

Registered number: SC619733

GEG CAPITAL LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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GEG CAPITAL LIMITED

COMPANY INFORMATION

Directors	R J MacGregor J MacDonald G Farmer (appointed 2 June 2023)
Registered number	SC619733
Registered office	13 Henderson Road Inverness IV1 1SN
Independent auditor	Anderson Anderson & Brown Audit LLP Kingshill View Prime Four Business Park Kingswells Aberdeen AB15 8PU

GEG CAPITAL LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Principal Activities

The principal activities within the Group during the year were those of a consultancy business, civil engineering and construction business, a property business and an employment placement business.

Refer to note 33 for details on acquisitions made in the year.

Business review

The directors note the results for the year and are pleased with the profitability of the subsidiaries in the various sectors – consultancy, civil engineering, construction, property and employment placement.

Principal risks and uncertainties

While looking confidently to future growth and success, the key risk to the Group's robust strategy remains the uncertainty around available development capital in all sectors. Continuing and improved lending from all providers will allow the Group to align with Scottish and UK government net zero targets. The Group will look for support from lenders to continue its acquisitive strategy in growth sectors that align with government policy, both locally and nationally.

Liquidity 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.

Financial key performance indicators

The directors consider turnover, gross profit and net profit to be key performance indicators and monitor these on an ongoing basis.

GEG CAPITAL LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Section 172(1) statement

In 2008 the Companies (Miscellaneous Reporting) Regulations introduced a requirement for large companies to publish a statement describing how the directors have had regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006.

Section 172 (1) (a) to (f) requires each director to act in a way he or she considers would be most likely to promote the success of the company for the benefit of its members as a whole with regard to the following matters;

(a) The likely consequences of any decision in the long term

At the heart of the company values is its people to be and creating a sustainable business. The directors believe that a consistently profitable business, which invests in people, culture, assets, processes and systems will ensure the sustainability of the GEG Capital business and brand identity for years to come.

Any decisions made by the board have the long term objectives in mind.

(b) The interests of the companies employees

The board considers its people its greatest asset and the interests of employees are always taken into consideration when decisions are to be made.

Our People and Culture team plays a pivotal role in supporting the Group by leading a progressive and innovative People Strategy. The aim of People and Culture is to create an environment that delivers outstanding experiences and better opportunities by acting as a trusted strategic partner across the Group. In doing so, we search for every opportunity to deliver innovative solutions that attract, nurture and engage a diverse workforce; creating core value for our colleagues, customers and shareholders. The team offers a true business partnering approach across employee relations, learning and leadership development, talent management, employee engagement, D&I and CSR.

Led by our Head of People and Culture, our employee forum encourages transparent communication and positions itself as a key communication tool, enabling access to the very top of the organisation on topics which are concerning employees.

(c) The need to foster the companies business relationships with suppliers customers and others

We are a group of businesses which is focused on serving our customers and their specific needs, accordingly we have a business development and relationship team which invests time in developing relationships with clients and helping them find solutions to the challenges they face.

Due to diverse nature of the Group the supply chain is fundamental to the delivery of our services and products. We work closely with a number of key suppliers to build strong relationships and look to develop longer term agreements where possible.

In addition to our customers and suppliers we seek to build strong relationships with multiple stakeholder groups including local authorities, politicians, trade associations, schools and accreditation bodies.

Our directors and senior management team take an active interest in these connections and take an active role in building and sustaining these relationships.

(d) The impact of the company's operations in the community and environment

Corporate Social Responsibility (CSR), Diversity and Inclusion (D&I) and Wellbeing all form a critical part of our agenda here at GEG Capital. We have created a team of change champions to increase focus in these important areas. The team is made up of individuals from across our different portfolios who are the real voices for change, the voices that come from within our organisation and are heard throughout our organisation.

GEG CAPITAL LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Our goal is to encourage groupwide collaboration facilitated by an empowered team who have the space to share and discuss ideas, and work together to create a plan of engagement.

The board is fully committed to supporting our local communities and has demonstrated this commitment through the provision of paid volunteering days for our employees. On a quarterly basis, our People and Culture team coordinate events and invite individuals to nominate themselves to volunteer and 'give back' to their local communities.

This results in increased morale, teamwork and communication, and benefits the individual, the team and the community.

(e) The desirability of the company maintaining a reputation for high standards of business conduct

The board believe it is of great importance that we are trusted by all our stakeholders and as a result we seek to run the business with a high level of integrity.

