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GEG CAPITAL LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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COMPANIES HOUSE

GEG CAPITAL LIMITED

COMPANY INFORMATION

Directors	R J MacGregor J D MacDonald
Company secretary	J D MacDonald
Registered number	SC520044
Registered office	13 Henderson Road Inverness IV1 1SN
Independent auditors	Anderson Anderson & Brown Audit LLP Prime Four Business Park Kingswells Aberdeen AB15 8PU

GEG CAPITAL LIMITED

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GEG CAPITAL LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

Principal Activities

The principal activities within the group during the year were those of a civil engineering business, a football club business, and following acquisitions in April and May 2018 property, employment placement business. On 29 March 2019 the group acquired a controlling stake in GEG (Holdings) Limited, an international service company operating in the oil and gas, renewables, utilities, nuclear industry, logistics and petrochemical sectors. As the acquisition completed on 29 March 2019, there is no trading from GEG (Holdings) Limited reflected through the profit and loss account.

Refer to note 29 for further details on acquisitions made in the year.

Business review

The directors note the results for the year and are pleased at the continuing profitability of the civils and building businesses in the group along with the performance of the property and employment placement businesses since their acquisition. The football business experienced a difficult year following relegation from the Scottish Premiership and the resulting reduction in income, however the directors were pleased the club achieved promotion back to the top league in May 2019 and the benefits of this are expected to be seen in the March 2020 financial statements.

Principal risks and uncertainties

The Board and Directors are confident that the diversified business model mitigates the group from major trading risks. With our risks being spread across different sectors and in some cases segments within these sectors. The directors have successfully built a portfolio of operations that are resilient to economic and political influences. Coupled with an organisation culture that can react fast to changing circumstances, we are confident in the continuing trading of the group.

Liquidity risk

The group policy is to ensure that sufficient liquidity is available to meet the foreseeable needs and to invest cash assets safely and profitably. Liquidity is achieved by overdraft and other long term bank facilities. The group places significant focus on working capital management.

Interest rate risk

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

Credit risk

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

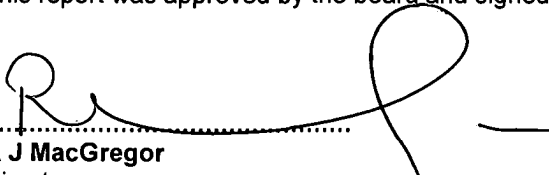
Financial key performance indicators

The directors consider turnover and gross 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 2019**

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



.....
R J MacGregor
Director

Date: 27/12/19

GEG CAPITAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Results and dividends

The loss for the year, after taxation and minority interests, amounted to £905,381 (2018 - loss £739,473).

Dividends of £1,374,011 were paid to non controlling interests in the year (2018 - £150,000).

Directors

The directors who served during the year were:

R J MacGregor
J D 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.

Employee involvement

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 2019**

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are 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 auditors are aware of that information.

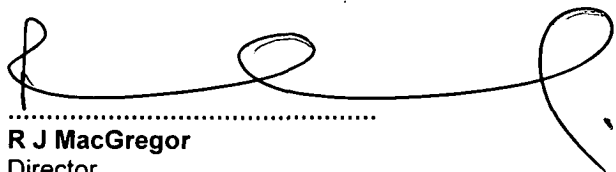
Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

The auditors, 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: 27/12/19

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019**

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 AUDITORS' 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 2019, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, 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 2019 and of the Group's loss 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 Auditors' 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. 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.

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 on page 5, 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.

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

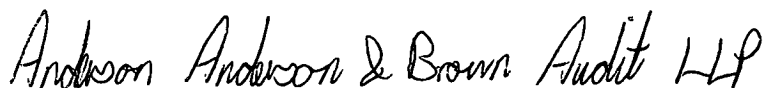
Auditors' responsibilities for the audit of the financial statements

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 Auditors' 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 financial statements.

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 Auditors' report.

