

Global Resources Group Limited
Report and Financial Statements
For the year ended 31 March 2007



Company information

Directors	R J MacGregor I R MacGregor M A L MacGregor D A MacGregor W Hamilton P V Wisely A B Mair
Secretary	R J MacGregor
Company number	SC172021
Registered office	19 Academy Street Inverness IV1 1JN
Auditors	Ernst & Young LLP Registered auditor Barony House Stoneyfield Business Park Stoneyfield Inverness IV2 7PA
Bankers	Bank of Scotland 2-6 Eastgate Inverness IV2 3NA
Solicitors	Stronachs 34 Albyn Place Aberdeen AB10 6XF

Directors' Report

For the year ended 31 March 2007

The directors present their report and the financial statements for the year ended 31 March 2007

Principal activities

Global Resources Group are a dynamic, fast growing organisation focused on the provision of world class services and solutions. These services and solutions encompass an integrated range of business units providing

- Engineering services
- Fabrication services
- Resource Management
- Supply Chain Management
- Quality Management and 3rd Party Inspection
- Pipelines Support

Business review

In a 12 month period of considerable organic expansion, Global Resources Group also acquired 75% of the shares of Isleburn Ltd (subsequently renamed Global Isleburn Ltd) in November 2006 and 100% of the shares of Banford Associates Ltd in December 2006. Together, this resulted in the Group's turnover increasing by some 179% during the year. Isleburn Ltd contributing £5,658k of turnover in the 4 month period post acquisition and Banford Associates Ltd £628k.

Diversification and expansion of the Group's activities saw a consolidated decrease in percentage gross margins but these were in line with expectations and the Gross Profit increased by 120% on last year. During the year the board made decisions to invest in the future wellbeing of the organisation and increased staffing levels within all business units, and to strengthen the support services of HSEQ, IT and Finance as well as at board level. These, together with acquisition costs contributed towards higher than proportional administrative costs in the year. Nevertheless, the Group achieved an increase of 109% in Operating profit in the year and shareholders' funds increased by 68% due to the increase in retained earnings.

The group's "quick ratio" (current assets as a percentage of current liabilities) has decreased to 107% from 123% due to the substantial change in the Group's composition from that of last year, and to the costs borne in the investment in new people, systems, and processes enabling the expansion of the business going forward.

The total average number of employees increased substantially during the year. This was partially attributable to the acquisition of Isleburn Limited but also due to an increased number of persons engaged in the support of the larger organization.

The sectors Global Resources Group is active in continue to be very buoyant and all our 6 business streams are poised for further growth both in the domestic markets and overseas in the coming year.

International expansion will be carried out in partnership with key Clients and we are targeting expanding our operations into Houston (and the Gulf of Mexico), Canada, West Africa, Norway and the Middle East following the appropriate diligence and market assessment.

The Global Resources Group care about the safety and well being of our people and about the environment in which we live and work. Our ultimate goal is an incident free work place.

Performing high quality and safe operations is a fundamental principle of Global Resources. Our people must maintain the Group's standards, as far as is reasonably practicable, taking into account local, national and international regulatory and legislative requirements. Our people function and perform their roles in a learning environment where we continually improve and build on success.

All Business Unit operations will be free to develop fit for purpose HSEQ models, which follow the guiding principles and objectives of the Group HSEQ strategy.

Directors' Report

For the year ended 31 March 2007

Results

The profit for the year, after taxation and minority interests, amounted to £1,226,299 (2006 £736,470)

Directors

The directors who served during the year were

R J MacGregor
I R MacGregor
M A L MacGregor
D A MacGregor
W Hamilton
P V Wisely
A B Mair

Events since the end of the year

On 14 December 2007, Global Energy Holdings Limited acquired the entire issued share capital of Global Resources Group Limited in a share for share exchange with the existing shareholders

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 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.

