

Global Energy Solutions Limited

Report and Financial Statements

for the year ended 1 April 2011

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COMPANIES HOUSE

Global Energy Solutions Limited

Company Information

Directors
R J MacGregor
I R MacGregor
D A MacGregor
A B Mair
J I MacKay
M T Carey
J D MacDonald (appointed 4 November 2011)

Company secretary R J MacGregor

Company number SC172021

Registered office
19 Academy Street
Inverness
IV1 1JN

Auditors
Ernst & Young LLP
Barony House
Stoneyfield Business Park
Inverness
IV2 7PA

Bankers
Bank of Scotland
3/5 Albyn Place
Aberdeen
AB10 1PY

Solicitors
Stronachs
34 Albyn Place
Aberdeen
AB10 1FW

Global Energy Solutions Limited

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Global Energy Solutions Limited

Directors' report for the year ended 1 April 2011

The directors present their report and the financial statements for the year ended 1 April 2011.

Principal activities

Global Energy Solutions are pioneers in welding efficiency and onsite fabrication within the petrochemical, power and process sectors. The company has developed a strong reputation in support of construction and modification projects across much of Northern Europe.

Global Energy Solutions is part of the Global Energy Group and, in common with all the group's companies, all its services are designed and delivered with the aim of ensuring customers mitigate risk of asset downtime and unproductive time. Quality, safety and respect for the environment and the communities in which the company operates are always central considerations within this commitment.

Business review

The trading of this business during 2010/11 reflected its resilience, flexibility and ability to adapt to meet the changing requirements of its customers as the effects of one of the worst recessions in recent history continued to be felt.

Despite challenging trading conditions in its world-wide markets, Global Energy Solutions achieved a profit, after taxation, of £218,712.

The company was able to maintain / increase its market share and maintain/grow its talented workforce.

Global Energy Solutions' workforce continued to benefit from the Global Energy Group's on-going commitment to leadership and workforce development.

Investment also continued in the back office, IT and corporate support services enjoyed by Global's family of companies.

Results

The profit for the year, after taxation, amounted to £279,686 (2010 - £232,433).

Directors

The directors who served during the year were:

R J MacGregor
I R MacGregor
D A MacGregor
A B Mair
J I MacKay
M T Carey
J D MacDonald (appointed 4 November 2011)

Global Energy Solutions Limited

Directors' report for the year ended 1 April 2011

Principal risks and uncertainties

General/financial risk

While Global Energy Solutions looks confidently to future growth and success, the key risk to the company's robust business strategy remains the uncertainty over future money supply to the energy industry and all sectors in which the company operates. Improvement in lending from the banks at local and national level to provide necessary development capital will be vital to ensure any slowdown in projects by small and medium operators is short-lived.

Financial risks – these can be sub-divided as follows:

Liquidity risk

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

Interest rate risk

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

Credit risk

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

Future developments

Global Energy Solutions is looking to the year ahead with confidence, but not complacency and with full awareness of the challenges economic conditions and other factors may bring to the markets in which it operates.

The company's principles and commitment to its people, its customers, the environment and the communities in which it works, as expressed through the Global Energy Group's Core Values, will remain as firmly held as ever.

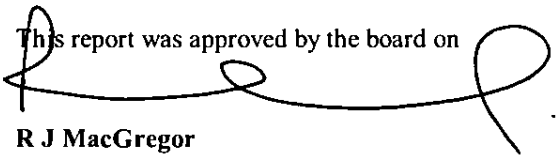
Provision of information to auditors

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

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

Auditors

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

This report was approved by the board on  21 December 2011 and signed on its behalf.

R J MacGregor
Director

**Statement of directors' responsibilities
for the year ended 1 April 2011**

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

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

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

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

Independent auditors' report to the members of Global Energy Solutions Limited

We have audited the financial statements of Global Energy Solutions Limited for the year ended 1 April 2011, which comprise the Profit and loss account, the Balance sheet, the Cash flow statement and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 1 April 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