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



James Pirrie (Senior statutory auditor)

for and on behalf of

Anderson Anderson & Brown Audit LLP

Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU

Date: 27 December 2019

GEG CAPITAL LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Turnover	4	33,313,552	27,142,226
Cost of sales		(31,107,059)	(26,754,565)
Gross profit		<u>2,206,493</u>	<u>387,661</u>
Administrative expenses		(2,107,508)	(984,503)
Fair value movements on investment properties		(300,000)	-
Operating loss	5	<u>(201,015)</u>	<u>(596,842)</u>
Interest receivable and similar income	8	17,482	8,533
Interest payable and expenses	9	(23,791)	(14,056)
Loss before taxation		<u>(207,324)</u>	<u>(602,365)</u>
Tax on loss	10	(313,856)	(185,656)
Loss for the financial year		<u>(521,180)</u>	<u>(788,021)</u>
 Total comprehensive income for the year		 <u>(521,180)</u>	 <u>(788,021)</u>
(Loss) for the year attributable to:			
Non-controlling interests		384,201	(48,548)
Owners of the parent Company		(905,381)	(739,473)
		<u>(521,180)</u>	<u>(788,021)</u>

The notes on pages 18 to 40 form part of these financial statements.

GEG CAPITAL LIMITED
REGISTERED NUMBER:SC520044


CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	11	68,437,491	(645,226)
Tangible assets	12	90,805,523	5,793,863
		<u>159,243,014</u>	<u>5,148,637</u>
Current assets			
Stocks	15	1,683,194	18,783
Debtors: amounts falling due within one year	16	57,979,782	3,641,907
Cash at bank and in hand	17	4,386,638	3,748,039
		<u>64,049,614</u>	<u>7,408,729</u>
Creditors: amounts falling due within one year	18	(61,229,380)	(6,928,225)
Net current assets		<u>2,820,234</u>	<u>480,504</u>
Total assets less current liabilities		<u>162,063,248</u>	<u>5,629,141</u>
Creditors: amounts falling due after more than one year	19	(45,913,293)	(657,871)
Provisions for liabilities			
Deferred taxation	23	(2,675,335)	(54,781)
		<u>(2,675,335)</u>	<u>(54,781)</u>
Net assets		<u>113,474,620</u>	<u>4,916,489</u>
Capital and reserves			
Called up share capital	24	555,211	1
Share premium account		64,192,749	-
Profit and loss account		2,722,612	4,127,992
Equity attributable to owners of the parent Company		<u>67,470,572</u>	<u>4,127,993</u>
Non-controlling interests		46,004,048	788,496
		<u>113,474,620</u>	<u>4,916,489</u>

GEG CAPITAL LIMITED
REGISTERED NUMBER: SC520044

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2019

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


.....
R J MacGregor
Director

Date: 27/12/19

The notes on pages 18 to 40 form part of these financial statements.

GEG CAPITAL LIMITED
REGISTERED NUMBER:SC520044

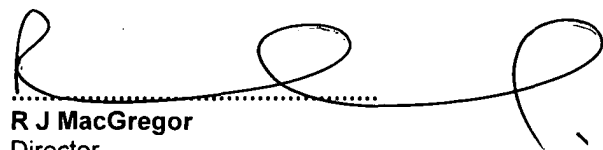
COMPANY BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	10,568	16,337
Investments	13	66,707,290	3,707,596
		<u>66,717,858</u>	<u>3,723,933</u>
Current assets			
Debtors: amounts falling due within one year	16	991,612	281,838
Cash at bank and in hand	17	25,559	88,680
		<u>1,017,171</u>	<u>370,518</u>
Creditors: amounts falling due within one year	18	(502,312)	(16,804)
Net current assets		<u>514,859</u>	<u>353,714</u>
Total assets less current liabilities		<u>67,232,717</u>	<u>4,077,647</u>
Net assets excluding pension asset		<u>67,232,717</u>	<u>4,077,647</u>
Net assets		<u><u>67,232,717</u></u>	<u><u>4,077,647</u></u>
Capital and reserves			
Called up share capital	24	555,211	1
Share premium account		64,192,749	-
Profit and loss account brought forward		4,077,646	4,916,577
Loss for the year		(1,092,890)	(838,931)
Bonus issue		(499,999)	-
		<u>2,484,757</u>	<u>4,077,646</u>
Profit and loss account carried forward		<u><u>67,232,717</u></u>	<u><u>4,077,647</u></u>

