

Registered number: SC415463

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FOR

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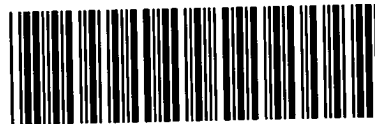
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COMPANIES HOUSE  
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**GEG (HOLDINGS) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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COMPANIES HOUSE

**GEG (HOLDINGS) LIMITED**

**COMPANY INFORMATION**

|                            |                                                                                                                                                                                                                                                                                                                               |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Directors</b>           | R J MacGregor<br>I R MacGregor<br>D A MacGregor<br>J D MacDonald<br>J A MacGregor<br>G J Farmer<br>N Komaki (resigned 13 May 2021)<br>H Takani<br>T Kobayashi (appointed 13 May 2021)<br>K Tanahashi (appointed 13 May 2021, resigned 1 August 2022)<br>R Ando (appointed 1 August 2022)<br>T Suzue (appointed 1 August 2022) |
| <b>Company secretary</b>   | J D MacDonald                                                                                                                                                                                                                                                                                                                 |
| <b>Registered number</b>   | SC415463                                                                                                                                                                                                                                                                                                                      |
| <b>Registered office</b>   | 13 Henderson Road<br>Inverness<br>IV1 1SN                                                                                                                                                                                                                                                                                     |
| <b>Independent auditor</b> | Anderson Anderson & Brown Audit LLP<br>Kingshill View<br>Prime Four Business Park<br>Kingswells<br>Aberdeen<br>AB15 8PU                                                                                                                                                                                                       |

## **GEG (HOLDINGS) LIMITED**

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## GEG (HOLDINGS) LIMITED

### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

#### Principal activities and review of the business

The Global Energy Group ("GEG") is an international service group creating value through a construction led approach to challenges in the energy market. GEG combines a collection of niche offerings designed to reduce risks in early-stage developments as well as enhancing performance in late-life assets and supporting the lifecycle of offshore and onshore wind farms.

The key financial and other performance indicators during the year were as follows:

|                             | 31 March 2022 | 31 March 2021 | Change |
|-----------------------------|---------------|---------------|--------|
|                             | £m            | £m            | %      |
| Turnover                    | 224.8         | 181.9         | 24%    |
| Profit after tax            | 0.4           | 3.1           | -87%   |
| EBITDA                      | 14.2          | 16            | -11%   |
| Shareholders' funds         | 92.2          | 91.9          | 0%     |
| Average number of employees | 950           | 758           | 25%    |

The Group's revenue increased by 24% compared to the previous year with a turnover of £225m (2021 – £182m). Profit after tax decreased from £3.1m in 2021 to a profit of £0.4m in the current financial year. The Group's EBITDA also declined to £14.2m from £16.0m in the prior year on an unadjusted basis. The groups effective tax rate increased in the year following the governments change in corporation tax rates from 19% to 25% and as a result deferred tax charge to the profit and loss eroded retained profit.

Despite the reduction in profit after tax the Group maintained a strong adjusted EBITDA (adjusted for redundancy, restructuring, dilapidations, and impairment of the factory investments) position of £14m. The group had a sizeable dilapidation exit cost from one of its fabrication facilities in Aberdeen as it looked to rationalise facilities as well as an onerous lease provision following the sub lease of another property no longer required to support current operations. The group also made an exceptional impairment to costs incurred in respect of the investment in the manufacturing facility project at the Port of Nigg as a result of a slight change in direction with significant deal costs written off in the period.

The increase in revenue for the year is largely attributable to the reduction of COVID 19 restrictions offshore as well as the award of the SeaGreen Marshalling contract at the Port of Nigg. The Group saw increased POB levels offshore as construction and maintenance activities increased off the back of the pandemic as well as increased market share with the award of a number of EPC contracts supporting operators. The SeaGreen project at Nigg commenced in August 2021 with the storage and marshalling of 114 jackets in support of the offshore wind farm installation.

The increase in turnover in the year did come at a reduced gross margin contribution with slightly lower margins obtained for offshore construction and fabrication activities, as well as significant subcontracted work for SeaGreen for the Ring Crane.

The oil and gas market is still in a period of lower capital spend as confidence in the sector remains challenged with the societal pressure on climate change, the need for the sector to reduce its carbon footprint and changes in government policy all having a significant impact on project sanction in the UKCS. The Group sees opportunity to support clients in this space and support the move to reduce emissions in the sector and the transition to a net zero energy framework. The Group's Global E&C division has put a significant focus on digitalisation of its construction activities with the establishment of its new digital solution, Slingshot, to enable operators to obtain real time information on its maintenance activities supporting production efficiency and reducing operating emissions. Confidence remains high that Global E&C can grow its market share in this space and was successful in landing a major award contract jointly with Bilfinger for CNR during the year.

## **GEG (HOLDINGS) LIMITED**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022**

#### **Principal activities and review of the business (continued)**

In contrast to the reduced confidence in the Oil and gas sector, particularly around CAPEX expenditure, the Group continued to gain momentum in the offshore and onshore wind market, with the commencement of the SeaGreen marshalling project for Seaway 7 and SSE at the Group's flagship facility Port of Nigg. The Group has continued to support on a number of onshore windfarm projects both in the UK and further afield and established its Wind Tower assembly and preassembly offering towards the end of the financial period. Involvement in both OPEX and CAPEX related activities in the low carbon sector was further demonstrated through supporting the Hinkley Point C project which has continued well into the next financial period.

The Port of Nigg has now firmly established itself as Scotland's premier offshore renewables hub as well as a multi energy source user site with the completion of the Beatrice Offshore Wind Farm (SSER) and Moray East (Ocean Winds) staging port projects and the commencement of SeaGreen (SSER) wind farm staging port project. The port now provides a full service offering including logistics, assembly, fabrication services and supports both major renewables projects as well as traditional oil and gas activities.

The Group continued to invest in its energy transition space with Edinburgh team working on a number of key strategic and positioning projects supporting the development of the Port of Nigg facility. The continued investment is seen as essential to generate future opportunities for the group and build a sustainable income stream for the future.

The balance sheet at 31 March 2022 notes net assets of £92.2m (2021 - £92.4m). The Group's bank debt has increased over the period with the funding of the 225 meters of additional quayside at the Port of Nigg which was completed in the summer of 2022 with a further £20m of investment into the yard at a critical time in preparation for a buoyant Offshore Wind market.

The balance sheet at 31 March 2022 notes net current liabilities of £2.1m, a stronger position from the £7.5m net current liabilities position in the prior year. The net liabilities position in the prior year did not reflect the refinancing undertaken during the year; The new facilities provide revised hire purchase debt, a bank term loan, and revolving credit facilities which will assist the business with its growth aspirations.

#### **Principal risks and uncertainties**

GEG manages its risks by diversifying across a number of highly regulated end markets. Sustaining revenues close to £200 million reflects a robust diversification policy that covers non-oil and gas infrastructure and a strong balance of operating and capital expenditure activities.

The Board and Directors remain confident that the current business model mitigates the Group from major trading risks. In a typical year, 50% of the Group will be linked to customer's operating expenditure budgets and 50% to a mixture of brownfield and greenfield capital expenditure budgets. Moreover, our risks are spread across different segments of the natural resources industry, and in different geographical communities. The directors have successfully built a portfolio of operations that are resilient to economic and political influences. Coupled with an organisational culture that can react fast to changing circumstances, we are confident in the continuing trading of the Group.

#### **Financial instrument risks**

The Group has established a risk and financial management framework whose primary objectives are to protect the Group from events that hinder the achievement of the Group's performance objectives.

Financial instrument risks can be sub divided as follows:

##### **Liquidity risk**

The group 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, revolving credit facilities and other long-term bank facilities. The Group places significant focus on working capital management.

## **GEG (HOLDINGS) LIMITED**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022**

#### **Financial instrument risks (continued)**

##### **Interest rate risk**

The Group finances its operations through bank borrowings at floating rates. The group policy is to borrow at the lowest rates for periods that do not carry excessive time premiums. Fixed borrowing rates are sought for HP assets funded over long time frames.

##### **Credit risk**

The group 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 the debt ageing and collection history.

#### **Section 172 (1) statement**

In 2008 the Companies (Miscellaneous Reporting) Regulations introduced a requirement for large companies to publish a statement describing how the directors have had regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006.

Section 172 (1) (a) to (f) requires each director to act in a way he or she considers would be most likely to promote the success of the company for the benefit of its members as a whole regarding the following matters;

##### **(a) The likely consequences of any decision in the long-term**

At the heart of the company values is its people and creating a sustainable business. The directors believe that a consistently profitable business, which invests in people, culture, assets, processes, and systems will ensure the sustainability of the Global business and brand identity for years to come.

The Group core values inherently link to a longer-term sustainable business.

- Resolute on Health and Safety
- Create Opportunities for our people
- Inspire Creativity and Hunger
- Demonstrate Integrity and Respect
- Encourage Humility

Any decisions made by the board have the long-term objectives in mind.

##### **(b) The interests of the company's employees**

The board considers its people its greatest asset and the interests of employees are always taken into consideration when decisions are to be made.

Our People and Culture team plays a pivotal position in supporting the Group by leading a progressive and innovative People Strategy. The aim of People and Culture is to create the conditions, frameworks, and approaches to enable our people to achieve and succeed. Global Energy Group are committed to providing an inclusive, collaborative, and supportive working environment, where our people are valued and feel motivated.

