

Registered number: SC415463

GEG (Holdings) Limited

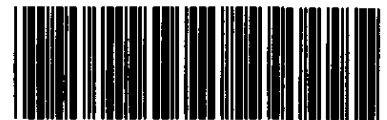
Annual Report and Financial Statements

For the year ended 31 March 2018

**COMPANIES HOUSE
EDINBURGH**

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COMPANIES HOUSE

Parent acc. SC474388

GEG (Holdings) Limited

Company Information

Directors	R J MacGregor I R MacGregor D A MacGregor J D MacDonald J A MacGregor T Ezure G J Farmer (appointed 22 January 2018) M Murase (appointed 1 April 2018) H Tsurushima
Company secretary	J D MacDonald
Registered number	SC415463
Registered office	13 Henderson Road Inverness IV1 1SN
Independent auditors	Ernst & Young LLP Blenheim House Fountainhall Road Aberdeen AB15 4DT
Bankers	Bank of Scotland 3/5 Albyn Place Aberdeen AB10 1PY
Solicitors	Stronachs 34 Albyn Place Aberdeen AB10 6XF

GEG (Holdings) Limited

Contents

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Directors' responsibilities statement	5
Independent auditor's report	6 - 8
Consolidated income statement	9
Consolidated statement of comprehensive income	10
Consolidated statement of financial position	11
Company statement of financial position	12
Consolidated statement of changes in equity	13
Company statement of changes in equity	14
Consolidated Statement of cash flows	15 - 16
Notes to the financial statements	17 - 40

GEG (Holdings) Limited

Strategic report For the year ended 31 March 2018

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

Principal activities and review of the business

The Global Energy Group is an international service company creating value through a construction led approach to challenges in the oil and gas, renewables, utilities and petrochemical sectors. The group combines a collection of niche offerings designed to reduce risks in early stage developments as well as enhancing performance in late-life assets.

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

	31 March 2018	31 March 2017	Change
	£'000	£'000	%
Turnover	289,197	305,238	(5)
Profit after tax	1,397	481	190
EBITDA	21,623	21,366	1
Shareholders' funds	118,351	121,331	(2)
Average number of employees	3,325	3,500	(5)

Group trading decreased by 5% compared to the previous year with a turnover of £289 million (1 April 2017 – £305 million). Profit after tax for the financial year grew to £1.4 million, compared to £0.5 million in 2017. Positively the groups EBITDA also grew to £21.6m from £21.4m in the prior year.

Much of the decrease in revenue in 2018 was attributable to the group's Oil and Gas capex activities both in the UK and Australia. The downstream capex market in Australia seen a decline in spend as a number of LNG construction projects completed, whilst subsea manufacturing suffered as projects sanctioned worldwide reduced in line with capex spend in the market in general. Despite the group seeing revenue falling in these markets, growth in a number of other areas including utilities, renewables, nuclear and petrochemical, mitigated the overall impact on sales.

Irrespective of the group turnover decreasing its profit after tax increased by £1m with reduced costs of borrowing and improved gross margin driven by the mixture of activities. The group suffered an exceptional cost in year to 31 March 2017 with the closure of an operation whilst the year to 31 March 2018 the group impaired a number of diving assets to the value of £0.9m.

The group's core market "Oil and Gas" is still in recovery mode, with GEG starting to see shoots of recovery with an increase in both marine and subsea activity.

The current oil price, reduced capital spend and uncertainty has proved to be a catalyst for offshore asset owners to challenge conventional methods of maintaining their ageing infrastructure. The group experienced a positive response to its innovative and high performance methods of delivering critical repairs and maintenance and has benefited from opex spend.

Encouragingly Nigg Energy Park has now established itself as Scotland's offshore renewables hub as well as a multi user site/port, supporting both major renewables projects as well traditional Oil and Gas activities. The port now provides a full service offering including logistics and fabrication.

Our utilities portfolio has continued to perform well supporting Scottish Waters various framework agreements and is anticipating an increased CAPEX spend moving forward. This coupled with expanding its diverse services offerings into new geographical locations is positioning the portfolio to continue to grow.

The group has gone through an extensive reorganisation and streamlining process over the last few years and continues to focus on providing better value and solutions to its customers.

GEG (Holdings) Limited

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

GEG manages its risks by diversifying across a number of highly regulated end markets. Sustaining revenues at £300 million reflects a robust diversification policy that covers non-oil and gas infrastructure and a strong balance of operating expenditure/capital expenditure activities.

The balance sheet at 31 March 2018 notes net current liabilities of £2.7m. The net liabilities position was a result of the purchase of assets towards end of the financial year, these are in the process of being refinanced which will move the group back into a net assets position in forthcoming financial year 2018/19. The group's bank debt has significantly decreased over the last 12 months and provides the group with a robust debt package to both meet its ongoing obligations and provide opportunity for future growth with the current bankers very supportive moving forward.

Principal risks and uncertainties

The Board and Directors are confident that the 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 and other long-term bank facilities. The group places significant focus on working capital management.

Interest rate risk

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

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 the debt ageing and collection history.

This report was approved by the board on 13 AUGUST 2018 and signed on its behalf.