As part of the Group's operational certification the business management systems set out the conduct in which the business operates and ensures high standards are met and delivered.

The audit process internally considers a wide range of reporting, control and governance issues which provides a level of assurance to the board and other stakeholders.

Our employee handbook and other relevant policies are reviewed annually and updated accordingly. Policies on anti bribery, whistle blowing, and code of conduct are all available on the Groups internal and external websites. These policies set the standard for group behaviours and a respectful culture.

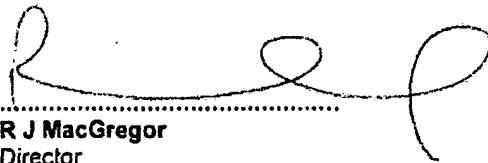
The board has little appetite for reputational risk and tries to ensure that decisions made are for business interest of all stakeholder where possible.

(f) The need to act fairly as between the members of the company

We believe the board dynamic ensures all shareholders are treated fairly and that all views are fully represented when making key decisions for the business.

A shareholder agreement sets out the rights of each shareholder and where decisions need specific consent at a board level.

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



.....
R J MacGregor
Director

Date: 12th December 2023

GEG CAPITAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £2,035,291 (2022 - £1,801,447).

Dividends of £1,484,359 were paid in the year (2022 - £840,423).

Directors

The directors who served during the year were:

R J MacGregor
J MacDonald

Political contributions

The Group did not make any political donations during the year.

Future developments

The directors will continue to grow the business both organically and by acquisition.

Going concern

The directors have a reasonable expectation that the company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Engagement with employees

Employee involvement continues to form a crucial part of our approach to employee engagement throughout the Group.

The voice of the employee plays an integral part in our decision making therefore we run an annual employee survey to take the pulse of the organisation to identify what is working well and areas for improvement. The impact of the survey is improved employee experiences, experiences that promote greater health and wellbeing, support faster growth and development and, in turn, motivate improved productivity and attendance.

Disabled employees

The Group, as part of its employment and ongoing practices has always and wishes to continue, to promote an environment of equality and fairness and therefore recognises and complies with the Disability Discrimination Act 1995 (DDA).

The Disability Discrimination Act defines 'disability' as a physical or mental impairment which has a substantial and long term adverse effect on a person's ability to carry out their normal day-to-day activities.

The Act makes it unlawful for employers to discriminate against current or prospective workers who have a disability or who have had a disability in the past. When an employer treats a person with a disability less favourably than he treats other people and this treatment cannot be justified then discrimination has taken place. The employer also has a duty to make a 'reasonable adjustment' in relation to the disabled person and failure to do so is again discrimination, if it cannot be justified.

GEG CAPITAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Greenhouse gas emissions, energy consumption and energy efficiency action

GEG Capital Limited has not disclosed information in respect of greenhouse gas emissions, energy consumption and energy efficiency action as its energy consumption in the United Kingdom for the period is 40,000kWh or lower.

All individual subsidiaries within the Group do not meet the reporting criteria, therefore no information is disclosed in respect of subsidiaries.

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

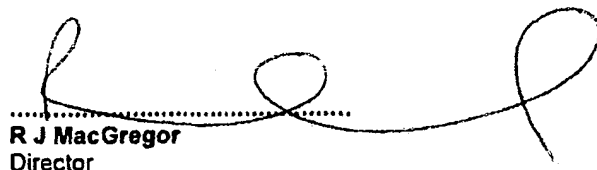
Post balance sheet events

On 2nd June 2023, GEG Capital Limited acquired a majority shareholding in IKM Consulting Ltd (SC179251).

Auditor

The auditor, Anderson Anderson & Brown Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



.....
R J MacGregor
Director

Date: 12th December 2023

GEG CAPITAL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GEG CAPITAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEG CAPITAL LIMITED

Opinion

We have audited the financial statements of GEG Capital Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2023, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2023 and of the Group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

GEG CAPITAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEG CAPITAL LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

GEG CAPITAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEG CAPITAL LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements

The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities including fraud to be:

- Management override of controls to manipulate the company's key performance indicators to meet targets
- Timing and completeness of revenue recognition
- Management judgement applied in calculating provisions
- Compliance with relevant laws and regulations which directly impact the financial statements and those that the company needs to comply with for the purpose of trading

Our audit procedures to respond to these risks included:

- Testing of journal entries and other adjustments for appropriateness
- Evaluating the business rationale of significant transactions outside the normal course of business
- Reviewing judgments made by management in their calculation of accounting estimates for potential management bias
- Enquiries of management about litigation and claims and inspection of relevant correspondence
- Reviewing legal and professional fees to identify indications of actual or potential litigation, claims and any non-compliance with laws and regulations

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

GEG CAPITAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEG CAPITAL LIMITED (CONTINUED)

Use of our report

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.

