
Loss on sale of tangible fixed assets	398	-
Operating lease rentals - land and buildings	3,000	2,952
Operating lease rentals - plant and machinery	181	125
Amortisation of government grants	(39)	(39)
	<u></u>	<u></u>

During the year, no director received any emoluments (2017 - £nil).

Global Energy (Group) Limited

**Notes to the financial statements
For the year ended 31 March 2018**

4. Staff costs

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	27,180	38,388
Social security costs	3,279	3,990
Cost of defined contribution scheme	402	769
	<u>30,861</u>	<u>43,147</u>

The average monthly number of employees, including the directors, analysed by category during the year was as follows:

	2018 No.	2017 No.
Production	378	580
Administrative	69	107
	<u>447</u>	<u>687</u>

5. Income from shares in group undertakings

	2018 £000	2017 £000
Income from shares in group undertakings	6,032	-
	<u>6,032</u>	<u>-</u>

6. Exceptional credit

	2018 £000	2017 £000
Exceptional credit	5,250	-
	<u>5,250</u>	<u>-</u>

The above transaction relates to clearing of historic intercompany loan balances.

Global Energy (Group) Limited

**Notes to the financial statements
For the year ended 31 March 2018**

7. Interest payable and similar charges

	2018 £000	2017 £000
Other loan interest payable	16	29
	<u>16</u>	<u>29</u>

8. Taxation

	2018 £000	2017 £000
Corporation tax		
Current tax on profits for the year	-	112
Adjustments in respect of previous periods	204	54
	<u>204</u>	<u>166</u>
Group relief	827	256
	<u>1,031</u>	<u>422</u>
Total current tax	<u>1,031</u>	<u>422</u>
Deferred tax		
Origination and reversal of timing differences	86	(38)
Adjustments in respect of prior periods	(219)	(8)
Total deferred tax	<u>(133)</u>	<u>(46)</u>
Taxation on profit on ordinary activities	<u>898</u>	<u>376</u>

Global Energy (Group) Limited

**Notes to the financial statements
For the year ended 31 March 2018**

8. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year lower than the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £000	2017 £000
Profit on ordinary activities before tax	13,935	1,396
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	2,648	279
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	8	242
Depreciation of non-qualifying asset	281	-
Adjustments to tax charge in respect of prior periods	(15)	46
Other timing differences leading to an increase (decrease) in taxation	126	(71)
Non-taxable income	(2,150)	-
Dividends from UK companies	-	(120)
Total tax charge for the year	898	376

Factors that may affect future tax charges

The UK corporation tax rate will reduce to 19% for financial years beginning 1 April 2017 and will reduce to 17% for financial years beginning 1 April 2020. Deferred tax balances have been calculated at a rate of 17% as this is the rate at which the majority of the timing differences are expected to reverse.

9. Dividends

	2018 £000	2017 £000
Dividends paid	2,335	-
	2,335	-

Global Energy (Group) Limited

**Notes to the financial statements
For the year ended 31 March 2018**

10. Intangible assets

	Goodwill £000
Cost	
At 1 April 2017	750
At 31 March 2018	<u>750</u>
Amortisation	
At 1 April 2017	750
At 31 March 2018	<u>750</u>
Net book value	
At 31 March 2018	<u>-</u>
At 31 March 2017	<u>-</u>

Global Energy (Group) Limited

**Notes to the financial statements
For the year ended 31 March 2018**

11. Tangible fixed assets

	Land and buildings £000	Plant & machinery £000	Motor vehicles £000	Fixtures & fittings £000	Total £000
Cost or valuation					
At 1 April 2017	12,516	8,728	1,547	3,856	26,647
Additions	33	61	14	14	122
Transfers intra group	(349)	-	-	-	(349)
Disposals	(1,464)	(1,234)	(548)	(1,683)	(4,929)
At 31 March 2018	10,736	7,555	1,013	2,187	21,491
Depreciation					
At 1 April 2017	3,758	6,707	1,259	2,896	14,620
Charge for the year on owned assets	642	941	122	535	2,240
Disposals	(1,047)	(1,228)	(473)	(1,622)	(4,370)
At 31 March 2018	3,353	6,420	908	1,809	12,490
Net book value					
At 31 March 2018	7,383	1,135	105	378	9,001
At 31 March 2017	8,758	2,021	288	960	12,027

Global Energy (Group) Limited

**Notes to the financial statements
For the year ended 31 March 2018**

12. Fixed asset investments

	Subsidiary undertakings £000
Cost or valuation	
At 1 April 2017	30,652
Additions	510
At 31 March 2018	<u>31,162</u>
Net book value	
At 31 March 2018	<u>31,162</u>
At 31 March 2017	<u>30,652</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Registered office
Langfields Limited	Ordinary	85 %	158 Liverpool Street, Salford, Manchester, M5 4LJ
Global Energy (Holdings) Limited	Ordinary	100 %	13 Henderson Road, Inverness, Scotland, IV1 1SN
Global Energy Corporation Limited	Ordinary	100 %	13 Henderson Road, Inverness, Scotland, IV1 1SN
Caledonian Petroleum Services Limited	Ordinary	100 %	13 Henderson Road, Inverness, Scotland, IV1 1SN
A & B Welding Services Limited*	Ordinary	100 %	13 Henderson Road, Inverness, Scotland, IV1 1SN
S & D Fabrication Limited*	Ordinary	100 %	Suite 1, Liberty House, South Liberty Lane, Bristol, BS3 2ST
Reel Group Limited*	Ordinary	100 %	13 Henderson Road, Inverness, Scotland, IV1 1SN
Rigfit International FZC*	Ordinary	90 %	Plot No. 2D-10, Hamriyah Free Zone Authority, Sharjah, UAE
Rigfit International LLC*	Ordinary	90 %	C/o Rigfit7Seas, Damac Executive Heights, Barsha Heights Tecom, 11 Flr, Office No. 1109, Dubai, UAE
Global Port Services (Scotland) Limited*	Ordinary	89 %	13 Henderson Road, Inverness, Scotland, IV1 1SN
Rigfit Offshore Limited*	Ordinary	90 %	13 Henderson Road, Inverness, Scotland, IV1 1SN
Global Energy Group (Access and Coatings) Limited*	Ordinary	85 %	13 Henderson Road, Inverness, Scotland, IV1 1SN

