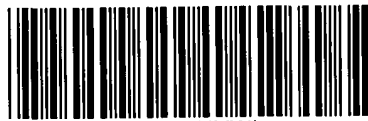


DUGLAS ALLIANCE LTD
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

THURSDAY



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COMPANIES HOUSE

Kounnis And Partners Limited
Chartered Certified Accountants
& Statutory Auditors
Sterling House
Fulbourne Road
London
United Kingdom
E17 4EE

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FOR THE YEAR ENDED 28 FEBRUARY 2017**

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DUGLAS ALLIANCE LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 28 FEBRUARY 2017

DIRECTORS:

Mr Y Potiyko
Mrs I Trambovetska
Mr I Charalambous

REGISTERED OFFICE:

Sterling House
Fulbourne Road
Walthamstow
London
E17 4EE

REGISTERED NUMBER:

06810409 (England and Wales)

SENIOR STATUTORY AUDITOR: Mr C A Joannou BSc, MSc, FCCA

AUDITORS:

Kounnis And Partners Limited
Chartered Certified Accountants
& Statutory Auditors
Sterling House
Fulbourne Road
London
United Kingdom
E17 4EE

**STRATEGIC REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2017**

The directors present their strategic report for the year ended 28 February 2017.

REVIEW OF BUSINESS

Douglas Alliance Limited is currently engaged in the construction of hydro power plant in the Republic of Equatorial Guinea.

The directors recognise that the Company's key resource is its loyal, enthusiastic and experienced engineers.

The Company continues to look for new opportunities.

The liquidity of the business remains positive with healthy cash reserves.

PRINCIPAL RISKS AND UNCERTAINTIES

Competition Risk

The Company provides a variety of quality and compliant solutions to its customers and whilst there is competitive risk from other companies and gross margin remains under pressure the directors believe that its solution and the quality of its compliant service counter act this risk.

Uncertainties in Relation to Suppliers and Availability of Materials

The Company, being a developer performing building project, is exposed to a risk of lack of materials for project execution due to suppliers' insecurity and disarrangement of trading relations with suppliers of materials of strategic importance. In order to mitigate that risk, the Company has concluded trading contracts with different companies, which are reputable suppliers of building materials in order to diversify its possible channels of supplies.

Foreign Exchange Risk

The Company settles its accounts with suppliers in Euro and US dollars. As the Company receives advance prepayments from its major customer in Euro, it is exposed to a risk of unfavourable exchange rate at the date of settlements in other currencies. The Company constantly maintains US dollars cash balance for the purpose of future settlements.

Reduction in Business Activity

The Company, like any other business, is exposed to a risk of downturn in its particular sectors. The directors proactively monitor performance on an ongoing basis and implement alternative strategies if necessary. The directors consider their involvement in running the business mitigates this exposure.

Trading levels are still, however, dependant upon the state of the general economy.

Lack of Experienced Staff

The Company may face the problem of hiring experienced professionals due to competition on labour market. An active personnel hiring campaign was conducted in the reporting period in order to attract experienced staff for current project and create personnel reserve for future projects.

FINANCIAL KEY PERFORMANCE INDICATORS

Average number of employees decreased in the current period due to the stoppage of construction and installation works under the project. Additional work has been carried out for which costs incurred are shown as work-in-progress while the recoverability of costs are being negotiated as additional revenue which will be recognised as income once the outcome can be ascertained after the year end.

**STRATEGIC REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2017**

THE POSITION OF THE COMPANY AT THE YEAR END

The balance sheet shows that the company's financial position at the year-end. The company is in a strong position to continue to invest and expand in the forthcoming financial year.

The water power plant is being built by the company in the Republic of Equatorial Guinea.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'J. A. ...', is written over a horizontal dotted line.

Director

Date: 28.11.2017

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

The directors present their report with the financial statements of the company for the year ended 28 February 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of building and construction.

DIVIDENDS

No dividends will be distributed for the year ended 28 February 2017.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 March 2016 to the date of this report.

