

Cosalt Offshore Limited
(formerly GTC Holdings Limited)

Directors' report and financial statements

Registered number – SC219765

For the year ended 31 December 2012

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Contents

Officers and professional advisors	1
Directors' report	2
Statement of Directors' responsibilities	3
Independent auditor's report to the members of Cosalt Offshore Limited	4
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8

Officers and professional advisers

Directors

E A E Leask
K Moorhouse
A Gowing

Company Secretary

E A E Leask
Burness Paul LLP

Registered office

Burness Paul LLP
Union Plaza (6th Floor)
Union Wynd
Aberdeen
AB10 1DQ

Auditor

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

Directors' report

The directors present their annual report and the financial statements for the year ended 31 December 2012.

Principle activities

The principle activity of the company is that of a holding company.

The principle activity of the company's trading subsidiary (ATR Lifting Solutions Limited) includes the sale, rental, repair and inspection of lifting equipment, the manufacture and repair of slings (wire rope, chain and webbing) and the sale, rental and inspection of lifeboats and maritime equipment to the offshore oil and gas market.

Business review

Subsequent to the year end, the company's name was changed on 21 February 2013 from GTC Holdings Limited to Cosalt Offshore Limited, following the sale of a controlling interest in the company to Cosalt Offshore Group Limited ("the Cosalt Offshore Group of Companies"), a holding company that is controlled by NBGI Private Equity (Tranche II) LP. On 1st November 2013, NBGI Private Equity (Tranche II) LP sold their controlling interest in the Cosalt Offshore Group of Companies to ATR Holdings Limited ("the ATR Offshore Group of Companies"), a group of companies controlled by NBGI Private Equity (Tranche II) LP that carries out work in an adjacent part of the offshore oil and gas industry.

During the year the company has not traded, and there has been no income or expenditure.

Directors and directors' interests

The directors who held office during the year and since 31 December 2012 as follows:

TM Sands	(appointed 1 May 2012, resigned 15 February 2013)
A Gowing	
R Buchan	(resigned 31 May 2013)
M A Grant	(resigned 10 May 2013)
DB Robinson - Company Secretary	(resigned 15 February 2013)
D Robinson	(resigned 14 June 2012)
Burness Paul LLP - Company Secretary	(appointed 1 November 2013)
EAE Leask - Director and Company Secretary	(appointed 15 February 2013)
K Moorhouse	(appointed 15 February 2013)

Disclosure of information to auditor

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 auditor is 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 auditor is 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



EAE Leask
Director

Union Plaza (6th Floor)
1 Union Wynd
Aberdeen
AB10 1DQ

28 March 2014

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).

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;
- 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 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 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 LLP

1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditor's report to the members of Cosalt Offshore Limited (formerly GTC Holdings Limited)

We have audited the financial statements of Cosalt Offshore Limited (formerly GTC Holdings Limited) for the year ended 31 December 2012 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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 auditor

As explained more fully in the Directors' Responsibilities Statement 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Basis for qualified opinion on financial statements

As stated in note 1 to the financial statements, group accounts, as required by the Companies Act 2006, have not been prepared.

Qualified 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 2012 and of its loss for the year then ended; and
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice.

In our opinion, except for the matter described in the basis for qualified opinion on financial statements paragraph, the financial statements have been prepared in accordance with the Companies Act 2006.

Other matter -Prior period financial statements

In forming our opinion on the financial statements, which is not further modified by this matter, we note that the prior period financial statements were not audited. Consequently, International Standards on Auditing (UK and Ireland) require the auditor to state that the corresponding figures contained within these financial statements are unaudited.

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.

Independent auditor's report to the members of Cosalt Offshore Limited (formerly GTC Holdings Limited) (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 explanations we require for our audit.

David Morritt (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS14DW

28 March 2014

Profit and loss account

	<i>Note</i>	2012 Total £	"Unaudited" 2011 Total £
Turnover		-	-
Operating costs		(10,508,150)	-
Operating (loss)/profit		(10,508,150)	-
Analysis of operating (loss)/profit			
Operating (loss)/profit before exceptional costs		-	-
Exceptional costs	2	(10,508,150)	-
		(10,508,150)	-
Interest payable and similar charges		-	-
Loss on ordinary activities before taxation		(10,508,150)	-
Tax on loss on ordinary activities	3	-	-
Loss on ordinary activities after taxation	8	(10,508,150)	-

There are no recognised gains and losses other than the profit for the periods stated above.

There is no material difference between the profit on ordinary activities and the retained profit for the periods stated above and the historical cost equivalents.

