

**REGISTRAR OF
COMPANIES**

GL Industrial Services UK Ltd

Report and Financial Statements

Year Ended

31 December 2009

Company Number 3294136

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GL Industrial Services UK Ltd

Report and financial statements for the year ended 31 December 2009

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Directors

J Davies
P F Shreve
A W Stoddart

Registered office

Holywell Park, Ashby Road, Loughborough, Leicestershire, LE11 3GR

Company number

3294136

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

GL Industrial Services UK Ltd

Report of the directors for the year ended 31 December 2009

The directors present their report together with the audited financial statements for the year ended 31 December 2009

On 26 March 2009 the company passed a special resolution to change its name to GL Industrial Services UK Ltd

Results and dividends

The profit and loss account is set out on page 8 and shows the profit for the year

The directors do not propose the payment of a dividend (2008 - £Nil)

Principal activities

GL Industrial Services UK Ltd (formerly Advantica Limited) delivers value adding technical and engineering solutions to UK gas transportation companies and other energy sector and utility infrastructure owners and operators internationally. It is also a specialist provider of technology products and services that support the development of gas markets. The company employs world leaders in many disciplines, enabling it to offer bespoke consultancy services. GL Industrial Services UK Ltd (formerly Advantica Limited) is particularly active in the gas and pipelines markets, centering on transmission pipelines, distribution networks and gas measurement, with niche skills in relation to upstream asset performance improvement and energy utilisation.

Review of business and future developments

GL Industrial Services UK Ltd (formerly Advantica Limited) continued to provide technology-based solutions to UK Gas distribution companies and other utilities and pipeline operators worldwide. Turnover for the year was in line with expectations.

The results for the company show a profit before taxation of £5,344,000 (2008 - £4,285,000) and a profit of £3,779,000 (2008 - £3,026,000) after tax. The directors do not propose the payment of a dividend (2008 - £Nil).

The company foresees further opportunities worldwide as it extends its range of services across the Germanischer Lloyd global network.

Financial risk management

The company uses financial instruments, other than derivatives, comprising cash and other liquid resources and various other items such as debtors and creditors that arise directly from its operations. The main risks from the company financial instruments have been considered below along with the policy for managing these risks.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department. The department has a policy and procedures manual that sets out specific guidelines to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

GL Industrial Services UK Ltd

Report of the directors for the year ended 31 December 2009 (Continued)

Financial risk management (Continued)

Currency risk

The company is exposed to transaction and translation foreign exchange risk on inter company transactions. Exposures are managed through fixed group exchange rates.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Liquidity risk

Sufficient liquidity of the company, in order to meet foreseeable needs, is achieved through retained profits.

Exceptional items

During the year, the company incurred redundancy charges amounting to £852,000 relating to the restructuring of the business.

The company also incurred costs amounting to £134,000 relating to merger costs.

Charitable and political donations

The company made no political donations during 2009 (2008 - £Nil).

Charitable donations were made in 2009 to Care International of £Nil (2008 - £1,750) and Rainbows of £Nil (2008 - £912).

Branches outside UK

The company has a representative branch office in Beijing, China. This office is in the process of being deregistered.

Land and buildings

There are no material differences between the book value and market value of assets classified under land and buildings. These assets represent costs incurred in altering leased premises.

GL Industrial Services UK Ltd

Report of the directors for the year ended 31 December 2009 (*Continued*)

Research and development

Costs incurred in relation to research and development activity are charged to the profit and loss account in the period in which they are incurred, other than costs of plant and equipment, which are capitalised

As part of the company's services to customers, the company undertakes certain research and development activities on their behalf. Turnover and costs associated with such activities are treated in the same way as all other service activities

Key performance indicators ("KPIs")

Germanischer Lloyd AG manages the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of GL Industrial Services UK Ltd (formerly Advantica Ltd). The development, performance and position of Germanischer Lloyd AG's activities are discussed in the group's annual report, which does not form part of this report