Our People Strategy is built upon the following principles:

- To inspire a supportive and collaborative community
- To enhance performance through a culture of continuous learning
- To lead transformation and shape the business of the future
- To become The Employer of Choice

## **GEG (HOLDINGS) LIMITED**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022**

#### **Section 172 statement (continued)**

GEG is fully committed to:

- Providing a safe working environment where employees are developed to carry out their role competently, in compliance with relevant legislation and guidance;
- A Code of Business Conduct designed to ensure all employees understand the core principles expected, in order to ensure we deliver for each other, our customers and our shareholders;
- Cultivating an enriched environment where any individual or group feels welcomed, respected, supported and valued;
- Engaging employees through consistent and transparent communication, policies and procedures;
- Stimulating and encouraging a healthy and resilient workforce;
- Providing a multi-platform approach to continued professional development and regulatory competence;
- Creating engaging learning experiences, enabling our people to grow;
- Developing a modern and transparent approach to career progression, succession planning and mobility;
- A culture which supports the high performance of individuals, teams, and the group as a whole;
- A total reward benefits offering ensuring it remains competitive, relevant and fair;
- Providing an outstanding onboarding experience for new colleagues;
- Building a diverse, inclusive and connected community;
- Developing sustainable relationships with local schools, colleges, and universities to attract future talent.

#### **(c) The need to foster the companies business relationships with suppliers customers and others**

We are a group of businesses which is focused on serving our customers and their specific needs, accordingly we have a business development and relationship team which invests time in developing relationships with clients and helping them find solutions to the challenges they face.

Due to the diverse nature of the Group the supply chain is fundamental to the delivery of our services and products. We work closely with several key suppliers to build strong relationships and look to develop longer term agreements where possible.

In addition to our customer and suppliers we seek to build strong relationships with multiple stakeholder groups including local authorities, politicians, trade associations, schools, and accreditation bodies.

Our directors and senior management team take an active interest in these connections and take an active role in building and sustaining these relationships.

#### **(d) The impact of the company's operations in the community and environment**

Sustainability at GEG means ensuring long-term business success while contributing towards the prosperity of communities, the health and wellbeing of our people and the protection of the planet.

Our Group Sustainability Officer continues to support the Group to further develop its sustainability strategy. They are already identifying the issues that matter by engaging stakeholders and developing a materiality matrix. Designed to aid prioritisation and develop a programme of work that covers community and environmental impacts.

#### **1) Environmental Impact / Carbon Emissions:**

Key areas already identified for prioritised action relate to the environmental impact of the organisation and achieving Net Zero by 2045:

- Implementation of a data management tool to track and manage the Scope 1, 2 and 3 GHG emissions data - in real time - for strategic decision making and operational management
- Prioritisation of opportunities for eliminating and reducing the carbon intensity of GEG owned assets including:
- Zero carbon energy sources - procuring zero carbon electricity supplies and evaluating the opportunity for onsite renewable energy generation, switching out high carbon heating source to zero carbon sources
- Energy efficiency measures - replacing lighting to LED, replacing and upgrading electrical infrastructure, insulation of buildings
- Introducing electric vehicles across the commercial and car fleet

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022**

**Section 172 statement (continued)**

- Collaborating with clients / suppliers / sector to support a reduction in GHG emissions
- Enabling the shipping sector to meet their decarbonisation targets by exploring the technical and commercial viability of establishing a green methanol plant at the Port of Nigg in partnership with industry leaders, Proman
- Collaborate with others in the sector to learn and share knowledge with organisations

**2) Corporate Social Responsibility (CSR), Diversity and Inclusion (D&I) and Wellbeing:**

Building on the recruitment of our Change Champions highlighted in last year's report, we have continued to maintain our focus during the challenges presented by the pandemic. With true CSR going beyond the realms of charitable giving, extending to include diversity, growth, development and wellness in the workplace, we feel proud to have maintained momentum in these key areas. With our Change Champions team comprised of individuals from across the group, employees vested in truly wanting to make a difference, they act as the real drivers for change. In the year ahead, these change champions will continue in their commitment to our core initiatives in the following areas: supporting the creation of a Diversity and Inclusion strategy, developing innovative approaches to ensure our employees and local communities feel engaged with - particularly around wellbeing and corporate social responsibility.

Creating the opportunity for our people to volunteer helps to improve the lives of others, but also supports us in gaining a greater sense of belonging to our communities and feeling more connected to the world around us. Therefore, as a result of the above, in 2020, we provided every employee with 1 day of paid volunteering leave per year to give back to their communities. Even in a world of COVID-19, our people still wanted to give back. The year has seen over 40 employees volunteer in their local communities. With our teams working in the local areas to positively impact local communities, e.g. the outside areas of both local children's centres and community gardens.

In addition, in the context of the pandemic, and the challenges presented to our people, we have introduced various strands of activity which support Mental Health Awareness. Aimed at helping managers identify and support mental health issues, as they arise, Enabling staff to build personal resilience; as well as training 50 employees across the group as certified Mental Health First Aiders.

This resulted in increased output and efficiency and reduced absenteeism. Our commitment to the wellbeing of our employees is further supported through a series of regular webinars on topics including Mental Health Awareness, Building Resilience and Dealing with Pressure, over 300 employees have attended these sessions.

Building on the increases in morale, teamwork and communication, coupled with the intrinsic benefits the individual, the team and the community achieved by rolling-out the strategies we introduced in 2019/20, the Group continue to gain momentum in incremental steps as we target key objectives like, our group-wide focus on achieving NetZero by 2045.

**(e) The desirability of the company maintaining a reputation for high standards of business conduct**

The board believes it is of great importance that we are trusted by all our stakeholders and as a result we seek to run the business with a high level of integrity. As part of the Group's operational certification the business management systems set out the conduct in which the business operates and ensures high standards are met and delivered.

The audit process internally considers a wide range of reporting, control and governance issues which provides a level of assurance to the board and other stakeholders.

Our employee handbook and other relevant policies are reviewed annually and updated accordingly. Policies on anti-bribery, whistle blowing, and code of conduct are all available on the Group's internal and external websites. These policies set the standard for group behaviours and a respectful culture.

The board has little appetite for reputational risk and tries to ensure that decisions made are in the business interests of all stakeholders where possible.

**(f) The need to act fairly as between the members of the company**

The board of directors is composed of several shareholders representatives from both the family and Mitsui Corporation, independent senior management executives and non-executive directors.

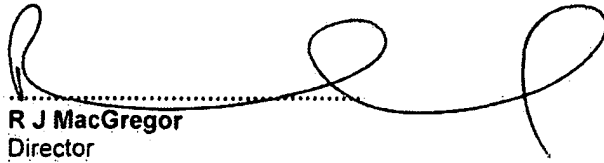
We believe the board dynamic ensures all shareholders are treated fairly and that all views are fully represented when making key decisions for the business. A shareholder agreement sets out the rights of each shareholder and where decisions need specific consent at a board level.



**GEG (HOLDINGS) LIMITED**

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022**

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



**R J MacGregor**  
Director

Date: 21/12/22

## **GEG (HOLDINGS) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022**

The directors present their report and the financial statements for the year ended 31 March 2022.

#### **Results and dividends**

The profit for the year, after taxation and minority interests, amounted to £259,000 (2021 - £2,616,000).

#### **Directors**

The directors who served during the year were:

R J MacGregor  
I R MacGregor  
D A MacGregor  
J D MacDonald  
J A MacGregor  
G J Farmer  
N Komaki (resigned 13 May 2021)  
H Takani  
T Kobayashi (appointed 13 May 2021)  
K Tanahashi (appointed 13 May 2021, resigned 1 August 2022)

#### **Political contributions**

The Group did not make any political donations during the year.

#### **Future developments**

The directors continue to broaden the company revenue base in non-oil and gas markets such as nuclear, infrastructure and renewables (particularly offshore and onshore wind) by transitioning its people and assets where possible without detriment to existing customers. The directors believe it is important to invest in its people during this time and to continue to work with our clients to provide solutions for their energy assets and projects. The director's strategy is designed to enable the Group to service an ever-evolving energy landscape, support energy security and to grow with sustainability in mind.

The Group has placed a significant focus on the development of the Port of Nigg to support future energy infrastructure projects as well as service existing customers. The construction of 225 meters of additional quayside at Nigg completed in the summer of 2022. The Group still has plans to develop an offshore wind manufacturing factory at the Port of Nigg which could be powered by a hydrogen fuel cell, highlighting the Group's commitment to building a sustainable energy business for the future.

The directors forecast a period of lower capital spend in the oil and gas market within the next 12 -18 months, driven by increased societal focus on climate change and government policy. Appetite for new project sanction continues to be slow in the UKCS. The directors continue to position the business to adapt to the fast changing energy marketplace and support the existing industry to reduce its operating emissions.

Despite the evolving energy landscape, the directors see the opportunity to continue to reposition the business and build a sustainable group supporting a diversified market and customer base. Supporting energy transition projects, reducing operating emissions, and transitioning services to green energy sectors all are high on the groups agenda.

## **GEG (HOLDINGS) LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022**

#### **Engagement with employees**

An essential part of GEG's strategy is to encourage and promote effective communication with all employees, which includes an annual employee opinion survey and a Group-wide Employee Engagement Forum, which discusses the outcome of the employee survey each year. These engagements support the Group in its decision making, ensuring it takes employees' views into account. The employee opinions captured are then presented to the executive team as part of a regular review of employee matters. KPIs such as labour turnover and responses to key questions are also monitored, to measure staff morale and review culture. The employee opinion surveys also provide the executive team with insight into what factors concern and motivate the Group's employees and contribute to action plans and/or focus groups across the Group. The employee survey process is regularly evaluated and developed, to maximise the validity and reliability of the data captured.

#### **Equality, diversity, and inclusion**

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).

GEG promotes equal opportunities in employment, recognising that equality and diversity are a vital part of the Group's success and growth. The Group's recruitment, training and selection processes seek to appoint the best candidates based on suitability for the job and to treat all employees and applicants fairly regardless of race, gender, marital status, nationality, social backgrounds, ethnic origin, age, disability, religious belief or sexual orientation, and to ensure that no individuals suffer harassment or intimidation.

GEG has policies and procedures to achieve its objective that upon employment, reasonable adjustments will be made to accommodate individuals with disabilities wherever the requirements of the organisation will allow and where applications for employment are received from suitable individuals. If during their employment, existing employees become disabled, every reasonable effort is also made to ensure that their employment with GEG can continue on a worthwhile basis, with career opportunities remaining available to the employee.