The notes on pages 8 to 12 form a part of these financial statements.

Balance sheet
at 31 December 2012

	<i>Note</i>	31 December 2012 £	"Unaudited" 31 December 2011 £
Fixed assets			
Investments	4	5,001,813	5,001,813
Current assets			
Debtors	5	-	10,508,150
Creditors: amounts falling due within one year	6	(14,200,000)	(14,200,000)
Net current liabilities		<u>(14,200,000)</u>	<u>(3,691,850)</u>
Net liabilities		<u>(9,198,187)</u>	<u>1,309,963</u>
Capital and reserves			
Called up share capital	7	10,000	10,000
Share premium	8	1,009,023	1,009,023
Profit and loss account	8	(10,217,210)	290,940
Shareholder's deficit	8	<u>(9,198,187)</u>	<u>1,309,963</u>

The notes on pages 8 to 12 form a part of these financial statements.

*As discussed at note 11, subsequent to 31 December 2012, the company has been acquired by new owners and as part of this transaction amounts owed to certain group undertakings have been waived. A proforma balance sheet has been presented at note 11, which shows that had these waivers been effected by 31 December 2012 the company would have had net assets of £5,001,813.

These financial statements were approved by the board of directors on 28 March 2014 and were signed on its behalf by:



EAE Leask
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.

At the balance sheet date, the company remained part of the Cosalt plc group of companies which would in due course have been expected to publish consolidated financial statements that consolidated this company for the year ended 31 December 2012. The company would therefore have claimed the exemption available under s400 of the Companies Act 2006 from preparing consolidated financial statements for the group headed by this company.

At the date of approval of these financial statements the company is a part of the ATR Holdings Limited group of companies (see subsequent events note below). The financial statements of the company's trading subsidiary, ATR Lifting Solutions Limited, will be filed at Companies House in due course and be available on public record. As a result the directors do not consider it the best use of company resources to prepare consolidated financial statements for the group headed by this company for the year ended 31 December 2012.

No cashflow statement has been presented on the grounds that the company had no cashflows in either the current nor the previous period.

Investments

Investments in subsidiaries and other investments are stated at cost less provision for diminution in value.

Going concern

These financial statements have been prepared on a going concern basis.

Subsequent Events

Subsequent to the year end, the company changed its name on 21 February 2013 from GTC Holdings Limited to Cosalt Offshore Limited following the sale of a controlling interest in the company to Cosalt Offshore Group Limited ("the Cosalt Offshore Group of Companies") a holding company that is controlled by NBGI Private Equity (Tranche II) LP. On 1st November 2013, NBGI Private Equity (Tranche II) LP sold their controlling interest in the Cosalt Offshore Group of Companies to ATR Holdings Limited, a group of companies controlled by NBGI Private Equity (Tranche II) LP that carries out work in an adjacent part of the offshore oil and gas industry.

2 Exceptional costs

	Year ended 31 December 2012 £
Provision for unrecoverable intercompany amounts	10,508,150

As part of the Cosalt Offshore Group Limited acquisition of the company in February 2013, the company agreed to waive their rights to receive £119,712 from Cosalt plc that was included within Amounts owed by parent company.

In November 2013, as part of the continuing restructuring and integration of the Cosalt Offshore Group of companies, the company agreed to waive £10,241,584 due from its' subsidiary, ATR Lifting Solutions Limited.

Further an amount of £146,854 due from the company's subsidiary Grampian Test and Certification Limited has been provided for. Each of the above amounts have been provided against as they are no longer considered recoverable.

Notes (continued)

3 Taxation charge/(credit) for the period comprises

	2012 £	2011 £
UK corporation tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The current tax charge for the period is higher (2011: equal to) than the standard rate of corporation tax in the UK 24.5% (2011: 26.5%) the differences are explained below:

	2012 £	2011 £
(Loss)/profit on ordinary activities before tax	(10,508,150)	-
Current tax at 24.50% (2011: 26.50%)	(2,574,497)	-
Expenses not deductible for tax purposes	2,574,497	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

4 Investments

Company	£
At 31 December 2012 and 31 December 2011	5,001,813

The subsidiary undertakings as at 31 December 2012 were:

Company	Nature of business	Holding %
ATR Lifting Solutions	Sale, rental, repair and inspection of lifting equipment, the manufacture and repair of slings and the sale, rental and inspection of lifeboats and maritime equipment to the offshore oil gas market.	100%
Grampian Test & Certification Limited (Formerly Assembly Solutions and Tools Limited)	Dormant	100%

The above are holdings of ordinary shares.