GEG CAPITAL LIMITED
REGISTERED NUMBER:SC520044

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2019

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



.....

R J MacGregor
Director

Date: 27/12/19

The notes on pages 18 to 40 form part of these financial statements.

GEG CAPITAL LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital £	Share premium account £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 April 2017	1	-	4,867,465	4,867,466	981,093	5,848,559
Comprehensive income for the year						
Loss for the year	-	-	(739,473)	(739,473)	(48,548)	(788,021)
Dividends paid	-	-	-	-	(150,000)	(150,000)
Other non-controlling interest movement	-	-	-	-	5,951	5,951
At 1 April 2018	1	-	4,127,992	4,127,993	788,496	4,916,489
Comprehensive income for the year						
Loss for the year	-	-	(905,381)	(905,381)	384,201	(521,180)
Shares issued during the year	55,211	64,192,749	-	64,247,960	-	64,247,960
Bonus issue	499,999	-	(499,999)	-	-	-
Dividends paid	-	-	-	-	(1,374,011)	(1,374,011)
Other non-controlling interest movement	-	-	-	-	46,205,362	46,205,362
At 31 March 2019	<u>555,211</u>	<u>64,192,749</u>	<u>2,722,612</u>	<u>67,470,572</u>	<u>46,004,048</u>	<u>13,474,620</u>

The notes on pages 18 to 40 form part of these financial statements.

Other movements in non-controlling interests relate to acquisitions made in the year (note 29) as well as changes in minority interests of existing group companies.

GEG CAPITAL LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2017	1	-	4,916,577	4,916,578
Loss for the year	-	-	(838,931)	(838,931)
At 1 April 2018	1	-	4,077,646	4,077,647
Loss for the year	-	-	(1,092,890)	(1,092,890)
Shares issued during the year	55,211	64,192,749	-	64,247,960
Bonus issue	499,999	-	(499,999)	-
At 31 March 2019	555,211	64,192,749	2,484,757	67,232,717

The notes on pages 18 to 40 form part of these financial statements.

GEG CAPITAL LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

	2019 £	2018 £
Cash flows from operating activities		
Loss for the financial year	(521,180)	(788,021)
Adjustments for:		
Amortisation of intangible assets	21,778	(80,656)
Depreciation of tangible assets	338,937	309,773
Loss on disposal of tangible assets	(3,500)	(29,048)
Interest paid	23,791	14,056
Interest received	(17,482)	(8,533)
Taxation charge	313,856	185,656
(Increase)/decrease in stocks	(49,409)	8,374
(Increase)/decrease in debtors	(847,766)	920,381
Increase/(decrease) in creditors	1,515,627	(1,584,344)
Fair value movements on investment properties	300,000	-
Corporation tax paid	(476,203)	(51,311)
Net cash generated from operating activities	<u>598,449</u>	<u>(1,103,673)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(135,552)	(189,751)
Sale of tangible fixed assets	13,167	33,530
Interest received	17,482	8,533
HP interest paid	(4,102)	(14,056)
Payment to acquire subsidiaries	(1,948,618)	-
Net cash from investing activities	<u>(2,057,623)</u>	<u>(161,744)</u>

