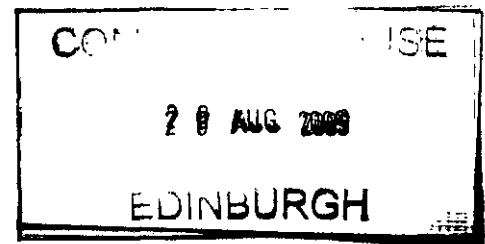


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GTC Holdings Limited

**Directors' report and financial
statements**

Registered number 219765

26 October 2008



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Officers and professional advisers

Directors

A Gowing
D Robinson
NR Carrick
EDW Phillips
S Melville

Company Secretary

DB Robinson

Registered office

Mackinnons
14 Carden Place
Aberdeen
AB10 1UR

Auditors

KPMG Audit Plc
1 The Embankment
Neville Street
Leeds
LS1 4DW

Directors' report

The directors submit their report and the financial statements of GTC Holdings Limited for the fifty two weeks ended 26 October 2008.

Principal activities

The main activity of the company is that of a holding company and the provision of management services.

These activities are continuing.

Results and dividends

The profit for the year, amounting to £10,118,426 (2007: loss of £145,441), has been dealt with as shown in the profit and loss account.

The directors and shareholders approved a dividend of £10,500,000 for the year (2007: £nil).

Directors

The directors of the company are listed on page 1, all of whom served throughout the year.

Mr PA Johnson served as a director from 11 October 2007 until his resignation on 3 June 2008.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

By order of the board



DB Robinson
Secretary

Mackinnons
14 Carden Place
Aberdeen
AB10 1UR

28 August 2009

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditors' report to the members of GTC Holdings Limited

We have audited the financial statements of GTC Holdings Limited for the year ended 26 October 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

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 company 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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 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 GTC Holdings Limited *(continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 26 October 2008 and of its profit for the period 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.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

28 August 2009

Profit and Loss Account
for the year ended 26 October 2008

	<i>Note</i>	Year ended 26 October 2008 £	11 months ended 28 October 2007 £
Turnover		-	1,058,097
Operating costs		(176,661)	(1,930,381)
Other operating income		10,340,000	-
Operating profit/(loss)	2	10,163,339	(872,284)
Gain on sale of fixed assets		-	1,680,152
Interest receivable		2,087	5,194
Interest payable and similar charges	5	-	(1,082,686)
Profit/(loss) before taxation		10,165,426	(269,624)
Taxation	6	(47,000)	124,183
Profit/(loss) after taxation	13	10,118,426	(145,441)

The company has made no gains or losses other than as reported above.

Balance Sheet
at 26 October 2008

	<i>Note</i>	26 October 2008	28 October 2007
		£	£
Fixed assets			
Tangible fixed assets	7	-	4,769
Investments	8	5,001,813	5,001,813
		<u>5,001,813</u>	<u>5,006,582</u>
Current assets			
Debtors	9	6,808,150	221,620
Cash at bank and in hand		-	5,790
		<u>6,808,150</u>	<u>227,410</u>
Creditors: amounts falling due within one year	10	(10,500,000)	(3,542,455)
Net current liabilities		<u>(3,691,850)</u>	<u>(3,315,045)</u>
Net assets		<u>1,309,963</u>	<u>1,691,537</u>
Capital and reserves			
Called up share capital	12	10,000	10,000
Share premium	13	1,009,023	1,009,023
Profit and loss account	13	290,940	672,514
Shareholder's funds	13	<u>1,309,963</u>	<u>1,691,537</u>

These financial statements were approved by the board of directors on 28 August 2009 and were signed on its behalf by:



N Carrick
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards. The company is exempt from the requirements to prepare a cash flow statement on the grounds it is a wholly owned subsidiary.

Depreciation

The cost of fixed assets is written off by equal monthly instalments over their expected useful lives as follows:

Leasehold land and buildings	20 years
Furniture and fittings	5 years

Investments in subsidiary undertakings

Investments in subsidiary undertakings are initially stated at cost in the balance sheet and reviewed for impairment at the end of each financial year if events or changes in circumstances indicate that the carrying value may not be recoverable.

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Pensions

The company operates and contributes towards defined contribution pension schemes. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Notes (continued)

2 Operating (loss)/profit is stated after charging/(crediting)

	Year ended 26 October 2008 £	11 month period ended 28 October 2007 £
Depreciation – owned assets	2,740	34,404
Auditors' remuneration	1,000	3,000
Operating lease rentals – land and buildings	1,180	21,275
Dividends from subsidiaries	(10,000,000)	-
Management fees receivable	(340,000)	-
	<u> </u>	<u> </u>

3 Staff costs

	Year ended 26 October 2008 £	11 month period ended 28 October 2007 £
Wages and salaries	128,479	1,281,639
Social security costs	16,314	172,735
Other pension costs	26,850	268,750
	<u> </u>	<u> </u>
	171,643	1,723,124
	<u> </u>	<u> </u>

The average number of persons employed by the company, including directors, during the period, was as follows:

	Year ended 26 October 2008 No	11 month period ended 28 October 2007 No
Directors	4	4
	<u> </u>	<u> </u>

Notes (continued)

4 Directors' remuneration

	Year ended 26 October 2008 £	11 month period ended 28 October 2007 £
Emoluments (including benefits in kind)	-	1,299,400
Company contributions to defined contribution pension schemes	-	268,750
	No	No
Members of defined contribution pension schemes	-	3
The amounts in respect of the highest paid director are as follows:	£	£
Emolument (including benefits in kind)	-	977,559
Company contributions to defined contribution pension schemes	-	222,917