Anderson Anderson & Brown Audit LLP

James Pirrie (Senior statutory auditor)

for and on behalf of

Anderson Anderson & Brown Audit LLP

Statutory Auditor

Kingshill View
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU
Date: 14 December 2023

GEG CAPITAL LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
Turnover	4	113,384,377	86,618,140
Cost of sales		(98,749,604)	(77,126,868)
Gross profit		14,634,773	9,491,272
Administrative expenses		(10,938,736)	(6,585,553)
Other operating income	5	-	49,655
Operating profit	6	3,696,037	2,955,374
Interest receivable and similar income	10	255	38
Interest payable and similar expenses	11	(191,519)	(60,826)
Profit before taxation		3,504,773	2,894,586
Tax on profit	12	(820,594)	(608,055)
Profit for the financial year		2,684,179	2,286,531
Profit for the year attributable to:			
Non-controlling interests		648,888	485,084
Owners of the parent Company		2,035,291	1,801,447
		2,684,179	2,286,531

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 18 to 42 form part of these financial statements.

GEG CAPITAL LIMITED

REGISTERED NUMBER:SC619733

**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023**

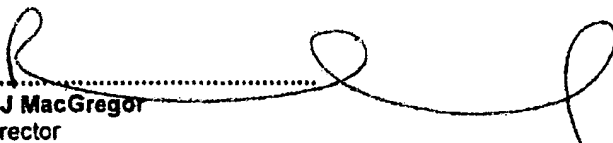
	Note	2023 £	2022 £
Fixed assets			
Intangible assets	14	3,641,985	2,540,112
Tangible assets	15	1,823,074	1,055,638
Investments	16	35,963	35,963
Investment property	17	3,960,447	3,960,447
		<u>9,461,469</u>	<u>7,592,160</u>
Current assets			
Stocks	18	1,951,797	1,857,539
Debtors: amounts falling due within one year	19	20,370,905	15,000,922
Cash at bank and in hand	20	3,567,752	3,711,916
		<u>25,890,454</u>	<u>20,570,377</u>
Creditors: amounts falling due within one year	21	(26,851,853)	(19,205,452)
Net current (liabilities)/assets		<u>(961,399)</u>	<u>1,364,925</u>
Total assets less current liabilities		<u>8,500,070</u>	<u>8,957,085</u>
Creditors: amounts falling due after more than one year	22	(299,431)	(2,217,498)
Net assets		<u><u>8,200,639</u></u>	<u><u>6,739,587</u></u>
Capital and reserves			
Called up share capital	27	54,674	54,674
Share premium account		2,718,178	2,718,178
Profit and loss account		1,745,181	986,890
Equity attributable to owners of the parent Company		<u>4,518,033</u>	<u>3,759,742</u>
Non-controlling interests		3,682,606	2,979,845
		<u><u>8,200,639</u></u>	<u><u>6,739,587</u></u>

GEG CAPITAL LIMITED

REGISTERED NUMBER:SC619733

**CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023**

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


.....
R J MacGregor
Director

Date: 12th December 2023

The notes on pages 18 to 42 form part of these financial statements.

GEG CAPITAL LIMITED

REGISTERED NUMBER:SC619733

**COMPANY BALANCE SHEET
AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	191,326	59,095
Investments	16	6,762,883	5,648,068
		<u>6,954,209</u>	<u>5,707,163</u>
Current assets			
Debtors: amounts falling due within one year	19	3,723,414	4,092,125
Cash at bank and in hand	20	7,152	322,766
		<u>3,730,566</u>	<u>4,414,891</u>
Creditors: amounts falling due within one year	21	(8,469,853)	(5,182,296)
Net current liabilities		<u>(4,739,287)</u>	<u>(767,405)</u>
Total assets less current liabilities		<u>2,214,922</u>	<u>4,939,758</u>
Creditors: amounts falling due after more than one year	22	-	(2,050,000)
Net assets		<u><u>2,214,922</u></u>	<u><u>2,889,758</u></u>
Capital and reserves			
Called up share capital	27	54,674	54,674
Share premium account		2,718,178	2,718,178
Profit and loss account brought forward		116,906	18,661
Profit for the year		602,164	718,578
Other changes in the profit and loss account		(1,277,000)	(620,333)
Profit and loss account carried forward		<u>(557,930)</u>	<u>116,906</u>
		<u><u>2,214,922</u></u>	<u><u>2,889,758</u></u>

GEG CAPITAL LIMITED

REGISTERED NUMBER:SC619733

**COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023**

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



.....
R J MacGregor
Director

Date: 12th December 2023

The notes on pages 18 to 42 form part of these financial statements.