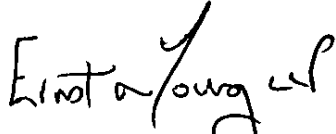
Global Energy Solutions Limited

Independent auditors' report to the members of Global Energy Solutions Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Peter Mearns (Senior statutory auditor)

for and on behalf of

Ernst & Young LLP

Statutory Auditor

Inverness

Date: 21 December 2011

Global Energy Solutions Limited

**Profit and loss account
for the year ended 1 April 2011**

	<i>Note</i>	<i>2011</i> £	<i>2010</i> £
Turnover	1,2		
Continuing operations		4,126,006	8,986,080
Cost of sales		<u>(3,188,756)</u>	<u>(7,406,437)</u>
Gross profit		937,250	1,579,643
Administrative expenses		<u>(628,033)</u>	<u>(1,484,284)</u>
Operating profit	3	309,217	95,359
Interest receivable and similar income	5	218	1,280
Interest payable and similar charges	6	<u>17</u>	<u>(1,851)</u>
Profit on ordinary activities before taxation		309,452	94,788
Tax on profit on ordinary activities	7	<u>(90,740)</u>	<u>137,645</u>
Profit for the financial year	13	<u>218,712</u>	<u>232,433</u>

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account.

The notes on pages 9 to 17 form part of these financial statements.

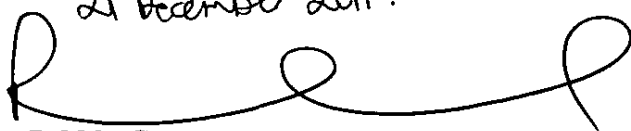
Global Energy Solutions Limited
Registered number: SC172021

Balance sheet
as at 1 April 2011

	<i>Note</i>	<i>£</i>	<i>2011</i> <i>£</i>	<i>£</i>	<i>2010</i> <i>£</i>
Fixed assets					
Tangible assets	9		20,922		59,625
Current assets					
Debtors	10	3,028,674		3,766,042	
Cash at bank		489,986		126,781	
		<u>3,518,660</u>		<u>3,892,823</u>	
Creditors: amounts falling due within one year	11	<u>(743,334)</u>		<u>(1,374,912)</u>	
Net current assets			<u>2,775,326</u>		<u>2,517,911</u>
Total assets less current liabilities			<u><u>2,796,248</u></u>		<u><u>2,577,536</u></u>
Capital and reserves					
Called up share capital	12		380,000		380,000
Share premium account	13		5,000		5,000
Capital redemption reserve	13		135,000		135,000
Profit and loss account	13		<u>2,276,248</u>		<u>2,057,536</u>
Shareholders' funds	14		<u><u>2,796,248</u></u>		<u><u>2,577,536</u></u>

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

21 December 2011.



R J MacGregor
 Director

The notes on pages 9 to 17 form part of these financial statements.

Global Energy Solutions Limited

**Cash flow statement
for the year ended 1 April 2011**

	<i>Note</i>	<i>2011</i> £	<i>2010</i> £
Net cash flow from operating activities	15	660,652	1,667,922
Returns on investments and servicing of finance	16	235	(571)
Taxation		106,830	(353,114)
Capital expenditure and financial investment	16	4,238	(10,287)
<i>Increase in cash in the year</i>		<u>771,955</u>	<u>1,303,950</u>

**Reconciliation of net cash flow to movement in net funds/debt
for the year ended 1 April 2011**

	<i>2011</i> £	<i>2010</i> £
Increase in cash in the year	<u>771,955</u>	<u>1,303,950</u>
<i>Movement in net debt in the year</i>	<u>771,955</u>	<u>1,303,950</u>
Net debt at 2 April 2010	<u>(281,969)</u>	<u>(1,585,919)</u>
<i>Net funds/(debt) at 1 April 2011</i>	<u>489,986</u>	<u>(281,969)</u>

The notes on pages 9 to 17 form part of these financial statements.

**Notes to the financial statements
for the year ended 1 April 2011**

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 Turnover

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

1.3 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.

1.4 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	-	20% straight line
Plant & machinery	-	20% straight line
Motor vehicles	-	25% straight line
Computer equipment	-	33% straight line

1.5 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

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

1.6 Deferred taxation

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

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

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

Deferred tax assets and liabilities are not discounted.

**Notes to the financial statements
for the year ended 1 April 2011**

1. Accounting policies (continued)**1.7 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.

1.8 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.

1.9 Pensions

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

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties, in respect of goods and services supplied by the company.

A geographical analysis of turnover is as follows:

	<i>2011</i> £	<i>2010</i> £
United Kingdom	1,138,773	8,204,888
Rest of European Union	2,987,233	781,192
	<u>4,126,006</u>	<u>8,986,080</u>

The whole of the turnover and profit before taxation is attributable to continuing activities.

