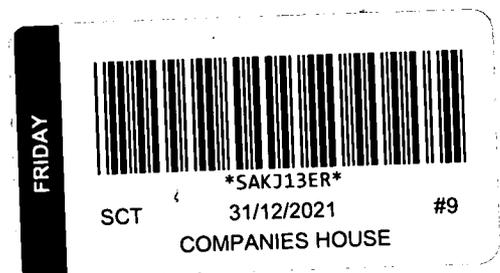


Registered Number: SC106415

**GLOBAL ENERGY (GROUP) LIMITED**

**UNAUDITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

COMPANIES HOUSE  
31 DEC 2021  
EDINBURGH MAILBOX



**GLOBAL ENERGY (GROUP) LIMITED**

**COMPANY INFORMATION**

|                          |  |
|--------------------------|--|
| <b>Directors</b>         | R J MacGregor<br>J D MacDonald<br>G J Farmer |
| <b>Company secretary</b> | J D MacDonald                                |
| <b>Registered number</b> | SC106415                                     |
| <b>Registered office</b> | 13 Henderson Road<br>Inverness<br>IV1 1SN    |

# **GLOBAL ENERGY (GROUP) LIMITED**

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## **GLOBAL ENERGY (GROUP) LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021**

#### **Business review**

The principal activity of the business, throughout 2020/21, was the offering of engineering, offshore construction, repair and fabrication solutions to the international energy market. The business has a significant track record in building and maintaining integrated, complex subsea and topside equipment for the oil and gas sector, as well as bespoke equipment for the nuclear, marine and renewables sectors. The key financial performance indicators during the year were as follows:

Turnover - £117m (2020 - £168.3m)  
Operating profit - £2.6m (2020 - £9.9m)  
Profit after tax - £2.1m (2020 - £10.6m)  
EBITDA - £4.1m (2020 - £11.1m)

Despite the impact of COVID 19 and very challenging market conditions within the Oil and Gas Market, Global Energy (Group) Ltd, maintained its position of strength within the subsea, topside and marine oil and gas markets with a significant increase in revenue from the prior year largely driven by entry into the Nuclear and Renewable markets.

The business continued to execute high profile scopes including subsea tie backs to existing fields, work on new developments as well as carry out extensive construction and repairs on ageing offshore topside and drilling facilities. In addition execution of worksopes within the Nuclear and Renewable sectors during the period helped offset the lower volumes of work within the Oil and Gas sector. Commercial diligence across all areas of the business continues to ensure costs are kept as low as possible and best value is sought for the companies clients. Marginal gain techniques are being applied across the Business to ensure that margins remained at a satisfactory level as well as keeping costs as low as possible for the Groups customers.

The significant impact of COVID 19 and lower oil price, uncertainty and reduced capital spend continues to be a catalyst for offshore asset owners to challenge conventional methods of maintaining their ageing infrastructure. The company continued to experience a positive response to its innovative and high performance methods of delivering critical repairs and maintenance.

We had started to see some green shoots of project CAPEX returning to the UKCS as sanctioned projects come back to the market during the early part of the year and the outlook was looking more positive but the impact of COVID 19 and reduced demand for Oil and Gas has resulted in significant loss of confidence in the sector, with CAPEX budgets being reduced significantly across the Oil and Gas Market Sector. Confidence within the Oil and Gas market in terms of sanction of major projects is still tenious due to a number of political and environmental challenges.

## **GLOBAL ENERGY (GROUP) LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021**

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

##### **General/financial**

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

##### **Liquidity risk**

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

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

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

##### **Credit risk**

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

##### **COVID 19 pandemic**

The health, physical and mental wellbeing of our employees and subcontractors are of critical importance to us and all decisions made by board of directors reflect this.

The COVID-19 pandemic presents an unprecedented challenge for all and in our business, we have seen an instant decrease in demand for our services due to the restrictive working conditions to comply with social distancing measures. Notwithstanding this several of our services offered were deemed critical to support the energy supply chain during the pandemic and allowed the group to operate safely at a reduced level.

It is difficult to assess the impact of the short and long term changes on demand for our services and the longer term impact to the business but the Directors are well versed into the changing energy market demands and see opportunity to transition the business.