GEG CAPITAL LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital £	Share premium account £	Profit and loss account £	Non- controlling interests £	Total equity £
At 1 April 2021	54,674	2,718,178	(194,224)	2,494,351	5,072,979
Profit for the year	-	-	1,801,447	485,084	2,286,531
Dividends: Equity capital	-	-	(620,333)	-	(620,333)
Other non-controlling interest movement	-	-	-	220,500	220,500
Dividends paid to non-controlling interests	-	-	-	(220,090)	(220,090)
At 1 April 2022	54,674	2,718,178	986,890	2,979,845	6,739,587
Profit for the year	-	-	2,035,291	648,888	2,684,179
Dividends: Equity capital	-	-	(1,277,000)	-	(1,277,000)
Other non-controlling interest movement	-	-	-	261,232	261,232
Dividends paid to non-controlling interests	-	-	-	(207,359)	(207,359)
At 31 March 2023	54,674	2,718,178	1,745,181	3,682,606	8,200,639

The notes on pages 18 to 42 form part of these financial statements.

GEG CAPITAL LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2021	54,674	2,718,178	18,661	2,791,513
Profit for the year	-	-	718,578	718,578
Dividends: Equity capital	-	-	(620,333)	(620,333)
At 1 April 2022	54,674	2,718,178	116,906	2,889,758
Profit for the year	-	-	602,164	602,164
Dividends: Equity capital	-	-	(1,277,000)	(1,277,000)
At 31 March 2023	54,674	2,718,178	(557,930)	2,214,922

The notes on pages 18 to 42 form part of these financial statements.

GEG CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. General information

GEG Capital Limited is a private limited Company incorporated in Scotland. The registered office is 13 Henderson Road, Inverness, IV1 1SN.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The Group has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows

This information is included in the consolidated financial statements of GEG Capital Investments Limited as at 31 March 2023 and these financial statements may be obtained from 13 Henderson Road, Inverness, IV1 1SN.

2.4 Going concern

The directors are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

GEG CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.6 Revenue

Turnover is recognised to the extent that the Group obtains the right to consideration in exchange for its performance. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must be met before turnover is recognised:

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably
- it is probable that the company will receive the consideration due under contract
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and costs to complete the contract can be measured reliably.

2.7 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss 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 lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

GEG CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.9 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.10 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.12 Pensions

Defined contribution pension plan

The Group contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

GEG CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.14 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.15 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

GEG CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.15 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Land and buildings	- 2.5 - 25% straight line
Long-term leasehold property	- 20% straight line
Plant and machinery	- 10 - 20% straight line
Motor vehicles	- 12.5 - 25% straight line, 20% reducing balance
Office and computer equipment	- 10 - 50% straight line
Other fixed assets	- 10% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.16 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.17 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2.18 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.19 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

GEG CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.20 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.21 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.22 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.23 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

GEG CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.24 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.25 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

GEG CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements, requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported during the year for revenue and costs. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following judgements and estimates have had the most significant impact on amounts recognised in the financial statements.

Goodwill and intangible assets

The Group establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Profit recognition on long term contracts

In assessing profit on long term contracts that span the period end, an estimate is required for the stage of completion on individual contracts (where the outcome can be assessed with reasonable certainty). The estimate is determined by management making use of all information available at the time, in order to make a reasonable judgement on the stage of completion and the forecast profitability of the overall contract.

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the Group performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair values less costs to see calculation is based on available data from binding sales transactions in the arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
Employment placement	53,455,138	48,007,100
Infrastructure and construction	49,842,264	33,377,317
Safety and environmental services	8,406,445	4,763,723
Property rental and other	1,680,530	470,000
	<u>113,384,377</u>	<u>86,618,140</u>

All turnover arose within the United Kingdom.