R J MacGregor
Director

GEG (Holdings) Limited

Directors' report For the year ended 31 March 2018

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

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £1,397k (2017 - £481k).

Ordinary dividends of £2m (2017:£1m) were declared during the year.

Directors

The directors who served during the year were:

R J MacGregor
I R MacGregor
D A MacGregor
J D MacDonald
J A MacGregor
T Ezure
G J Farmer (appointed 22 January 2018)
M Murase (appointed 1 April 2018)
H Tsurushima
N Katsu (resigned 1 April 2018)
M Nakamoto (resigned 1 April 2018)

The current directors are shown on the Company information page.

Future developments

The directors continue to forecast a period of low activity in the Oil and Gas as market continues to recover. With this in mind the directors have re-focused their strategy to grow market share, protect its core business as well as looking at opportunities for growth.

The directors will continue to develop the revenue base in non-oil and gas markets such as petrochemical, renewables and utilities. This strategy is designed to enable the group to be robust through the downturn and able to grow sustainably on a strengthening market.

Going concern

The directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Political donations

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

GEG (Holdings) Limited

**Directors' report (continued)
For the year ended 31 March 2018**

Disabled employees

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

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

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

Employee involvement

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

Disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Post balance sheet events

Particulars of events after the reporting date are detailed in note 23 to the financial statements.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on **13 AUGUST 2018** and signed on its behalf.



R J MacGregor
Director

GEG (Holdings) Limited

**Directors' responsibilities statement
For the year ended 31 March 2018**

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and reasons for any material departure from those standards; and
- 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 Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and Company 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 2018, which comprise the Group Income statement, the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes 1 to 24, 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 FRS 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 2018 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 and parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

GEG (Holdings) Limited

Independent auditor's report to the members of GEG (Holdings) Limited (continued)

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 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 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 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, 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 on page 5, 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 financial statements.

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. This description forms part of our auditor's report.

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.

Ernst & Young LLP

Jamie Dixon (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Blenheim House
Fountainhall Road
Aberdeen
AB15 4DT

Date: *20 August 2018*

GEG (Holdings) Limited

**Consolidated income statement
For the year ended 31 March 2018**

	Note	Continuing operations 2018 £000	Discontin'd operations 2018 £000	Total 2018 £000	Continuing operations 2017 £000	Discontinued operations 2017 £000	Total 2017 £000
Turnover	2	289,197	-	289,197	302,700	2,538	305,238
Cost of sales		(229,351)	-	(229,351)	(246,912)	(1,876)	(248,788)
Gross profit		59,846	-	59,846	55,788	662	56,450
Administration expenses		(48,427)	-	(48,427)	(43,746)	(124)	(43,870)
Amortisation of intangibles		(5,605)	-	(5,605)	(5,400)	-	(5,400)
Other operating income		-	-	-	158	-	158
Group operating profit	3	5,814	-	5,814	6,800	538	7,338
Loss on disposal of discontinued operations		-	-	-	-	(928)	(928)
(Loss)/gain on disposal of tangible fixed assets		807	-	807	(22)	12	(10)
Profit/(loss) on ordinary activities before interest and taxation		6,621	-	6,621	6,778	(378)	6,400
Interest payable and similar charges	6	(1,735)	-	(1,735)	(2,100)	-	(2,100)
Profit/(loss) on ordinary activities before taxation		4,886	-	4,886	4,678	(378)	4,300
Tax on profit on ordinary activities	7	(3,457)	-	(3,457)	(3,638)	-	(3,638)
Profit for the financial year		1,429	-	1,429	1,040	(378)	662
Profit for the financial year attributable to:							
Non-controlling interests		32	-	32	181	-	181
Owners of the parent company		1,397	-	1,397	481	-	481
		1,429	-	1,429	662	-	662

The notes on pages 17 to 40 form part of these financial statements.

GEG (Holdings) Limited

**Consolidated statement of comprehensive income
For the year ended 31 March 2018**

	Note	2018 £000	2017 £000
Profit for the financial year		1,429	662
Exchange difference on retranslation of foreign subsidiary		(2,377)	1,832
Total comprehensive (expense)/income for the year		(948)	2,494
Total comprehensive income attributable to:			
Non-controlling interest		32	181
Owners of the parent Company		(980)	2,313
		(948)	2,494

The notes on pages 17 to 40 form part of these financial statements.

GEG (Holdings) Limited
Registered number: SC415463

Consolidated statement of financial position
As at 31 March 2018

	Note	2018 £000	2017 £000
Fixed assets			
Intangible assets	8	77,903	82,770
Tangible assets	9	93,765	91,933
		<u>171,668</u>	<u>174,703</u>
Current assets			
Stocks	11	3,166	3,418
Debtors:			
amounts falling due within one year	12	70,446	77,217
amounts falling due after one year	12	-	500
Cash at bank and in hand		4,481	7,300
		<u>78,093</u>	<u>88,435</u>
Creditors: amounts falling due within one year	13	(80,816)	(72,999)
Net current (liabilities)/assets		<u>(2,723)</u>	<u>15,436</u>
Total assets less current liabilities		<u>168,945</u>	<u>190,139</u>
Creditors: amounts falling due after more than one year	14	(39,713)	(56,559)
Provisions for liabilities			
Deferred tax	16	(3,134)	(3,584)
Accruals and deferred income - deferred government grants	17	(6,714)	(7,162)
Net assets		<u>119,384</u>	<u>122,834</u>
Capital and reserves			
Called up share capital	18	430	430
Share premium account	20	69,570	69,570
Profit and loss account	20	48,351	51,331
Equity attributable to owners of the parent Company		<u>118,351</u>	<u>121,331</u>
Non-controlling interests		1,033	1,503
		<u>119,384</u>	<u>122,834</u>

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


R J MacGregor
 Director

The notes on pages 17 to 40 form part of these financial statements.

