

Global Logistics Services Limited

Report and Financial Statements

for the year ended 30 March 2012

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Global Logistics Services Limited

Company Information

Directors	M H MacDonald R J MacGregor A B Mair (resigned 27 September 2012) J D MacDonald (appointed 4 November 2011)
Company secretary	R J MacGregor
Company number	SC358901
Registered office	13 Henderson Road Inverness IV1 1SP
Auditors	Ernst & Young LLP Barony House Stoneyfield Business Park Inverness IV2 7PA
Bankers	Bank of Scotland 3/5 Albyn Place Aberdeen AB10 1PY
Solicitors	Stronachs LLP 34 Albyn Place Aberdeen AB10 1FW

Global Logistics Services Limited

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Global Logistics Services Limited

Directors' report for the year ended 30 March 2012

The directors present their report and the financial statements for the year ended 30 March 2012.

Principal activities

Global Logistics is a subsidiary of the Global Energy Group; an international service company offering construction, upgrade, maintenance and operations support of client's critical assets in the Energy & Utility markets. Global Logistics support the drilling and marine market providing specialist quayside support services, project management and logistics solutions, as well as offering a professional port agency service for ship owners and operators.

The company's success is founded on an ability to provide fast turnaround solutions for mob/demob activities and to deliver comprehensive support services during major rig upgrade and refurbishment projects.

Business Review

The company experienced 132% growth in sales from the previous year at £5,768,634 (2011: £2,483,801) and the profit for the financial year was £562,128 for the period (2011: £303,278). The growth has seen the company recover to normal trading levels experienced in year one (2010: £4,217,887) following the reduction in sales during 2011 due to tight financial market conditions where clients weren't prepared to commit on CAPEX/OPEX spend. Global Logistics were heavily reliant on intercompany trade during that period.

Directors

The directors who served during the year were:

M H MacDonald
R J MacGregor
A B Mair (resigned 27 September 2012)
J D MacDonald (appointed 4 November 2011)

Future Developments

The directors and management view the coming year with expectation of further growth. Global Logistics continues to support Group operations with logistics solutions and shore side services for rig and vessel upgrades and loadout of manufactured subsea, topside and nuclear equipment which has increased due to the Nigg facility coming under Group ownership. The company has found new opportunities to widen the customer base and increase their portfolio in the shipping sector and sales are set to double turnover in 2013 as Global Logistics look to secure long term single source contracts with subsea companies.

Our investment in people and systems continues to be a high priority to structure the business for further growth throughout the Cromarty Firth, Aberdeen and beyond. The company are looking at a number of opportunities within the renewable energy sector and are working with other Group companies to support projects internationally.

Provision of information to auditors

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

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Global Logistics Services Limited

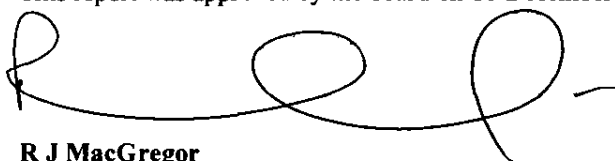
**Directors' report
for the year ended 30 March 2012**

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 18 December 2012 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'R J MacGregor', written over a horizontal line.

R J MacGregor
Secretary

Global Logistics Services Limited

**Directors' responsibilities statement
for the year ended 30 March 2012**

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

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

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

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

Global Logistics Services Limited

Independent auditors' report to the members of Global Logistics Services Limited

We have audited the financial statements of Global Logistics Services Limited for the year ended 30 March 2012, which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 March 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

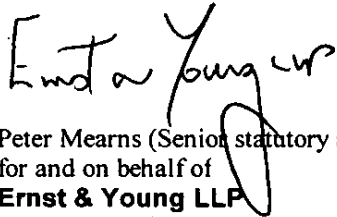
Global Logistics Services Limited

Independent auditors' report to the members of Global Logistics Services Limited

Matters on which we are required to report by exception

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

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



Peter Mearns (Senior statutory auditor)
for and on behalf of
Ernst & Young LLP
Statutory Auditor
Inverness

18 December 2012

Global Logistics Services Limited

**Profit and loss account
for the year ended 30 March 2012**

	<i>Note</i>	<i>2012</i> £	<i>2011</i> £
Turnover	1	5,768,634	2,483,801
Cost of sales		(4,725,000)	(1,870,728)
		<hr/>	<hr/>
Gross profit		1,043,634	613,073
Administrative expenses		(274,609)	(172,487)
		<hr/>	<hr/>
Operating profit	2	769,025	440,586
Exceptional items			
Net profit on sale of tangible fixed assets	4	22,000	-
		<hr/>	<hr/>
Profit on ordinary activities before interest		791,025	440,586
Interest payable and similar charges		(31,897)	(26,078)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		759,128	414,508
Tax on profit on ordinary activities	5	(197,000)	(111,230)
		<hr/>	<hr/>
Profit for the financial period	12	562,128	303,278
		<hr/>	<hr/>

The notes on pages 8 to 14 form part of these financial statements.