GEG CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

5. Other operating income

	2023 £	2022 £
Government grants receivable	-	49,655
	<u>-</u>	<u>49,655</u>

6. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Depreciation of tangible fixed assets	539,357	277,388
Amortisation of goodwill and impairment of intangible fixed assets	474,213	275,300
Operating lease rentals	<u>291,579</u>	<u>295,208</u>

7. Auditor's remuneration

During the year, the Group obtained the following services from the Company's auditor and its associates:

	2023 £	2022 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	7,150	6,500
Fees payable to the Group's auditor and its associates in respect of:		
Audit of subsidiary entities	<u>86,050</u>	<u>65,625</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

GEG CAPITAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****8. Employees**

Staff costs, including directors' remuneration, were as follows:

	Group 2023 £	Group 2022 £
Wages and salaries	52,105,934	37,378,916
Social security costs	5,720,174	3,747,521
Cost of defined contribution scheme	1,532,247	659,104
	<u>59,358,355</u>	<u>41,785,541</u>

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

	2023 No.	2022 No.
Management and administration	104	174
Production	94	42
Candidates	878	841
	<u>1,076</u>	<u>1,057</u>

9. Directors' remuneration

The directors remuneration was borne by another group entity in the prior year.

	2023 £	2022 £
Directors' emoluments	124,965	-
	<u>124,965</u>	<u>-</u>

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2022 - £NIL).

10. Interest receivable

	2023 £	2022 £
Other interest receivable	255	38
	<u>255</u>	<u>38</u>

GEG CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	165,676	48,119
Finance leases and hire purchase contracts	25,843	12,707
	<u>191,519</u>	<u>60,826</u>

12. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	484,405	185,452
Adjustments in respect of previous periods	(15,285)	82,903
	<u>469,120</u>	<u>268,355</u>
 Group taxation relief	 550,253	 565,031
	<u>1,019,373</u>	<u>833,386</u>
 Total current tax	 <u>1,019,373</u>	 <u>833,386</u>
 Deferred tax		
Origination and reversal of timing differences	(285,561)	(170,815)
Changes to tax rates	-	1,031
Adjustments in respect of prior periods	86,782	(55,547)
	<u>(198,779)</u>	<u>(225,331)</u>
 Total deferred tax	 <u>(198,779)</u>	 <u>(225,331)</u>
 Taxation on profit on ordinary activities	 <u>820,594</u>	 <u>608,055</u>

GEG CAPITAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****12. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2022 - higher than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	3,556,776	2,894,586
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	665,907	549,971
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	53,610	63,898
Fixed asset differences	9,339	8,223
Adjustments to tax charge in respect of prior periods	71,497	27,356
Adjustments to deferred tax due to change in rates	(69,599)	(41,393)
Other differences	89,840	-
Total tax charge for the year	820,594	608,055

Factors that may affect future tax charges

The March 2021 budget announced an increase to the main rate of corporation tax to 25% from April 2023. This increase in rate will have an impact on future tax charges. The deferred tax charge has been calculated based on the rate of 25%.

13. Dividends

	2023 £	2022 £
Dividends paid	1,277,000	620,333
	<u>1,277,000</u>	<u>620,333</u>

GEG CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Intangible assets

Group

	Patents £	Development expenditure £	Computer software £	Goodwill £	Negative goodwill £	Total £
Cost						
At 1 April 2022	110,000	-	-	3,423,421	(551,619)	2,981,802
Additions	-	16,449	-	1,559,637	-	1,576,086
Disposals	(110,000)	-	(4,599)	-	-	(114,599)
On acquisition of subsidiaries	-	-	4,599	-	-	4,599
At 31 March 2023	-	16,449	-	4,983,058	(551,619)	4,447,888
Amortisation						
At 1 April 2022	110,000	-	-	497,176	(165,486)	441,690
Charge for the year on owned assets	-	1,051	-	462,324	(55,162)	408,213
On disposals	(110,000)	-	(4,599)	-	-	(114,599)
Impairment charge	-	-	-	66,000	-	66,000
On acquisition of subsidiaries	-	-	4,599	-	-	4,599
At 31 March 2023	-	1,051	-	1,025,500	(220,648)	805,903
Net book value						
At 31 March 2023	-	15,398	-	3,957,558	(330,971)	3,641,985
At 31 March 2022	-	-	-	2,926,245	(386,133)	2,540,112