GEG (Holdings) Limited
Registered number: SC415463

Company statement of financial position
As at 31 March 2018

	Note	2018 £000	2017 £000
Fixed assets			
Tangible assets	9	222	206
Investments	10	99,138	99,138
		<u>99,360</u>	<u>99,344</u>
Current assets			
Debtors:			
amounts falling due within one year	12	72,202	105,497
amounts falling due after one year	12	-	500
		<u>72,202</u>	<u>105,997</u>
Creditors: amounts falling due within one year	13	(26,018)	(75,335)
Net current assets		<u>46,184</u>	<u>30,662</u>
Total assets less current liabilities		<u>145,544</u>	<u>130,006</u>
Creditors: amounts falling due after more than one year	14	(32,551)	(46,779)
Net assets		<u>112,993</u>	<u>83,227</u>
Capital and reserves			
Called up share capital	18	430	430
Share premium	20	69,570	69,570
Profit and loss account carried forward		42,993	13,227
		<u>112,993</u>	<u>83,227</u>

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


R J MacGregor
Director

The notes on pages 17 to 40 form part of these financial statements.

GEG (Holdings) Limited

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

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Share- holders equity £000	Non- controlling interests £000	Total equity £000
At 1 April 2016	430	69,570	49,638	119,638	2,729	122,367
Profit for the year	-	-	481	481	181	662
Other comprehensive income	-	-	1,832	1,832	-	1,832
Total comprehensive income for the year	-	-	2,313	2,313	181	2,494
Equity dividends paid (note 19)	-	-	(1,000)	(1,000)	-	(1,000)
Acquisition of non-controlling interest	-	-	380	380	(1,407)	(1,027)
At 1 April 2017	430	69,570	51,331	121,331	1,503	122,834
Profit for the year	-	-	1,397	1,397	32	1,429
Other comprehensive income	-	-	(2,377)	(2,377)	-	(2,377)
Other comprehensive income for the year	-	-	(2,377)	(2,377)	-	(2,377)
Total comprehensive income for the year	-	-	(980)	(980)	32	(948)
Equity dividends paid (Note 19)	-	-	(2,000)	(2,000)	-	(2,000)
Acquisition of non-controlling interest	-	-	-	-	(502)	(502)
Total transactions with owners	-	-	(2,000)	(2,000)	(502)	(2,502)
At 31 March 2018	430	69,570	48,351	118,351	1,033	119,384

The notes on pages 17 to 40 form part of these financial statements.

GEG (Holdings) Limited

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

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 April 2016	430	69,570	3,911	73,911
Profit for the year	-	-	10,316	10,316
Total comprehensive income for the year	-	-	10,316	10,316
Equity dividends paid (Note 19)	-	-	(1,000)	(1,000)
At 1 April 2017	430	69,570	13,227	83,227
Profit for the year	-	-	31,766	31,766
Total comprehensive income for the year	-	-	31,766	31,766
Equity dividends paid (Note 19)	-	-	(2,000)	(2,000)
At 31 March 2018	430	69,570	42,993	112,993

The notes on pages 17 to 40 form part of these financial statements.

GEG (Holdings) Limited

**Consolidated statement of cash flows
For the year ended 31 March 2018**

	2018 £000	2017 £000
Cash flows from operating activities		
Profit for the financial year	1,429	662
Adjustments for:		
Tax on profit on ordinary activities	3,457	3,638
Amortisation of intangible assets	5,605	5,400
Depreciation of tangible fixed assets	9,244	9,566
Deferred government grant release	(448)	(243)
Loss on disposal of discontinued operations	-	928
Impairment of fixed assets	842	-
Loss on disposal of fixed assets	(807)	10
Net finance costs	1,735	2,100
Decrease in debtors	5,886	1,165
Decrease in stocks	252	635
Increase/(decrease) in creditors	6,102	(4,459)
Corporation tax (paid)	(2,140)	(2,000)
Net cash generated from operating activities	31,157	17,402
Cash flows from investing activities		
Payments to acquire intangible fixed assets	-	(388)
Payments to acquire tangible fixed assets	(17,540)	(5,073)
Receipts from sales of tangible fixed assets	6,450	1,033
Receipt of government grants	-	589
Purchase of subsidiary undertaking	(2,025)	-
Net cash acquired with subsidiary undertaking	1,356	-
Acquisition of non-controlling interest	(1,004)	(850)
Net cash from investing activities	(12,763)	(4,689)
Cash flows from financing activities		
Dividends paid to non-controlling interest	(365)	-
Equity dividends paid	(2,000)	(5,000)
Interest paid	(1,735)	(2,100)
Net movement in short-term borrowings	2,250	(1,000)
Net movement in long-term borrowings	(14,250)	46,750
Repayment of capital element of finance leases and hire purchase contracts	(2,908)	(9,018)
Net cash used in financing activities	(19,008)	29,632
Net (decrease)/increase in cash and cash equivalents	(614)	42,345