##### **S172 (1) statement**

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

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

## **GLOBAL ENERGY (GROUP) LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021**

S172 (1) statement (continued)

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

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

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

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

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

(b) The interests of the companies employees

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

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

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

GEG is fully committed to:

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

## GLOBAL ENERGY (GROUP) LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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

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

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

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

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

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

Sustainability at GEG means ensuring long-term business success while contributing towards the prosperity of communities, health and wellbeing of our people and protection of the planet. Our newly recruited Group Sustainability Officer will support the group to further develop its sustainability strategy. They are already identifying the issues that matter by engaging stakeholders and developing a materiality matrix. Designed to aid prioritisation and develop a programme of work that covers community and environmental impacts.

1) Environmental Impact / Carbon Emissions:

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

- Implementation of a data management tool to track and manage the Scope 1, 2 and 3 GHG emissions data - in real time - for strategic decision making and operational management
- Prioritisation of opportunities for eliminating and reducing the carbon intensity of GEG owned assets including:
  - Zero carbon energy sources - procuring zero carbon electricity supplies and evaluating the opportunity for onsite renewable energy generation, switching out high carbon heating source to zero carbon sources
  - Energy efficiency measures - replacing lighting to LED, replacing and upgrading electrical infrastructure, insulation of buildings
  - Introducing electric vehicles across the commercial and car fleet
  - Collaborating with clients / suppliers / sector to support a reduction in GHG emissions
  - Enabling the shipping sector to meet their decarbonisation targets by developing a green methanol plant at the Port of Nigg in partnership with Proman
  - Collaborate with others in the sector to learn and share knowledge with organisations e.g. via the Offshore Wind Growth Partnership

## GLOBAL ENERGY (GROUP) LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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

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

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

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

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

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

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

The board believe it is of great importance that we are trusted by all our stakeholders and as a result we seek to run the business with a high level of integrity.

As part of the group's operational certification the business management systems set out the conduct in which the business operates and ensures high standards are met and delivered.

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

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

The board has little appetite for reputational risk and tries to ensure that decisions made are for business interest of all stakeholder where possible.

**GLOBAL ENERGY (GROUP) LIMITED**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

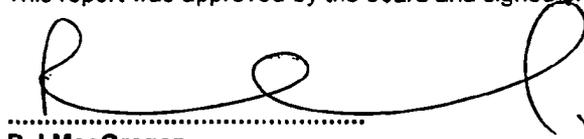
(f) The need to act fairly between the members of the company

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

We believe the board dynamic ensures all shareholders are treated fairly and that all views are fully represented when making key decisions for the business.

A shareholder agreement sets out the rights of each shareholder and where decisions need specific consent at a board level.

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



.....  
**R J MacGregor**  
Director

Date: 21 December 2021

## **GLOBAL ENERGY (GROUP) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021**

The Directors present their report and the financial statements for the year ended 31 March 2021.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £2,138,000 (2020 - £10,632,000).

Dividends paid in the year were £NIL (2020 - £NIL).

#### **Directors**

The Directors who served during the year were:

R J MacGregor  
J D MacDonald  
G J Farmer

#### **Future developments**

The Directors forecast a period of low capital spend in the Oil and Gas market driven by the reduced confidence in the sector and changing political and social views on fossil fuels. Project sanctions have slowed down drastically resulting in reduced backlog for the CAPEX related business units. The ability to deploy personnel offshore has been made extremely difficult, as Operators continue to sustain lower offshore crew numbers to allow for safe operations and social distancing measures. We are seeing some of these restrictions being lifted and increased OPEX spend.

The Directors believe with an accelerated societal focus on climate change initiatives, a requirement for the sector to operate with reduced emissions and increased Government investment in alternative energy, the business will be required to adapt to the fast changing energy market now. The Directors have focused their strategy to grow market share, develop smarter digital technologies, enhance processes, transition skills and operate in a more efficient way to support customers which will be critical for the future success of the Business.

The Business will continue to manage its cost base and seek opportunities to create further innovative solutions to the market as well as transition service offerings to alternative energy markets where it has a track record of being highly successful in delivering a number of products and services in the past.

#### **Engagement with employees**

Employee involvement continues to form a crucial part of our approach to employee engagement throughout the Group.

The voice of the employee plays an integral part in our decision making therefore we run an annual employee survey to take the pulse of the organisation to identify what is working well and areas for improvement. The benefits of the survey include: improved employee experiences; promotion of greater health and wellbeing; supported faster growth and development; and improved motivation, productivity and attendance.

In September 2019 we appointed a People and Culture Director to create and lead a progressive and innovative people strategy. The focus of the People and Culture team is to engage and develop employees at all levels of the organisation as well as attracting new talent to support our focus on our diverse and inclusive culture.