GEG CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Tangible fixed assets

Group

	Land and buildings £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Other fixed assets £	Total £
Cost or valuation							
At 1 April 2022	226,432	5,829	1,064,041	913,822	938,165	78,768	3,227,057
Additions	71,216	-	165,143	374,494	301,576	10,971	923,400
Acquisition of subsidiary	268,031	8,070	432,448	392,221	133,205	-	1,233,975
Disposals	-	(482)	(51,641)	(183,486)	(23,001)	-	(258,610)
At 31 March 2023	<u>565,679</u>	<u>13,417</u>	<u>1,609,991</u>	<u>1,497,051</u>	<u>1,349,945</u>	<u>89,739</u>	<u>5,125,822</u>
Depreciation							
At 1 April 2022	149,186	524	644,920	544,379	776,022	56,388	2,171,419
Charge for the year on owned assets	42,498	1,519	151,684	133,075	115,959	2,633	447,368
Charge for the year on financed assets	-	-	22,870	69,119	-	-	91,989
Disposals	-	(147)	(29,597)	(120,879)	(14,704)	-	(165,327)
Acquisition of subsidiary	41,417	1,403	315,100	293,254	106,125	-	757,299
At 31 March 2023	<u>233,101</u>	<u>3,299</u>	<u>1,104,977</u>	<u>918,948</u>	<u>983,402</u>	<u>59,021</u>	<u>3,302,748</u>
Net book value							
At 31 March 2023	<u>332,578</u>	<u>10,118</u>	<u>505,014</u>	<u>578,103</u>	<u>366,543</u>	<u>30,718</u>	<u>1,823,074</u>
At 31 March 2022	<u>77,246</u>	<u>5,305</u>	<u>419,121</u>	<u>369,443</u>	<u>162,143</u>	<u>22,380</u>	<u>1,055,638</u>

GEG CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Tangible fixed assets (continued)

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

	2023 £	2022 £
Plant and machinery	64,217	115,198
Motor vehicles	542,612	326,498
	<u>606,829</u>	<u>441,696</u>

Company

	Long-term leasehold property £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2022	50,695	2,904	7,269	60,868
Additions	71,216	63,224	77,850	212,290
At 31 March 2023	<u>121,911</u>	<u>66,128</u>	<u>85,119</u>	<u>273,158</u>
Depreciation				
At 1 April 2022	-	81	1,692	1,773
Charge for the year on owned assets	30,487	24,957	24,615	80,059
At 31 March 2023	<u>30,487</u>	<u>25,038</u>	<u>26,307</u>	<u>81,832</u>
Net book value				
At 31 March 2023	<u>91,424</u>	<u>41,090</u>	<u>58,812</u>	<u>191,326</u>
At 31 March 2022	<u>50,695</u>	<u>2,823</u>	<u>5,577</u>	<u>59,095</u>

GEG CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

16. Fixed asset investments

Group

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2022	35,963
At 31 March 2023	<u>35,963</u>

The investment held represents a 0.48% shareholding in Ross County Football Club Limited.

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2022	5,648,068
Additions	1,114,815
At 31 March 2023	<u>6,762,883</u>

GEG CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

16. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Global Infrastructure Scotland Limited	UK*	Ordinary	80%
GEG Capital (North) Ltd	UK**	Ordinary	58%
GEG Capital (Howe Moss) Limited*	UK**	Ordinary	58%
Global Highland Limited	UK**	Ordinary	100%
Be Personnel Limited*	UK**	Ordinary	100%
Genesis Personnel Limited*	UK**	Ordinary	100%
Cammach Recruitment Limited*	UK**	Ordinary	100%
Bryant Group (Scotland) Limited*	UK**	Ordinary	100%
Cammach Bryant Limited*	UK**	Ordinary	100%
Bryant Personnel Services Limited*	UK**	Ordinary	100%
Mabbett & Associates Limited	UK**	Ordinary	61.02%
Gael Energy Ltd	UK**	Ordinary	51%
G H Johnston Building Consultants Limited*	UK****	Ordinary	61.02%
Capstone Construction Scotland Limited*	UK**	Ordinary	100%
Capstone Construction Holdings Limited	UK**	Ordinary	100%
Green Energy Partners Holdings Limited	UK*****	Ordinary	60%
GEP Environmental Limited*	UK*****	Ordinary	60%
Smart Energy Optimisation Limited*	UK*****	Ordinary	60%
Capstone Connect Limited*	UK**	Ordinary	100%

* Held by a subsidiary undertaking

UK* registered address is Beauly Quarry, Wester Balblair, Beauly, Inverness-shire, IV4 7B

UK** registered address is 13 Henderson Road, Inverness, IV1 1SN

UK** registered address is Scotsburn Farm, Scotsburn, Invergordon, Ross-Shire, IV18 0PE

UK**** registered address is 28 Albyn Place, Aberdeen, AB10 1YL

UK***** registered address is Unit 5, Basepoint Business Centre, 1 Winnall Valley Road, Winchester, SO23 0LD

All companies listed above are considered to be subsidiaries on the basis of the control.