GEG CAPITAL LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

	2019 £	2018 £
Cash flows from financing activities		
Issue of ordinary shares in subsidiaries	500	-
Repayment of finance leases	(118,551)	(202,906)
Interest paid	(19,689)	-
Dividends paid to non controlling interests	(1,374,011)	(150,000)
Cash acquired on acquisition of subsidiaries	3,545,568	-
Net cash used in financing activities	<u>2,033,817</u>	<u>(352,906)</u>
Net increase/(decrease) in cash and cash equivalents	574,643	(1,618,323)
Cash and cash equivalents at beginning of year	3,748,039	5,366,362
Cash and cash equivalents at the end of year	<u>4,322,682</u>	<u>3,748,039</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,386,638	3,748,039
Bank overdrafts	(63,956)	-
	<u>4,322,682</u>	<u>3,748,039</u>

The notes on pages 18 to 40 form part of these financial statements.

GEG CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

GEG Capital Limited is a private limited company incorporated in Scotland. The registered office address 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.

Entities, other than subsidiary undertakings, in which the Group has a participating interest and over whose operating and financial policies the Group exercises a significant influence are treated as associates. In the Group financial statements, associates are accounted for using the equity method.

2.3 Going concern

The directors, having made due and careful enquiry and preparing forecasts, 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 operational existence for the foreseeable future. As a result, the directors have continued to adopt a going concern basis of accounting in preparing the annual financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.4 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.

2.5 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.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

2.7 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.8 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.9 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income 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.

2.10 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

2.11 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 the Consolidated statement of comprehensive income 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.

Personal plans

The Group also contributes to personal plans for certain employees of the company. These contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, 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.

2.13 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.

The estimated useful lives range as follows:

Development expenditure	-	10	years
Goodwill	-	10	years
Software development	-	4	years

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.14 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.

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:

Freehold property	- 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 equipment	- 10 - 50% straight line

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 the Consolidated statement of comprehensive income.

2.15 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting 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 for 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 reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.16 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 the Consolidated statement of comprehensive income.

2.17 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

The carrying value of investments are reviewed for impairment when events or changes in circumstances indicate the value may not be recoverable.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.18 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.

2.19 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.

2.20 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.21 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.

2.22 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 the Consolidated statement of comprehensive income 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.

2.23 Interest-bearing loans and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (excluding interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.24 Grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment.

Grants in respect of capital expenditure are credited to a deferred income accounts and are released to profit over the expected useful lives of the relevant assets by equal annual installments.

Grants of a turnover nature are credited to income so as to match them with the expenditure to which they relate.

2.25 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 non-puttable 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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**
4. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the Group's ordinary activities, stated net of value added tax.

	2019 £	2018 £
Infrastructure	19,091,245	23,000,608
Football Club	3,405,753	4,141,618
Property	470,000	-
Employment placement	10,346,554	-
	<u>33,313,552</u>	<u>27,142,226</u>

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	338,937	309,773
Amortisation of goodwill	21,778	(80,656)
Operating lease rentals - Land and buildings	15,000	11,250
Operating lease rentals - Other	9,736	1,612
Release of deferred capital grants	(27,428)	(36,609)
Defined contribution pension cost	173,791	96,019
	<u>530,304</u>	<u>401,409</u>

No personnel outwith the directors are considered to be key management.

During the year no directors received any emoluments.

6. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	<u>28,500</u>	<u>8,000</u>

Fees payable to the Group's auditor and its associates in respect of:

Audit of subsidiary entities	222,200	18,150
Audit related assurance services	2,000	1,750
	<u>224,200</u>	<u>19,900</u>

GEG CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

7. Employees

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

	Group 2019 £	Group 2018 £
Wages and salaries	14,548,991	7,490,444
Social security costs	1,296,794	765,047
Cost of defined contribution scheme	173,791	96,019
	<u>16,019,576</u>	<u>8,351,510</u>

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

	2019 No.	2018 No.
Management and administration	34	36
Production and playing staff	127	117
Candidates	452	-
	<u>613</u>	<u>153</u>