Provision of information to auditors

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the group's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985

Directors' Report

For the year ended 31 March 2007

This report was approved by the board on *04 February 2008* and signed on its behalf



Director

Date. *04.02.08*

Statement of directors' responsibilities
for the year ended 31 March 2007

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' report to the members of Global Resources Group Limited

We have audited the group and parent company financial statements (the "financial statements") of Global Resources Group Limited for the year ended 31 March 2007 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement and the related notes 1 to 32. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the group has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the directors' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent Auditors' report to the members of Global Resources Group Limited

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 March 2007 and of the group's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Ernst & Young LLP
Ernst & Young LLP
Registered auditor
Inverness
Date 5/2/2008

Consolidated profit and loss account
for the year ended 31 March 2007

	Note	2007 £	2006 £
Turnover	1,2		
Continuing operations		59,534,377	22,549,850
Acquisitions		6,285,998	1,074,875
		<u>65,820,375</u>	<u>23,624,725</u>
Cost of sales	3	<u>(56,555,482)</u>	<u>(19,420,197)</u>
Gross profit		9,264,893	4,204,528
Administrative expenses	3	<u>(7,004,220)</u>	<u>(3,116,763)</u>
Operating profit	4		
Continuing operations		2,713,252	1,085,392
Acquisitions		(452,579)	2,373
		<u>2,260,673</u>	<u>1,087,765</u>
Exceptional items			
Net profit on sale of tangible fixed assets	9	<u>84,954</u>	<u>—</u>
Profit on ordinary activities before interest		2,345,627	1,087,765
Interest receivable		20,928	7,634
Interest payable	8	<u>(326,437)</u>	<u>(24,097)</u>
Profit on ordinary activities before taxation		2,040,118	1,071,302
Tax on profit on ordinary activities	10	<u>(911,646)</u>	<u>(334,832)</u>
Profit on ordinary activities after taxation		1,128,472	736,470
Minority interests		<u>97,827</u>	<u>—</u>
Profit for the financial year	22	<u><u>1,226,299</u></u>	<u><u>736,470</u></u>

There were no recognised gains and losses for 2007 or 2006 other than those included in the Profit and loss Account

The notes on pages 12 to 31 form part of these financial statements

Consolidated balance sheet**as at 31 March 2007**

	<i>Note</i>	<i>£</i>	<i>2007</i> <i>£</i>	<i>£</i>	<i>2006</i> <i>£</i>
Fixed assets					
Intangible fixed assets	11		2,905,049		(30,806)
Tangible fixed assets	12		1,616,874		267,355
Fixed asset investments	13		125,000		125,000
			<u>4,646,923</u>		<u>361,549</u>
Current assets					
Stocks	14	1,086,097			
Debtors	15	22,454,258		7,865,057	
Investments	16	2,063,547			
Cash at bank and in hand		1,132,082		76,000	
		<u>26,735,984</u>		<u>7,941,057</u>	
Creditors amounts falling due within one year	17	(24,953,499)		(6,458,006)	
Net current assets			<u>1,782,485</u>		<u>1,483,051</u>
Total assets less current liabilities			<u>6,429,408</u>		<u>1,844,600</u>
Creditors: amounts falling due after more than one year	18		(2,802,452)		
Provisions for liabilities					
Deferred tax	19		(296,921)		(1,894)
Net assets			<u><u>3,330,035</u></u>		<u><u>1,842,706</u></u>

Consolidated balance sheet (continued)

as at 31 March 2007

		2007	2006
	Note	£	£
Capital and Reserves			
Called up share capital	21	380,000	380,000
Share premium account	22	5,000	5,000
Capital redemption reserve	22	135,000	135,000
Profit and loss account	22	2,497,005	1,270,706
Shareholders' funds	23	3,017,005	1,790,706
Minority interests		313,030	52,000
		<u>3,330,035</u>	<u>1,842,706</u>

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



Director

Date 04.02.08

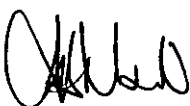
The notes on pages 12 to 31 form part of these financial statements

Company balance sheet

as at 31 March 2007

	Note	£	2007 £	2006 £
Fixed assets				
Tangible fixed assets	12		163,958	133,045
Fixed asset investments	13		622,183	350,001
			<u>786,141</u>	<u>483,046</u>
Current assets				
Debtors	15	9,294,763	6,542,621	
Cash at bank		430,357	6,957	
		<u>9,725,120</u>	<u>6,549,578</u>	
Creditors amounts falling due within one year	17	(7,197,296)	(5,233,850)	
Net current assets			<u>2,527,824</u>	<u>1,315,728</u>
Total assets less current liabilities			<u>3,313,965</u>	<u>1,798,774</u>
Creditors amounts falling due after more than one year	18		(19,616)	
Provisions for liabilities				
Other provisions	20		(180,654)	
Net assets			<u><u>3,113,695</u></u>	<u><u>1,798,774</u></u>
Capital and Reserves				
Called up share capital	21		380,000	380,000
Share premium account	22		5,000	5,000
Capital redemption reserve	22		135,000	135,000
Profit and loss account	22		2,593,695	1,278,774
Shareholders' funds	23		<u><u>3,113,695</u></u>	<u><u>1,798,774</u></u>