Mr Y Potiyko
Mrs I Trambovetska

Other changes in directors holding office are as follows:

Mr B J S Lawton - resigned 1 December 2016
Mr I Charalambous - appointed 16 January 2017
Mr P A Poyiadzis - appointed 1 December 2016 - resigned 8 December 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

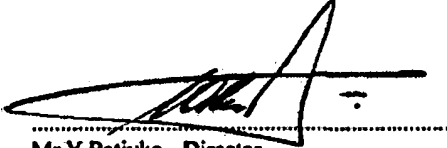
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

AUDITORS

The auditors, Kounnis And Partners Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....

Mr Y Potiyko - Director

Date: 29.11.2017
.....

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DUGLAS ALLIANCE LTD

We have audited the financial statements of Douglas Alliance Ltd for the year ended 28 February 2017 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2017 and of its 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.

Opinion on other matter prescribed by the Companies Act 2006

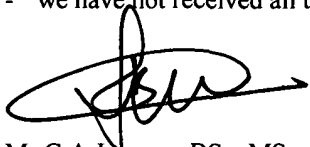
In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DUGLAS ALLIANCE LTD**

Matters on which we are required to report by exception

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

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



Mr C A Joannou BSc, MSc, FCCA (Senior Statutory Auditor)
for and on behalf of Kounnis And Partners Limited
Chartered Certified Accountants
& Statutory Auditors
Sterling House
Fulbourne Road
London
United Kingdom
E17 4EE

Date: 30/11/2017

Note:

The maintenance and integrity of the Douglas Alliance Ltd website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

DUGLAS ALLIANCE LTD (REGISTERED NUMBER: 06810409)

**INCOME STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2017**

	Notes	28.2.17 €	29.2.16 €
TURNOVER	3	4,339,779	211,629,108
Cost of sales		(5,949,821)	(211,073,465)
GROSS (LOSS)/PROFIT		(1,610,042)	555,643
Administrative expenses		(206,498)	(1,653,008)
OPERATING LOSS	5	(1,816,540)	(1,097,365)
Interest receivable and similar income		34,375	-
		(1,782,165)	(1,097,365)
Interest payable and similar expenses	7	(308,880)	-
LOSS BEFORE TAXATION		(2,091,045)	(1,097,365)
Tax on loss	8	211,512	(246,383)
LOSS FOR THE FINANCIAL YEAR		(1,879,533)	(1,343,748)

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2017**


	28.2.17 €	29.2.16 €
Notes		
LOSS FOR THE YEAR	(1,879,533)	(1,343,748)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(1,879,533)</u>	<u>(1,343,748)</u>

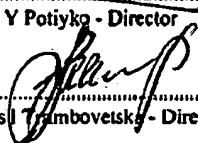
The notes form part of these financial statements

BALANCE SHEET
28 FEBRUARY 2017

	Notes	28.2.17 €	29.2.16 €
FIXED ASSETS			
Tangible assets	9	8,076,438	13,455,097
Investment property	10	<u>1,400,000</u>	<u>1,400,000</u>
		<u>9,476,438</u>	<u>14,855,097</u>
CURRENT ASSETS			
Stocks	11	43,309,651	23,143,611
Debtors	12	138,640,817	140,154,388
Investments	13	250,000	-
Cash at bank and in hand		<u>8,247,789</u>	<u>21,683,392</u>
		190,448,257	184,981,391
CREDITORS			
Amounts falling due within one year	14	<u>(166,631,585)</u>	<u>(162,458,453)</u>
NET CURRENT ASSETS		<u>23,816,672</u>	<u>22,522,938</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		33,293,110	37,378,035
CREDITORS			
Amounts falling due after more than one year	15	(34,176,833)	(36,094,371)
PROVISIONS FOR LIABILITIES	17	-	(287,854)
NET (LIABILITIES)/ASSETS		<u>(883,723)</u>	<u>995,810</u>
CAPITAL AND RESERVES			
Called up share capital	18	1,369,200	1,369,200
Share premium	19	479,220	479,220
Retained earnings	19	<u>(2,732,143)</u>	<u>(852,610)</u>
SHAREHOLDERS' FUNDS		<u>(883,723)</u>	<u>995,810</u>

The financial statements were approved by the Board of Directors on 29.11.2017 and were signed on its behalf by:


Mr Y Potiyko - Director


Mrs I Trambovetsky - Director

The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2017**

	Called up share capital €	Retained earnings €	Share premium €	Total equity €
Balance at 1 March 2015	1,369,200	491,138	479,220	2,339,558
Changes in equity				
Total comprehensive income	-	(1,343,748)	-	(1,343,748)
Balance at 29 February 2016	<u>1,369,200</u>	<u>(852,610)</u>	<u>479,220</u>	<u>995,810</u>
Changes in equity				
Total comprehensive income	-	(1,879,533)	-	(1,879,533)
Balance at 28 February 2017	<u><u>1,369,200</u></u>	<u><u>(2,732,143)</u></u>	<u><u>479,220</u></u>	<u><u>(883,723)</u></u>

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2017**

		28.2.17 €	29.2.16 €
Cash flows from operating activities	Notes		
Cash generated from operations	1	(24,309,210)	(47,322,572)
Tax paid		(64,886)	-
Net cash from operating activities		<u>(24,374,096)</u>	<u>(47,322,572)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(57,511)	(5,406,985)
Sale of tangible fixed assets		1,511,629	-
Other investments		(250,000)	-
Interest received		34,375	-
Net cash from investing activities		<u>1,238,493</u>	<u>(5,406,985)</u>
Cash flows from financing activities			
New loans in year		9,700,000	-
Net cash from financing activities		<u>9,700,000</u>	<u>-</u>
Decrease in cash and cash equivalents		<u>(13,435,603)</u>	<u>(52,729,557)</u>
Cash and cash equivalents at beginning of year	2	21,683,392	74,412,949
Cash and cash equivalents at end of year	2	<u><u>8,247,789</u></u>	<u><u>21,683,392</u></u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2017

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	28.2.17	29.2.16
	€	€
Loss before taxation	(2,091,045)	(1,097,365)
Depreciation charges	4,832,387	4,790,968
Profit on disposal of fixed assets	(907,846)	-
Finance costs	308,880	-
Finance income	(34,375)	-
	<u>2,108,001</u>	<u>3,693,603</u>
Increase in stocks	(20,166,040)	(14,582,992)
Decrease/(increase) in trade and other debtors	1,513,571	(138,958,757)
(Decrease)/increase in trade and other creditors	(7,764,742)	102,525,574
	<u>(24,309,210)</u>	<u>(47,322,572)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 28 February 2017

	28.2.17	1.3.16
	€	€
Cash and cash equivalents	<u>8,247,789</u>	<u>21,683,392</u>

Year ended 29 February 2016

	29.2.16	1.3.15
	€	€
Cash and cash equivalents	<u>21,683,392</u>	<u>74,412,949</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

1. STATUTORY INFORMATION

Duglas Alliance Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standards 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in Euro being the most relevant currency for the company.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

The financial statements have been prepared on a going concern basis, notwithstanding that the company made a loss on ordinary activities before taxation for the year of £2,091,045 (2016: £1,097,365) and has net liabilities of £883,723 (2016: £Nil). The directors confirm that the company has sufficient resources available to support the company for the foreseeable future and it is therefore appropriate to continue to prepare these accounts on a going concern basis.

Significant judgements and 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 Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Recognition of attributable profits and provision for losses on long term contracts

Significant judgement is required in the Company recognising attributable profits on long term contracts by making an assessment of the outcome for each long term contract not completed as at the year end. The assessment is made to consider whether there is evidence of reasonable certainty of recoverability in relation to each contract. Such evidence includes the cost to date in relation to expected costs as budgeted, revenues received and receivable on the contract and evidence obtained in relation to stage of completion from certification obtained from 3rd party surveyor.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017**

If indications of irreconcilability of costs incurred to date and future costs exist, the irrecoverable amounts and any losses anticipated are estimated and a respective provision for losses on long term contracts are made. The amount of the provision is charged through profit or loss. The review of provision for losses on long term risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly at each year end relating to uncompleted long term contracts.

Provision for bad and doubtful debts

The Company reviews its trade and other receivables for evidence of their recoverability. Such evidence includes the customer's payment record and the customer's overall financial position. If indications of irreconcilability exist, the recoverable amount is estimated and a respective provision for bad and doubtful debts is made. The amount of the provision is charged through profit or loss. The review of credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly.