8. Interest receivable

	2019 £	2018 £
Bank interest receivable	17,482	8,533
	<u>17,482</u>	<u>8,533</u>

9. Interest payable and similar expenses

	2019 £	2018 £
Finance leases and hire purchase contracts	4,102	14,056
Bank interest payable	19,689	-
	<u>23,791</u>	<u>14,056</u>

GEG CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

10. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	369,511	134,751
Adjustments in respect of previous periods	(43,273)	(3,772)
	<u>326,238</u>	<u>130,979</u>
Total current tax	<u>326,238</u>	<u>130,979</u>
Deferred tax		
Origination and reversal of timing differences	(12,382)	11,143
Adjustments in respect of prior periods	-	43,534
Total deferred tax	<u>(12,382)</u>	<u>54,677</u>
Taxation on profit on ordinary activities	<u>313,856</u>	<u>185,656</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	<u>(207,324)</u>	<u>(602,365)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(39,392)	(114,449)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	85,094	15,109
Adjustments to tax charge in respect of prior periods	(43,273)	39,762
Unrelieved tax losses carried forward	271,883	261,156
Other timing differences	33,806	(1,311)
Goodwill amortisation	4,138	(15,707)
Fixed asset differences	1,600	1,096
Total tax charge for the year	<u>313,856</u>	<u>185,656</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**
11. Intangible assets**Group**

	Lease premium £	Goodwill £	Negative goodwill £	Total £
Cost				
At 1 April 2018	-	428,781	(1,235,344)	(806,563)
Additions (note 29)	-	18,059,793	-	18,059,793
On acquisition of subsidiaries	1,115,000	75,160,069	-	76,275,069
Non-controlling interest % changes	-	(292)	(42,075)	(42,367)
At 31 March 2019	1,115,000	93,648,351	(1,277,419)	93,485,932
Amortisation				
At 1 April 2018	-	82,439	(243,776)	(161,337)
Charge for the year	-	149,520	(127,742)	21,778
On acquisition of subsidiaries	140,000	25,048,000	-	25,188,000
At 31 March 2019	140,000	25,279,959	(371,518)	25,048,441
Net book value				
At 31 March 2019	975,000	68,368,392	(905,901)	68,437,491
At 31 March 2018	-	346,342	(991,568)	(645,226)

Negative goodwill on consolidation represents the excess of the net assets over the cost of share investment, less amortisation charges since the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

12. Tangible fixed assets

Group

	Freehold property £	Long- term leasehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation						
At 1 April 2018	5,304,042	-	613,353	636,471	977,013	7,530,879
Additions	12,849	3,176	23,063	56,473	70,486	166,047
Acquisition of subsidiary	57,280,200	-	46,358,850	770,950	1,734,950	106,144,950
Disposals	-	-	(2,686)	(61,336)	-	(64,022)
Transfers between classes	3,955,384	-	-	-	-	3,955,384
At 31 March 2019	<u>66,552,475</u>	<u>3,176</u>	<u>46,992,580</u>	<u>1,402,558</u>	<u>2,782,449</u>	<u>117,733,238</u>
Depreciation						
At 1 April 2018	332,864	-	435,679	256,906	711,567	1,737,016
Charge for the year on owned assets	112,283	424	36,643	5,825	63,163	218,338
Charge for the year on financed assets	-	-	24,748	95,851	-	120,599
Disposals	-	-	(2,686)	(51,669)	-	(54,355)
Acquisition of subsidiary	8,922,635	-	14,341,850	228,950	1,412,682	24,906,117
At 31 March 2019	<u>9,367,782</u>	<u>424</u>	<u>14,836,234</u>	<u>535,863</u>	<u>2,187,412</u>	<u>26,927,715</u>
Net book value						
At 31 March 2019	<u>57,184,693</u>	<u>2,752</u>	<u>32,156,346</u>	<u>866,695</u>	<u>595,037</u>	<u>90,805,523</u>
At 31 March 2018	<u>4,971,178</u>	<u>-</u>	<u>177,674</u>	<u>379,565</u>	<u>265,446</u>	<u>5,793,863</u>