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



Director

Date 04.02.08

The notes on pages 12 to 31 form part of these financial statements

Cash flow statement**for the year ended 31 March 2007**

	<i>Note</i>	<i>2007</i> £	<i>2006</i> £
Net cash flow from operating activities	25	3,553,620	(1,647,424)
Returns on investments and servicing of finance	26	(357,509)	(16,463)
Taxation		(658,068)	(206,588)
Capital expenditure and financial investment	26	15,836	(298,995)
Acquisitions and disposals	26	(5,836,852)	(389,303)
Cash outflow before financing		(3,282,973)	(2,558,773)
Financing	26	1,815,944	
Decrease in cash in the year		(1,467,029)	(2,558,773)

Reconciliation of net cash flow to movement in net funds/debt
for the year ended 31 March 2007

	<i>2007</i> £	<i>2006</i> £
Decrease in cash in the year	(1,467,029)	(2,558,773)
Cash inflow from increase in debt and lease financing	(1,815,944)	
Change in net debt resulting from cash flows	(3,282,973)	(2,558,773)
New finance lease	(63,219)	(61,516)
Finance leases acquired with subsidiary	(645,400)	
Movement in net debt in the year	(3,991,592)	(2,620,289)
Net (debt)/funds at 1 April 2006	(2,003,519)	616,770
Net debt at 31 March 2007	(5,995,111)	(2,003,519)

The notes on pages 12 to 31 form part of these financial statements

Notes to the financial statements

For the year ended 31 March 2007

1 Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Basis of consolidation

The financial statements consolidate the accounts of Global Resources Group Limited and all of its subsidiary undertakings ('subsidiaries')

The results of subsidiaries acquired during the year are included from the effective date of acquisition

1.3 Turnover

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

1.4 Intangible fixed assets and amortisation

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

Amortisation is provided at the following rates

Goodwill	5% straight line
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1.5 Tangible fixed assets and depreciation

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

L/Term Leasehold Property	5% straight line
Plant & machinery	20% straight line
Motor vehicles	25% straight line
Office equipment	20% straight line
Computer equipment	33% straight line

1.6 Investments

(i) Subsidiary undertakings

Investments in subsidiaries are valued at cost less provision for impairment

(ii) Other investments

Investments held as fixed assets are shown at cost less provisions for their impairment

Notes to the financial statements

For the year ended 31 March 2007

1. Accounting policies (continued)

1.7 Leasing and hire purchase

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

1.8 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Deferred taxation

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

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

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

Deferred tax assets and liabilities are not discounted.

1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

1.12 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

Notes to the financial statements

For the year ended 31 March 2007

1 Accounting policies (continued)

1.13 Long-term contracts

Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues 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 in which they are first foreseen.

1.14 Pensions

The company contributes to personal pension 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 schemes.

2. Turnover

An analysis of turnover by class of business is as follows

	2007 £	2006 £
Engineering services	12,586,267	4,318,430
Fabrication services	5,661,605	
Resource Management	44,738,926	18,707,880
Supply Chain Management	1,482,642	598,415
Quality Management and 3rd Party Inspection	624,393	
Football club	726,542	
	<u>65,820,375</u>	<u>23,624,725</u>

A geographical analysis of turnover is as follows

	2007 £	2006 £
United Kingdom	64,774,672	21,091,201
Rest of European Union	642,389	2,533,524
Rest of world	403,314	
	<u>65,820,375</u>	<u>23,624,725</u>

There were no discontinued activities during the year

Notes to the financial statements

For the year ended 31 March 2007

3. Cost of sales and expenses

	2007 Continuing £	2006 Continuing £
Cost of sales	56,555,482	19,420,197
Administrative expenses	7,004,220	3,116,763

The following amounts were included within continuing activities in relation to acquisitions during the year