Section 479A

For the year ended 31 March 2023, the following subsidiaries are entitled to exemption from audit under 479A of the Companies Act 2006 relating to subsidiary companies: GEG Capital (North) Ltd (SC520037), GEG Capital (Howe Moss) Limited (SC398787), Global Highland Limited (SC497149), Be Personnel Limited (SC294568), Genesis Personnel Limited (SC348167), Cammach Recruitment Limited (SC403237), Bryant Group (Scotland) Limited (SC175930), Cammach Bryant Limited (SC082307), Bryant Personnel Services Limited (SC070809), Mabbett & Associates Limited (SC163378), Gael Energy Ltd (SC494639), G H Johnston Building Consultants Limited (SC708336), Capstone Construction Holdings Limited (SC584420), Green Energy Partners (Holdings) Limited (06261895), GEP Environmental Limited (05057066), Smart Energy Optimisation Limited (05684674), Capstone Connect Limited (SC712701).

GEG CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

17. Investment property

Group

	Freehold investment property £
Valuation	
At 1 April 2022	3,960,447
At 31 March 2023	3,960,447

The freehold investment properties owned by the company were valued by an external valuer, Graham and Sibbald, on 11 July 2019. The inspection has been carried out in accordance with Royal Institution of Chartered Surveyors Appraisal and Valuation Standards.

The directors have assessed the carrying value of the investment properties at the year end and have concluded the cost is not materially different from its fair value, as such no year end valuation has been undertaken.

18. Stocks

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Properties held for sale	687,717	686,036	-	-
Work in progress	1,005,022	880,489	-	-
Finished goods and goods for resale	259,058	291,014	-	-
	1,951,797	1,857,539	-	-

GEG CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	15,466,401	13,470,141	581,460	69,164
Amounts owed by group undertakings	131,345	166,951	2,638,689	3,652,180
Other debtors	1,016,331	193,424	46,715	111,575
Prepayments and accrued income	1,100,917	367,067	24,504	43,187
Amounts recoverable on long term contracts	2,288,801	620,333	-	-
Tax recoverable	61,262	21,026	-	-
Deferred taxation	305,848	161,980	432,046	216,019
	<u>20,370,905</u>	<u>15,000,922</u>	<u>3,723,414</u>	<u>4,092,125</u>

Included within amounts owed by group undertakings are £171,349 (2022: £166,951) due from group companies not included in these consolidated accounts.

20. Cash and cash equivalents

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Cash at bank and in hand	3,567,752	3,711,916	7,152	322,766
	<u>3,567,752</u>	<u>3,711,916</u>	<u>7,152</u>	<u>322,766</u>

GEG CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

21. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank loans	3,750,000	1,250,000	3,750,000	1,250,000
Trade creditors	5,082,754	2,882,479	614,620	275,797
Amounts owed to group undertakings	161,971	364,237	3,563,190	3,564,554
Corporation tax	233,012	123,024	-	-
Other taxation and social security	3,943,140	3,527,581	115,452	-
Obligations under finance lease and hire purchase contracts	231,453	143,174	-	-
Proceeds of factored debts	1,389,038	-	-	-
Other creditors	1,595,606	761,708	6,784	-
Accruals and deferred income	10,464,879	10,153,249	419,807	91,945
	<u>26,851,853</u>	<u>19,205,452</u>	<u>8,469,853</u>	<u>5,182,296</u>

Included within amounts owed to group undertakings are £161,971 (2022: £364,237) due to group companies not included in these consolidated accounts.