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to

- changes in laws or regulation,
- breaches in environmental or health and safety law or regulation,
- achievement of business performance objectives,
- business development activities,
- changes in tax rates, and
- changes in accounting standards

Disabled persons

The company remains committed to fair treatment of people with disabilities in relation to job applications, training, promotion and career development. Every effort is made to find appropriate alternative jobs for those who are unable to continue in their existing job due to disability

Employee involvement

The company and Germanischer Lloyd AG have well established and effective arrangements, through electronic mail, intranet and in-house publications, as well as videos and briefing meetings, at each business location, for communication and consultation with both employees and trade union representatives and for communication of the company's and Group's results and significant business issues

GL Industrial Services UK Ltd

Report of the directors for the year ended 31 December 2009 (Continued)

Policy and practice on payment of creditors

It is the company's policy to agree the terms of the payment at the start of business with each supplier, ensure that suppliers are aware of the terms of payment, and to pay in accordance with contractual and other legal obligations

The company had 29 days' purchases outstanding at 31 December 2009 (2008 - 41 days) based on the average daily amount invoiced by suppliers during the year

Directors' insurance

The company has purchased insurance to cover the directors against liabilities in relation to the company

Directors

The directors of the company during the year were

J Davies
P F Shrieve
H Berg (resigned 31 December 2009)
A W Stoddart (appointed 26 January 2009)

No director had an interest in any contract that the company was a party to

Directors' responsibilities

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 judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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.

GL Industrial Services UK Ltd

Report of the directors for the year ended 31 December 2009 (*Continued*)

Ultimate parent company

The ultimate parent company is Germanischer Lloyd AG, which is registered in Germany and consolidates the accounts of the company. Copies of the consolidated accounts of Germanischer Lloyd AG may be obtained from Companies' House.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

PricewaterhouseCoopers LLP resigned as auditors of the company during the year and BDO LLP were appointed as auditors of the company by the directors. BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

On behalf of the Board

A W Stoddart



Director

Date

17/MARCH/2010

GL Industrial Services UK Ltd

Independent auditor's report

TO THE MEMBERS OF GL INDUSTRIAL SERVICES UK LTD

We have audited the financial statements of GL Industrial Services UK Ltd for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet and the related notes. 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 sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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 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 (APB'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.

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 31 December 2009 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.

GL Industrial Services UK Ltd

Independent auditor's report (*Continued*)

Matters on which we are required to report by exception

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

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

BDO LLP

*Nicholas Carter-Pegg, (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom*

17 March 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

GL Industrial Services UK Ltd

Profit and loss account for the year ended 31 December 2009

	Note	2009 £'000	2008 £'000
Turnover	2	44,878	44,011
Other operating income		3,252	-
Net operating expenses	5	(42,098)	(38,838)
Operating profit		6,032	5,173
Exceptional items	5	(986)	(1,238)
Interest receivable and similar income	6	310	413
Interest payable and similar charges	7	(12)	(63)
Profit on ordinary activities before taxation		5,344	4,285
Tax on profit on ordinary activities	8	(1,565)	(1,259)
Profit for the financial year	17	3,779	3,026

All amounts relate to continuing activities

There are no recognised gains or losses which have not been included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the profit for the year and their historical cost equivalents


The notes on pages 10 to 21 form part of these financial statements

GL Industrial Services UK Ltd

Balance sheet at 31 December 2009

<i>Company number 3294136</i>	Note	2009 £'000	2009 £'000	2008 £'000	2008 £'000
Fixed assets					
Intangible assets	9		205		29
Tangible assets	10		876		980
Investments	11		9,770		9,770
			<hr/>		<hr/>
			10,851		10,779
Current assets					
Stocks	12	31		34	
Debtors	13	20,324		21,657	
Cash at bank and in hand		6,137		3,280	
		<hr/>		<hr/>	
		26,492		24,971	
Creditors: amounts falling due within one year	14	10,931		13,118	
		<hr/>		<hr/>	
Net current assets			15,561		11,853
			<hr/>		<hr/>
Total assets less current liabilities			26,412		22,632
			<hr/>		<hr/>
Net assets			26,412		22,632
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	16		30,882		30,882
Profit and loss account	17		(4,470)		(8,250)
			<hr/>		<hr/>
Total shareholders' funds	18		26,412		22,632
			<hr/>		<hr/>