	2007 £	2006 £
Cost of sales	5,691,990	923,224
Administrative expenses	1,046,587	149,278

4 Operating profit

The operating profit is stated after charging/(crediting)

	2007 £	2006 £
Amortisation intangible fixed assets	18,431	
Depreciation of tangible fixed assets		
owned by the company	195,195	58,185
held under finance leases	10,293	
Operating lease rentals		
plant and machinery	2,745	
other operating leases	29,383	
Difference on foreign exchange	(60,325)	2,586
Government grants released	18,431	(3,864)

5 Auditors' remuneration

	2007 £	2006 £
Fees payable to the company's auditor for the audit of the company's annual accounts	20,000	16,000
Fees payable to the company's auditor and its associates in respect of		
The auditing of accounts of associates of the company pursuant to legislation	23,000	4,000
Other services relating to taxation	27,745	3,835
Services relating to corporate finance transactions	3,750	
All other services	500	500

Notes to the financial statements

For the year ended 31 March 2007

6 Staff costs

Staff costs, including directors' remuneration, were as follows

	Group		Company	
	2007	2006	2006	2006
	£	£	£	£
Wages and salaries	8,154,837	1,491,237	2,041,017	1,436,363
Social security costs	802,077	164,611	237,561	158,055
Other pension costs	162,698	32,545	90,900	28,171
	<u>9,119,612</u>	<u>1,688,393</u>	<u>2,369,478</u>	<u>1,622,589</u>

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

	Group		Company	
	2007	2006	2006	2006
	No	No	No	No
Management	27	2	13	2
Administration	155	45	48	43
Production	206	0	0	0
	<u>388</u>	<u>47</u>	<u>61</u>	<u>45</u>

7 Directors' remuneration

	2007	2006
	£	£
Emoluments	<u>443,256</u>	<u>109,457</u>
Company pension contributions to money purchase pension schemes	<u>41,526</u>	<u></u>

During the year retirement benefits were accruing to 3 directors in respect of money purchase pension schemes
The highest paid director received remuneration of £98,492

The value of the company's contributions paid to a money purchase pension scheme in respect of the highest paid director amounted to £2,917

Notes to the financial statements

For the year ended 31 March 2007

8. Interest payable

	2007 £	2006 £
On bank loans and overdrafts	297,744	24,097
On other loans	11,324	
On finance leases and hire purchase contracts	17,369	
	<u>326,437</u>	<u>24,097</u>

9 Exceptional items

	2007 £	2006 £
Profit on disposal of tangible fixed assets	84,954	
	<u>84,954</u>	<u></u>

10 Taxation

	2007 £	2006 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	945,046	342,393
Adjustments in respect of prior periods		(6,666)
	<u>945,046</u>	<u>335,727</u>
Foreign tax on income for the year	10,000	
	<u>955,046</u>	<u>335,727</u>
Total current tax		
Deferred tax		
Origination and reversal of timing differences	(17,579)	(895)
Other timing differences	(25,821)	
	<u>(43,400)</u>	<u>(895)</u>
Total deferred tax (see note 19)		
	<u>911,646</u>	<u>334,832</u>
Tax on profit on ordinary activities		

Notes to the financial statements

For the year ended 31 March 2007

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2006 higher than) the standard rate of corporation tax in the UK (30%). The differences are explained below

	2007 £	2006 £
Profit on ordinary activities before tax	2,040,118	1,071,302
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	612,035	321,391
Effects of:		
Expenses not deductible for tax purposes	72,977	21,855
Capital allowances for year in excess of depreciation	8,780	(5,723)
Short term timing differences	22,620	1,250
Others	238,634	3,620
Adjustments to tax charge in respect of prior periods		(6,666)
Current tax charge for the year (see note above)	955,046	335,727

Factors that may affect future tax charges

There were no factors that may affect future tax charges

11. Intangible fixed assets

	<i>Goodwill</i> £
Group	
Cost	
At 1 April 2006	(22,925)
On acquisition of subsidiaries	2,954,286
At 31 March 2007	2,931,361
Amortisation	
At 1 April 2006	7,881
Charge for the year	18,431
At 31 March 2007	26,312
Net book value	
At 31 March 2007	2,905,049
At 31 March 2006	(30,806)