GEG (Holdings) Limited

Consolidated statement of cash flows (continued)
For the year ended 31 March 2018

	2018 £000	2017 £000
Cash and cash equivalents at beginning of year	7,300	(36,778)
Effects of exchange rates on cash and cash equivalents	(2,205)	1,733
Cash and cash equivalents at the end of year	<u>4,481</u>	<u>7,300</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>4,481</u>	<u>7,300</u>
	<u>4,481</u>	<u>7,300</u>

The notes on pages 17 to 40 form part of these financial statements.

GEG (Holdings) Limited

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

1. Accounting policies

1.1 Statement of compliance

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

The Group's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Group for the year ended 31 March 2018.

1.2 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 financial statements of GEG (Holdings) Limited were authorised for issue by the Board of Directors on 13 August 2018. The financial statements have been prepared in accordance with the applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £'000.

1.3 Basis of consolidation

The group financial statements consolidate the financial statements of GEG (Holdings) Limited and all its subsidiary undertakings ("subsidiaries") drawn up to 31 March each year. No profit and loss account is presented for GEG (Holdings) Limited as permitted by section 408 of the Companies Act 2006.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

Acquisitions have been included in the group financial statements using the acquisition method of accounting.

Entities, other than subsidiary undertakings, in which the group has a participating interest and over who's operating and financial policies the group exercises a significant influence are treated as associates.

In the parent company financial statements investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

GEG (Holdings) Limited

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

1. Accounting policies (continued)

1.4 Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the 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 for turnover and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

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

Long term contracts

Profit on long-term contracts is taken as the work 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.

Goodwill

The Group establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which the goodwill is attributed, any legal regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the Group performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair values less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discontinued cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

1.5 Significant accounting policies

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.

GEG (Holdings) Limited

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

1. Accounting policies (continued)

Intangible assets

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition. Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight line basis over their estimated useful lives. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The useful economic lives of intangible assets are as follows:

Development costs	10 years
Software development	4 years

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives as follows:

Land & buildings	- 4-25% straight-line
Plant and machinery	- 10-20% straight-line
Motor vehicles	- 25% straight-line
Furniture, fittings and equipment	- 20% to 33% straight-line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Impairment of non-financial assets

The Group assesses at each reporting date whether an asset may be impaired. If any such indication exists the Group estimates the recoverable amount of the asset.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment loss recognised in the income statement.

GEG (Holdings) Limited

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

1. Accounting policies (continued)

Turnover recognition

Turnover is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must be met before turnover is recognised:

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

Government grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment.

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a turnover nature are credited to income so as to match them with the expenditure to which they relate.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials, consumables and goods for resale - purchase cost on first-in, first-out basis

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Provisions for liabilities

A provision is recognised when the group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation.

GEG (Holdings) Limited

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

1. Accounting policies (continued)

Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position 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 measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted by the reporting date.

Foreign currencies

Company

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

Group

Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The assets and liabilities of overseas subsidiary undertakings are translated into the presentational currency at the rate of exchange ruling at the balance sheet date. Income and expenses for each statement of comprehensive income are translated at exchange rates at the dates of transaction. All resulting exchange differences are recognised in other comprehensive income.

GEG (Holdings) Limited

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

1. Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Investments

Investments in subsidiaries are measured at cost less accumulated impairment. The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful lives. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability.

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

GEG (Holdings) Limited

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

1. Accounting policies (continued)

Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Pensions

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents the amounts payable by the group to the fund in respect of the period.

The group also contributes to personal plans for certain employees of the company. These contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

2. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the group's ordinary activities, stated net of value added tax.

The group operates in one principal area of activity - natural resources support services.

The group operates within three geographical markets - Europe, Australia and The rest of the world.

In the opinion of the Directors, disclosure of segmental analysis of turnover, profit and net assets would be seriously prejudicial to the interests of the Group therefore the information has not been disclosed. An analysis of turnover by geographical market is given below:

	2018 £000	2017 £000
Europe	233,511	245,891
Australia	33,438	42,241
Rest of the world	22,248	17,106
	<u>289,197</u>	<u>305,238</u>

GEG (Holdings) Limited

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

3. Group operating profit

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

	2018 £000	2017 £000
Amortisation of government grants	(448)	(243)
Depreciation of tangible fixed assets - owned by the company	7,755	7,689
Depreciation of tangible fixed assets - held under finance leases	1,489	1,877
Amortisation of goodwill	5,422	5,267
Amortisation of other intangible assets	183	133
Auditor's remuneration (Note 4)	184	176
Foreign exchange differences	358	(186)
Operating lease rentals	5,190	6,485
	<u>5,190</u>	<u>6,485</u>