## **GEG (HOLDINGS) LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022**

#### **Greenhouse gas emissions, energy consumption and energy efficiency action**

Due to the diverse nature of the Group and the number of operating units the directors have chosen to report for those companies within the Group which have a reporting obligation rather than a consolidated group at this stage. It is the directors view that they will report as a group for future periods.

#### **Methodology / Reporting**

The directors undertook the reporting in line with the GHG protocol corporate standard. The following gross emissions / intensity ratios are noted below;

|                                         | 2021-22 Gross Emissions (tCO <sub>2</sub> e) | 2021-22 Intensity Emissions (tCO <sub>2</sub> e/£M) | 2020-21 Gross Emissions (tCO <sub>2</sub> e) | 2020-21 Intensity Emissions (tCO <sub>2</sub> e/£M) |
|-----------------------------------------|----------------------------------------------|-----------------------------------------------------|----------------------------------------------|-----------------------------------------------------|
| Global Energy Group Limited             | 1,850                                        | 13.7                                                | 2,329                                        | 19.9                                                |
| Global Port Services (Scotland) Limited | 3,508                                        | 66.2                                                | 2,998                                        | 71.4                                                |

GEG variance compared with 2020-21 primarily driven by a reduction in fuel consumed and a change in the type of work undertaken.

GPSS variance compared with 2020-21 primarily driven by an increase in fuel consumption, cranes being driven more around the UK to deliver on customer requirements.

#### **Energy Efficiency Actions**

The directors are aware of the environmental challenges of operating a group with a significant mobile workforce and operating heavy plant. There has been consolidation/rationalisation of sites, resulting in reduction of emissions, plus installation of LED lighting and incorporation of electric vehicles on the fleet (GPSS).

The directors acknowledge that we have a significant journey ahead in reducing our carbon footprint and are committed to looking for improvements in how we run the business day to day. The strategic direction of the Group highlights the role the business plays in supporting the transition to Net Zero.

#### **Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

#### **Post balance sheet events**

The group disposed of its controlling interest of Global Project Services during the year following interest from a number of buyers. Directors deemed the operation non-core and supported management with the sale.

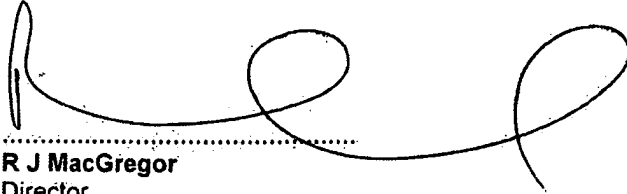
#### **Auditor**

The auditor, Anderson Anderson & Brown Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**GEG (HOLDINGS) LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022**

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

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned above a dotted line.

**R J MacGregor**  
Director

Date: 21/12/22

## **GEG (HOLDINGS) LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2022**

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 the Group and of the profit or loss of the Company and the Group for that period.

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

- select suitable accounting policies for the Group's financial statements 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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **GEG (HOLDINGS) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEG (HOLDINGS) LIMITED**

#### **Opinion**

We have audited the financial statements of GEG (Holdings) Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2022, which comprise the Group Profit and loss account, the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 of the parent Company's affairs as at 31 March 2022 and of the Group's 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.

#### **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's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **GEG (HOLDINGS) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEG (HOLDINGS) 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. 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 in the course of 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 matters 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 Group 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 Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 11, 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.



## **GEG (HOLDINGS) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEG (HOLDINGS) LIMITED (CONTINUED)**

#### **Auditor's 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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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 obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities including fraud to be:

- Management override of controls to manipulate the company's key performance indicators to meet targets
- Timing and completeness of revenue recognition
- Management judgement applied in calculating provisions
- Compliance with relevant laws and regulations which directly impact the financial statements and those that the company needs to comply with for the purpose of trading.

Our audit procedures to respond to these risks included:

- Testing of journal entries and other adjustments for appropriateness
- Evaluating the business rationale of significant transactions outside the normal course of business
- Reviewing a sample of sales and purchases around the year end to ensure income and costs have been recorded accurately in the correct period
- Reviewing a sample of sales and purchases transactions
- Reviewing judgments made by management in their calculation of accounting estimates for potential management bias
- Enquiries of management about litigation and claims and inspection of relevant correspondence
- Reviewing legal and professional fees to identify indications of actual or potential litigation, claims and any non-compliance with laws and regulations

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

**GEG (HOLDINGS) LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEG (HOLDINGS) LIMITED (CONTINUED)**

**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.

*Anderson Anderson & Brown Audit LLP*

James Pirrie (Senior statutory auditor)

for and on behalf of

**Anderson Anderson & Brown Audit LLP**

Statutory Auditor

Kingshill View

Prime Four Business Park

Kingswells

Aberdeen

AB15 8PU

Date:

*21<sup>ST</sup> December 2022*

**GEG (HOLDINGS) LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2022**

|                                                      | Note | Continuing<br>operations<br>2022<br>£000 | Discontin'd<br>operations<br>2022<br>£000 | Total<br>2022<br>£000 | Continuing<br>operations<br>2021<br>£000 | Discontinued<br>operations<br>2021<br>£000 | Total<br>2021<br>£000 |
|------------------------------------------------------|------|------------------------------------------|-------------------------------------------|-----------------------|------------------------------------------|--------------------------------------------|-----------------------|
| Turnover                                             | 4    | 217,385                                  | 7,390                                     | 224,775               | 168,824                                  | 13,026                                     | 181,850               |
| Cost of sales                                        |      | (174,701)                                | (5,600)                                   | (180,301)             | (129,562)                                | (9,520)                                    | (139,082)             |
| <b>Gross profit</b>                                  |      | <b>42,684</b>                            | <b>1,790</b>                              | <b>44,474</b>         | <b>39,262</b>                            | <b>3,506</b>                               | <b>42,768</b>         |
| Administrative expenses                              |      | (39,039)                                 | (1,006)                                   | (40,045)              | (37,073)                                 | (3,397)                                    | (40,470)              |
| Exceptional administrative expenses                  | 12   | (4,205)                                  | -                                         | (4,205)               | -                                        | -                                          | -                     |
| Other operating income                               | 5    | 491                                      | -                                         | 491                   | 3,083                                    | -                                          | 3,083                 |
| <b>Operating profit</b>                              | 6    | <b>(69)</b>                              | <b>784</b>                                | <b>715</b>            | <b>5,272</b>                             | <b>109</b>                                 | <b>5,381</b>          |
| Net profit on sale of tangible assets                |      | 706                                      | -                                         | 706                   | 828                                      | -                                          | 828                   |
| <b>Profit on ordinary activities before interest</b> |      | <b>637</b>                               | <b>784</b>                                | <b>1,421</b>          | <b>6,100</b>                             | <b>109</b>                                 | <b>6,209</b>          |
| Income from other participating interests            |      | 56                                       | -                                         | 56                    | -                                        | -                                          | -                     |
| Gain on sale of investment                           |      | 2,727                                    | -                                         | 2,727                 | -                                        | -                                          | -                     |
| Interest payable and similar expenses                | 10   | (1,256)                                  | (28)                                      | (1,284)               | (1,269)                                  | (46)                                       | (1,315)               |
| <b>Profit before tax</b>                             |      | <b>2,164</b>                             | <b>756</b>                                | <b>2,920</b>          | <b>4,831</b>                             | <b>63</b>                                  | <b>4,894</b>          |
| Tax on profit                                        | 11   | (2,538)                                  | -                                         | (2,538)               | (1,630)                                  | (159)                                      | (1,789)               |
| <b>Profit for the financial year</b>                 |      | <b>(374)</b>                             | <b>756</b>                                | <b>382</b>            | <b>3,201</b>                             | <b>(96)</b>                                | <b>3,105</b>          |
| <b>Profit for the year attributable to:</b>          |      |                                          |                                           |                       |                                          |                                            |                       |
| Non-controlling interests                            |      | 123                                      | -                                         | 123                   | 489                                      | -                                          | 489                   |
| Owners of the parent                                 |      | 259                                      | -                                         | 259                   | 2,616                                    | -                                          | 2,616                 |
|                                                      |      | <b>382</b>                               | <b>-</b>                                  | <b>382</b>            | <b>3,105</b>                             | <b>-</b>                                   | <b>3,105</b>          |

The notes on pages 27 to 55 form part of these financial statements.

**GEG (HOLDINGS) LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2022**

|                                                            | 2022<br>£000 | 2021<br>£000 |
|------------------------------------------------------------|--------------|--------------|
| Profit for the financial year                              | 382          | 3,105        |
| Exchange difference on retranslation of foreign subsidiary | (7)          | (31)         |
| Increase in controlling stake in subsidiary                | (400)        | (550)        |
| <b>Total comprehensive income for the year</b>             | <b>(25)</b>  | <b>2,524</b> |
| <b>(Loss)/profit for the year attributable to:</b>         |              |              |
| Non-controlling interest                                   | 123          | (220)        |
| Owners of the parent Company                               | (148)        | 2,744        |
|                                                            | <b>(25)</b>  | <b>2,524</b> |

The notes on pages 27 to 55 form part of these financial statements.