Notes to the financial statements

For the year ended 31 March 2007

11 Intangible fixed assets (continued)

	<i>Goodwill</i> £
Company	
Cost	
At 1 April 2006 and 31 March 2007	7,881
Amortisation	
At 1 April 2006 and 31 March 2007	7,881
Net book value	
At 31 March 2007	

12 Tangible fixed assets

	<i>Land and buildings</i> £	<i>Plant and machinery</i> £	<i>Motor vehicles</i> £	<i>Furniture, fittings and equipment</i> £	<i>Total</i> £
Group					
Cost					
At 1 April 2006	103,835	24,721	39,111	180,200	347,867
Additions	4,704	40,760	143,461	123,325	312,250
Transfers intra group				(28,047)	(28,047)
Disposals	(102,515)	(13,444)	(72,095)	(27,307)	(215,361)
On acquisition of subsidiaries	593,392	575,428	173,572	89,303	1,431,695
At 31 March 2007	599,416	627,465	284,049	337,474	1,848,404
Depreciation					
At 1 April 2006	1,320	5,444	5,837	67,911	80,512
Charge for the year	9,454	63,631	39,799	92,604	205,488
Transfers intra group				(28,047)	(28,047)
On disposals			(2,524)	(23,899)	(26,423)
At 31 March 2007	10,774	69,075	43,112	108,569	231,530
Net book value					
At 31 March 2007	588,642	558,390	240,937	228,905	1,616,874
At 31 March 2006	102,515	19,277	33,274	112,289	267,355

Notes to the financial statements

For the year ended 31 March 2007

12. Tangible fixed assets (continued)

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

	2007 £	2006 £
Group		
Plant and machinery	291,785	
Motor vehicles	70,091	
	<u>361,876</u>	

At 31 March 2007, included within the net book value of land and buildings is £584,169 (2006 £NIL) relating to freehold land and buildings, £4,473 (2006 £102,515) relating to long term leasehold land and buildings and £NIL (2006 £NIL) relating to short term leasehold land and buildings

Company	<i>Land and buildings</i> £	<i>Plant and machinery</i> £	<i>Motor vehicles</i> £	<i>Furniture, fittings and equipment</i> £	<i>Total</i> £
Cost					
At 1 April 2006	1,320	24,721	22,990	160,674	209,705
Additions	4,704	19,445	76,401	62,293	162,843
Transfers intra group				(66,081)	(66,081)
Disposals			(37,448)	(8,727)	(46,175)
At 31 March 2007	<u>6,024</u>	<u>44,166</u>	<u>61,943</u>	<u>148,159</u>	<u>260,292</u>
Depreciation					
At 1 April 2006	1,320	5,444	5,748	64,148	76,660
Charge for the year	235	7,000	8,363	44,793	60,391
Transfers intra group				(28,047)	(28,047)
On disposals			(146)	(12,524)	(12,670)
At 31 March 2007	<u>1,555</u>	<u>12,444</u>	<u>13,965</u>	<u>68,370</u>	<u>96,334</u>
Net book value					
At 31 March 2007	<u>4,469</u>	<u>31,722</u>	<u>47,978</u>	<u>79,789</u>	<u>163,958</u>
At 31 March 2006		<u>19,277</u>	<u>17,242</u>	<u>96,526</u>	<u>133,045</u>

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

	2007 £	2006 £
Company		
Motor vehicles	<u>29,543</u>	

Notes to the financial statements

For the year ended 31 March 2007

13. Fixed asset investments

Group	<i>Other investments £</i>
Cost or valuation	
At 1 April 2006 and 31 March 2007	197,000
Impairment	
At 1 April 2006 and 31 March 2007	72,000
Net book value	
At 31 March 2007	125,000
At 31 March 2006	125,000

Subsidiary undertakings

The following are subsidiary undertakings of the company

Global Highland Management Services Limited	100%
Global Material Services Limited	100%
Maris Limited	100%
Mountwest 706 Limited	100%
Global Pipelines (UK) Limited	100%
Ross County Football Club (2006) Limited	100%
Banford Associates Limited	100%

Mountwest 706 Limited owns 75% of the issued ordinary share capital of Global Isleburn Limited. Global Isleburn Limited owns 100% of the issued ordinary share capital of both Isleburn Limited and Safety Welding and Lifting (International) Limited.

Ross County Football Club (2006) Limited has a 30 June year end therefore management accounts for the period from commencement of trading on 1 July 2006 to 31 March 2007 have been consolidated into the group results.