The financial statements were approved by the Board of Directors and authorised for issue on 17/MARCH/2010


A W Stoddart
Director

The notes on pages 10 to 21 form part of these financial statements

GL Industrial Services UK Ltd

Notes forming part of the financial statements for the year ended 31 December 2009

1 Accounting policies

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

The following principal accounting policies have been applied

Consolidated financial statements

The financial statements provide information about GL Industrial Services UK Ltd (formerly Advantica Limited) as an individual company and do not contain consolidated financial information as the parent company of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent company, Germanischer Lloyd AG, a company registered in Germany

Turnover

Turnover is based on invoiced values to customers for goods and services, excluding value added tax. Long-term contracts are included in turnover on the basis of the sales value of work performed during the year by reference to the total contract value and stage of completion of these contracts. The amount by which turnover is in excess of payments on account is included in debtors as accrued income. Payments in excess of recorded turnover are included in creditors as deferred income.

Other operating income

Other operating income represents management charges and costs, which are recharged to other members of the group.

Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Fixed assets and depreciation

Depreciation of tangible fixed assets is provided on cost in equal instalments over the estimated useful economic life. The principal rates of depreciation are as follows:

Leasehold improvements	-	15 years
Fixtures, fittings and equipment	-	5 years
Short life computer equipment	-	3 years

Fixed asset investments are valued at cost, less provision for any impairment. Investment income is accounted for on a cash receipts basis.

Investments

Investments are valued at cost, less provision for any impairment.

GL Industrial Services UK Ltd

Notes forming part of the financial statements for the year ended 31 December 2009 *(Continued)*

1 Accounting policies *(Continued)*

Foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated at the rates of exchange ruling at the year end. Differences on translation are dealt with through the profit and loss account for the year.

Leases

Rentals under operating leases are charged to the profit and loss account as incurred. Income from operating leases is recognised on a straight-line basis over the life of the lease.

Pensions

The majority of employees of the company were members of the National Grid UK Pension Scheme (formerly named the Lattice Group Pension Scheme) (the Scheme), sponsored by National Grid plc, the company's former parent company. The Scheme is a group scheme, although the company's employees were only included for an interim period until 29 February 2008. The company accounts for the Scheme as a defined contribution scheme, as required by FRS 17 (Retirement Benefits). Reported pension costs will be equal to the amounts payable by the company to National Grid plc. The disclosures required by FRS 17 in respect of Scheme assets and liabilities are reported in the accounts of National Grid plc.

The company is now a member of a defined contribution scheme, the GL Industrial Services (formerly Advantica) UK Defined Contribution Pension Scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension contributions into the scheme are charged to the profit and loss account in the year that they fall due.

Research and development

Costs incurred in relation to research and developments are charged to the profit and loss account in the year in which they are incurred.

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value on a first in first out basis.

Goodwill

On acquisitions, fair values are attributed to the net assets acquired. Goodwill, which represents the difference between the purchase consideration and the fair value of the net assets acquired, is capitalised. Goodwill capitalised is amortised on a straight-line basis over a period of 20 years.

Impairment of Goodwill

In accordance with FRS 10 (Goodwill and intangible assets), goodwill is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. In the opinion of the directors goodwill attributable from past acquisitions made is not recoverable and has therefore been written down to nil.

Other intangibles

Under FRS 10, the company accounts for its other intangible assets at cost less accumulated amortisation. Amortisation is charged on other intangibles over equal instalments over the estimated useful economic life. This has been set at 5 years for the rights to software packages.