**GEG (HOLDINGS) LIMITED**

**REGISTERED NUMBER: SC415463**

**CONSOLIDATED BALANCE SHEET  
AS AT 31 MARCH 2022**

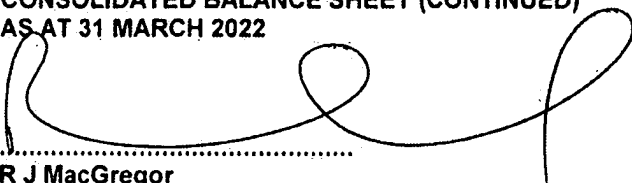
|                                                            | Note | 2022<br>£000         | 2021<br>£000         |
|------------------------------------------------------------|------|----------------------|----------------------|
| <b>Fixed assets</b>                                        |      |                      |                      |
| Intangible assets                                          | 13   | 44,375               | 49,076               |
| Tangible assets                                            | 14   | 95,995               | 86,544               |
| Investments                                                | 15   | 2,061                | -                    |
|                                                            |      | <u>142,431</u>       | <u>135,620</u>       |
| <b>Current assets</b>                                      |      |                      |                      |
| Stocks                                                     | 16   | 961                  | 857                  |
| Debtors                                                    | 17   | 61,768               | 42,132               |
| Cash at bank and in hand                                   | 18   | 10,168               | 3,769                |
|                                                            |      | <u>72,897</u>        | <u>46,758</u>        |
| Creditors: amounts falling due within one year             | 19   | (75,024)             | (54,279)             |
| <b>Net current liabilities</b>                             |      | <u>(2,127)</u>       | <u>(7,521)</u>       |
| <b>Total assets less current liabilities</b>               |      | <u>140,304</u>       | <u>128,099</u>       |
| Creditors: amounts falling due after more than one year    | 20   | (31,679)             | (25,716)             |
| <b>Provisions for liabilities</b>                          |      |                      |                      |
| Deferred taxation                                          | 23   | (4,001)              | (3,740)              |
| Other provisions                                           | 25   | (250)                | (250)                |
|                                                            |      | <u>(4,251)</u>       | <u>(3,990)</u>       |
| Accruals and deferred income                               |      | (12,167)             | (6,001)              |
| <b>Net assets</b>                                          |      | <u><u>92,207</u></u> | <u><u>92,392</u></u> |
| <b>Capital and reserves</b>                                |      |                      |                      |
| Called up share capital                                    | 29   | 316                  | 316                  |
| Share premium account                                      | 30   | 69,570               | 69,570               |
| Capital redemption reserve                                 | 30   | 39                   | 39                   |
| Profit and loss account                                    | 30   | 21,670               | 21,978               |
| <b>Equity attributable to owners of the parent Company</b> |      | <u>91,595</u>        | <u>91,903</u>        |
| Non-controlling interests                                  |      | 612                  | 489                  |
|                                                            |      | <u><u>92,207</u></u> | <u><u>92,392</u></u> |

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

**GEG (HOLDINGS) LIMITED**

**REGISTERED NUMBER: SC415463**

**CONSOLIDATED BALANCE SHEET (CONTINUED)  
AS AT 31 MARCH 2022**

A large, stylized handwritten signature in black ink, appearing to read 'R J MacGregor', is written over a dotted line.

**R J MacGregor**  
Director

Date: 21/12/22

The notes on pages 27 to 55 form part of these financial statements.

**GEG (HOLDINGS) LIMITED****REGISTERED NUMBER: SC415463****COMPANY BALANCE SHEET  
AS AT 31 MARCH 2022**

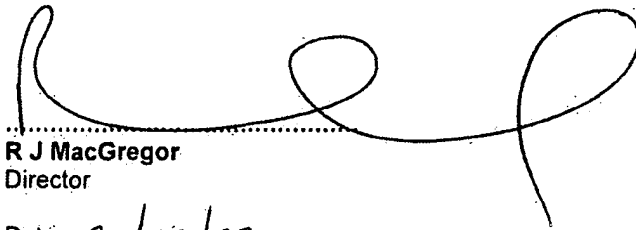
|                                                         | Note | 2022<br>£000   | 2021<br>£000   |
|---------------------------------------------------------|------|----------------|----------------|
| <b>Fixed assets</b>                                     |      |                |                |
| Intangible assets                                       | 13   | 1,349          | 491            |
| Tangible assets                                         | 14   | 181            | 166            |
| Investments                                             | 15   | 88,442         | 88,514         |
|                                                         |      | <u>89,972</u>  | <u>89,171</u>  |
| <b>Current assets</b>                                   |      |                |                |
| Debtors                                                 | 17   | 44,471         | 37,654         |
|                                                         |      | <u>44,471</u>  | <u>37,654</u>  |
| Creditors: amounts falling due within one year          | 19   | (10,639)       | (23,633)       |
|                                                         |      | <u>33,832</u>  | <u>14,021</u>  |
| <b>Net current assets</b>                               |      | <u>33,832</u>  | <u>14,021</u>  |
| <b>Total assets less current liabilities</b>            |      | <u>123,804</u> | <u>103,192</u> |
| Creditors: amounts falling due after more than one year | 20   | (17,250)       | (5,750)        |
|                                                         |      | <u>106,554</u> | <u>97,442</u>  |
| <b>Net assets</b>                                       |      | <u>106,554</u> | <u>97,442</u>  |
| <b>Capital and reserves</b>                             |      |                |                |
| Called up share capital                                 | 29   | 316            | 316            |
| Share premium account                                   | 30   | 69,570         | 69,570         |
| Capital redemption reserve                              | 30   | 39             | 39             |
| Profit and loss account brought forward                 |      | 27,517         | 28,365         |
| Profit/(loss) for the year                              |      | 9,112          | (848)          |
|                                                         |      | <u>36,629</u>  | <u>27,517</u>  |
| <b>Profit and loss account carried forward</b>          |      | <u>106,554</u> | <u>97,442</u>  |

**GEG (HOLDINGS) LIMITED**

**REGISTERED NUMBER: SC415463**

**COMPANY BALANCE SHEET (CONTINUED)  
AS AT 31 MARCH 2022**

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

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above the printed name and title.

**R J MacGregor**  
Director

Date: 21/12/22

The notes on pages 27 to 55 form part of these financial statements.



**GEG (HOLDINGS) LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022**

|                                             | Called<br>up<br>share<br>capital<br>£000 | Share<br>premium<br>account<br>£000 | Capital<br>redemption<br>reserve<br>£000 | Profit<br>and loss<br>account<br>£000 | Equity<br>attributable<br>to owners<br>of parent<br>company<br>£000 | Non-<br>controlling<br>interests<br>£000 | Total<br>equity<br>£000 |
|---------------------------------------------|------------------------------------------|-------------------------------------|------------------------------------------|---------------------------------------|---------------------------------------------------------------------|------------------------------------------|-------------------------|
| <b>At 1 April 2020</b>                      | 316                                      | 69,570                              | 39                                       | 19,234                                | 89,159                                                              | 709                                      | 89,868                  |
| Profit for the year                         | -                                        | -                                   | -                                        | 2,616                                 | 2,616                                                               | 489                                      | 3,105                   |
| Currency translation differences            | -                                        | -                                   | -                                        | (31)                                  | (31)                                                                | -                                        | (31)                    |
| Increase in controlling stake in subsidiary | -                                        | -                                   | -                                        | 159                                   | 159                                                                 | (709)                                    | (550)                   |
| <b>At 1 April 2021</b>                      | <u>316</u>                               | <u>69,570</u>                       | <u>39</u>                                | <u>21,978</u>                         | <u>91,903</u>                                                       | <u>489</u>                               | <u>92,392</u>           |
| Profit for the year                         | -                                        | -                                   | -                                        | 259                                   | 259                                                                 | 123                                      | 382                     |
| Currency translation differences            | -                                        | -                                   | -                                        | (7)                                   | (7)                                                                 | -                                        | (7)                     |
| Dividends                                   | -                                        | -                                   | -                                        | (160)                                 | (160)                                                               | -                                        | (160)                   |
| Increase in controlling stake in subsidiary | -                                        | -                                   | -                                        | (400)                                 | (400)                                                               | -                                        | (400)                   |
| <b>At 31 March 2022</b>                     | <u><u>316</u></u>                        | <u><u>69,570</u></u>                | <u><u>39</u></u>                         | <u><u>21,670</u></u>                  | <u><u>91,595</u></u>                                                | <u><u>612</u></u>                        | <u><u>92,207</u></u>    |

The notes on pages 27 to 55 form part of these financial statements.

**GEG (HOLDINGS) LIMITED****COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022**

|                     | Called up<br>share capital<br>£000 | Share<br>premium<br>account<br>£000 | Capital<br>redemption<br>reserve<br>£000 | Profit and<br>loss account<br>£000 | Total equity<br>£000 |
|---------------------|------------------------------------|-------------------------------------|------------------------------------------|------------------------------------|----------------------|
| At 1 April 2020     | 316                                | 69,570                              | 39                                       | 28,365                             | 98,290               |
| Loss for the year   | -                                  | -                                   | -                                        | (848)                              | (848)                |
| At 1 April 2021     | 316                                | 69,570                              | 39                                       | 27,517                             | 97,442               |
| Profit for the year | -                                  | -                                   | -                                        | 9,112                              | 9,112                |
| At 31 March 2022    | 316                                | 69,570                              | 39                                       | 36,629                             | 106,554              |

The notes on pages 27 to 55 form part of these financial statements.