## GLOBAL ENERGY (GROUP) LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

#### Disabled employees

As part of the Group's ongoing employment practices, the Company 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.

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

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

The group recognise how important managing our environmental impact is to our business, so recruited a Group Sustainability Officer in July 2021. The role is currently prioritising the following

- Reviewing insight into the sustainability performance of company;
- Defining the sustainability strategy of company;
- Developing action plans in relation to NetZero and other key sustainability topics; and
- Internal and external reporting of performance and plans.

#### Methodology / Reporting

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

|                             | 2020-21 Gross Emissions (tCO <sub>2</sub> e) | 2020-21 Intensity emissions (tCO <sub>2</sub> e/£M) | 2019-20 Gross Emissions (tCO <sub>2</sub> e) | 2019-20 Intensity Emissions (tCO <sub>2</sub> e/£M) |
|-----------------------------|--|---|--|---|
| Global Energy Group Limited | 2329   | 19.9  | 3743   | 22.28   |

GEG has seen a reduced intensity which has largely been driven by change in the work activities performed in the business with reduction in manufacturing activities.

#### Energy Efficiency Actions

The Directors are aware of the environmental challenges of operating a group with a significant mobile workforce and operating heavy plant. There has been consolidation / rationalisation of sites, resulting in reduction of emissions, plus installation of LED lighting.

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

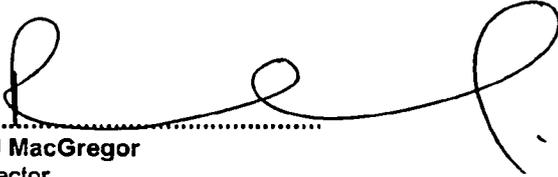
**GLOBAL ENERGY (GROUP) LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

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



.....  
R J MacGregor  
Director

Date: 21 December 2021

## **GLOBAL ENERGY (GROUP) LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2021**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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

**GLOBAL ENERGY (GROUP) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021**

|  | Note | 2021<br>£000        | 2020<br>£000         |
|--|------|---------------------|----------------------|
| Turnover                               | 4    | 117,010             | 168,267              |
| Cost of sales                          |      | (96,010)            | (135,731)            |
| <b>Gross profit</b>                    |      | <u>21,000</u>       | <u>32,536</u>        |
| Administrative expenses                |      | (20,306)            | (22,608)             |
| Exceptional administrative expenses    | 8    | 77                  | -                    |
| Other operating income                 | 5    | 1,839               | -                    |
| <b>Operating profit</b>                | 6    | <u>2,610</u>        | <u>9,928</u>         |
| Amounts written off investments        |      | -                   | 2,569                |
| Interest receivable and similar income | 9    | -                   | 1                    |
| <b>Profit before tax</b>               |      | <u>2,610</u>        | <u>12,498</u>        |
| Tax on profit                          | 10   | (472)               | (1,866)              |
| <b>Profit for the financial year</b>   |      | <u><u>2,138</u></u> | <u><u>10,632</u></u> |

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 15 to 33 form part of these financial statements.

**GLOBAL ENERGY (GROUP) LIMITED**  
**REGISTERED NUMBER: SC106415**

**BALANCE SHEET**  
**AS AT 31 MARCH 2021**

|   | Note | 2021<br>£000         | 2020<br>£000         |
|---|------|----------------------|----------------------|
| <b>Fixed assets</b>                                     |      |                      |                      |
| Intangible assets                                       | 11   | 626                  | -                    |
| Tangible assets   | 12   | 7,110                | 8,240                |
| Investments   | 13   | 34,624               | 33,323               |
|   |      | <u>42,360</u>        | <u>41,563</u>        |
| <b>Current assets</b>                                   |      |                      |                      |
| Stocks  | 14   | 358                  | 504                  |
| Debtors: amounts falling due within one year            | 15   | 43,886               | 51,849               |
| Cash at bank and in hand                                | 16   | 10,090               | 5,557                |
|   |      | <u>54,334</u>        | <u>57,910</u>        |
| Creditors: amounts falling due within one year          | 17   | (52,493)             | (56,912)             |
| <b>Net current assets</b>                               |      | <u>1,841</u>         | <u>998</u>           |
| <b>Total assets less current liabilities</b>            |      | <u>44,201</u>        | <u>42,561</u>        |
| Creditors: amounts falling due after more than one year | 18   | (3,529)              | (3,988)              |
| Deferred government grants                              |      | (541)                | (580)                |
| <b>Net assets</b>                                       |      | <u><u>40,131</u></u> | <u><u>37,993</u></u> |
| <b>Capital and reserves</b>                             |      |                      |                      |
| Called up share capital                                 | 22   | 650                  | 650                  |
| Other reserves  |      | 17                   | 17                   |
| Profit and loss account                                 |      | 39,464               | 37,326               |
|   |      | <u>40,131</u>        | <u>37,993</u>        |