GL Industrial Services UK Ltd

Notes forming part of the financial statements
for the year ended 31 December 2009 (Continued)

1 Accounting policies (Continued)

Provisions

Under FRS 12 (Provisions, contingent liabilities and contingent assets), the company accounts for provisions where an obligation has arisen as a result of a past event and the liability is of an uncertain amount or of uncertain timing

2 Segmental reporting

A geographical analysis of turnover, profit before taxation and net assets is provided below

Geographical analysis

	Turnover 2009 £'000	Turnover 2008 £'000	Profit before taxation 2009 £'000	Profit before taxation 2008 £'000	Net assets 2009 £'000	Net assets 2008 £'000
UK	31,611	32,265	3,456	3,063	18,606	10,243
Europe	3,199	3,790	384	319	1,882	1,203
North America	3,380	1,899	705	227	1,989	8,660
Asia Pacific and Africa	6,688	6,057	799	676	3,935	2,526
Total	44,878	44,011	5,344	4,285	26,412	22,632

All activities above relate to the company's principal activity by destination

3 Employees

	2009 £'000	2008 £'000
Staff costs consist of		
Wages and salaries	18,276	16,468
Social security costs	1,917	1,925
Other pension costs (note 24)	2,461	2,287
	22,654	20,680

The wages and salaries charge includes costs in respect of redundancies (see note 5)

GL Industrial Services UK Ltd

Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)

3 Employees (Continued)

The average monthly number of persons (including executive directors) employed by the company during the year was

	2009 Number	2008 Number
By activity		
Technical	352	327
Selling and distribution	33	25
Administration	70	77
	<hr/>	<hr/>
	455	429
	<hr/>	<hr/>

4 Directors' emoluments

The aggregate amount of emoluments paid to directors in respect of qualifying services was £464,991 (2008 - £369,892) for the year under review. This amount does not include payments made for loss of office/early retirement which totalled £Nil (2008 - £704,283). The highest paid director received aggregate emoluments totalling £167,658 (2008 - £481,598). His accrued pension at the year end was £Nil (2008 - £Nil). The aggregate value of company contributions, or treated as paid, to a money purchase pension scheme in respect of directors' qualifying services was £9,636 (2008 - £53,703).

As at 31 December 2009, no retirement benefits were accruing to any of the directors (2008 - none) under a defined benefit scheme.

5 Operating profit on ordinary activities before interest and tax

	2009 £'000	2008 £'000
This has been arrived at after charging		
Depreciation of tangible fixed assets - owned assets	417	418
Amortisation of other intangible fixed assets	29	70
(Profit)/loss on disposal of fixed assets	(31)	-
Operating lease rentals - machinery and equipment	805	703
Other operating lease rentals - land and buildings	2,277	2,567
(Gain)/loss of foreign exchange	(2,345)	1,141
Auditors fees - statutory audit	29	37
- taxation services	-	37
Exceptional items - exceptional redundancy costs	852	831
- integration costs associated with change in ownership	134	407
	<hr/>	<hr/>

GL Industrial Services UK Ltd

Notes forming part of the financial statements
for the year ended 31 December 2009 (*Continued*)

6 Interest receivable and similar income

	2009 £'000	2008 £'000
Bank interest receivable	2	101
Interest receivable from group undertakings	308	312
	<u>310</u>	<u>413</u>

7 Interest payable and similar charges

	2009 £'000	2008 £'000
Interest payable to group undertakings	11	63
Bank and other interest payable	1	-
	<u>12</u>	<u>63</u>

8 Taxation on profit from ordinary activities

	2009 £'000	2008 £'000
<i>Current tax</i>		
UK corporation tax on profit for the year	919	495
Adjustment in respect of previous years	73	55
Overseas tax	470	486
	<u>1,462</u>	<u>1,036</u>
<i>Deferred tax</i>		
Current year deferred tax charge	298	362
Adjustment in respect of previous years	(196)	(139)
Set against reserves	1	-
	<u>103</u>	<u>223</u>
	<u>1,565</u>	<u>1,259</u>

GL Industrial Services UK Ltd

Notes forming part of the financial statements
for the year ended 31 December 2009 (*Continued*)

8 Taxation on profit from ordinary activities (*Continued*)

The tax assessed for the year is different to the standard rate of corporation tax in the UK. The differences are explained below.