4. Auditor's remuneration

The remuneration of the auditors or its associates is further analysed as follows:

	2018 £000	2017 £000
Audit of the financial statements	176	168
Audit of subsidiaries	-	-
Total audit	<u>176</u>	<u>168</u>
 Audit-related assurance services		
Other non-audit services	8	8
	<u>8</u>	<u>8</u>

GEG (Holdings) Limited

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

5. Staff costs

(a) Staff costs

	2018 £000	2017 £000
Wages and salaries	64,741	78,078
Social security costs	7,684	7,472
Other pension costs	1,330	1,431
	<u>73,755</u>	<u>86,981</u>

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

	2018 No.	2017 No.
Management and administration	345	372
Blue collar/technical	2,980	3,128
	<u>3,325</u>	<u>3,500</u>

(b) Directors' remuneration

	2018 £000	2017 £000
Aggregate remuneration in respect of qualifying services	766	398
Company pension contributions to money purchase pension schemes	<u>46</u>	<u>13</u>
	2018 £000	2017 £000
In respect of the highest paid director:		
Aggregate remuneration	<u>206</u>	<u>168</u>

During the year retirement benefits were accruing to two directors (2017 - one) in respect of money purchase pensions. However, by the year end only one director was accruing retirement benefits.

GEG (Holdings) Limited

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

6. Interest payable and similar expenses

	2018 £000	2017 £000
Interest payable on bank loans and overdrafts	1,497	1,779
Finance charges payable under finance leases and hire purchase contracts	238	321
	<u>1,735</u>	<u>2,100</u>

7. Taxation

	2018 £000	2017 £000
Current tax:		
Current tax on profits for the year	1,878	2,128
Tax overprovided in previous years	303	(294)
	<u>2,181</u>	<u>1,834</u>
Foreign tax:		
Foreign tax on income for the year	60	-
Adjustments in respect of prior periods	41	3
	<u>101</u>	<u>3</u>
Group current tax	<u>2,282</u>	<u>1,837</u>
Deferred tax:		
Origination and reversal of timing differences	1,524	1,478
Adjustments in respect of prior years	(349)	323
	<u>1,175</u>	<u>1,801</u>
Group deferred tax	<u>1,175</u>	<u>1,801</u>
Group tax on profit on ordinary activities	<u>3,457</u>	<u>3,638</u>

GEG (Holdings) Limited

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

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2017 - the same as) the standard rate of corporation tax in the UK of 19% (2017 - 20%) as set out below:

	2018 £000	2017 £000
Profit on ordinary activities before tax	4,886	4,300
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	928	860
Effects of:		
Expenses not deductible for tax purposes, including goodwill amortisation	43	1,165
Depreciation of non-qualifying assets	413	383
(Profit)/loss on disposal of fixed assets	4	-
Impairment of investments	(1)	-
Investments written off	501	-
Transfer pricing adjustments	76	-
Other timing differences	1,154	493
Adjustments to tax charge in respect of prior years	(5)	32
Foreign tax credits expensed	(11)	-
Non-taxable income	(50)	-
Unrealised forex movements	433	-
Others	(28)	705
Total tax charge for the year	3,457	3,638

Factors that may affect future tax charges

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

GEG (Holdings) Limited

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

8. Intangible assets

Group

	Goodwill £000	Other intangibles £000	Lease premium £000	Total £000
Cost				
At 1 April 2017	107,231	616	1,115	108,962
Additions	1,766	38	-	1,804
Disposals	(751)	-	-	(751)
Adjustments	(334)	-	-	(334)
Foreign exchange movement	-	(23)	-	(23)
At 31 March 2018	<u>107,912</u>	<u>631</u>	<u>1,115</u>	<u>109,658</u>
Amortisation				
At 1 April 2017	25,786	304	102	26,192
Charge for the year	5,422	164	19	5,605
Foreign exchange movement	-	(42)	-	(42)
At 31 March 2018	<u>31,208</u>	<u>426</u>	<u>121</u>	<u>31,755</u>
Net book value				
At 31 March 2018	<u>76,704</u>	<u>205</u>	<u>994</u>	<u>77,903</u>
At 31 March 2017	<u>81,445</u>	<u>312</u>	<u>1,013</u>	<u>82,770</u>

Goodwill is being amortised evenly over the directors' estimate of its useful life of 20 years.

The estimated useful life is based on a variety of factors such as the expected use of the acquired business, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses. Having considered these factors the directors believe that a useful life of 20 years is appropriate for goodwill.