**GLOBAL ENERGY (GROUP) LIMITED**  
**REGISTERED NUMBER: SC106415**

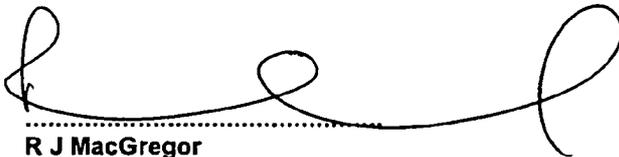
**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2021**

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

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

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

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

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

**R J MacGregor**  
Director

Date: 21 December 2021

The notes on pages 15 to 33 form part of these financial statements.

**GLOBAL ENERGY (GROUP) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

|                         | Called up<br>share capital<br>£000 | Other<br>reserves<br>£000 | Profit and<br>loss account<br>£000 | Total equity<br>£000 |
|-------------------------|------------------------------------|---------------------------|------------------------------------|----------------------|
| <b>At 1 April 2019</b>  | 650                                | 17                        | 26,694                             | 27,361               |
| Profit for the year     | -                                  | -                         | 10,632                             | 10,632               |
| <b>At 1 April 2020</b>  | 650                                | 17                        | 37,326                             | 37,993               |
| Profit for the year     | -                                  | -                         | 2,138                              | 2,138                |
| <b>At 31 March 2021</b> | 650                                | 17                        | 39,464                             | 40,131               |

The notes on pages 15 to 33 form part of these financial statements.

## **GLOBAL ENERGY (GROUP) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

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

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

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

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

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

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

The following principal accounting policies have been applied:

##### **2.2 Financial reporting standard 102 - reduced disclosure exemptions**

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

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

This information is included in the consolidated financial statements of GEG (Holdings) Limited as at 31 March 2021 and these financial statements may be obtained from 13 Henderson Road, Inverness, IV1 1SN.

##### **2.3 Exemption from preparing consolidated financial statements**

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

## GLOBAL ENERGY (GROUP) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### 2. Accounting policies (continued)

##### 2.4 Going concern

The company had net assets as at the Balance Sheet date of £40.1m (2020: £38.0m).

The Directors have obtained confirmation from a fellow group undertaking that it will provide the necessary support to enable the Company to meet its obligations as they fall due. This confirmation is valid for a minimum of 12 months from the date of approval of the financial statements.

The funding of the Company is also dependent upon the overall funding position of the GEG (Holdings) Limited ("The Group").

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

At the year end the Group has a strong liquidity position and has headroom under its financial covenants which form a part of these facilities. The Directors have reviewed the most recent projections and forecasts as prepared as part of its budgeting and strategic planning process, along with assessing severe but plausible downside sensitivity scenarios and their potential impacts on Group profitability and cash generation over the same period. By completing this analysis, these projections indicate that the Group's liquidity and covenant headroom is adequate. Therefore, the Directors are confident that the Group has sufficient covenant headroom as well as adequate cash resources to meet all its liabilities as they fall due over the next 12 months. For these reasons the Directors consider it appropriate to prepare the Company's financial statements on a going concern basis.

##### 2.5 Foreign currency translation

###### Functional and presentation currency

The Company's functional and presentational currency is GBP.

###### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rate at the date of the transaction.

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

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

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

## **GLOBAL ENERGY (GROUP) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

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

##### **2.6 Revenue**

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

##### **Rendering of services**

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

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

##### **2.7 Operating leases: the Company as lessee**

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

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

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

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

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

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

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

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

##### **2.10 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

## GLOBAL ENERGY (GROUP) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### 2. Accounting policies (continued)

##### 2.11 Pensions

###### Defined contribution pension plan

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

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

##### 2.12 Current and deferred taxation

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

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

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

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

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

##### 2.13 Exceptional items

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

##### 2.14 Intangible assets

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

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

## GLOBAL ENERGY (GROUP) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### 2. Accounting policies (continued)

##### 2.15 Tangible fixed assets

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

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

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

Depreciation is provided on the following basis:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

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

##### 2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.17 Stocks

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

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

##### 2.18 Debtors

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

##### 2.19 Cash and cash equivalents

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

## **GLOBAL ENERGY (GROUP) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

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

##### **2.20 Creditors**

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

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

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

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

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

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

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

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

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

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

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

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

## GLOBAL ENERGY (GROUP) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

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

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

##### Long term contracts

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

##### Share options

The value of the share options creditor (note 18) is based on an estimate of the amounts payable to minority shareholders of subsidiary companies on exercise of the put and call options related to these shareholdings. The amounts payable are determined by the underlying legal agreements and are subject to the future performance of the subsidiary companies to which they relate. The Directors have prepared a projection of future performance of these subsidiaries taking into account the environment in which they operate and have based the expected obligation on these projections.