Notes to the financial statements

For the year ended 31 March 2007

13 Fixed asset investments (continued)

Company	<i>Shares in group undertakings</i> £	<i>Other investments</i> £	<i>Total</i> £
Cost or valuation			
At 1 April 2006	235,001	197,000	432,001
Additions	272,182		272,182
At 31 March 2007	507,183	197,000	704,183
Impairment			
At 1 April 2006 and 31 March 2007	10,000	72,000	82,000
Net book value			
At 31 March 2007	497,183	125,000	622,183
At 31 March 2006	225,001	125,000	350,001

Analysis of the acquisition of the Isleburn Group

On 30 November 2006 the group acquired the Isleburn Group for a consideration of £4,000,000 comprising £2,000,000 cash, £1,000,000 deferred consideration and £1,000,000 earn out consideration. The investment in the Isleburn Group has been included in the group's balance sheet at its fair value at the date of acquisition. No fair value adjustments were required.

	<i>Fair value to group</i> £
Net assets at date of acquisition:	
Tangible fixed assets	1,387,300
Stocks and work in progress	2,847,900
Debtors	7,924,100
Cash	95,548
Bank overdraft	(3,539,700)
Bank loan	(124,500)
Creditors due within one year	(5,535,600)
Hire purchase creditor	(645,400)
Creditors greater than one year	(766,300)
Minority interest	(410,837)
Goodwill	2,767,489
Total consideration	4,000,000

Notes to the financial statements

For the year ended 31 March 2007

Analysis of the acquisition of Banford Associates Limited

On 1 December 2006 the group acquired Banford Associates Limited for a cash consideration of £220,000. The investment in the Banford Associates Limited has been included in the group's balance sheet at its fair value at the date of acquisition. No fair value adjustments were required.

	<i>Fair value to group £</i>
Net assets at date of acquisition:	
Tangible fixed assets	44,071
Debtors	945,419
Creditors due within one year	(928,812)
Creditors greater than one year	(24,451)
Deferred taxation	(3,024)
Goodwill	186,797
Total consideration	<u>220,000</u>

The Isleburn Group earned a loss after tax of £398,797 in the period ended 31 March 2007 (2006: £86,129 in the year ended 31 July 2006), of which a loss of £33,300 arose in the period from 1 August 2006 to 30 November 2006. The summarised profit and loss account for the period from 1 August 2006 to the effective date of acquisition is as follows:

	<i>£</i>
Turnover	7,304,200
Operating profit	76,900
Profit before tax	(41,600)
Taxation	8,300
Loss for the four months ended 30 November 2006	<u>(33,300)</u>

Notes to the financial statements

For the year ended 31 March 2007

14 Stocks

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Raw materials	430,147			
Work in progress	655,950			
	<u>1,086,097</u>	<u></u>	<u></u>	<u></u>

15 Debtors

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Trade debtors	18,647,944	7,765,867	8,216,128	6,370,505
Amounts owed by group undertakings			664,260	137,340
Other debtors	890,751	41,777	330,659	27,350
Called up share capital not paid	100			
Prepayments and accrued income	663,348	57,413	46,603	7,426
Amounts recoverable on long term contracts	2,252,115			
Deferred tax asset (see note 19)			37,113	
	<u>22,454,258</u>	<u>7,865,057</u>	<u>9,294,763</u>	<u>6,542,621</u>

16 Current asset investments

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Assets held for resale	<u>2,063,547</u>	<u></u>	<u></u>	<u></u>

Assets held for resale comprise plant and equipment with a carrying value of £2,063,547

Notes to the financial statements

For the year ended 31 March 2007

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

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Bank loans and overdrafts	4,961,566	2,079,519	821,503	1,736,930
Net obligations under finance leases and hire purchase contracts	386,300		9,711	
Trade creditors	6,632,552	1,603,967	2,184,892	1,017,668
Cashflow creditor	1,185,554			
Amounts owed to group undertakings			802,569	
Corporation tax	647,257	350,279	459,475	332,214
Social security and other taxes	2,225,941	1,496,308	1,012,992	1,476,079
Director's loan account	133,333	133,333	133,333	133,333
Other creditors	2,318,665	180,339	825,322	130,068
Accruals and deferred income	6,462,331	614,261	947,499	407,558
	<u>24,953,499</u>	<u>6,458,006</u>	<u>7,197,296</u>	<u>5,233,850</u>

The bank loan and overdraft are secured by way of a bond and floating charge over the entire assets of the group

The director's loan account represents a balance due to R J MacGregor. This amount is interest free and repayable on demand.