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

	2019 £	2018 £
Plant and machinery	16,187,235	75,643
Motor vehicles	294,085	360,945
	<u>16,481,320</u>	<u>436,588</u>

GEG CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

12. Tangible fixed assets (continued)

Company

	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation			
At 1 April 2018	24,000	3,875	27,875
At 31 March 2019	24,000	3,875	27,875
Depreciation			
At 1 April 2018	9,600	1,938	11,538
Charge for the year on owned assets	4,800	969	5,769
At 31 March 2019	14,400	2,907	17,307
Net book value			
At 31 March 2019	9,600	968	10,568
At 31 March 2018	14,400	1,937	16,337

GEG CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2018	4,998,804
Additions	67,411,681
Disposals	(2,772,851)
Receipt of dividends from pre acquisition reserves	(1,639,136)
At 31 March 2019	<u>67,998,498</u>
Impairment	
At 1 April 2018	<u>1,291,208</u>
At 31 March 2019	<u>1,291,208</u>
Net book value	
At 31 March 2019	<u><u>66,707,290</u></u>
At 31 March 2018	<u><u>3,707,596</u></u>

Investment additions in the year were GEG Capital (North) Limited, Global Highland Limited and GEG (Holdings) Limited, refer to note 29 for further details. In addition to matters detailed in this note a further entity, GEG Capital Midco Limited was incorporated during the year under the ownership of GEG Capital Limited. In March 2019 GEG Capital Limited transferred ownership of Mountwest Infrastructure Limited, Global Highland Limited and GEG Capital (North) Ltd to GEG Capital Midco Limited. The aggregate value of the disposed subsidiaries was £2,772,851 which was the deemed value of the new investment in GEG Capital Midco Limited.

GEG CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

13. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
GEG Capital Midco Limited	UK**	Ordinary	100%
Ross County Football Club Limited	UK***	Ordinary	58%
Ross County Football Club (1998) Limited	UK***	Ordinary	92%
GEG (Holdings) Limited	UK**	Ordinary	51%
Mountwest Infrastructure Limited*	UK**	Ordinary	100%
Global Infrastructure Scotland Limited*	UK****	Ordinary	55%
GEG Capital (North) Ltd*	UK**	Ordinary	58%
GEG Capital (Howemoss) Limited*	UK**	Ordinary	58%
Global Highland Limited*	UK**	Ordinary	100%
Be Personnel Holdings Limited*	UK**	Ordinary	60%
Be Personnel Limited*	UK**	Ordinary	60%
GEG (Marine & Logistics) Limited*	UK**	Ordinary	51%
Global Energy (Group) Limited*	UK**	Ordinary	51%
Caledonian Petroleum Services Limited*	UK**	Ordinary	51%
Global Energy (Holdings) Limited*	UK**	Ordinary	51%
Global Energy Corporation Limited*	UK**	Ordinary	51%
Global Energy Nigg Limited*	UK**	Ordinary	51%
Caledonian Towage Limited*	UK**	Ordinary	51%
Global Energy Group (West Africa) Limited*	PO Box 197 Cantoments- Accra, Ghana	Ordinary	41%
Global Energy Fabrication Limited*	UK**	Ordinary	51%
Global Resources (Project Recruitment) Limited	UK**	Ordinary	51%
Reel Group Limited*	UK**	Ordinary	51%
Reel Limited*	UK**	Ordinary	51%
Reel Inspection and Rig Maintenance Pvt Ltd*	H62, Mahindra Park, LBS Marg Ghatkopar, West Mumbai, 400086	Ordinary	51%
Global Power & Process Limited*	UK**	Ordinary	51%
Global Energy Group (Access and Coatings) Limited*	UK**	Ordinary	49%
Global Port Services (Scotland) Limited*	UK**	Ordinary	49%
Global Project (Services) Limited*	UK**	Ordinary	41%
Global Project Services Norge*	Norway	Ordinary	51%
Vertech Integrity Services Ltd*	UK**	Ordinary	43%
Isleburn Limited*	UK**	Ordinary	51%
A & B Welding Services Limited*	UK**	Ordinary	51%
S & D Fabricators Limited*	UK**	Ordinary	51%
MF Marine Operations Limited*	UK**	Ordinary	51%
Global Logistics Services Limited*	UK**	Ordinary	51%
Port of Nigg Ltd*	UK**	Ordinary	51%
Nigg Energy Park Ltd*	UK**	Ordinary	51%