**GEG (HOLDINGS) LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2022**

|                                                                             | 2022<br>£000    | 2021<br>£000   |
|-----------------------------------------------------------------------------|-----------------|----------------|
| <b>Cash flows from operating activities</b>                                 |                 |                |
| Profit for the financial year                                               | 382             | 3,105          |
| <b>Adjustments for:</b>                                                     |                 |                |
| Amortisation of intangible assets                                           | 4,010           | 4,098          |
| Depreciation of tangible assets                                             | 5,995           | 6,465          |
| Gain on disposal of subsidiary                                              | (2,727)         | -              |
| Gain on disposal of tangible assets                                         | (706)           | (828)          |
| Interest paid                                                               | 1,284           | 1,315          |
| Income from associates                                                      | (56)            | -              |
| Taxation charge                                                             | 2,538           | 1,789          |
| (Increase)/decrease in stocks                                               | (142)           | 177            |
| (Increase)/decrease in debtors                                              | (22,596)        | 12,917         |
| Increase/(decrease) in creditors                                            | 18,806          | (1,241)        |
| Increase in provisions                                                      | -               | 250            |
| Corporation tax paid                                                        | (1,057)         | (731)          |
| Deferred government grant release                                           | (190)           | (191)          |
| Other movements                                                             | (7)             | (35)           |
| <b>Net cash generated from operating activities</b>                         | <b>5,534</b>    | <b>27,090</b>  |
| <b>Cash flows from investing activities</b>                                 |                 |                |
| Purchase of intangible fixed assets                                         | (1,519)         | (1,117)        |
| Purchase of tangible fixed assets                                           | (18,364)        | (4,040)        |
| Sale of tangible fixed assets                                               | 3,666           | 2,723          |
| Sale of subsidiary undertaking                                              | 6,913           | -              |
| HP interest paid                                                            | (676)           | (462)          |
| Acquisition of non-controlling interest                                     | (400)           | (400)          |
| Net cash disposed with subsidiary undertaking                               | (600)           | -              |
| Payment of deferred consideration of subsidiaries acquired in prior periods | (1,723)         | (659)          |
| <b>Net cash from investing activities</b>                                   | <b>(12,703)</b> | <b>(3,955)</b> |

**GEG (HOLDINGS) LIMITED****CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022**

|                                                               | 2022<br>£000   | 2021<br>£000    |
|---------------------------------------------------------------|----------------|-----------------|
| <b>Cash flows from financing activities</b>                   |                |                 |
| Net movement in bank borrowings                               | 9,900          | (18,850)        |
| Repayment of finance leases                                   | (9,571)        | (3,212)         |
| Dividends paid                                                | (160)          | -               |
| Interest paid                                                 | (608)          | (853)           |
| Deferred government grant received                            | 6,356          | -               |
| <b>Net cash used in financing activities</b>                  | <b>5,917</b>   | <b>(22,915)</b> |
| <b>Net (decrease)/increase in cash and cash equivalents</b>   | <b>(1,252)</b> | <b>220</b>      |
| Cash and cash equivalents at beginning of year                | 3,769          | 3,549           |
| <b>Cash and cash equivalents at the end of year</b>           | <b>2,517</b>   | <b>3,769</b>    |
| <b>Cash and cash equivalents at the end of year comprise:</b> |                |                 |
| Cash at bank and in hand                                      | 10,168         | 3,769           |
| Bank overdrafts                                               | (7,651)        | -               |
|                                                               | <b>2,517</b>   | <b>3,769</b>    |

The notes on pages 27 to 55 form part of these financial statements.

**GEG (HOLDINGS) LIMITED**

**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 MARCH 2022**

|                          | At 1 April<br>2021<br>£000 | Cash flows<br>£000 | Acquisition<br>and disposal<br>of<br>subsidiaries<br>£000 | New finance<br>leases<br>£000 | At 31 March<br>2022<br>£000 |
|--------------------------|----------------------------|--------------------|-----------------------------------------------------------|-------------------------------|-----------------------------|
| Cash at bank and in hand | 3,769                      | 6,662              | (263)                                                     | -                             | 10,168                      |
| Bank overdrafts          | -                          | (7,651)            | -                                                         | -                             | (7,651)                     |
| Debt due after 1 year    | (3,750)                    | (13,500)           | -                                                         | -                             | (17,250)                    |
| Debt due within 1 year   | (7,600)                    | 3,600              | -                                                         | -                             | (4,000)                     |
| Finance leases           | (17,143)                   | 9,571              | 2,165                                                     | (6,591)                       | (11,998)                    |
|                          | <u>(24,724)</u>            | <u>(1,318)</u>     | <u>1,902</u>                                              | <u>(6,591)</u>                | <u>(30,731)</u>             |

The notes on pages 27 to 55 form part of these financial statements.

## **GEG (HOLDINGS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

#### **1. General information**

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

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and loss account in these financial statements.

The following principal accounting policies have been applied:

##### **2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

##### **2.3 Going concern**

The Group regularly monitors its funding position throughout the year to ensure that it has access to sufficient funds to meet its forecast cash requirements. Forecasts are regularly produced to give management's best estimates of forward liquidity, leverage and forecast covenant compliance as defined in the Group's loan documentation. This is done to identify risks to liquidity and covenant compliance and to enable management to formulate appropriate and timely mitigation strategies.

At the year end the Group had net assets of £92.2m (2021 - £92.4m) with net current liabilities of £2.1m (2021 - £7.5m). The directors have reviewed the most recent projections and forecasts as prepared as part of its budgeting and strategic planning process, along with assessing severe but plausible downside sensitivity scenarios and their potential impacts on Group profitability and cash generation over the same period. By completing this analysis, these projections indicate that the Group's liquidity and covenant headroom is adequate. Therefore, the directors are confident that the Group has sufficient covenant headroom as well as adequate cash resources to meet all its liabilities as they fall due over the next 12 months. For these reasons the directors consider it appropriate to prepare the Group financial statements on a going concern basis.

## **GEG (HOLDINGS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

#### **2. Accounting policies (continued)**

##### **2.4 Foreign currency translation**

###### **Functional and presentation currency**

The Company and the Group's functional and presentational currency is GBP.

###### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

##### **2.5 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group 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.

## **GEG (HOLDINGS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

#### **2. Accounting policies (continued)**

##### **2.6 Operating leases: the Group as lessee**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

##### **2.7 Leased assets: the Group as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### **2.8 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

##### **2.9 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated profit and loss account in the same period as the related expenditure.

##### **2.10 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.



## **GEG (HOLDINGS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

#### **2. Accounting policies (continued)**

##### **2.11 Pensions**

###### **Defined contribution pension plan**

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

The contributions are recognised as an expense in profit or loss 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 Group in independently administered funds.

The Group also contributes to personal plans for certain employees. The contributions are charged to profit or loss as they become payable in accordance with the rules of the scheme.

##### **2.12 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

## **GEG (HOLDINGS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

#### **2. Accounting policies (continued)**

##### **2.13 Intangible assets**

###### **Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated profit and loss account over its useful economic life.

###### **Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

##### **2.14 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.

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.

Depreciation is provided on the following basis:

|                                |            |
|--------------------------------|------------|
| Land & Buildings               | - 4 - 25%  |
| Plant and machinery            | - 10 - 20% |
| Motor vehicles                 | - 25%      |
| Fixtures, fittings & equipment | - 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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

##### **2.15 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

## **GEG (HOLDINGS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

#### **2. Accounting policies (continued)**

##### **2.16 Associates and joint ventures**

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated profit and loss account includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated balance sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

##### **2.17 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### **2.18 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.

##### **2.19 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

##### **2.20 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.

## **GEG (HOLDINGS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

#### **2. Accounting policies (continued)**

##### **2.21 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

## **GEG (HOLDINGS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

#### **2. Accounting policies (continued)**

##### **2.22 Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **2.23 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

## GEG (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements, requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of financial position date and the amounts reported during the year for revenue and costs. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following are the Group's key sources of estimation uncertainty:

##### Long term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year-end by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Turnover derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year which they are first foreseen.

##### Share options

The value of the share options creditor (note 19) is based on an estimate of the amounts payable to minority shareholders of subsidiary companies on exercise of the put and call options related to these shareholdings. The amounts payable are determined by the underlying legal agreements and are subject to the future performance of the subsidiary companies to which they relate. The directors have prepared a projection of future performance of these subsidiaries taking into account the environment in which they operate and have based the expected obligation on these projections.

##### Goodwill

Positive goodwill acquired on each business combination is capitalised, classified as an asset on the statement of financial position and amortised on a straight line basis over its useful life. If a subsidiary, associate or business is subsequently sold or discontinued, any goodwill arising on acquisition that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or discontinuance.

#### 4. Turnover

The whole of the turnover is attributable to the Group's principal activity as disclosed in the strategic report.

Analysis of turnover by country of destination:

|                   | 2022<br>£000   | 2021<br>£000   |
|-------------------|----------------|----------------|
| United Kingdom    | 219,387        | 172,506        |
| Rest of Europe    | 1,471          | 3,124          |
| Rest of the world | 3,917          | 6,220          |
|                   | <u>224,775</u> | <u>181,850</u> |

**GEG (HOLDINGS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022****5. Other operating income**

|                                   | 2022<br>£000 | 2021<br>£000 |
|-----------------------------------|--------------|--------------|
| Government grants receivable      | -            | 2,471        |
| Research & development tax credit | 491          | 612          |
|                                   | <u>491</u>   | <u>3,083</u> |

**6. Operating profit**

The operating profit is stated after charging/(crediting):

|                                                                   | 2022<br>£000 | 2021<br>£000 |
|-------------------------------------------------------------------|--------------|--------------|
| Amortisation of government grants                                 | (190)        | (191)        |
| Depreciation of tangible fixed assets - owned by the company      | 3,889        | 3,848        |
| Depreciation of tangible fixed assets - held under finance leases | 2,106        | 2,617        |
| Amortisation of goodwill                                          | 3,960        | 4,080        |
| Amortisation of other intangible assets                           | 50           | 18           |
| Exchange differences                                              | (5)          | 274          |
| Other operating lease rentals                                     | 2,885        | 3,430        |
| Research and development credit                                   | <u>(491)</u> | <u>(612)</u> |

**7. Auditor's remuneration**

During the year, the Group obtained the following services from the Company's auditor and its associates:

|                                                                                                                                      | 2022<br>£000 | 2021<br>£000 |
|--------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| Fees payable to the Company's auditor and its associates for the audit of the consolidated and parent Company's financial statements | 159          | 149          |
| Fees payable to the Company's auditor and its associates in respect of:                                                              |              |              |
| Taxation compliance services                                                                                                         | 16           | 17           |
| All non-audit services not included above                                                                                            | <u>55</u>    | <u>116</u>   |

**GEG (HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**8. Employees**

Staff costs, including directors' remuneration, were as follows:

|                                     | Group<br>2022<br>£000 | Group<br>2021<br>£000 |
|-------------------------------------|-----------------------|-----------------------|
| Wages and salaries                  | 46,783                | 41,596                |
| Social security costs               | 5,457                 | 4,646                 |
| Cost of defined contribution scheme | 1,531                 | 1,565                 |
|                                     | <u>53,771</u>         | <u>47,807</u>         |

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

|                               | 2022<br>No. | 2021<br>No. |
|-------------------------------|-------------|-------------|
| Management and administration | 328         | 248         |
| Blue collar/technical         | 622         | 510         |
|                               | <u>950</u>  | <u>758</u>  |

**9. Directors' remuneration**

|                                                               | 2022<br>£000 | 2021<br>£000 |
|---------------------------------------------------------------|--------------|--------------|
| Directors' emoluments                                         | 557          | 554          |
| Company contributions to defined contribution pension schemes | 21           | 20           |
|                                                               | <u>578</u>   | <u>574</u>   |

During the year retirement benefits were accruing to 1 director (2021 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £251,000 (2021 - £275,000).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £21,000 (2021 - £20,000).