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

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Bank loans	1,600,000			
Net obligations under finance leases and hire purchase contracts	179,327		19,616	
Deferred consideration	1,000,000			
Accruals and deferred income	23,125			
	<u>2,802,452</u>	<u></u>	<u>19,616</u>	<u></u>

The bank loan and overdraft are secured by way of a bond and floating charge over the entire assets of the group

Notes to the financial statements

For the year ended 31 March 2007

18 Creditors' Amounts falling due after more than one year (continued)

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2007 £	Group 2006 £	2007 £	Company 2006 £
Between one and five years	179,327		19,616	

19 Deferred taxation

	2007 £	Group 2006 £	2007 £	Company 2006 £
At 1 April 2006	(1,684)			
Released during/(charge for) the year	44,349	(1,894)	37,113	
Arising of acquisition of subsidiary	(339,586)			
At 31 March 2007	(296,921)	(1,894)	37,113	

The provision for deferred taxation is made up as follows

	2007 £	Group 2006 £	2007 £	Company 2006 £
Accelerated capital allowances	353,807	1,894	(11,292)	
Tax losses brought forward	(13,384)			
Other timing differences	(43,502)		(25,821)	
	296,921	1,894	(37,113)	

Notes to the financial statements

For the year ended 31 March 2007

20. Provisions

Company	<i>Provision for subsidiary losses</i> £
Additions	180,654
At 31 March 2007	<u>180,654</u>

Provision for subsidiary losses

Global Resources Group Limited has agreed to make continuing finance available to its subsidiary, Ross County Football Club (2006) Limited, to enable it to continue operating and meet its liabilities as they fall due. At 31 March 2007, Ross County Football Club (2006) Limited had accumulated losses of £180,654 and a provision has been made to cover this amount.

21. Share capital

	2007 £	2006 £
Authorised		
1,000,000 Ordinary shares shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
380,000 Ordinary shares shares of £1 each	<u>380,000</u>	<u>380,000</u>

22. Reserves

Group	<i>Share premium account</i> £	<i>Capital redempt'n reserve</i> £	<i>Profit and loss account</i> £
At 1 April 2006	5,000	135,000	1,270,706
Profit for the year			1,226,299
At 31 March 2007	<u>5,000</u>	<u>135,000</u>	<u>2,497,005</u>

Notes to the financial statements

For the year ended 31 March 2007

22 Reserves (continued)

Company	<i>Share premium account</i> £	<i>Capital redempt'n reserve</i> £	<i>Profit and loss account</i> £
At 1 April 2006	5,000	135,000	1,278,774
Profit for the year			1,314,921
	<u>5,000</u>	<u>135,000</u>	<u>2,593,695</u>
At 31 March 2007			

23. Reconciliation of movement in shareholders' funds

Group	<i>2007</i> £	<i>2006</i> £
Opening shareholders' funds	1,790,706	1,187,569
Profit for the year	1,226,299	736,470
Dividends (Note 24)		(133,333)
	<u>3,017,005</u>	<u>1,790,706</u>
Closing shareholders' funds		

Company	<i>2007</i> £	<i>2006</i> £
Opening shareholders' funds	1,798,774	1,187,569
Profit for the year	1,314,921	744,538
Dividends (Note 24)		(133,333)
	<u>3,113,695</u>	<u>1,798,774</u>
Closing shareholders' funds		

The company has taken advantage of the exemption contained within section 230 of the Companies Act 1985 not to present its own Profit and loss Account

The profit for the year dealt with in the accounts of the company was £1,314,921 (2006 £744,538)

24 Dividends

	<i>2007</i> £	<i>2006</i> £
Dividends paid on equity capital	<u></u>	<u>133,333</u>