3. Operating profit

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

	<i>2011</i> £	<i>2010</i> £
Depreciation of tangible fixed assets:		
- owned by the company	17,196	25,789
Auditors' remuneration	9,000	8,000
Difference on foreign exchange	53	(116,069)
	<u></u>	<u></u>

During the year, no director received any emoluments (2010 - £NIL).

Global Energy Solutions Limited

**Notes to the financial statements
for the year ended 1 April 2011**

4. Staff costs

Staff costs were as follows:

	2011 £	2010 £
Wages and salaries	2,302,289	2,770,324
Social security costs	251,085	306,268
Other pension costs	9,127	5,459
	<u>2,562,501</u>	<u>3,082,051</u>

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

	2011 No.	2010 No.
Management	3	3
Administration	9	10
Project	41	44
	<u>53</u>	<u>57</u>

5. Interest receivable

	2011 £	2010 £
Other interest receivable	<u>218</u>	<u>1,280</u>

6. Interest payable

	2011 £	2010 £
On bank loans and overdrafts	<u>(17)</u>	<u>1,851</u>

7. Taxation

	2011 £	2010 £
Analysis of tax charge/(credit) in the year/period		
UK corporation tax charge on profit for the year/period	93,268	33,132
Adjustments in respect of prior periods	(2,528)	(170,777)
	<u>90,740</u>	<u>(137,645)</u>
Tax on profit on ordinary activities		

Global Energy Solutions Limited

**Notes to the financial statements
for the year ended 1 April 2011**

7. Taxation (continued)***Factors affecting tax charge for the year/period***

The tax assessed for the year/period is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 28% (2010 - 28%). The differences are explained below:

	<i>2011</i> £	<i>2010</i> £
Profit on ordinary activities before tax	309,452	94,788
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2010 - 28%)	86,647	26,541
<i>Effects of:</i>		
Non-tax deductible amortisation of goodwill and impairment	-	5,773
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,521	-
Capital allowances for year/period in excess of depreciation	3,100	818
Adjustments to tax charge in respect of prior periods	(2,528)	(170,777)
<i>Current tax charge/(credit) for the year/period (see note above)</i>	90,740	(137,645)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

8. Intangible fixed assets

	<i>Goodwill</i> £
<i>Cost</i>	
At 2 April 2010 and 1 April 2011	7,881
<i>Amortisation</i>	
At 2 April 2010 and 1 April 2011	7,881
<i>Net book value</i>	
At 1 April 2011	-
At 1 April 2010	-

Global Energy Solutions Limited

**Notes to the financial statements
for the year ended 1 April 2011**

9. Tangible fixed assets

	<i>L/Term Leasehold Property £</i>	<i>Computer equipment £</i>	<i>Motor vehicles £</i>	<i>Plant & machinery £</i>	<i>Total £</i>
Cost					
At 2 April 2010	25,742	34,248	18,121	21,883	99,994
Additions	-	1,149	8,340	1,272	10,761
Disposals	(21,735)	(18,098)	-	(17,681)	(57,514)
At 1 April 2011	4,007	17,299	26,461	5,474	53,241
Depreciation					
At 2 April 2010	5,960	17,856	11,236	5,317	40,369
Charge for the year	2,613	7,982	4,040	2,561	17,196
On disposals	(7,037)	(12,062)	-	(6,147)	(25,246)
At 1 April 2011	1,536	13,776	15,276	1,731	32,319
Net book value					
At 1 April 2011	2,471	3,523	11,185	3,743	20,922
At 1 April 2010	19,782	16,392	6,885	16,566	59,625

10. Debtors

	<i>2011 £</i>	<i>2010 £</i>
Trade debtors	1,139,844	892,886
Amounts owed by group undertakings	1,797,053	2,553,069
Amounts owed by undertakings in which the company has a participating interest	-	33,537
Corporation tax debtor	63,968	261,538
Other debtors	-	9,110
Prepayments and accrued income	27,809	15,902
	<u>3,028,674</u>	<u>3,766,042</u>

Global Energy Solutions Limited

**Notes to the financial statements
for the year ended 1 April 2011**

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

	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>
Bank loans and overdrafts	-	408,750
Trade creditors	73,171	34,792
Amounts owed to group undertakings	56,019	121,749
Amounts owed to other participating interest	-	363,999
Social security and other taxes	163,814	87,591
Other creditors	234,514	232,442
Accruals and deferred income	215,816	125,589
	<u>743,334</u>	<u>1,374,912</u>

12. Share capital

	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>
<i>Allotted, called up and fully paid</i>		
380,000 Ordinary shares of £1 each	<u>380,000</u>	<u>380,000</u>