Corporation tax

Significant judgement is required in determining the provision for corporation taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the corporation tax and deferred tax provisions in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

2. ACCOUNTING POLICIES - continued

Turnover

Turnover represents net amounts receivable for goods and services net of VAT and trade discounts. The company recognises revenue when the company has a contracted right to an amount received or receivable in exchange for its performance.

Turnover is measured at the fair value of the consideration received or receivable excluding value added tax and net of discounts. The policies adopted for the recognition of turnover are as follows:

Rendering of services

Turnover represents net fees receivable for services provided which are recognised when the company obtains the right to consideration under individual contracts.

Where a contract has only been partially completed at the balance sheet date, turnover represents the value of services provided to date based on a portion of the total contract value. Fees earned but not invoiced by the balance sheet date are treated as accrued income and amounts receivable on long term contracts, are stated at the net sales value of the work done after provisions for contingencies and anticipated future losses on contracts, less amounts received as progress payment on account and included as part of debtors due within one year. Excess progress payments are included in creditors as payments on account.

Long term contracts

When the outcome of a long term construction contract can be estimated reliably, contract costs and turnover including attributable profit on long term contracts are recognised by reference to the stage of completion at the balance sheet date. Stage of completion is measured by reference to completion certificate from 3rd party surveyors.

Where the outcome cannot be measured reliably, contract costs are recognised as an expense in the period in which they are incurred and contract turnover is recognised to the extent of costs incurred that it is probable will be recoverable.

When it is probable that contract costs will exceed the total contract turnover, the expected loss is recognised as an expense immediately, with a corresponding provision.

Interest receivable

Interest income is recognised using the effective interest method.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 20% on cost
Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 33% on cost

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate, or an average rate where this rate approximates the actual rate, between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are retranslated using the closing rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial Instruments are classified according to the substance of the contractual arrangement as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Debtors receivable within one year

Debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Amounts recoverable on long term contracts, are included in debtors and stated at the net sales value of the work done after provisions for contingencies and anticipated future losses on contracts, less amounts received as progress payment on account.

Creditors payable within one year

Creditors with no stated interest rate and payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

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.

Excess progress payments on long term contracts are included in creditors as payments on account.

Employee Benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

3. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	28.2.17	29.2.16
	€	€
Rest of the world (excl. UK)	4,339,779	211,629,108
	<u>4,339,779</u>	<u>211,629,108</u>

4. EMPLOYEES AND DIRECTORS

	28.2.17	29.2.16
	€	€
Wages and salaries	2,698,473	10,755,870
Social security costs	266,221	1,065,317
	<u>2,964,694</u>	<u>11,821,187</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

4. **EMPLOYEES AND DIRECTORS - continued**

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

	28.2.17	29.2.16
Administration	20	58
Construction	87	316
	<u>107</u>	<u>374</u>

	28.2.17	29.2.16
	€	€
Directors' remuneration	<u>110,000</u>	<u>174,312</u>

5. **OPERATING LOSS**

The operating loss is stated after charging/(crediting):

	28.2.17	29.2.16
	€	€
Depreciation - owned assets	4,832,387	4,790,968
Profit on disposal of fixed assets	(907,846)	-
Auditors' remuneration	<u>24,000</u>	<u>24,000</u>

6. **EXCEPTIONAL ITEMS**

	28.2.17	29.2.16
	€	€
Foreign exchange loss	<u>(2,280)</u>	<u>(427,256)</u>

7. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	28.2.17	29.2.16
	€	€
Other loan interest	<u>308,880</u>	<u>-</u>

8. **TAXATION**

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss for the year was as follows:

	28.2.17	29.2.16
	€	€
Current tax:		
UK corporation tax	76,342	64,886
Deferred tax	<u>(287,854)</u>	<u>181,497</u>
Tax on loss	<u>(211,512)</u>	<u>246,383</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

8. TAXATION - continued

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	28.2.17 €	29.2.16 €
Loss before tax	<u>(2,091,045)</u>	<u>(1,097,365)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20.084%)	(418,209)	(220,395)
Effects of:		
Utilisation of tax losses	-	(56,408)
Depreciation	966,477	961,992
Capital Allowances	(391,422)	(620,303)
Deferred Tax	(287,854)	181,497
Profit on disposal	(181,569)	-
Capital Gains	101,065	-
Total tax (credit)/charge	<u>(211,512)</u>	<u>246,383</u>