Notes to the financial statements

For the year ended 31 March 2007

25 Net cash flow from operations

	2007 £	2006 £
Operating profit	2,260,673	1,087,765
Amortisation of intangible fixed assets	18,431	
Depreciation of tangible fixed assets	205,488	58,185
Loss on disposal of tangible fixed assets	7,562	
Decrease in stocks	1,761,804	
Increase in debtors	(7,783,229)	(5,061,937)
Increase in creditors	7,082,891	2,272,427
Decrease in provisions		(3,864)
Net cash inflow/(outflow) from operations	3,553,620	(1,647,424)

26 Analysis of cash flows for headings netted in cash flow statement

	2007 £	2006 £
Returns on investments and servicing of finance		
Interest received	20,928	7,634
Interest paid	(309,068)	(24,097)
Hire purchase interest	(17,369)	
Dividends paid to minority interests	(52,000)	
Net cash outflow from returns on investments and servicing of finance	(357,509)	(16,463)

	2007 £	2006 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(249,031)	(173,995)
Sale of tangible fixed assets	264,867	
Purchase of unlisted and other investments		(125,000)
Purchase of short term unlisted investments	(2,063,547)	
Short term investments acquired with subsidiary	2,063,547	
Net cash inflow/(outflow) from capital expenditure	15,836	(298,995)

Notes to the financial statements

For the year ended 31 March 2007

26. Analysis of cash flows for headings netted in cash flow statement (continued)

	2007 £	2006 £
Acquisitions and disposals		
Purchase of fixed asset investments	(2,220,000)	(225,001)
Net overdraft acquired with subsidiary undertaking		(164,302)
Net overdrafts acquired with subsidiary undertaking	(3,616,852)	
Net cash outflow from acquisitions and disposals	(5,836,852)	(389,303)
	2007 £	2006 £
Financing		
Repayment of bank loans	(213,764)	
New secured loans	2,000,000	
Loans acquired with subsidiaries	172,700	
Repayment of finance leases	(142,992)	
Net cash inflow from financing	1,815,944	

27. Analysis of changes in net debt

	1 April 2006 £	Cash flow £	Other non cash changes £	31 March 2007 £
Cash at bank and in hand	76,000	1,056,082		1,132,082
Bank overdraft	(2,018,003)	(2,523,111)		(4,541,114)
	(1,942,003)	(1,467,029)		(3,409,032)
Debt				
Finance leases		142,992	(708,619)	(565,627)
Debts due within one year	(61,516)	41,064	(400,000)	(420,452)
Debts falling due after more than one year		(2,000,000)	400,000	(1,600,000)
Net debt	(2,003,519)	(3,282,973)	(708,619)	(5,995,111)

28. Pension commitments

The company contributes to personal pension 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 schemes.

Notes to the financial statements

For the year ended 31 March 2007

29 Operating lease commitments

At 31 March 2007 the Group had annual commitments under non cancellable operating leases as follows

	<i>Land and buildings</i>			<i>Other</i>
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
Group	£	£	£	£
Expiry date:				
Within 1 year	82,898		5,276	4,830
Between 2 and 5 years			6,712	9,369

At 31 March 2007 the Company had annual commitments under non cancellable operating leases as follows

	<i>Land and buildings</i>			<i>Other</i>
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
Company	£	£	£	£
Expiry date.				
Within 1 year				4,830
Between 2 and 5 years				9,369

30 Related party transactions

During the year the group entered into transactions, in the ordinary course of business, with other related parties Transactions entered into, and trading balances outstanding at 31 March 2007 are as follows

	<i>2007</i>	<i>2007</i>	<i>2007</i>	<i>2007</i>
	<i>Sales</i>	<i>Debtor</i>	<i>Purchases</i>	<i>Creditor</i>
	£	£	£	£
Isleburn Limited	64,144	70,890	253,283	66,285
Safety Welding and Lifting Limited			110,890	76,612
MacGregor Industrial Supplies Limited			610,628	277,264
Global Pipelines (UK) Limited	24,708	28,706		

Global Resources Group Limited owns 75% of the issued share capital of Isleburn Limited and Safety Welding and Lifting Limited MacGregor Industrial Supplies Limited is a related party as J MacGregor, a close family member of R J MacGregor, has a shareholding in MacGregor Industrial Supplies Limited

31. Post balance sheet events

On 14 December 2007, Global Energy Holdings Limited acquired the entire issued share capital of Global Resources Group Limited in a share for share exchange with the existing shareholders

32 Controlling party

The ultimate controlling party identified by the company is R J MacGregor