	2009 £'000	2008 £'000
Profit on ordinary activities before tax	5,344	4,285
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2008 - 28.5%)	1,496	1,221
Effects of		
Expenses not chargeable for tax purposes	(131)	(58)
Capital allowances for year in excess of depreciation	(18)	(20)
Movement in other short term timing differences	(280)	(350)
Overseas tax suffered	470	486
Double tax relief	(131)	(298)
Group relief surrendered and not paid for	(17)	-
Adjustments in respect of previous years	73	55
Current tax charge for year	1,462	1,036

The standard rate of corporation tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly the company's profits for the previous accounting period were taxed at a rate of 28.5%.

9 Intangible assets

	Goodwill £'000	Other £'000	Total £'000
<i>Cost</i>			
At 1 January 2009	6,533	291	6,824
Additions	-	205	205
At 31 December 2009	6,533	496	7,029
<i>Accumulated depreciation</i>			
At 1 January 2009	(6,533)	(262)	(6,795)
Charge for the year	-	(29)	(29)
At 31 December 2009	(6,533)	(291)	(6,824)
<i>Net book value</i>			
At 31 December 2009	-	205	205
At 31 December 2008	-	29	29

GL Industrial Services UK Ltd

Notes forming part of the financial statements
for the year ended 31 December 2009 (*Continued*)

10 Tangible assets

	Leasehold improvements £'000	Fixtures, and fittings £'000	Total £'000
<i>Cost</i>			
At 1 January 2009	262	6,682	6,944
Additions	-	357	357
Disposals	(61)	(2,197)	(2,258)
	<hr/>	<hr/>	<hr/>
At 31 December 2009	201	4,842	5,043
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 January 2009	(66)	(5,898)	(5,964)
Charge for the year	(27)	(390)	(417)
Disposals	31	2,183	2,214
	<hr/>	<hr/>	<hr/>
At 31 December 2009	(62)	(4,105)	(4,167)
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2009	139	737	876
	<hr/>	<hr/>	<hr/>
At 31 December 2008	196	784	980
	<hr/>	<hr/>	<hr/>

The net book value of £139,000 (2008 - £196,000) in respect of leasehold improvements all relate to short leaseholds

11 Investments

	Subsidiary companies £'000	Associated undertakings £'000	Other investments £'000	Total £'000
<i>Cost</i>				
At 1 January 2009 and 31 December 2009	10,710	3,132	447	14,289
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Accumulated amortisation</i>				
At 1 January 2009 and 31 December 2009	(940)	(3,132)	(447)	(4,519)
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book amount</i>				
At 31 December 2009	9,770	-	-	9,770
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008	9,770	-	-	9,770
	<hr/>	<hr/>	<hr/>	<hr/>

GL Industrial Services UK Ltd

Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)

11 Investments (Continued)

The company owns 100% of the ordinary shares of Advantica Corporate Ventures Limited, a company registered in England and Wales, and whose principal activity is to make investments in the equity of small innovative companies, either through a venture capital fund or via direct investment. The cost of investment is £2.

The company owns 100% of the ordinary shares of Advantica Intellectual Property Limited, a company registered in England and Wales, and whose principal activity is that of holding the corporate trademarks and patents of the company and certain of its subsidiaries. The cost of investment is £780,000.

The company owns 100% of the ordinary shares of GL Industrial Holdings USA Inc (219 shares of US \$0.01 per share), a company registered in Delaware USA, and whose principal activity is that of holding the US trading subsidiary. The cost of investment is £1.