#### 4. Turnover

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

|                       | 2021<br>£000 | 2020<br>£000 |
|-----------------------|--------------|--------------|
| Rendering of services | 117,010      | 168,267      |

Analysis of turnover by country of destination:

|                   | 2021<br>£000 | 2020<br>£000 |
|-------------------|--------------|--------------|
| United Kingdom    | 115,208      | 168,266      |
| Rest of Europe    | 1,802        | -            |
| Rest of the world | -            | 1            |
|                   | 117,010      | 168,267      |

**GLOBAL ENERGY (GROUP) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**5. Other operating income**

|                              | 2021<br>£000 | 2020<br>£000 |
|------------------------------|--------------|--------------|
| Government grants receivable | 1,839        | -            |

**6. Operating profit**

The operating profit is stated after charging:

|   | 2021<br>£000 | 2020<br>£000 |
|---|--------------|--------------|
| Depreciation of tangible fixed assets         | 1,541        | 1,175        |
| (Gain)/loss on sale of tangible fixed assets  | (16)         | 57           |
| Operating lease rentals - land and buildings  | 2,367        | 3,022        |
| Operating lease rentals - plant and machinery | 121          | 149          |
| Amortisation of government grants             | (39)         | (39)         |
| Exchange differences                          | 8            | -            |

**7. Employees**

Staff costs were as follows:

|                                     | 2021<br>£000 | 2020<br>£000 |
|-------------------------------------|--------------|--------------|
| Wages and salaries                  | 24,755       | 31,751       |
| Social security costs               | 2,819        | 3,654        |
| Cost of defined contribution scheme | 906          | 901          |

The average monthly number of employees, not including the Directors, during the year was as follows:

|                | 2021<br>No. | 2020<br>No. |
|----------------|-------------|-------------|
| Production     | 319         | 410         |
| Administrative | 110         | 180         |

During the year, no director received any emoluments (2020 - £NIL).

**GLOBAL ENERGY (GROUP) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**8. Exceptional items**

|                                     | 2021<br>£000 | 2020<br>£000 |
|-------------------------------------|--------------|--------------|
| Intercompany loan balance write off | 77           | -            |

**9. Interest receivable**

|                           | 2021<br>£000 | 2020<br>£000 |
|---------------------------|--------------|--------------|
| Other interest receivable | -            | 1            |

**10. Taxation**

|  | 2021<br>£000 | 2020<br>£000 |
|--|--------------|--------------|
| <b>Corporation tax</b>                           |              |              |
| Current tax on profits for the year              | 267          | 1,682        |
| Adjustments in respect of previous periods       | (15)         | 227          |
| Group taxation relief                            | 301          | 129          |
| <b>Total current tax</b>                         | <b>553</b>   | <b>2,038</b> |
| <b>Deferred tax</b>                              |              |              |
| Origination and reversal of timing differences   | 49           | (17)         |
| Adjustments in respect of prior years            | (130)        | (155)        |
| <b>Total deferred tax</b>                        | <b>(81)</b>  | <b>(172)</b> |
| <b>Taxation on profit on ordinary activities</b> | <b>472</b>   | <b>1,866</b> |

**GLOBAL ENERGY (GROUP) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**10. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

|  | 2021<br>£000 | 2020<br>£000 |
|--|--------------|--------------|
| Profit on ordinary activities before tax   | 2,610        | 12,498       |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%) | 496          | 2,375        |
| <b>Effects of:</b>   |              |              |
| Expenses not deductible for tax purposes   | 4            | 31           |
| Fixed asset differences  | 124          | 94           |
| Adjustments to tax charge in respect of prior periods  | (145)        | 72           |
| Other timing differences leading to an increase (decrease) in taxation                                     | -            | 12           |
| Non-taxable income   | (7)          | (494)        |
| Deferred tax movements   | -            | (231)        |
| R&D tax credits  | -            | 7            |
| <b>Total tax charge for the year</b>   | <b>472</b>   | <b>1,866</b> |