13. Reserves

	<i>Share premium account</i>	<i>Capital redempt'n reserve</i>	<i>Profit and loss account</i>
	<i>£</i>	<i>£</i>	<i>£</i>
At 2 April 2010	5,000	135,000	2,057,536
Profit for the year	-	-	218,712
At 1 April 2011	<u>5,000</u>	<u>135,000</u>	<u>2,276,248</u>

14. Reconciliation of movement in shareholders' funds

	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>
Opening shareholders' funds	2,577,536	2,345,103
Profit for the year/period	218,712	232,433
Closing shareholders' funds	<u>2,796,248</u>	<u>2,577,536</u>

Global Energy Solutions Limited

Notes to the financial statements
for the year ended 1 April 2011

15. Net cash flow from operating activities

	2011 £	2010 £
Operating profit	309,217	95,359
Depreciation of tangible fixed assets	17,196	25,789
Loss on disposal of tangible fixed assets	17,269	-
Decrease in debtors	539,797	2,516,385
Decrease in creditors	(222,827)	(969,611)
Net cash inflow from operating activities	660,652	1,667,922

16. Analysis of cash flows for headings netted in cash flow statement

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	218	1,280
Interest paid	17	(1,851)
Net cash inflow/(outflow) from returns on investments and servicing of finance	235	(571)
	2011 £	2010 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(10,761)	(11,321)
Sale of tangible fixed assets	14,999	1,034
Net cash inflow/(outflow) from capital expenditure	4,238	(10,287)

17. Analysis of changes in net debt

	2 April 2010 £	Cash flow £	Other non-cash changes £	1 April 2011 £
Cash at bank and in hand	126,781	363,205	-	489,986
Bank overdraft	(408,750)	408,750	-	-
Net debt	(281,969)	771,955	-	489,986

Global Energy Solutions Limited

**Notes to the financial statements
for the year ended 1 April 2011**

18. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £9,127 (2010 - £5,458) contributions totalling £nil (2010 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

19. Operating lease commitments

At 1 April 2011 the company had annual commitments under non-cancellable operating leases as follows:

	<i>Land and buildings</i>		<i>Other</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<i>Expiry date:</i>				
Within 1 year	-	14,988	-	-
Between 2 and 5 years	12,073	-	-	15,762
After more than 5 years	-	46,000	-	-

Global Energy Solutions Limited

Notes to the financial statements for the year ended 1 April 2011

20. Related party transactions

Global Energy Solutions Limited is a 90% subsidiary of Global Energy (Holdings) Limited.

During the year the company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and balances outstanding at 01 April 2011 are as follows:

	<i>2011 Sales £</i>	<i>2011 Debtor £</i>	<i>2011 Purchases £</i>	<i>2011 Creditor £</i>
Global Energy Holdings Limited	-	960	64,301	53,669
Isleburn Limited	417,288	41,161	3,600	720
Global Energy Corporation Limited	720	1,736,134	15,243	1,630
Global Logistics Services Limited	13,168	2,601	-	-
Highland Stevedoring Limited	175,753	16,197	-	-
Global Resource Management Limited	420	-	-	8,308
Rigfit Offshore Limited	32,748	-	-	-
Global Construction (Scotland) Limited	-	-	13,559	-
MacGregor Industrial Supplies	-	-	1,280	-

Global Energy Solutions Limited is a 90% subsidiary of Global Power and Process Limited. Global Power and Process Limited is a 100% subsidiary of Global Energy (Holdings) Limited.

Isleburn Limited, Highland Stevedoring Limited, Global Resource Management Limited and Global Energy Corporation Limited are all 100% subsidiaries of Global Energy (Holdings) Limited.

Global Logistics Services Limited is a 80% subsidiary of Global Energy (Holdings) Limited.

Rigfit Offshore Limited is a 70% subsidiary of Global Energy (Holdings) Limited.

Global Construction (Scotland) Limited is a 76% subsidiary of Global Energy (Holdings) Limited.

MacGregor Industrial Supplies Limited is a related party as J MacGregor, a close family member of R J MacGregor, has a shareholding in the company.

21. Ultimate parent undertaking and controlling party

The ultimate parent undertaking is Global Energy (Holdings) Limited. It has included the company in its group financial statements, copies of which are available from its registered office at 19 Academy Street, Inverness, IV1 1JN.

The controlling party of Global Energy (Holdings) Limited is R J MacGregor.