GEG (Holdings) Limited

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

9. Tangible fixed assets

Group

	Land and buildings £000	Plant and machinery £000	Motor vehicles £000	Furniture, fittings and equipment £000	Total £000
Cost					
At 1 April 2017	65,067	51,141	2,974	4,981	124,163
Additions	1,817	14,690	1,018	250	17,775
Disposals	(1,507)	(10,996)	(878)	(1,706)	(15,087)
Exchange adjustments	(142)	(244)	(72)	(93)	(551)
At 31 March 2018	65,235	54,591	3,042	3,432	126,300
Depreciation					
At 1 April 2017	7,633	18,939	1,844	3,814	32,230
Charge for the year	2,287	5,563	604	790	9,244
Disposals	(1,059)	(5,931)	(737)	(1,717)	(9,444)
Impairment charge	-	842	-	-	842
Exchange adjustments	(42)	(167)	(47)	(81)	(337)
At 31 March 2018	8,819	19,246	1,664	2,806	32,535
Net book value					
At 31 March 2018	56,416	35,345	1,378	626	93,765
At 31 March 2017	57,434	32,202	1,130	1,167	91,933

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

	2018 £000	2017 £000
Freehold property	27,604	28,087
Leasehold property	27,342	27,756
Tenant's improvements	1,471	1,591
	<u>56,417</u>	<u>57,434</u>

GEG (Holdings) Limited

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

9. Tangible fixed assets (continued)

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

	2018 £000	2017 £000
Plant and machinery	12,526	16,890
Motor vehicles	423	75
	<u>12,949</u>	<u>16,965</u>

Company

	Tenant's improvements £000	Motor vehicles £000	Computer & office equipment £000	Total £000
Cost				
At 1 April 2017	197	128	168	491
Additions	7	119	17	143
Disposals	-	(85)	-	(85)
At 31 March 2018	<u>204</u>	<u>160</u>	<u>185</u>	<u>549</u>
Depreciation				
At 1 April 2017	115	71	99	285
Charge for the year	37	26	44	107
Disposals	-	(65)	-	(65)
At 31 March 2018	<u>152</u>	<u>32</u>	<u>143</u>	<u>327</u>
Net book value				
At 31 March 2018	<u>52</u>	<u>128</u>	<u>42</u>	<u>222</u>
At 31 March 2017	<u>82</u>	<u>55</u>	<u>69</u>	<u>206</u>

GEG (Holdings) Limited

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

9. Tangible fixed assets (continued)

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

	2018 £000	2017 £000
Motor vehicles	62	17
	<u>62</u>	<u>17</u>

10. Investments

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 April 2017	99,138
At 31 March 2018	<u>99,138</u>
Net book value	
At 31 March 2018	<u>99,138</u>
At 31 March 2017	<u>99,138</u>

For the year ended 31 March 2018 the following subsidiaries are entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies: GEG (Process & Equipment) Limited; GEG (Marine & Logistics) Limited; Global Highland Limited; Caledonian Towage Limited; Global Energy (Group) Limited; Ross-shire Engineering Limited; Global Energy Fabrication Limited; Global Project Services Limited; Global Port Services (Scotland) Limited; Caledonian Petroleum Services Limited; Global Energy Nigg Limited; MF Marine Operations Limited; Prime Pumps Limited; Reel Group Limited; Reel Limited; Global Energy Group (Access & Costings) Limited; Pipework Systems & Installation Limited; Rigfit Offshore Limited; Isleburn Limited; Global Power & Process Limited; Global Resources Project Recruitment Limited; S&D Fabricators Limited; Training Competency Consultancy Limited; Global Resource Management Limited; Global Energy (Holdings) Limited; Vertech Integrity Services Limited; Global Energy (SCS) Limited; Global Energy Corporation Limited and Langfields Limited.

GEG (Holdings) Limited

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

10. Investments (continued)

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Registered Office
GEG (Process & Equipment) Limited	Ordinary	100 %	UK**
GEG (Marine & Logistics) Limited	Ordinary	100 %	UK**
Global Energy (Group) Limited*	Ordinary	100 %	UK**
Caledonian Petroleum Services Limited*	Ordinary	100 %	UK**
Global Energy (Holdings) Limited*	Ordinary	100 %	UK**
Global Energy Corporation Limited*	Ordinary	100 %	UK**
Global Energy Nigg Limited*	Ordinary	100 %	UK**
Isleburn Limited	Ordinary	100 %	UK**
Training Competency Consultancy Limited*	Ordinary	100 %	UK**
A & B Welding Services Limited*	Ordinary	100 %	UK**
Caledonian Towage Limited	Ordinary	100 %	UK**
S & D Fabricators Limited*	Ordinary	100 %	UK**
Global Energy Group (West Africa) Limited	Ordinary	80 %	PO Box 197 Cantoments-Accra, Ghana
Global Highland Limited	Ordinary	100 %	UK**
Global Energy Fabrication Limited*	Ordinary	100 %	UK**
Global Resources (Project Recruitment) Limited	Ordinary	100 %	UK**
Reel Group Limited*	Ordinary	100 %	UK**
Reel Limited*	Ordinary	100 %	UK**
Reel Inspection and Rig Maintenance Pvt Ltd*	Ordinary	100 %	H 62 , Mahindra Park, LBS marg Ghatkopar West Mumbai 400086
Global Resource Management Limited	Ordinary	100 %	UK**
Global Energy (SCS) Limited	Ordinary	100 %	UK**
Global Power & Process Limited	Ordinary	100 %	UK**
MF Marine Operations Limited*	Ordinary	100 %	UK**
Global Energy Group Asia Pacific Pty Ltd	Ordinary	95 %	5 Chambers Way, Noranda, WA 6062
Global Resource Network Australasia Pty Ltd*	Ordinary	100 %	91 High Street, Fremantle WA 6160
Vertech New Zealand Pty Limited*	Ordinary	100 %	152 Devonport Road, Tauranga, 3110, NZ
Vertech USA*	Ordinary	100 %	1999 Bryan Street, Suite 900, Dallas, Texas 75201
Global Energy Group (Access and Coatings) Limited*	Ordinary	85 %	UK**
Rigfit Offshore Limited*	Ordinary	90 %	UK**