**GLOBAL ENERGY (GROUP) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**11. Intangible assets**

|                       | Software<br>development<br>£000 | Goodwill<br>£000 | Total<br>£000 |
|-----------------------|---------------------------------|------------------|---------------|
| <b>Cost</b>           |                                 |                  |               |
| At 1 April 2020       | -                               | 750              | 750           |
| Additions             | 626                             | -                | 626           |
| At 31 March 2021      | <u>626</u>                      | <u>750</u>       | <u>1,376</u>  |
| <b>Amortisation</b>   |                                 |                  |               |
| At 1 April 2020       | -                               | 750              | 750           |
| At 31 March 2021      | -                               | 750              | 750           |
| <b>Net book value</b> |                                 |                  |               |
| At 31 March 2021      | <u>626</u>                      | <u>-</u>         | <u>626</u>    |
| At 31 March 2020      | <u>-</u>                        | <u>-</u>         | <u>-</u>      |

**GLOBAL ENERGY (GROUP) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**12. Tangible fixed assets**

|  | Land and<br>buildings<br>£000 | Plant and<br>machinery<br>£000 | Motor<br>vehicles<br>£000 | Fixtures and<br>fittings<br>£000 | Total<br>£000 |
|--|-------------------------------|--------------------------------|---------------------------|----------------------------------|---------------|
| <b>Cost or valuation</b>               |                               |                                |                           |                                  |               |
| At 1 April 2020                        | 11,147                        | 3,870                          | 1,027                     | 2,175                            | 18,219        |
| Additions                              | 268                           | 102                            | -                         | 41                               | 411           |
| Disposals                              | -                             | -                              | (93)                      | (596)                            | (689)         |
| Transfers between classes              | -                             | (12)                           | 12                        | -                                | -             |
| At 31 March 2021                       | <u>11,415</u>                 | <u>3,960</u>                   | <u>946</u>                | <u>1,620</u>                     | <u>17,941</u> |
| <b>Depreciation</b>                    |                               |                                |                           |                                  |               |
| At 1 April 2020                        | 4,443                         | 2,744                          | 679                       | 2,113                            | 9,979         |
| Charge for the year on owned<br>assets | 1,021                         | 379                            | 110                       | 31                               | 1,541         |
| Disposals                              | -                             | -                              | (93)                      | (596)                            | (689)         |
| Transfers between classes              | -                             | (1)                            | 1                         | -                                | -             |
| At 31 March 2021                       | <u>5,464</u>                  | <u>3,122</u>                   | <u>697</u>                | <u>1,548</u>                     | <u>10,831</u> |
| <b>Net book value</b>                  |                               |                                |                           |                                  |               |
| At 31 March 2021                       | <u>5,951</u>                  | <u>838</u>                     | <u>249</u>                | <u>72</u>                        | <u>7,110</u>  |
| At 31 March 2020                       | <u>6,704</u>                  | <u>1,126</u>                   | <u>348</u>                | <u>62</u>                        | <u>8,240</u>  |

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

|                   | 2021<br>£000 | 2020<br>£000 |
|-------------------|--------------|--------------|
| Freehold property | 5,264        | 6,184        |
| Leasehold         | 687          | 520          |
|                   | <u>5,951</u> | <u>6,704</u> |

**GLOBAL ENERGY (GROUP) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**13. Fixed asset investments**

|                          | Investments<br>in subsidiary<br>companies<br>£000 |
|--------------------------|---|
| <b>Cost or valuation</b> |   |
| At 1 April 2020          | 33,323  |
| Additions                | 1,301   |
| At 31 March 2021         | <u>34,624</u>                                     |

The carrying value of certain investments were increased in the year following an assessment by the Directors of earnouts expected to be payable (included in other creditors per note 18).