The company has made a US\$ loan of £8,704,000 to a subsidiary undertaking, GL Industrial Holdings USA Inc. The amount bears interest at a three month US Libor rate. Although the loan is technically repayable on the earlier of 31 December 2010 and on a request being made by the company, the directors believe that this is effectively a long term investment as it will be rolled over each year. As such, the long term loan has been treated as a fixed asset investment balance and is held at the historical exchange rate rather than being retranslated at the year end exchange rate.

The company owns 100% of the ordinary shares and preference shares of Germanischer Lloyd Industrial Services (UK) Ltd, a company registered in England and Wales, and whose principal activity was that of technical assurance and industrial inspection services. The company acquired 5,334 ordinary shares of £1 each for £110,000 and 175,040 preference shares of £1 each for £175,040, being 100% of the ordinary shares in issue and 100% of the preference shares in issue. On 1 January 2009 net assets amounting to £446,210 were transferred to GL Industrial Services UK Limited.

12 Stocks

	2009 £'000	2008 £'000
Raw materials and consumables	31	34

There is no material difference between the replacement cost of stocks and the amounts stated above.

GL Industrial Services UK Ltd

Notes forming part of the financial statements
for the year ended 31 December 2009 *(Continued)*

13 Debtors

	2009 £'000	2008 £'000
Trade debtors	7,629	9,195
Amounts owed by group undertakings	6,705	5,664
Group relief debtor	870	870
Prepayments	459	489
Amounts recoverable on contracts	4,314	4,990
Deferred taxation (note 15)	347	449
	<hr/>	<hr/>
	20,324	21,657
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year

Amounts owed by group undertakings are unsecured, interest bearing at 2% per annum and repayable on demand

14 Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Trade creditors	1,168	1,429
Amounts owed to group undertakings	3,498	4,463
Other creditors	20	128
Taxation and social security	1,138	1,315
Corporation tax	236	495
Accruals and deferred income	2,114	3,618
Payments on account	2,757	1,670
	<hr/>	<hr/>
	10,931	13,118
	<hr/>	<hr/>

The amounts owed to group undertakings are unsecured, interest bearing at 2% per annum and repayable on demand

GL Industrial Services UK Ltd

Notes forming part of the financial statements
for the year ended 31 December 2009 (*Continued*)

15 Deferred taxation

	2009 £'000	2008 £'000
Accelerated capital allowances	167	169
Other short term timing differences	-	280
Losses	180	-
	<hr/>	<hr/>
Deferred tax asset	347	449
	<hr/>	<hr/>
Asset at the start of the year	449	672
Deferred tax movement - against profit and loss	(103)	(223)
Deferred tax movement - against reserves	1	-
	<hr/>	<hr/>
Asset at the end of the year	347	449
	<hr/>	<hr/>

The deferred tax asset is recognised within debtors (note 13)

16 Share capital

	2009 Number	2008 Number	Authorised 2009 £'000	2008 £'000
Ordinary shares of £1 each	50,000,000	50,000,000	50,000	50,000
	<hr/>	<hr/>	<hr/>	<hr/>
	2009 Number	Allotted and fully paid 2008 Number	2009 £'000	2008 £'000
Ordinary shares of £1 each	30,881,700	30,881,700	30,882	30,882
	<hr/>	<hr/>	<hr/>	<hr/>

17 Reserves

	Profit and loss account £'000
At 1 January 2009	(8,250)
Profit for the year	3,779
Deferred tax	1
	<hr/>
At 31 December 2009	(4,470)
	<hr/>

GL Industrial Services UK Ltd

Notes forming part of the financial statements
for the year ended 31 December 2009 (Continued)

18 Reconciliation of movements in shareholders' funds

	2009 £'000	2008 £'000
Profit for the year	3,779	3,026
Deferred tax	1	-
Opening shareholders' funds	22,632	19,606
	<hr/>	<hr/>
Closing shareholders' funds	26,412	22,632
	<hr/>	<hr/>