GEG CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

13. Fixed asset investments (continued)

Subsidiary undertakings (continued)

* Held by a subsidiary undertaking

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

*** UK registered address is Jubilee Park Road, Dingwall, Rossshire, IV15 9QZ

**** UK registered address is Beaully Quarry, Wester Balblair, Beaully, Inverness-shire, Scotland, IV4 7BG

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

14. Investment property

Group

	Freehold investment property £
Additions at cost	17,136
Fair value adjustment	(300,000)
Transfers between classes	(3,955,384)
On acquisition of subsidiaries	4,238,248
At 31 March 2019	-

The freehold investment property owned by the group was valued by an external valuer, Graham and Sibbald. This inspection has been carried out in accordance with Royal Institution of Chartered Surveyors Appraisal and Valuation Standards.

15. Stocks

	Group 2019 £	Group 2018 £
Properties held for resale	680,929	-
Raw materials and consumables	1,002,265	18,783
	1,683,194	18,783

GEG CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

16. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	34,394,215	2,357,091	-	-
Amounts owed by group undertakings	-	-	981,031	272,121
Amounts owed by related parties	182,422	-	-	-
Other debtors	1,308,958	-	10,498	-
Prepayments and accrued income	10,525,301	513,986	83	999
Amounts recoverable on long term contracts	11,568,886	770,830	-	-
Deferred taxation	-	-	-	8,718
	<u>57,979,782</u>	<u>3,641,907</u>	<u>991,612</u>	<u>281,838</u>

17. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	4,386,638	3,748,039	25,559	88,680
Less: bank overdrafts	(63,956)	-	-	-
	<u>4,322,682</u>	<u>3,748,039</u>	<u>25,559</u>	<u>88,680</u>

18. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank overdrafts	63,956	-	-	-
Bank loans	6,800,000	-	-	-
Trade creditors	14,631,019	631,121	2,450	4,378
Amounts owed to group undertakings	-	-	499,862	12,426
Amounts owed to related parties	1,972,314	35,604	-	-
Corporation tax	273,276	170,775	-	-
Other taxation and social security	3,251,529	332,782	-	-
Obligations under finance lease and hire purchase contracts	3,541,306	109,235	-	-
Advance under invoice discounting facility	506,866	-	-	-
Other creditors	3,518,200	216,945	-	-
Accruals and deferred income	26,670,914	5,431,763	-	-
	<u>61,229,380</u>	<u>6,928,225</u>	<u>502,312</u>	<u>16,804</u>

GEG CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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

	Group 2019 £	Group 2018 £
Bank loans	23,500,000	-
Net obligations under finance leases and hire purchase contracts	10,532,383	79,258
Other creditors	4,943,036	-
Capital grants	551,185	578,613
Government grants	6,386,689	-
	<u>45,913,293</u>	<u>657,871</u>

20. Loans

	Group 2019 £	Group 2018 £
Amounts falling due within one year		
Bank loans	6,800,000	-
Amounts falling due over 1 year		
Bank loans	23,500,000	-
	<u>30,300,000</u>	<u>-</u>

The bank loans and overdraft are secured by a floating charge from the companies within the GEG (Holdings) Limited sub-group (excluding those companies incorporated overseas and certain expectations) and a group composite guarantee.