Global Logistics Services Limited
Registered number: SC358901

Balance sheet
as at 30 March 2012

	<i>Note</i>	<i>£</i>	<i>30 March 2012 £</i>	<i>£</i>	<i>1 April 2011 £</i>
Fixed assets					
Tangible assets	6		26,083		481,496
Current assets					
Debtors	7	1,842,047		755,077	
Cash at bank		508,242		190,419	
		<u>2,350,289</u>		<u>945,496</u>	
Creditors: amounts falling due within one year	8	(1,282,830)		(552,277)	
Net current assets			<u>1,067,459</u>		<u>393,219</u>
Total assets less current liabilities			<u>1,093,542</u>		<u>874,715</u>
Creditors: amounts falling due after more than one year	9		-		(295,999)
Provisions for liabilities					
Deferred tax	10		(6,260)		(53,562)
Net assets			<u><u>1,087,282</u></u>		<u><u>525,154</u></u>
Capital and reserves					
Called up share capital	11		100		100
Profit and loss account	12		<u>1,087,182</u>		<u>525,054</u>
Shareholders' funds	13		<u><u>1,087,282</u></u>		<u><u>525,154</u></u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 December 2012.



R J MacGregor
Director

The notes on pages 8 to 14 form part of these financial statements.

Notes to the financial statements
for the year ended 30 March 2012

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	- 3 to 5 years straight line
Motor vehicles	- 4 years straight line
Office equipment	- 5 years straight line
Computer equipment	- 3 years straight line

1.4 Leasing and hire purchase

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 the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Operating leases

Rentals under operating leases are charged to the Profit and loss account 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 period until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Global Logistics Services Limited

**Notes to the financial statements
for the year ended 30 March 2012**

1. Accounting policies (continued)**1.7 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. Operating profit

The operating profit is stated after charging:

	2012 £	2011 £
Depreciation of tangible fixed assets:		
- owned by the company	7,404	3,988
- held under finance leases	48,000	72,000
Auditors' remuneration	6,000	5,750
Pension costs	3,538	2,708
	<u>64,942</u>	<u>84,446</u>

3. Directors' remuneration

	2012 £	2011 £
Aggregate emoluments	61,150	92,735
	<u>61,150</u>	<u>92,735</u>

During the period retirement benefits were accruing to no directors (2011 - 1) in respect of defined contribution pension schemes.

4. Exceptional items

	2012 £	2011 £
Net profit on sale of tangible fixed assets	22,000	-
	<u>22,000</u>	<u>-</u>

Global Logistics Services Limited

Notes to the financial statements for the year ended 30 March 2012

5. Taxation

	2012 £	2011 £
Analysis of tax charge/(credit) in the year		
Current tax		
UK corporation tax charge on profit for the year	242,217	118,083
Adjustments in respect of prior periods	2,085	(566)
Total current tax	244,302	117,517
Deferred tax (see note 10)		
Origination and reversal of timing differences	(47,302)	(6,287)
Tax on profit on ordinary activities	197,000	111,230

6. Tangible fixed assets

	Plant & machinery £	Office equipment £	Computer equipment £	Total £
Cost				
At 2 April 2011	567,350	1,000	-	568,350
Additions	22,750	2,379	2,862	27,991
Disposals	(560,000)	-	-	(560,000)
At 30 March 2012	30,100	3,379	2,862	36,341
Depreciation				
At 2 April 2011	86,654	200	-	86,854
Charge for the year	54,874	279	251	55,404
On disposals	(132,000)	-	-	(132,000)
At 30 March 2012	9,528	479	251	10,258
Net book value				
At 30 March 2012	20,572	2,900	2,611	26,083
At 1 April 2011	480,696	800	-	481,496

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

	30 March 2012 £	1 April 2011 £
Plant and machinery	-	476,000

Global Logistics Services Limited

**Notes to the financial statements
for the year ended 30 March 2012**

7. Debtors

	<i>30 March 2012 £</i>	<i>1 April 2011 £</i>
Trade debtors	717,868	150,239
Amounts owed by group undertakings	285,622	603,838
Other debtors & accrued income	838,557	1,000
	<u>1,842,047</u>	<u>755,077</u>