22. Creditors: Amounts falling due after more than one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank loans	-	2,050,000	-	2,050,000
Net obligations under finance leases and hire purchase contracts	299,431	167,498	-	-
	<u>299,431</u>	<u>2,217,498</u>	<u>-</u>	<u>2,050,000</u>

GEG CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

23. Loans

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Amounts falling due within one year				
Bank loans	3,750,000	1,250,000	3,750,000	1,250,000
	<u>3,750,000</u>	<u>1,250,000</u>	<u>3,750,000</u>	<u>1,250,000</u>
Amounts falling due 2-5 years				
Bank loans	-	2,050,000	-	2,050,000
	<u>-</u>	<u>2,050,000</u>	<u>-</u>	<u>2,050,000</u>
	<u>3,750,000</u>	<u>3,300,000</u>	<u>3,750,000</u>	<u>3,300,000</u>

The bank loan is split into 2 facilities:

Facility A is a £2,000,000 loan facility with quarterly repayments of £250,000 which commenced in April 2022. The balance on the facility at 31 March 2023 was £750,000. Interest is charged on the loan at base rate + 2.25%.

Facility B is a revolving loan facility which allows for a maximum drawdown of £3,000,000, the balance on this facility as at 31 March 2023 was £3,000,000. The facility is repayable no later than 23rd December 2023 this is secured by the bonding floating charge. Interest is charged on the loan at base rate + 2.25%.

The banking facilities are secured by a charge over certain properties owned by the group.

24. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2023 £	Group 2022 £
Within one year	231,453	143,174
Between 1-5 years	299,432	167,498
	<u>530,885</u>	<u>310,672</u>

GEG CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

25. Financial instruments

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Financial assets				
Financial assets measured at fair value through profit or loss	3,567,752	3,711,916	7,152	322,766
Financial assets that are debt instruments measured at amortised cost	16,462,450	13,795,160	3,266,864	3,777,544
	<u>20,030,202</u>	<u>17,507,076</u>	<u>3,274,016</u>	<u>4,100,310</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(20,257,626)	(17,289,779)	(8,354,401)	(7,232,296)

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts due from group undertakings and related parties, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise bank overdraft, bank loans, amounts due to group undertakings and related parties, other creditors and accruals.

26. Deferred taxation

Group

	2023 £	2022 £
At beginning of year	161,980	(61,177)
Charged to profit or loss	198,779	225,331
Arising on business combinations	(54,911)	(2,174)
At end of year	<u>305,848</u>	<u>161,980</u>

GEG CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

26. Deferred taxation (continued)

Company

	2023 £	2022 £
At beginning of year	216,019	-
Charged to profit or loss	216,027	216,019
At end of year	432,046	216,019

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Short term timing differences	61,960	18,280	1,696	-
Fixed asset timing differences	(207,056)	(88,819)	709	(125)
Losses and other deductions	450,944	232,519	429,641	216,144
	305,848	161,980	432,046	216,019

27. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
54,674 (2022 - 54,674) Ordinary shares of £1.00 each	54,674	54,674

28. Securities

A cross corporate guarantee exists in respect of all sums due to HSBC together with sums due from all GEG Capital Limited subsidiaries.

29. Pension commitments

The Group contributes to a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £1,484,202 (2022 - £695,104). Contributions totaling £156,815 (2022 - £69,804) were payable to the fund at the reporting date.

GEG CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

30. Commitments under operating leases

At 31 March 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £	Group 2022 £
Land and buildings		
Not later than 1 year	174,283	65,670
Later than 1 year and not later than 5 years	139,614	164,910
Later than 5 years	-	3,435
	<u>313,897</u>	<u>234,015</u>
	Group 2023 £	Group 2022 £
Other		
Not later than 1 year	91,099	67,222
Later than 1 year and not later than 5 years	57,372	73,824
	<u>148,471</u>	<u>141,046</u>

31. Related party transactions

During the year the Group entered into transactions, in the ordinary course of business with other related parties. The Group made sales of £24,259,000 and purchases of £4,934,000 from companies under common control. An amount of £31,000 is due to the companies at year end.

Key management personnel

All directors who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Total remuneration in respect of these individuals is borne by another group company.

32. Controlling party

The ultimate parent undertaking is GEG Capital Investments Limited.

33. Business combinations

In May 2022, the group acquired a 60% stake in Green Energy Partners Holdings Limited and subsidiaries. The cash consideration for the purchase was £1,023,203 and the share of net assets acquired were £389,766 resulting in goodwill of £633,437.

In the same month, the group also acquired a 100% stake in Capstone Construction Holdings Limited and subsidiaries. The cash consideration for the purchase was £864,305 and the share of net assets acquired were £345,614 resulting in goodwill of £518,691.

GEG CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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34. Post balance sheet events

On 2nd June 2023, GEG Capital Limited acquired a majority shareholding in IKM Consulting Ltd (SC179251).