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2019 £	Group 2018 £
Within one year	3,541,306	109,235
Between 1-2 years	10,521,930	44,097
Between 2-5 years	10,453	35,161
	<u>14,073,689</u>	<u>188,493</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**
22. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets measured at fair value through profit or loss	4,386,638	3,748,039	25,559	88,680
Financial assets that are debt instruments measured at amortised cost	35,885,595	2,871,077	991,529	273,120
	<u>40,272,233</u>	<u>6,619,116</u>	<u>1,017,088</u>	<u>361,800</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(82,605,540)	(6,503,916)	(502,312)	(16,804)

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 and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and amounts owed to related companies.

GEG CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

23. Deferred taxation

Group

	2019 £	2018 £
At beginning of year	(54,781)	(104)
Charged to profit or loss	12,382	(54,677)
Arising on business combinations	(2,632,936)	-
At end of year	(2,675,335)	(54,781)

Company

	2019 £	2018 £
At beginning of year	8,718	17,775
Charged to profit or loss	(8,718)	(9,057)
At end of year	-	8,718

The provision for deferred taxation is made up as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Fixed asset timing differences	(2,688,448)	(62,961)	-	982
Other timing differences	13,113	8,180	-	7,736
	(2,675,335)	(54,781)	-	8,718

GEG CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

24. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
555,211 (2018 - 1) Ordinary shares of £1.00 each	555,211	1

As well as matters referred to in note 29 a bonus issue of 499,999 shares was undertaken in April 2018.

25. 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 £173,791 (2018 - £96,019). Contributions totaling £28,212 (2018 - £2,609) were payable to the fund at the reporting date.

26. Commitments under operating leases

At 31 March 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £
Land and buildings		
Not later than 1 year	16,250	15,000
Later than 1 year and not later than 5 years	15,000	26,250
	<u>31,250</u>	<u>41,250</u>
	Group 2019 £	Group 2018 £
Other		
Not later than 1 year	2,770,050	8,736
Later than 1 year and not later than 5 years	10,083,667	19,740
Later than 5 years	12,554,000	-
	<u>25,407,717</u>	<u>28,476</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

27. Related party transactions

During the year the group made sales of £935,061 (2018 - £543,470) to, and purchases of £40,296 (2018 - £624,230) from companies under common control. An amount of £NIL (2018 - £30,426) is due to these companies at the year end.

The group also made sales of £69,988 (2018 - £30,760) to and purchases of £145,000 (2018 - £140,707) from companies under the control of close family members of a director. A net amount of £1,789,892 (2018 - £32,705), which includes trading balances generated prior to the acquisition of new subsidiary companies, is due to these companies at the year end.

During the year loan advances of £40,000 were received from a director and remain outstanding at the year end, this represents the largest balance due on the loan balance during the period. There are no set repayment terms and no interest is charged on this balance.

28. Controlling party

During the year, the controlling party identified by the group is R J MacGregor.

29. Business combinations

During the year the group entered into 4 key acquisition transactions:

In April 2018 the group acquired a 58% interest in GEG Capital North Ltd and it's subsidiary by way of a share for share exchange transaction.

Also in April 2018, the group acquired a 100% interest in Global Highland Limited for a cash consideration.

In June 2018, the group, through Global Highland Limited acquired a 60% interest in Be Personnel Holdings Limited and it's subsidiaries for a cash consideration.

In March 2019 the group acquired a 51% interest in GEG (Holdings) Limited and it's subsidiaries by way of a share for share exchange transaction.

The following table summarises these transactions for the year ended 31 March 2019:

	Total £
Cash consideration	1,948,618
Shares issued	55,211
Share premium	64,192,749
Deemed investment value	66,196,578
Net assets acquired	(48,136,785)
	(48,136,785)
Goodwill on transaction	18,059,793

No further analysis of these transactions has been provided as the directors believe this would be prejudicial to the best interests of the group.