GEG (Holdings) Limited

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

10. Investments (continued)

			C/o Rigit7Seas, Damac Executive Heights, Barsha Heights Tecom, 11 Flr, Office No. 1109, Dubai, UAE
Rigit International LLC*	Ordinary	90 %	Plot No. 2D-10, Hamriyah Free Zone Authority, Sharjah, UAE
Rigit International FZC*	Ordinary	90 %	C/o Rigit7Seas, Damac Executive Heights, Barsha Heights Tecom, 11 Flr, Office No. 1109, Dubai, UAE
Seven Seas Services LLC*	Ordinary	100 %	Shop 7, MW4, Plot 130, Musaffah, Abu Dhabi, UAE
Seven Seas Maintenance LLC*	Ordinary	100 %	Flat No. 285, Building No. 2648, Road No. 5720, Block No. 257, Amwaj, Bahrain
Seven Seas Decor SPC*	Ordinary	100 %	UK**
Global Port Services (Scotland) Limited*	Ordinary	95 %	UK**
Global Logistics Services Limited*	Ordinary	100 %	UK**
Global Project (Services) Limited*	Ordinary	80 %	UK**
Global Project Services Norge*	Ordinary	100 %	Norway
Vertech Group Pty Ltd*	Ordinary	100 %	7 Southport Street, West Leederville, WA 6007
Cunningham Construction (Australia) Pty Ltd*	Ordinary	80 %	Owenell Partners, Suite 4, 18 Stirling Highway, Nedlands, WA 6009
Geo Oceans Pty Limited*	Ordinary	76 %	19 Walters Drive, Osbourne Park, WA 6017
Ross-shire Engineering Limited*	Ordinary	83 %	UK***
Prime Pumps Limited*	Ordinary	75 %	UK***
Pipework Systems and Installations Limited*	Ordinary	75 %	UK***
Langfields Limited*	Ordinary	85 %	158 Liverpool Street, Salford, Manchester, M5 4LJ
Vertech Integrity Services Ltd	Ordinary	85 %	UK**
Global Energy Group Norge AS	Ordinary	100 %	
Port of Nigg Ltd*	Ordinary	100 %	UK**
Nigg Energy Park Ltd*	Ordinary	100 %	UK**
C.P.E. (Holdings) Ltd*	Ordinary	80 %	UK****
CPE Pressure Vessels Ltd*	Ordinary	100 %	UK****
C.P.E Pneumatics Ltd*	Ordinary	100 %	UK****
Global SCS (Malaysia) SDN.BHD.*	Ordinary	100 %	Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan

GEG (Holdings) Limited

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

10. Investments (continued)

** Held by a subsidiary undertaking*

*** UK registered address is 13 Henderson Road, Inverness, IV1 1SN*

**** UK registered address is Muir Of Ord Industrial Estate, Muir Of Ord, Ross-Shire, IV6 7UA*

***** UK registered address is Apollo Road, Lichfield Road Industrial Estate, Tamworth, Staffordshire, B79 7TA.*

C.P.E (Holdings) Limited was incorporated on 14 February 2018.

All of the companies in the group are involved in the principal activity of natural resources support services.

11. Stocks

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Raw materials and consumables	3,166	3,418	-	-
	<u>3,166</u>	<u>3,418</u>	<u>-</u>	<u>-</u>

12. Debtors

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Due after more than one year				
Other debtors	-	500	-	500
	<u>-</u>	<u>500</u>	<u>-</u>	<u>500</u>

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Due within one year				
Trade debtors	40,051	45,483	97	51
Amounts owed by group undertakings	-	-	67,420	103,891
Amounts recoverable on long term contracts	24,203	23,163	-	-
Prepayments and accrued income	2,886	4,273	498	525
Deferred taxation	-	1,385	-	36
Other debtors	3,306	2,913	4,187	994
	<u>70,446</u>	<u>77,217</u>	<u>72,202</u>	<u>105,497</u>

GEG (Holdings) Limited

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

13. Creditors: Amounts falling due within one year

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Bank overdrafts	9,250	7,000	19,726	18,916
Obligations under finance lease and hire purchase contracts	2,977	3,243	13	10
Amounts owed to group undertakings	-	-	1,040	51,120
Trade creditors	28,008	14,036	374	359
Corporation tax	1,100	1,323	2,825	1,053
Other taxation and social security	7,542	9,893	191	2,084
Other creditors	10,119	10,116	1,027	1,016
Accruals and deferred income	21,820	27,388	822	777
	<u>80,816</u>	<u>72,999</u>	<u>26,018</u>	<u>75,335</u>

The bank loans and overdraft are secured by a floating charge from each group company (excluding those companies incorporated overseas and certain expectations) and a group composite guarantee.