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

| <b>Name</b>  | <b>Registered office</b>  | <b>Class of shares</b> | <b>Holding</b> |
|--|---|------------------------|----------------|
| Global Energy (Engineering & Construction) Limited | 13 Henderson Road,<br>Inverness, IV1 1SN  | Ordinary               | 86%            |
| Global Energy (Holdings) Limited                   | 13 Henderson Road,<br>Inverness, IV1 1SN  | Ordinary               | 100%           |
| Global Energy Corporation Limited                  | 13 Henderson Road,<br>Inverness, IV1 1SN  | Ordinary               | 100%           |
| Apollo Offshore Engineering Limited                | Nautilus House, 35<br>Waterloo Quay,<br>Aberdeen, AB11 5BS  | Ordinary               | 51%            |
| Caledonian Petroleum Services Limited              | 13 Henderson Road,<br>Inverness, IV1 1SN  | Ordinary               | 100%           |
| Rig Surveys Group Limited*                         | Pacesetter House,<br>Wellheads Crescent,<br>Wellheads Industrial<br>Estate, Aberdeen, AB21<br>7GA | Ordinary               | 50.1%          |
| Global Energy Group (Access & Coatings) Limited*   | 13 Henderson Road,<br>Inverness, IV1 1SN  | Ordinary               | 100%           |
| Reel Group Limited*                                | 13 Henderson Road,<br>Inverness, IV1 1SN  | Ordinary               | 100%           |
| Global Port Services (Scotland) Limited*           | 13 Henderson Road,<br>Inverness, IV1 1SN  | Ordinary               | 97.5%          |
| Isleburn Limited*                                  | 13 Henderson Road,<br>Inverness, IV1 1SN  | Ordinary               | 100%           |
| Evolution Ropes Limited*                           | Pacesetter House,<br>Wellheads Crescent,<br>Wellheads Industrial<br>Estate, Aberdeen, AB21<br>7GA | Ordinary               | 50.1%          |

**GLOBAL ENERGY (GROUP) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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

**Subsidiary undertakings (continued)**

| <b>Name</b>                                    | <b>Registered office</b>  | <b>Class of shares</b> | <b>Holding</b> |
|--|---|------------------------|----------------|
| Evolution Hose Limited*                        | Pacesetter House,<br>Wellheads Crescent,<br>Wellheads Industrial<br>Estate, Aberdeen, AB21<br>7GA | Ordinary               | 50.1%          |
| Rig Surveys Limited*                           | Pacesetter House,<br>Wellheads Crescent,<br>Wellheads Industrial<br>Estate, Aberdeen, AB21<br>7GA | Ordinary               | 50.1%          |
| Reel Limited*                                  | 13 Henderson Road,<br>Inverness, IV1 1SN  | Ordinary               | 100%           |
| Reel Inspection & Rig Maintenance Pvt Limited* | H 62, Mahindra Park,<br>LBS marg Ghatkopar,<br>West Mumbai, 400086                                | Ordinary               | 100%           |
| Global Logistics Services Limited*             | 13 Henderson Road,<br>Inverness, IV1 1SN  | Ordinary               | 97.5%          |
| Rig IRM Inc.*                                  | 13104 Womington Court,<br>Houston, TX 77077   | Ordinary               | 100%           |
| Rig Surveys AS*                                | 13 Henderson Road,<br>Inverness, IV1 1SN  | Ordinary               | 100%           |
| Magma Products Limited*                        | 13 Henderson Road,<br>Inverness, IV1 1SN  | Ordinary               | 86%            |

\* Held by a subsidiary

Reel Limited and Global Energy (Access and Coatings) Limited were dissolved following the year end.

**14. Stocks**

|                                     | 2021<br>£000 | 2020<br>£000 |
|-------------------------------------|--------------|--------------|
| Finished goods and goods for resale | 358          | 504          |

**GLOBAL ENERGY (GROUP) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**15. Debtors**

|  | 2021<br>£000  | 2020<br>£000  |
|--|---------------|---------------|
| Trade debtors                              | 11,137        | 22,466        |
| Amounts owed by group undertakings         | 17,633        | 15,395        |
| Other debtors                              | 547           | 397           |
| Prepayments and accrued income             | 2,566         | 2,745         |
| Amounts recoverable on long term contracts | 11,749        | 10,673        |
| Deferred taxation                          | 254           | 173           |
|  | <u>43,886</u> | <u>51,849</u> |

Included within other debtors is a loan due from third parties of £300,000. Interest is charged at the rate of 2.5% above the Bank of Scotland Base Rate per annum. Repayment of the loan is due on the settlement of a share purchase from certain other group companies.