**GEG (HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**10. Interest payable and similar expenses**

|                                            | 2022<br>£000 | 2021<br>£000 |
|--------------------------------------------|--------------|--------------|
| Bank interest payable                      | 608          | 853          |
| Finance leases and hire purchase contracts | 676          | 462          |
|                                            | <u>1,284</u> | <u>1,315</u> |

**11. Taxation**

|                                                  | 2022<br>£000 | 2021<br>£000 |
|--------------------------------------------------|--------------|--------------|
| <b>Corporation tax</b>                           |              |              |
| Current tax on profits for the year              | 1,310        | 1,316        |
| Adjustments in respect of previous periods       | (138)        | (121)        |
| <b>Foreign tax</b>                               |              |              |
| Foreign tax on income for the year               | 474          | -            |
| <b>Total current tax</b>                         | <u>1,646</u> | <u>1,195</u> |
| <b>Deferred tax</b>                              |              |              |
| Origination and reversal of timing differences   | 636          | 577          |
| Adjustments in respect of prior years            | 256          | 17           |
| <b>Total deferred tax</b>                        | <u>892</u>   | <u>594</u>   |
| <b>Taxation on profit on ordinary activities</b> | <u>2,538</u> | <u>1,789</u> |

**GEG (HOLDINGS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022****11. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

|                                                                                                            | 2022<br>£000 | 2021<br>£000 |
|------------------------------------------------------------------------------------------------------------|--------------|--------------|
| Profit on ordinary activities before tax                                                                   | 2,921        | 4,894        |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%) | 555          | 930          |
| Effects of:                                                                                                |              |              |
| Expenses not deductible for tax purposes, including goodwill amortisation                                  | 2,408        | 777          |
| Fixed asset differences                                                                                    | 304          | 198          |
| Other timing differences leading to an increase/(decrease) in taxation                                     | (46)         | 27           |
| Adjustments to tax charge in respect of prior periods                                                      | 450          | (104)        |
| Effect of rate change on deferred tax                                                                      | 963          | -            |
| Non-taxable income                                                                                         | (2,293)      | (39)         |
| Foreign tax adjustments                                                                                    | 197          | -            |
| <b>Total tax charge for the year</b>                                                                       | <b>2,538</b> | <b>1,789</b> |

**12. Exceptional Items**

|                             | 2022<br>£000 | 2021<br>£000 |
|-----------------------------|--------------|--------------|
| Provision for onerous lease | 865          | -            |
| Dilapidation costs          | 1,800        | -            |
| Deal fee written off        | 898          | -            |
| Group restructuring costs   | 642          | -            |
|                             | <b>4,205</b> | <b>-</b>     |

During the year the group had a number of one off non-recurring exceptional costs. The directors believe these costs are exceptional in nature and require to be disclosed separately as a result.

**GEG (HOLDINGS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022****13. Intangible assets****Group**

|                                     | Lease<br>premium<br>£000 | Software<br>£000 | Goodwill<br>£000 | Total<br>£000 |
|-------------------------------------|--------------------------|------------------|------------------|---------------|
| <b>Cost</b>                         |                          |                  |                  |               |
| At 1 April 2021                     | 1,115                    | 1,117            | 80,092           | 82,324        |
| Additions                           | 9                        | 1,509            | 1,532            | 3,050         |
| Disposals                           | -                        | -                | (4,076)          | (4,076)       |
| At 31 March 2022                    | 1,124                    | 2,626            | 77,548           | 81,298        |
| <b>Amortisation</b>                 |                          |                  |                  |               |
| At 1 April 2021                     | 176                      | -                | 33,072           | 33,248        |
| Charge for the year on owned assets | 19                       | 31               | 3,960            | 4,010         |
| On disposals                        | -                        | -                | (335)            | (335)         |
| At 31 March 2022                    | 195                      | 31               | 36,697           | 36,923        |
| <b>Net book value</b>               |                          |                  |                  |               |
| At 31 March 2022                    | 929                      | 2,595            | 40,851           | 44,375        |
| At 31 March 2021                    | 939                      | 1,117            | 47,020           | 49,076        |

**GEG (HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**13. Intangible assets (continued)**

**Company**

|                       | Software<br>£000 |
|-----------------------|------------------|
| <b>Cost</b>           |                  |
| At 1 April 2021       | 491              |
| Additions             | 858              |
| At 31 March 2022      | <u>1,349</u>     |
| <b>Net book value</b> |                  |
| At 31 March 2022      | <u>1,349</u>     |
| At 31 March 2021      | <u>491</u>       |

Software assets remain under construction as at 31 March 2022, amortisation will commence when the assets are put to use.

**GEG (HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**14. Tangible fixed assets**

**Group**

|                                        | Land and<br>Buildings<br>£000 | Plant and<br>machinery<br>£000 | Motor<br>vehicles<br>£000 | Furniture,<br>fittings and<br>equipment<br>£000 | Total<br>£000 |
|----------------------------------------|-------------------------------|--------------------------------|---------------------------|-------------------------------------------------|---------------|
| <b>Cost or valuation</b>               |                               |                                |                           |                                                 |               |
| At 1 April 2021                        | 61,192                        | 55,222                         | 1,195                     | 1,664                                           | 119,273       |
| Additions                              | 18,255                        | 5,859                          | 459                       | 383                                             | 24,956        |
| Disposals                              | (914)                         | (4,603)                        | (205)                     | (53)                                            | (5,775)       |
| Disposal of subsidiary                 | (183)                         | (9,493)                        | (210)                     | (84)                                            | (9,970)       |
| At 31 March 2022                       | 78,350                        | 46,985                         | 1,239                     | 1,910                                           | 128,484       |
| <b>Depreciation</b>                    |                               |                                |                           |                                                 |               |
| At 1 April 2021                        | 12,217                        | 18,741                         | 606                       | 1,165                                           | 32,729        |
| Charge for the year on owned assets    | 1,931                         | 1,365                          | 338                       | 255                                             | 3,889         |
| Charge for the year on financed assets | -                             | 2,106                          | -                         | -                                               | 2,106         |
| Disposals                              | (705)                         | (1,942)                        | (124)                     | (44)                                            | (2,815)       |
| Disposal of subsidiary                 | (38)                          | (3,163)                        | (149)                     | (70)                                            | (3,420)       |
| At 31 March 2022                       | 13,405                        | 17,107                         | 671                       | 1,306                                           | 32,489        |
| <b>Net book value</b>                  |                               |                                |                           |                                                 |               |
| At 31 March 2022                       | 64,945                        | 29,878                         | 568                       | 604                                             | 95,995        |
| At 31 March 2021                       | 48,974                        | 36,481                         | 589                       | 500                                             | 86,544        |

The net book value of land and buildings may be further analysed as follows:

|                 | 2022<br>£000 | 2021<br>£000 |
|-----------------|--------------|--------------|
| Freehold        | 40,866       | 24,424       |
| Long leasehold  | 23,964       | 24,430       |
| Short leasehold | 113          | 119          |
|                 | 64,943       | 48,973       |

**GEG (HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**14. Tangible fixed assets (continued)**

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

|                                     | 2022<br>£000                 | 2021<br>£000              |                                  |               |
|-------------------------------------|------------------------------|---------------------------|----------------------------------|---------------|
| Plant and machinery                 | 19,714                       | 28,501                    |                                  |               |
| <b>Company</b>                      |                              |                           |                                  |               |
|                                     | Freehold<br>property<br>£000 | Motor<br>vehicles<br>£000 | Fixtures and<br>fittings<br>£000 | Total<br>£000 |
| <b>Cost or valuation</b>            |                              |                           |                                  |               |
| At 1 April 2021                     | 78                           | 44                        | 229                              | 351           |
| Additions                           | -                            | 74                        | 38                               | 112           |
| Disposals                           | -                            | (34)                      | -                                | (34)          |
| At 31 March 2022                    | 78                           | 84                        | 267                              | 429           |
| <b>Depreciation</b>                 |                              |                           |                                  |               |
| At 1 April 2021                     | 50                           | 26                        | 109                              | 185           |
| Charge for the year on owned assets | 14                           | 15                        | 55                               | 84            |
| Disposals                           | -                            | (21)                      | -                                | (21)          |
| At 31 March 2022                    | 64                           | 20                        | 164                              | 248           |
| <b>Net book value</b>               |                              |                           |                                  |               |
| At 31 March 2022                    | 14                           | 64                        | 103                              | 181           |
| At 31 March 2021                    | 28                           | 18                        | 120                              | 166           |

# **GEG (HOLDINGS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

### **15. Fixed asset investments**

#### **Group**

|                           | Investments<br>in associates<br>£000 |
|---------------------------|--------------------------------------|
| <b>Cost or valuation</b>  |                                      |
| Additions at initial cost | 2,005                                |
| Share of results          | 56                                   |
| At 31 March 2022          | <u>2,061</u>                         |
| <b>Net book value</b>     |                                      |
| At 31 March 2022          | <u><u>2,061</u></u>                  |
| At 31 March 2021          | <u><u>-</u></u>                      |

The Group previously owned 50.1% of Rig Surveys Group Limited and its subsidiaries. During the year, the Group disposed of a share of this, bringing the ownership percentage to 49.1%. Given the Group has ceased to control the sub-group, it is no longer consolidated in these financial statements and is recognised as an associate. The carrying value of the subsidiary's net assets are taken as the cost on initial measurement of the associate and accordingly no gain or loss has been recognised in relation to this transaction.