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

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Bank loans	32,500	46,750	32,500	46,750
Obligations under finance leases and hire purchase contracts (Note 15)	4,491	7,133	51	29
Other creditors	2,722	2,676	-	-
	<u>39,713</u>	<u>56,559</u>	<u>32,551</u>	<u>46,779</u>

The bank loans and overdraft are secured by a floating charge from each group company (excluding those companies incorporated overseas and certain exceptions) and a group composite guarantee.

GEG (Holdings) Limited

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

15. 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. Future minimum lease payments due under finance leases and hire purchase contracts are as follows:

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Amounts payable				
Not later than one year	2,977	3,243	13	10
Later than one year and not later than five years	3,690	5,592	51	29
Later than five years	801	1,541	-	-
	<u>7,468</u>	<u>10,376</u>	<u>64</u>	<u>39</u>

Future minimum rentals payable under non-cancellable operating leases are as follows:

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Not later than one year	3,490	4,881	130	120
Later than one year and not later than five years	11,943	18,029	19	-
Later than five years	15,227	15,462	-	-
At 31 March 2018	<u>30,660</u>	<u>38,372</u>	<u>149</u>	<u>120</u>

16. Deferred tax

The deferred tax included in the balance sheet is as follows:

	2018 £000	2017 £000
Deferred tax included in debtors (note 12)	-	1,385
Deferred tax included in provisions for liabilities	(3,134)	(3,584)
	<u>(3,134)</u>	<u>(2,199)</u>

GEG (Holdings) Limited

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

16. Deferred tax (continued)

The deferred tax balance is made up as follows:

	2018 £000	2017 £000
Accelerated capital allowances	(2,736)	(2,389)
Other short term timing difference	(398)	190
	<u>(3,134)</u>	<u>(2,199)</u>

17. Deferred government grants

The movement in deferred government grants, included above, is as follows:

	Group £000	Company £000
At 31 March 2017	7,162	-
Released in year	(448)	-
At 31 March 2018	<u>6,714</u>	<u>-</u>

18. Allotted and issued share capital

<i>Group and Parent company</i>		2018		2017
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>£000</i>	<i>No.</i>	<i>£000</i>
Ordinary shares of £1 each	430,188	430	430,188	430
		2018 £000	2017 £000	
430,187 Ordinary shares shares of £1 each		<u>430</u>	<u>430</u>	

GEG (Holdings) Limited

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

19. Dividends and other appropriations

	2018 £000	2017 £000
Declared and paid during the year		
Equity dividends on ordinary shares	2,000	1,000
Final dividend	<u>2,000</u>	<u>1,000</u>

20. Reserves

Share premium account

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

21. Financial instruments

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Financial assets that are debt instruments measured at amortised cost				
Other debtors	-	1,361	500	500
Financial liabilities measured at amortised cost				
Bank overdraft	-	-	10,476	11,916
Bank loan	41,750	53,750	41,750	53,750
Finance leases and hire purchase contracts	<u>7,468</u>	<u>10,376</u>	<u>64</u>	<u>39</u>

GEG (Holdings) Limited

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

22. 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 are as follows:

	Sales to related party £000	Purchases from related party £000	Amounts owed from related party £000	Amount owed to related party £000
Entities controlled by key management personnel				
Global Infrastructure Scotland Limited				
2018	457	572	24	-
2017	338	-	5	60
Ross County Football Club (1998) Limited				
2018	-	143	-	1
2017	5	64	-	1
GEG Capital North Limited				
2018	-	582	-	105
2017	-	120	-	-
Envoy Capital Management Limited				
2018	-	273	-	10
2017	-	260	-	-
Glenn Green Limited				
2018	1	9	-	-
2017	-	-	-	-
MacGregor Properties Limited				
2018	-	453	-	71
2017	-	-	-	-
Entities controlled by a close family member of key management personnel				
MacGregor Industrial Supplies Limited				
2018	-	634	-	58
2017	-	1,849	-	129

GEG (Holdings) Limited

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

22. Related party transactions (continued)

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

Global Infrastructure Scotland Limited and Ross County Football Club (1998) Limited are subsidiaries of GEG Capital Limited, a company owned and controlled by the MacGregor family.

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

Envoy Capital Management Limited is a company owned and controlled by I R MacGregor.

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. During the year ended 31 March 2018, the group has not made any provision for doubtful debts relating to amounts owed by related parties (2017:nil).

Key management personnel

All directors who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Total remuneration in respect of these individuals is £812k (2017:£411k).

23. Post balance sheet events

Following the year-end, the group disposed of 80% of its interest in Vertech Group Pty Ltd (including its subsidiaries Geo Ocean and Vertech NZ Ltd). The disposal of the Vertech business has had no material impact on the group's net asset value with the business being sold at value aligned with the it is carrying value at 31 March 2018. No provision has been made in these financial statements for the divestment as a result.

24. Ultimate parent undertakings and controlling party

The controlling party identified by the company is the MacGregor family.