19 Commitments under operating leases

As at 31 December 2009, the company had annual commitments under non-cancellable operating leases as set out below

	2009 Land and buildings £'000	2009 Other £'000	2008 Land and buildings £'000	2008 Other £'000
Operating leases which expire				
Within one year	266	45	323	47
In two to five years	2,361	332	3,198	159
Over five years	5	-	20	-
	<hr/>	<hr/>	<hr/>	<hr/>
	2,632	377	3,541	206
	<hr/>	<hr/>	<hr/>	<hr/>

20 Related party transactions

The company has taken advantage of the FRS 8 (Related party disclosures) exemption not to disclose transactions with Germanischer Lloyd AG companies on the basis that 100% of its voting rights are controlled by Germanischer Lloyd AG and consolidated financial results in which the company's financial results are included are publicly available

During the year ended 31 December 2009, the company made sales of £11,363 (2008 - £3,200) to, charged interest amounting to £29,243 and purchases of £Nil (2008 - £50,300) from Cogsys Ltd, a company in which GL Industrial Services UK Ltd controls less than 100% of the voting rights. The balance due from Cogsys Ltd at 31 December 2009 is £805,944 (2008 - £808,526)

21 Cash flow statement

The company has taken advantage of the exemption in FRS1 (revised 1996) Cash flow statements not to prepare a cash flow statement on the basis that 100% of its voting rights are controlled by Germanischer Lloyd AG and consolidated financial results in which the company's financial results are included are publicly available

GL Industrial Services UK Ltd

Notes forming part of the financial statements for the year ended 31 December 2009 (*Continued*)

22 Capital commitments

The company had no capital commitments contracted for but not provided as at 31 December 2009 (2008 - £Nil)

23 Ultimate holding company and controlling parties

At 31 December 2009, the company was a wholly owned subsidiary of Germanischer Lloyd Industrial Services Holdings (UK) Ltd, a company registered in England

As at 31 December 2009 the ultimate holding company and ultimate controlling party was Germanischer Lloyd AG, which is registered in Germany and consolidates the accounts of the Company. Copies of the ultimate parent's consolidated financial statements may be obtained from Companies' House, Crown Way, Maindy, Cardiff, CF14 3UZ

The largest and smallest group in which the accounts are consolidated are those of Germanischer Lloyd AG, which is registered in Germany. Copies of the consolidated financial statements may be obtained from Companies' House, Crown Way, Maindy, Cardiff, CF14 3UZ

24 Pensions and post-retirement benefits

GL Industrial Services UK Ltd (formerly Advantica Limited) participated in the National Grid UK Pension Scheme (formerly named the Lattice Group Pension Scheme) (the Scheme), sponsored by National Grid plc, the company's previous parent company for an interim period until 29 February 2008. National Grid plc charges its subsidiary undertakings with an allocation of the total Scheme cost. GL Industrial Services UK Ltd's (formerly Advantica Limited) share of the underlying assets and liabilities of the Scheme cannot be identified separately. GL Industrial Services UK Ltd (formerly Advantica Limited) costs of the Scheme for the year/period, together with unfunded pension costs, were £Nil (2008 - £522,000)

Contributions by GL Industrial Services UK Ltd (formerly Advantica Limited) employees to the National Grid UK Pension Scheme ceased on 29 February 2008 as a requirement of the change of ownership of the company. Employees were given the option to become members of the Advantica UK Defined Contribution Pension Scheme. GL Industrial Services UK Ltd (formerly Advantica Limited) costs of the Scheme for the year were £2,461,000 (2008 - £1,765,000)

The company operates a defined contribution pension plan, the Advantica UK Defined Contribution Pension Scheme, whereby it contributes to the personal pension plans of certain individual employees up to 8.25% of the gross salary of the individuals. There were no amounts outstanding or prepaid in respect of pension costs at year end.