**16. Cash and cash equivalents**

|                          | 2021<br>£000  | 2020<br>£000 |
|--------------------------|---------------|--------------|
| Cash at bank and in hand | <u>10,090</u> | <u>5,557</u> |

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

|                                    | 2021<br>£000  | 2020<br>£000  |
|------------------------------------|---------------|---------------|
| Trade creditors                    | 10,164        | 12,276        |
| Amounts owed to group undertakings | 17,577        | 24,501        |
| Corporation tax                    | 980           | 1,115         |
| Other taxation and social security | 2,401         | 1,302         |
| Other creditors                    | 2,804         | 1,338         |
| Accruals and deferred income       | 18,567        | 16,380        |
|                                    | <u>52,493</u> | <u>56,912</u> |

**GLOBAL ENERGY (GROUP) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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

|                 | 2021<br>£000 | 2020<br>£000 |
|-----------------|--------------|--------------|
| Option creditor | 3,169        | 3,169        |
| Other creditors | 360          | 819          |
|                 | <u>3,529</u> | <u>3,988</u> |

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

**19. Financial Instruments**

|  | 2021<br>£000  | 2020<br>£000 |
|--|---------------|--------------|
| <b>Financial assets</b>  |               |              |
| Financial assets measured at fair value through profit or loss | <u>10,090</u> | <u>5,557</u> |

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

**20. Deferred government grants**

|                  | 2021<br>£000 | 2020<br>£000 |
|------------------|--------------|--------------|
| At 1 April       | 580          | 618          |
| Utilised in year | (39)         | (38)         |
|                  | <u>541</u>   | <u>580</u>   |

**GLOBAL ENERGY (GROUP) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**21. Deferred taxation**

|                           | 2021<br>£000 |
|---------------------------|--------------|
| At beginning of year      | 173          |
| Charged to profit or loss | 81           |
| <b>At end of year</b>     | <b>254</b>   |

The deferred tax asset is made up as follows:

|                                | 2021<br>£000 | 2020<br>£000 |
|--------------------------------|--------------|--------------|
| Accelerated capital allowances | 228          | 145          |
| Short term timing differences  | 26           | 28           |
|                                | <u>254</u>   | <u>173</u>   |

**22. Share capital**

|  | 2021<br>£000 | 2020<br>£000 |
|--|--------------|--------------|
| <b>Allotted, called up and fully paid</b>              |              |              |
| 650,000 (2020 - 650,000) Ordinary shares of £1.00 each | 650          | 650          |

**23. Contingent liabilities**

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

**24. Capital commitments**

At 31 March 2021 the Company had capital commitments as follows:

|   | 2021<br>£000 | 2020<br>£000 |
|---|--------------|--------------|
| Contracted for but not provided in these financial statements | -            | 58           |

## GLOBAL ENERGY (GROUP) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### 25. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £906,000 (2020 - £901,000).

Contributions payable to the fund at the balance sheet date were £134,044 (2020 - £144,000).

#### 26. Commitments under operating leases

At 31 March 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

|  | 2021<br>£000  | 2020<br>£000  |
|--|---------------|---------------|
| Not later than 1 year                        | 2,204         | 2,431         |
| Later than 1 year and not later than 5 years | 5,905         | 7,115         |
| Later than 5 years                           | 6,197         | 7,377         |
|  | <u>14,306</u> | <u>16,923</u> |

#### 27. Related party transactions

##### Key management personnel

All individuals who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel. Total remuneration in respect of these individuals is £523,000 (2020 - £369,000).

The Company is exempt from disclosing transactions with other wholly owned group companies under Section 33.1A of FRS 102. During the year the Company entered into transactions, in the normal course of business, with other related parties. The transactions entered into, and the balances outstanding at 31 March 2021 are as follows:

|  | Sales<br>£000 | Purchases<br>£000 | Year End<br>Balance<br>£000 |
|--|---------------|-------------------|-----------------------------|
| Entities under common control  | 11,792        | 20,090            | 252                         |
| Entities under the control of a close family member of a controlling party | -             | 356               | (4)                         |
| Entities with a common shareholder   | 15            | 312               | (79)                        |
|  | <u>11,807</u> | <u>20,758</u>     | <u>169</u>                  |

## **GLOBAL ENERGY (GROUP) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

#### **28. Other commitments**

At the year end, the Company had entered into an agreement to transfer a division of the Group to a fellow group company. The transfer of this element of the Company took place in the financial year ending March 2022.

#### **29. Ultimate parent undertaking and controlling party**

The company's immediate parent undertaking is Global Energy Fabrication Limited, a company registered in Scotland.

The ultimate parent undertaking and controlling party is GEG Capital Investments Limited, a company registered in Scotland.

The smallest group for which consolidated financial statements are prepared which include Global Energy (Group) Limited is that of GEG (Holdings) Limited. The largest group for which consolidated financial statements are prepared is that of GEG Capital Investments Limited .

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