The information required by Schedule 5 of the Companies Act 2006 with regards to the subsidiary companies is as follows:

The associated undertakings as at 31 December 2012 were:

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

The above is a holding of ordinary shares, held by ATR Lifting Solutions Limited (formerly Cosalt Offshore (UK) Limited and GTC Group Limited).

Notes (continued)

5 Debtors

	31 December 2012 £	Unaudited 31 December 2011 £
Amounts owed by subsidiary company	-	10,388,438
Amounts owed by parent company	-	119,712
	<u>-</u>	<u>10,508,150</u>

As part of the Cosalt Offshore Group Limited acquisition of the Company in February 2013, the company agreed to waive their rights to receive £119,712 from Cosalt plc that was included within Amounts owed by parent company.

In November 2013, the company agreed to waive £10,241,584 due from its' subsidiary, ATR Lifting Solutions Limited.

Further an amount of £146,854 due from the company's subsidiary Grampian Test and Certification Limited has been provided for. Each of the above amounts have been provided against as they are no longer considered recoverable.

6 Creditors: amounts falling due within one year

	31 December 2012 £	Unaudited 31 December 2011 £
Amounts owed to parent company	14,200,000	14,200,000

As part of the Cosalt Offshore Group Limited acquisition of the Company in February 2013, Cosalt plc and a number of the Company's sister companies agreed to waive their rights to receive £14,200,000 that was included within Amounts owed to parent company.

7 Called up share capital

	31 December 2012 £	Unaudited 31 December 2011 £
<i>Authorised, 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	<u>1,000</u>	<u>1,000</u>
	<u>10,000</u>	<u>10,000</u>

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

Notes (continued)

8 Reconciliation of equity shareholders' funds and movements on reserves

	Share capital £	Share Premium £	Profit and loss account £	Total £
As at 31 December 2011 - unaudited	10,000	1,009,023	290,940	1,309,963
Loss for the financial period	-	-	(10,508,150)	(10,508,150)
As at 31 December 2012	10,000	1,009,023	(10,217,210)	(9,198,187)

9 Contingent liabilities

During the year, the company had given guarantees in respect of the bank borrowings of the other Cosalt plc group companies. As part of the Cosalt Offshore Group Limited acquisition of the company (and its subsidiaries) in February 2013, all of the existing bank borrowings of the company (and its subsidiaries) were repaid and all related security and guarantees were released (see note 11).

10 Related party transactions

The only related party transactions carried out during the year related to transactions with other companies within the group and are disclosed at note 5 and 6.

Notes (continued)

11 Ultimate parent company

The company regarded by the directors as the ultimate parent company at 31 December 2012 was Cosalt plc, a company incorporated in England and Wales. Subsequent to 31 December 2012, on 15 February 2013, the company was acquired by Cosalt Offshore Group Limited of which the ultimate parent company is Cosalt Offshore Holdings Ltd, which is subsequently controlled by NBGI Private Equity (Tranche II) LP, registered in Guernsey, a fund managed by NBGI Private Equity Limited, a leading mid-market investor specialising in supporting growth businesses.

The existing bank debt of the GTC Group of companies was replaced with loans from its new parent undertaking and certain new bank facilities. In addition the amounts due to group undertakings out with the GTC Group of companies were waived pre-acquisition and as a result are no longer due for payment.

On 1 November 2013, NBGI Private Equity (Tranche II) LP sold their controlling interest in Cosalt Offshore Holdings Limited to ATR Holdings Limited. ATR Holdings Limited ultimate parent company is ATR Offshore Holdings Limited, a company controlled by NBGI Private Equity (Tranche II) LP. As part of this transaction, the existing bank debt of the Cosalt Offshore Group of Companies was replaced with loans from its new parent undertaking and certain new bank facilities.

Following these transactions, certain other amounts due by the company to Cosalt plc were waived and are no longer due for payment. This resulted in amounts showing as payable to the parent at 31 December 2012 of £14,200,000 being waived, as part of this exercise. Whilst not representing an adjusting post balance sheet event under accounting standards, these waivers have had a significant effect on the net assets position of the company. Given that the amounts waived will now not be payable, the directors' are of the opinion that it would be appropriate to show a proforma statement of net assets illustrating the balance sheet that would have arisen if these waivers had taken place at 31 December 2012:

	31 December 2012 £
Fixed assets investments	5,001,813
Net current liabilities	(14,200,000)
Net liabilities from statutory balance sheet	(9,198,187)
Group payables waived subsequent to 31 December 2012	14,200,000
Net assets on a proforma basis	<u>5,001,813</u>