Global Energy (Group) Limited

**Notes to the financial statements
For the year ended 31 March 2018**

12. Fixed asset investments (continued)

Reel Limited*	Ordinary	100 %	13 Henderson Road, Inverness, Scotland, IV1 1SN
Reel Inspection & Rig Maintenance Pvt Limited*	Ordinary	100 %	H 62, Mahindra Park, LBS marg Ghatkopar West Mumbai 400086
Reel Group Inc*	Ordinary	100 %	13 Henderson Road, Inverness, Scotland, IV1 1SN
Seven Seas Maintenance LLC*	Ordinary	100 %	Shop 7, MW4, Plot 130, Musaffah, Abu Dhabi, UAE Flat No. 285, Building No. 2648, Road No. 5720, Block No. 257, Amwaj, Bahrain
Seven Seas Decor SPC*	Ordinary	100 %	C/o Rignit7Seas, Damac Executive Heights, Barsha Heights Tecom, 11 Flr, Office No. 1109, Dubai, UAE
Seven Seas Services LLC*	Ordinary	100 %	

* Held by a subsidiary

13. Stocks

	2018 £000	2017 £000
Stock	898	1,419
	<u>898</u>	<u>1,419</u>

14. Debtors

	2018 £000	2017 £000
Trade debtors	14,937	19,619
Amounts owed by group undertakings	2,545	4,065
Other debtors	3	1,970
Prepayments and accrued income	1,310	2,132
Amounts recoverable on long term contracts	9,195	9,264
	<u>27,990</u>	<u>37,050</u>

Global Energy (Group) Limited

Notes to the financial statements
For the year ended 31 March 2018

15. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	10,509	7,547
Amounts owed to group undertakings	17,872	45,664
Corporation tax	395	-
Other taxation and social security	1,708	1,608
Other creditors	593	1,210
Accruals and deferred income	12,665	17,678
	<u>43,742</u>	<u>73,707</u>

16. Creditors: Amounts falling due after more than one year

	2018 £000	2017 £000
Other creditors	765	765
	<u>765</u>	<u>765</u>

17. Deferred taxation

	2018 £000	2017 £000
At beginning of year	(133)	(179)
Credited to the Statement of Comprehensive Income	133	46
At end of year	<u>-</u>	<u>(133)</u>

The deferred taxation balance is made up as follows:

	2018 £000	2017 £000
Accelerated capital allowances	-	(149)
Tax losses carried forward	-	16
	<u>-</u>	<u>(133)</u>

Global Energy (Group) Limited

**Notes to the financial statements
For the year ended 31 March 2018**

18. Deferred government grants

	£000
At 1 April 2017	696
Utilised in year	(39)
At 31 March 2018	657

19. Share capital

	2018 £000	2017 £000
Allotted, called up and fully paid		
650,000 Ordinary shares of £1 each	650	650

20. Contingent liabilities

The Company is party to a group composite guarantee.

21. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £403,000 (2017 - £769,000).

Contributions payable to the fund at the balance sheet date were £71,000 (2017 - £94,000).

22. Commitments under operating leases

At 31 March 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £000	2017 £000
Not later than 1 year	2,182	3,195
Later than 1 year and not later than 5 years	9,976	14,924
Later than 5 years	3,480	3,335
	15,638	21,454

Global Energy (Group) Limited

Notes to the financial statements For the year ended 31 March 2018

23. Related party transactions

Global Energy (Group) Limited is a wholly owned subsidiary of Global Energy Fabrication Limited. Global Energy Fabrication Limited is a wholly owned subsidiary of GEG (Holdings) Limited.

The Company is exempt from disclosing transactions with other wholly owned group companies under Section 33.1A of FRS 102. During the year the Company entered into transactions, in the normal course of business, with other related parties. Transactions entered into, and the trading balances outstanding at 31 March 2018, with non wholly owned group companies are as follows:

	2018 Sales £000	2018 Purchases £000	2018 Creditors £000
GEG Capital (North) Limited	-	438	105
Glen Green Limited	1	9	-
MacGregor Properties Limited	-	433	71

GEG Capital (North) Limited is a company owned and controlled by the MacGregor family.

Macgregor Properties Limited is a related party as A MacGregor, a close family member of R J MacGregor, had an interest in these transactions due to his shareholding in MacGregor Properties Limited.

24. Ultimate parent undertaking and controlling party

The ultimate parent undertaking is GEG (Holdings) Limited. The controlling party of GEG (Holdings) Limited is the MacGregor family.

GEG (Holdings) Limited is the parent undertaking of the smallest and largest groups of which Global Energy (Group) Limited is a member and for which group financial statements are drawn up.

The group financial statements can be obtained from 13 Henderson Road, Inverness, IV1 1SN.