**GEG (HOLDINGS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022****15. Fixed asset investments (continued)****Company**

|                          | Investments<br>in subsidiary<br>companies<br>£000 |
|--------------------------|---------------------------------------------------|
| <b>Cost or valuation</b> |                                                   |
| At 1 April 2021          | 88,514                                            |
| Disposals                | (72)                                              |
| At 31 March 2022         | <u>88,442</u>                                     |
| <b>Net book value</b>    |                                                   |
| At 31 March 2022         | <u>88,442</u>                                     |
| At 31 March 2021         | <u>88,514</u>                                     |

For the year ended 31 March 2022, the following subsidiaries are entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies: Apollo Engineering Consultants Limited, Caledonian Petroleum Services Limited, GEG (Marine & Logistics) Limited, Global Energy (Engineering & Construction) Limited, Global Energy (Group) Limited, Global Energy (Holdings) Limited, Global Energy Corporation Limited, Global Energy Fabrication Limited, Global Energy Nigg Limited, Global Energy Services Limited, Global Logistics Services Limited, Global Port Services (Scotland) Limited, Global Power & Process Limited, Global Project (Services) Limited, Isleburn Limited, Magma Products Limited, Nigg Energy Park Limited, Nigg Offshore Wind Asset Company Limited, Nigg Offshore Wind Holding Company Limited, Port of Nigg Limited, REEL Group Limited, SLLP 344 Limited, TOWER XL Limited.



**GEG (HOLDINGS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022****15. Fixed asset investments (continued)****Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

| <b>Name</b>                                         | <b>Registered office</b>                                         | <b>Class of shares</b> | <b>Holding</b> |
|-----------------------------------------------------|------------------------------------------------------------------|------------------------|----------------|
| GEG (Marine & Logistics) Limited                    | 13 Henderson Road,<br>Inverness, IV1 1SN                         | Ordinary               | 100%           |
| Global Energy Nigg Limited*                         | 13 Henderson Road,<br>Inverness, IV1 1SN                         | Ordinary               | 87.5%          |
| Port of Nigg Limited*                               | 13 Henderson Road,<br>Inverness, IV1 1SN                         | Ordinary               | 87.5%          |
| Nigg Energy Park Limited*                           | 13 Henderson Road,<br>Inverness, IV1 1SN                         | Ordinary               | 87.5%          |
| Global Energy Fabrication Limited*                  | 13 Henderson Road,<br>Inverness, IV1 1SN                         | Ordinary               | 100%           |
| Global Energy (Group) Limited*                      | 13 Henderson Road,<br>Inverness, IV1 1SN                         | Ordinary               | 100%           |
| Global Energy (Engineering & Construction) Limited* | 13 Henderson Road,<br>Inverness, IV1 1SN                         | Ordinary               | 81%            |
| Global Energy (Holdings) Limited*                   | 13 Henderson Road,<br>Inverness, IV1 1SN                         | Ordinary               | 100%           |
| Global Energy Group (Access & Coatings) Limited* ** | 13 Henderson Road,<br>Inverness, IV1 1SN                         | Ordinary               | 100%           |
| Reel Group Limited*                                 | 13 Henderson Road,<br>Inverness, IV1 1SN                         | Ordinary               | 100%           |
| Reel Limited* **                                    | 13 Henderson Road,<br>Inverness, IV1 1SN                         | Ordinary               | 100%           |
| Reel Inspection & Rig Maintenance Pvt Limited*      | H 62, Mahindra Park,<br>LBS marg Ghatkopar<br>West Mumbai 400086 | Ordinary               | 100%           |
| Global Port Services (Scotland) Limited*            | 13 Henderson Road,<br>Inverness, IV1 1SN                         | Ordinary               | 97.5%          |
| Global Logistics Services Limited*                  | 13 Henderson Road,<br>Inverness, IV1 1SN                         | Ordinary               | 97.5%          |
| Global Energy Corporation Limited*                  | 13 Henderson Road,<br>Inverness, IV1 1SN                         | Ordinary               | 100%           |
| Apollo Offshore Engineering Limited*                | Nautilus House, 35<br>Waterloo Quay,<br>Aberdeen, AB11 5BS       | Ordinary               | 58.4%          |
| Caledonian Petroleum Services Limited*              | 13 Henderson Road,<br>Inverness, IV1 1SN                         | Ordinary               | 100%           |
| Isleburn Limited*                                   | 13 Henderson Road,<br>Inverness, IV1 1SN                         | Ordinary               | 100%           |
| Global Resources (Project Recruitment) Limited* **  | 13 Henderson Road,<br>Inverness, IV1 1SN                         | Ordinary               | 100%           |
| Vertech Integrity Services Limited**                | 13 Henderson Road,<br>Inverness, IV1 1SN                         | Ordinary               | 100%           |
| Global Power & Process Limited                      | 13 Henderson Road,<br>Inverness, IV1 1SN                         | Ordinary               | 100%           |
| Global Project (Services) Limited* *****            | 13 Henderson Road,<br>Inverness, IV1 1SN                         | Ordinary               | 100%           |
| Global Project Services Norge* *****                | Solheimsgaten 7E, 5058<br>Bergen, Norway                         | Ordinary               | 100%           |
| Magma Products Limited*                             | 13 Henderson Road,<br>Inverness, IV1 1SN                         | Ordinary               | 81%            |

**GEG (HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**15. Fixed asset investments (continued)**

**Subsidiary undertakings (continued)**

| <b>Name</b>                                | <b>Registered office</b>                                                                                 | <b>Class of shares</b> | <b>Holding</b> |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------|------------------------|----------------|
| Rig Surveys Group Limited****              | Evolution View<br>Wellheads Crescent,<br>Wellheads Industrial<br>Estate, Aberdeen,<br>Scotland, AB21 7GA | Ordinary               | 49.1%          |
| Evolution Ropes Limited****                | Evolution View<br>Wellheads Crescent,<br>Wellheads Industrial<br>Estate, Aberdeen,<br>Scotland, AB21 7GA | Ordinary               | 49.1%          |
| Evolution Hose Limited****                 | Evolution View<br>Wellheads Crescent,<br>Wellheads Industrial<br>Estate, Aberdeen,<br>Scotland, AB21 7GA | Ordinary               | 49.1%          |
| Rig Surveys Limited****                    | Evolution View<br>Wellheads Crescent,<br>Wellheads Industrial<br>Estate, Aberdeen,<br>Scotland, AB21 7GA | Ordinary               | 49.1%          |
| Rig IRM Inc.*                              | 13104 Wornington Court,<br>Houston, TX 77077                                                             | Ordinary               | 49.1%          |
| Rig Surveys AS*                            | Filipstad Brygge 1, Oslo,<br>0252, Norge                                                                 | Ordinary               | 49.1%          |
| Global Energy Services Limited             | 13 Henderson Road,<br>Inverness, IV1 1SN                                                                 | Ordinary               | 100%           |
| Nigg Offshore Wind Asset Company Limited   | 13 Henderson Road,<br>Inverness, IV1 1SN                                                                 | Ordinary               | 100%           |
| Nigg Offshore Wind Holding Company Limited | 13 Henderson Road,<br>Inverness, IV1 1SN                                                                 | Ordinary               | 100%           |
| SLLP 344 Limited                           | 13 Henderson Road,<br>Inverness, IV1 1SN                                                                 | Ordinary               | 100%           |
| TOWER XL Limited                           | 13 Henderson Road,<br>Inverness, IV1 1SN                                                                 | Ordinary               | 100%           |

\* Held by a subsidiary undertaking

\*\* Company dissolved during year

\*\*\* Investment in Caledonian Towage Limited was disposed during year (note 32)

\*\*\*\* In July 2021, the group sold part of its investment. The group originally held 50.1% of shares which reduced to 49.1%.

\*\*\*\*\* Investment in subsidiary disposed post year end

**GEG (HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**16. Stocks**

|                               | Group<br>2022<br>£000 | Group<br>2021<br>£000 |
|-------------------------------|-----------------------|-----------------------|
| Raw materials and consumables | 961                   | 857                   |

**17. Debtors**

|                                            | Group<br>2022<br>£000 | Group<br>2021<br>£000 | Company<br>2022<br>£000 | Company<br>2021<br>£000 |
|--------------------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Trade debtors                              | 24,675                | 20,286                | 306                     | 112                     |
| Amounts owed by group undertakings         | -                     | -                     | 42,314                  | 36,189                  |
| Other debtors                              | 2,088                 | 1,612                 | 565                     | 686                     |
| Prepayments and accrued income             | 7,713                 | 3,951                 | 512                     | 541                     |
| Amounts recoverable on long term contracts | 27,292                | 16,283                | -                       | -                       |
| Deferred taxation                          | -                     | -                     | 774                     | 126                     |
|                                            | <u>61,768</u>         | <u>42,132</u>         | <u>44,471</u>           | <u>37,654</u>           |

**18. Cash and cash equivalents**

|                          | Group<br>2022<br>£000 | Group<br>2021<br>£000 | Company<br>2022<br>£000 | Company<br>2021<br>£000 |
|--------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Cash at bank and in hand | 10,168                | 3,769                 | -                       | -                       |
| Less: bank overdrafts    | (7,651)               | -                     | (1,457)                 | (12,841)                |
|                          | <u>2,517</u>          | <u>3,769</u>          | <u>(1,457)</u>          | <u>(12,841)</u>         |