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

	<i>30 March 2012 £</i>	<i>1 April 2011 £</i>
Net obligations under finance leases and hire purchase contracts	-	96,243
Trade creditors	712,007	172,980
Amounts owed to group undertakings	29,038	41,042
Corporation tax	173,338	71,099
Social security and other taxes	191,486	92,450
Accruals and deferred income	176,961	78,463
	<u>1,282,830</u>	<u>552,277</u>

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

	<i>30 March 2012 £</i>	<i>1 April 2011 £</i>
Net obligations under finance leases and hire purchase contracts	-	295,999
	<u>-</u>	<u>295,999</u>

10. Deferred taxation

	<i>30 March 2012 £</i>	<i>1 April 2011 £</i>
At beginning of year	53,562	59,849
Released during year	(47,302)	(6,287)
	<u>6,260</u>	<u>53,562</u>

Global Logistics Services Limited

**Notes to the financial statements
for the year ended 30 March 2012**

10. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	<i>30 March 2012</i>	<i>1 April 2011</i>
	<i>£</i>	<i>£</i>
Accelerated capital allowances	6,260	53,562

11. Share capital

	<i>30 March 2012</i>	<i>1 April 2011</i>
	<i>£</i>	<i>£</i>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

12. Reserves

	<i>Profit and loss account</i>
	<i>£</i>
At 2 April 2011	525,054
Profit for the year	562,128
At 30 March 2012	1,087,182

13. Reconciliation of movement in shareholders' funds

	<i>30 March 2012</i>	<i>1 April 2011</i>
	<i>£</i>	<i>£</i>
Opening shareholders' funds	525,154	221,876
Profit for the year	562,128	303,278
Closing shareholders' funds	1,087,282	525,154

14. Contingent liabilities

The company is party to a group composite guarantee.

Global Logistics Services Limited

Notes to the financial statements for the year ended 30 March 2012

15. Operating lease commitments

At 30 March 2012 the company had annual commitments under non-cancellable operating leases as follows:

	30 March 2012 £	1 April 2011 £
Expiry date:		
Within 1 year	10,161	-
Between 2 and 5 years	12,306	-

16. Related party transactions

Global Logistics Services Limited is a 80% subsidiary of GEG Marine & Offshore Limited, which is a 100% subsidiary of Global Energy (Holdings) Limited. During the year the company entered into transactions, in the ordinary course of business, with other group companies. Transactions entered into, and balances outstanding at 30 March 2012 were as follows:

	2012 Sales £	2012 Debtor £	2012 Purchases £	2012 Creditor £
Global Energy Corporation Limited	1,007,343	111,357	107,066	10,445
Global Project (Services) Limited	-	-	21,000	-
Global Resource Management Limited	-	-	98,472	2,903
Highland Stevedoring Limited	88,616	2,410	265	-
Isleburn Limited	59,489	1,303	185,896	-
Reel Limited	448,509	170,552	400	-
Global Energy (Holdings) Limited	-	-	17,348	13,457
Training Competency Consulting Limited	-	-	3,660	2,232

Global Energy Corporation Limited, Global Resource Management Limited, Highland Stevedoring Limited and Isleburn Limited are 100% subsidiaries of Global Energy (Holdings) Limited. Global Project (Services) Limited is a 90% subsidiary, Reel Limited is a 80% subsidiary and Training Competency Consultancy Limited is a 75% subsidiary of Global Energy (Holdings) Limited.

During the year the company purchased goods and services amounting to £23,934 (2011 - £10,113) from MacGregor Industrial Supplies Limited. The balance due at 30 March 2012 was £918 (2011 - £844). A close family member of R J MacGregor is the major shareholder in MacGregor Industrial Supplies Limited.

During the year the company purchased goods and services amounting to £12,356 (2011 - £3,284) from McDonald Scaffolding (Services) Limited. The balance due at 30 March 2012 was £240 (2011 - £27). A close family member of M H MacDonald is a director of McDonald Scaffolding (Services) Limited.

During the year the company sold goods and services amounting to £373 (2011 - £nil) to Ross County Football Club (2006) Limited. The balance due at 30 March 2012 was £4,625 (2011 - £nil). R J MacGregor is a director of Ross County Football Club (2006) Limited.

Global Logistics Services Limited

**Notes to the financial statements
for the year ended 30 March 2012**

17. Ultimate parent undertaking and controlling party

The company is included in the Global Energy (Holdings) Limited group financial statements, copies of which are available from its registered office at 13 Henderson Road, Inverness, IV1 1SN.

The ultimate parent undertaking is GEG (Holdings) Limited. GEG (Holdings) Limited's first accounting period is to 31 March 2013.

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