9. TANGIBLE FIXED ASSETS

	Plant and machinery €	Fixtures and fittings €	Computer equipment €	Totals €
COST				
At 1 March 2016	22,789,070	564,556	329,223	23,682,849
Additions	38,135	9,906	9,470	57,511
Disposals	(1,006,305)	(8,354)	(606)	(1,015,265)
Reclassification/transfer	(1,075,324)	1,212,080	(136,756)	-
At 28 February 2017	<u>20,745,576</u>	<u>1,778,188</u>	<u>201,331</u>	<u>22,725,095</u>
DEPRECIATION				
At 1 March 2016	9,794,823	191,026	241,903	10,227,752
Charge for year	4,320,760	462,138	49,489	4,832,387
Eliminated on disposal	(402,522)	(8,354)	(606)	(411,482)
Charge written back	(515,979)	606,040	(90,061)	-
At 28 February 2017	<u>13,197,082</u>	<u>1,250,850</u>	<u>200,725</u>	<u>14,648,657</u>
NET BOOK VALUE				
At 28 February 2017	<u>7,548,494</u>	<u>527,338</u>	<u>606</u>	<u>8,076,438</u>
At 29 February 2016	<u>12,994,247</u>	<u>373,530</u>	<u>87,320</u>	<u>13,455,097</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

10. INVESTMENT PROPERTY

	Total €
FAIR VALUE	
At 1 March 2016	
and 28 February 2017	1,400,000
NET BOOK VALUE	
At 28 February 2017	1,400,000
At 29 February 2016	1,400,000

The above relates to land acquired in 2015

11. STOCKS

	28.2.17 €	29.2.16 €
Raw materials	26,101,628	23,143,611
Work-in-progress	17,208,023	-
	<u>43,309,651</u>	<u>23,143,611</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28.2.17 €	29.2.16 €
Trade debtors	121,196,097	117,262,227
Other debtors	17,444,720	22,875,156
Prepayments	-	17,005
	<u>138,640,817</u>	<u>140,154,388</u>

13. CURRENT ASSET INVESTMENTS

	28.2.17 €	29.2.16 €
Other	250,000	-
	<u>250,000</u>	<u>-</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28.2.17 €	29.2.16 €
Other loans (see note 16)	10,008,880	-
Trade creditors	131,269,851	157,794,720
Corporation tax	76,342	64,886
Accruals and deferred income	25,276,512	4,598,847
	<u>166,631,585</u>	<u>162,458,453</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	28.2.17 €	29.2.16 €
Other creditors	<u>34,176,833</u>	<u>36,094,371</u>

16. LOANS

An analysis of the maturity of loans is given below:

	28.2.17 €	29.2.16 €
Amounts falling due within one year or on demand:		
Other loans	<u>10,008,880</u>	<u>-</u>

17. PROVISIONS FOR LIABILITIES

	28.2.17 €	29.2.16 €
Deferred tax	<u>-</u>	<u>287,854</u>
		Deferred tax
		€
Balance at 1 March 2016		287,854
Provided during year		(287,854)
Balance at 28 February 2017		<u>-</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	28.2.17 €	29.2.16 €
1,000,000	Ordinary shares	£1	<u>1,369,200</u>	<u>1,369,200</u>

19. RESERVES

	Retained earnings €	Share premium €	Totals €
At 1 March 2016	(852,610)	479,220	(373,390)
Deficit for the year	<u>(1,879,533)</u>		<u>(1,879,533)</u>
At 28 February 2017	<u>(2,732,143)</u>	<u>479,220</u>	<u>(2,252,923)</u>

20. RELATED PARTY DISCLOSURES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2017

20. RELATED PARTY DISCLOSURES - continued

Key management personnel of the entity or its parent (in the aggregate)

	28.2.17	29.2.16
	€	€
Sales	405,909	-
Purchases	-	25,639,371
Transfers	1,511,629	(4,545,000)
	-	15,000,000
Amount due to related party	<u>34,176,833</u>	<u>36,094,371</u>

21. ULTIMATE CONTROLLING PARTY

The ultimately controlling party is Mr. Yuriy Potiyko who is also a director of the company.