**GEG (HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**19. Creditors: Amounts falling due within one year**

|                                                             | Group<br>2022<br>£000 | Group<br>2021<br>£000 | Company<br>2022<br>£000 | Company<br>2021<br>£000 |
|-------------------------------------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Bank overdrafts                                             | 7,651                 | -                     | 1,457                   | 12,841                  |
| Bank loans                                                  | 4,000                 | 5,600                 | 4,000                   | 5,600                   |
| Trade creditors                                             | 25,405                | 13,825                | 335                     | 584                     |
| Amounts owed to group undertakings                          | -                     | -                     | 1,915                   | 3,425                   |
| Corporation tax                                             | 1,399                 | 1,103                 | -                       | -                       |
| Other taxation and social security                          | 2,977                 | 3,739                 | 139                     | 227                     |
| Obligations under finance lease and hire purchase contracts | 3,120                 | 3,639                 | -                       | -                       |
| Other creditors                                             | 1,379                 | 2,570                 | 351                     | 306                     |
| Accruals and deferred income                                | 29,093                | 23,803                | 2,442                   | 650                     |
|                                                             | <u>75,024</u>         | <u>54,279</u>         | <u>10,639</u>           | <u>23,633</u>           |

**20. Creditors: Amounts falling due after more than one year**

|                                                                  | Group<br>2022<br>£000 | Group<br>2021<br>£000 | Company<br>2022<br>£000 | Company<br>2021<br>£000 |
|------------------------------------------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Bank loans                                                       | 17,250                | 5,750                 | 17,250                  | 5,750                   |
| Net obligations under finance leases and hire purchase contracts | 8,879                 | 13,504                | -                       | -                       |
| Other creditors                                                  | 5,550                 | 6,462                 | -                       | -                       |
|                                                                  | <u>31,679</u>         | <u>25,716</u>         | <u>17,250</u>           | <u>5,750</u>            |

The other creditors balance includes amounts payable to acquire the minority shareholdings of subsidiary companies. The amounts are subject to put and call option agreements that were in place at the balance sheet date, and as such the exercise of such options are potentially outside the control of the Group. Given the circumstances set out and that the future exercise of the options are considered to be highly likely, the directors consider it appropriate to recognise the expected obligation at the balance sheet date.

**GEG (HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**21. Loans**

|                                            | Group<br>2022<br>£000 | Group<br>2021<br>£000 | Company<br>2022<br>£000 | Company<br>2021<br>£000 |
|--------------------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| <b>Amounts falling due within one year</b> |                       |                       |                         |                         |
| Bank loans                                 | 4,000                 | 5,600                 | 4,000                   | 5,600                   |
| <b>Amounts falling due 1-2 years</b>       |                       |                       |                         |                         |
| Bank loans                                 | 5,000                 | 5,750                 | 5,000                   | 5,750                   |
| <b>Amounts falling due 2-5 years</b>       |                       |                       |                         |                         |
| Bank loans                                 | 12,250                | -                     | 12,250                  | -                       |
|                                            | <u>21,250</u>         | <u>11,350</u>         | <u>21,250</u>           | <u>11,350</u>           |

As at 31 March 2022 the Group and Company had 2 outstanding loan facilities.

A term loan of £15,250,000 repayable in quarterly instalments of £1,250,000. Interest is payable on the loan at a margin over LIBOR set by the terms of the loan agreement.

A revolving credit of £6,000,000 repayable on its final maturity date in October 2024. Interest is payable on the loan at a margin over LIBOR set by the terms of the loan agreement.

The loan and overdraft facilities are secured by a bond and floating charge over the assets of each group company and a group composite guarantee.

**22. Obligations under leases and hire purchase contracts**

The Group and Company use finance leases and hire purchase contracts to acquire plant and machinery. These leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the lessee.

Minimum lease payments under hire purchase fall due as follows:

|                   | Group<br>2022<br>£000 | Group<br>2021<br>£000 |
|-------------------|-----------------------|-----------------------|
| Within one year   | 3,120                 | 2,222                 |
| Between 1-5 years | 8,879                 | 14,921                |
|                   | <u>11,999</u>         | <u>17,143</u>         |

The hire purchase creditors are secured on the assets to which they relate.

**GEG (HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**23. Deferred taxation**

**Group**

|                             | 2022<br>£000   |
|-----------------------------|----------------|
| At beginning of year        | (3,740)        |
| Charged to profit or loss   | (889)          |
| On disposal of subsidiaries | 628            |
| <b>At end of year</b>       | <b>(4,001)</b> |

**Company**

|                           | 2022<br>£000 |
|---------------------------|--------------|
| At beginning of year      | 126          |
| Charged to profit or loss | 648          |
| <b>At end of year</b>     | <b>774</b>   |

The provision for deferred taxation is made up as follows:

|                                | Group<br>2022<br>£000 | Group<br>2021<br>£000 | Company<br>2022<br>£000 | Company<br>2021<br>£000 |
|--------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Fixed asset timing differences | (5,474)               | (3,826)               | 137                     | 117                     |
| Short term timing differences  | 78                    | 51                    | 8                       | 9                       |
| Other timing differences       | 1,395                 | 35                    | 629                     | -                       |
|                                | <b>(4,001)</b>        | <b>(3,740)</b>        | <b>774</b>              | <b>126</b>              |

**24. Deferred government grants**

The movement in deferred government grants in the year is as follows:

|                         | Group<br>£000 |
|-------------------------|---------------|
| At 31 March 2021        | 6,001         |
| Additions               | 6,357         |
| Released in year        | (191)         |
| <b>At 31 March 2022</b> | <b>12,167</b> |

**GEG (HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**25. Provisions**

**Group**

|                  | HSE<br>provision<br>£000 |
|------------------|--------------------------|
| At 1 April 2021  | 250                      |
| At 31 March 2022 | 250                      |

Following an incident at one of the Group's premises in the prior year, the Group is currently co-operating with an ongoing investigation. While the likely timing and value of the financial liability as a result of this investigation remains uncertain, the directors have considered it appropriate to recognise a provision of £250,000 in the financial statements.

**26. Financial instruments**

|                                                                     | Group<br>2022<br>£000 | Group<br>2021<br>£000 | Company<br>2022<br>£000 | Company<br>2021<br>£000 |
|---------------------------------------------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| <b>Financial assets</b>                                             |                       |                       |                         |                         |
| Financial assets measured at fair value through profit or loss      | 10,168                | 3,769                 | -                       | -                       |
| Financial assets measured at amortised cost                         | 27,734                | 38,186                | 42,419                  | 37,500                  |
|                                                                     | <u>37,902</u>         | <u>41,955</u>         | <u>42,419</u>           | <u>37,500</u>           |
| <b>Financial liabilities</b>                                        |                       |                       |                         |                         |
| Financial liabilities measured at fair value through profit or loss | 7,651                 | 11,350                | 1,457                   | 24,191                  |
| Financial liabilities measured at amortised cost                    | 91,729                | 63,647                | 24,687                  | 5,576                   |
|                                                                     | <u>99,380</u>         | <u>74,997</u>         | <u>26,144</u>           | <u>29,767</u>           |

Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors, amount owed from group undertakings and other debtors.

Financial liabilities measured at fair value through profit and loss comprise of bank overdrafts.

Financial liabilities measured at amortised cost comprise of trade creditors, accruals, other creditors and amounts owed to group undertakings.

## **GEG (HOLDINGS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

#### **27. Capital commitments**

At 31 March 2022 the Group and Company had capital commitments as follows:

|                                                               | Group<br>2022<br>£000 | Group<br>2021<br>£000 |
|---------------------------------------------------------------|-----------------------|-----------------------|
| Contracted for but not provided in these financial statements | 12,492                | 7,598                 |

#### **28. Pension commitments**

The Group contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £1,531,000 (2021 - £1,565,000). Contributions totaling £316,000 (2021 - £271,000) were payable to the fund at the reporting date.



## GEG (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

#### 29. Share capital

|                                                        | 2022<br>£000 | 2021<br>£000 |
|--------------------------------------------------------|--------------|--------------|
| Allotted, called up and fully paid                     |              |              |
| 1,058 (2021 - 1,058) B Ordinary shares of £298.74 each | 316          | 316          |

#### 30. Reserves

##### Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

##### Capital redemption reserve

This reserve records the nominal value for the redemption of the Company's shares.

#### 31. Contingent liabilities

The Company is party to a group composite guarantee. At 31 March 2022, the aggregate borrowings by the Group amounted to £18,787,000 (2021 - £7,881,000).

#### 32. Disposal of subsidiary

During the year, the group disposed of its entire controlling stake in Caledonian Towage Limited.

The following table summarises this transaction for the year ended 31 March 2022:

|                                  | 2022<br>£000 |
|----------------------------------|--------------|
| Proceeds from sale               | 7,213        |
| Net asset value at point of sale | (4,142)      |
| Deal costs                       | (300)        |
| Goodwill written off on disposal | (44)         |
| Gain on sale                     | 2,727        |

## GEG (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

#### 33. Related party transactions

During the year the Group entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 31 March 2022 are as follows:

|                                                                               | Sales<br>£000 | Purchases<br>£000 | Year end<br>balance<br>£000 |
|-------------------------------------------------------------------------------|---------------|-------------------|-----------------------------|
| Entities under common control                                                 | 719           | 18,601            | 53                          |
| Entities under the control of a close family member of a<br>controlling party | -             | 565               | (86)                        |
| Entities with a common shareholder                                            | 250           | 258               | 1                           |
|                                                                               | <u>969</u>    | <u>19,424</u>     | <u>(32)</u>                 |

#### Terms and conditions of transactions with related parties

Sales and purchases between related parties are made at normal market prices. Outstanding balances with entities are unsecured, interest free and cash settlement is expected within 60 days of invoice. The Group has not provided or benefited from any guarantees for any related party receivables or payables.

#### Key management personnel

All individuals who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Total remuneration, which includes amounts disclosed in note 9, in respect of these individuals is £1,235,000 (2021: £1,119,000).

#### 34. Post balance sheet events

The group disposed of its controlling interest of Global Project Services during the year following interest from a number of buyers. Directors deemed the operation non-core and supported management with the sale.

#### 35. Ultimate parent undertaking and controlling party

The ultimate parent entity is GEG Capital Investments Limited, a company owned and controlled by R J MacGregor.