5 Interest payable and similar charges

	Year ended 26 October 2008 £	11 month period ended 28 October 2007 £
Loan interest	-	308,371
Loan redemption premium	-	774,315
	-	1,082,686

Notes (continued)

6 Taxation

	Year ended 28 October 2007 £	11 month period ended 28 October 2007 £
UK corporation tax		
UK corporation tax – group relief	(47,000)	93,000
Deferred tax	-	32,079
	<hr/>	<hr/>
	(47,000)	125,079
Adjustments relating to prior year:		
Deferred tax	-	(896)
	<hr/>	<hr/>
	(47,000)	124,183
	<hr/>	<hr/>

Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2007: higher) than the standard rate of corporation tax in the UK (28.85%, 2007: 30%) the differences are explained below:

	Year ended 28 October 2007 £	11 month period ended 28 October 2007 £
<i>Current tax reconciliation</i>		
Profit/(loss) on ordinary activities before tax	10,165,421	(269,624)
	<hr/>	<hr/>
Current tax at 28.85% (2007: 30%)	2,932,724	(80,887)
Effects of:		
Dividend not subject to tax	(2,885,000)	-
Other short term timing differences	(1,802)	-
Expenses not deductible for tax purposes	288	45,567
Capital gain less than book profit	-	(69,382)
Depreciation in excess of capital allowances	790	11,702
	<hr/>	<hr/>
Total current tax charge/(credit) (see above)	47,000	(93,000)
	<hr/>	<hr/>

Notes *(continued)*

7 Tangible fixed assets

	Furniture and fittings £
Cost	
At 28 October 2007	40,944
Group transfer	(40,944)
	<hr/>
At 26 October 2008	-
	<hr/>
Depreciation	
At 28 October 2007	36,175
Charge for the period	2,740
Group transfer	(38,915)
	<hr/>
At 26 October 2008	-
	<hr/>
Net book value	
At 26 October 2008	-
	<hr/>
Net book value	
At 28 October 2007	4,769
	<hr/>

Notes (continued)

8 Investments

Company	£
At 28 October 2007 and 26 October 2008	<u>5,001,813</u>

The subsidiary undertakings as at 26 October 2008 were:

Company	Nature of business	Holding%
GTC Group Limited	Supply, repair and recertification of lifting equipment and gear manufacture and repair of wire rope slings, chain slings, webbing slings and proof load testing. Non destructive testing and inspection of lifting appliances and structures for both onshore and offshore use	100%
Assembly Solutions and Tools Limited	Supply, hire, service and repair of pneumatic and hydraulic tools	100%

The above are holdings of ordinary shares.

The information required by Schedule 5 of the Companies Act 1985 with regards to the subsidiary companies is as follows:

	GTC Group Limited	Assembly Solutions and Tools Limited
Profit/(loss) for the year ended 26 October 2008	<u>4,878,750</u>	<u>(127,253)</u>
Capital and reserves at 26 October 2008	<u>322,897</u>	<u>(678,012)</u>

The associated undertaking as at 26 October 2008 was:

Company	Nature of business	Holding%
GTC Specialist Services Limited	Dormant	50%

The above is a holding of ordinary shares, held by GTC Group Limited

Notes (continued)

9 Debtors

	26 October 2008 £	28 October 2007 £
Amounts owed by subsidiary company	6,808,150	126,853
Corporation tax – group relief	-	93,172
Deferred tax (note 11)	-	415
Other debtors	-	1,180
	<u>6,808,150</u>	<u>221,620</u>

10 Creditors: amounts falling due within one year

	26 October 2008 £	28 October 2007 £
VAT	-	362,250
Other taxes and social security	-	424,202
Other creditors and accruals	-	121,721
Amounts owed to subsidiary company	-	2,634,282
Amounts owed to parent company	10,500,000	-
	<u>10,500,000</u>	<u>3,542,455</u>

Notes (continued)

11 Provision for liabilities and charges

	26 October 2008 £	28 October 2007 £
Comprises deferred taxation as follows:		
Accelerated capital allowances	-	(415)
	<u> </u>	<u> </u>

Deferred tax has been provided in full.

12 Called up share capital

	26 October 2008 £	28 October 2007 £
<i>Authorised</i>		
9,000 ordinary shares of £1 each	9,000	9,000
1,000 "A" ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
	10,000	10,000
	<u> </u>	<u> </u>
<i>Allotted, called up and fully paid</i>		
9,000 ordinary shares of £1 each	9,000	9,000
1,000 "A" ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
	10,000	10,000
	<u> </u>	<u> </u>

The ordinary shares and "A" ordinary shares rank pari passu in all respects.

13 Reconciliation of movements in shareholders' funds

	Share capital £	Share premium £	Profit and loss account £	Total £
As at 28 October 2007	10,000	1,009,023	672,514	1,691,537
Profit for the financial year	-	-	10,118,426	10,118,426
Dividend paid in the year	-	-	(10,500,000)	(10,500,000)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 26 October 2008	10,000	1,009,023	290,940	1,309,963
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Notes *(continued)*

14 Security

The bank borrowings are secured by a bond and floating charge over all the assets of the company, together with a corporate guarantee by the company and its subsidiaries. At 26 October 2008, total group bank borrowings amounted to ££28,246,799 (2007: £15,230,099).

There is also a standard security over the leasehold land and buildings together with standard securities over certain of the properties.

15 Related party transactions

The company has taken advantage of the exception from disclosing related party transactions with other group companies, as permitted by Financial Reporting Standard No 8 as the consolidated financial statements in which the company is included are publicly available.