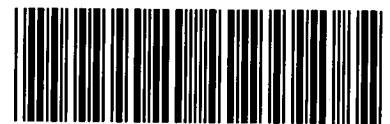


DUGLAS ALLIANCE LTD.
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

Christiansons Ltd
Chartered Certified Accountants
& Statutory Auditors
Sterling House
Fulbourne Road
Walthamstow
London
E17 4EE

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FOR THE YEAR ENDED 28 FEBRUARY 2022**

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DUGLAS ALLIANCE LTD.
COMPANY INFORMATION
FOR THE YEAR ENDED 28 FEBRUARY 2022

DIRECTORS:

Mr Y Potiyko
Mr R S Silver

REGISTERED OFFICE:

Sterling House
Fulbourne Road
London
E17 4EE

REGISTERED NUMBER:

06810409 (England and Wales)

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

AUDITORS:

Christiansons Ltd
Chartered Certified Accountants
& Statutory Auditors
Sterling House
Fulbourne Road
Walthamstow
London
E17 4EE

**STRATEGIC REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2022**

The directors present their strategic report for the year ended 28 February 2022.

REVIEW OF BUSINESS

Douglas Alliance Limited is engaged in the construction of hydro power plant in the Republic of Equatorial Guinea. During the year the construction work has been steady and is likely to build momentum going forward.

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 Euro and US dollars 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 increased in the current period due to the active building stage of the project.

The gross profit margin of the company as at the year end have increased considerably. Projects of this magnitude always have unexpected circumstances resulting in additional costs for which increase in contract price has being negotiated and is expected to be included in results in future years when the water power plant building project is to be completed.

The net profit margin have improved as well which were down previously as been affected by additional costs incurred in previous years. Net profit returns will be a focus for the directors and increasing administration efficiency remains one of priorities for the coming year.

**STRATEGIC REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2022**

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.

ON BEHALF OF THE BOARD:

.....
Director

Date: 20/01/2023

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 28 FEBRUARY 2022**

The directors present their report with the financial statements of the company for the year ended 28 February 2022.

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 2022.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 March 2021 to the date of this report.

Mr Y Potiyko

Mr R S Silver

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.

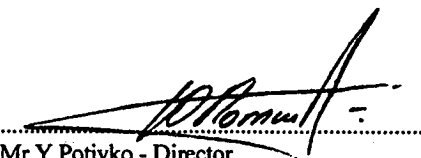
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Christiansons Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


Mr Y Potiyko - Director

Date:

20/01/2023

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

Opinion

We have audited the financial statements of Douglas Alliance Ltd. (the 'company') for the year ended 28 February 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, 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 company's affairs as at 28 February 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions 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 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
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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 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 company or to cease operations, or have no realistic alternative but to do so.

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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material measurements in respect of irregularities, including fraud.

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 Report of the Auditors.

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

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 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.



Mr C A Joannou BSc, MSc, FCCA (Senior Statutory Auditor)
for and on behalf of Christiansons Ltd
Chartered Certified Accountants
& Statutory Auditors
Sterling House
Fulbourne Road
Walthamstow
London
E17 4EE

Date:23/01/2023.....

**STATEMENT OF COMPREHENSIVE
INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2022**

	Notes	28.2.22 €	28.2.21 €
TURNOVER	3	46,312,808	48,368,274
Cost of sales		39,514,360	43,848,177
GROSS PROFIT		6,798,448	4,520,097
Administrative expenses		1,196,097	1,396,672
		5,602,351	3,123,425
Other operating income		140,920	56,521
OPERATING PROFIT	5	5,743,271	3,179,946
Interest receivable and similar income		504,599	281,808
		6,247,870	3,461,754
Gain/loss on revaluation of investments		(2,435,184)	6,050
		3,812,686	3,467,804
Interest payable and similar expenses	6	1,165,704	1,184,980
PROFIT BEFORE TAXATION		2,646,982	2,282,824
Tax on profit	7	478,102	396,353
PROFIT FOR THE FINANCIAL YEAR		2,168,880	1,886,471
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,168,880	1,886,471

The notes form part of these financial statements

BALANCE SHEET
28 FEBRUARY 2022

		28.2.22	28.2.21
	Notes	€	€
FIXED ASSETS			
Tangible assets	8	734,534	1,324,684
Investment property	9	1,828,581	2,033,965
		<u>2,563,115</u>	<u>3,358,649</u>
CURRENT ASSETS			
Stocks	10	63,696,454	97,715,832
Debtors	11	60,126,341	60,870,628
Investments	12	9,292,993	6,683,825
Cash at bank and in hand		36,082,766	46,285,451
		<u>169,198,554</u>	<u>211,555,736</u>
CREDITORS			
Amounts falling due within one year	13	127,244,767	173,080,513
NET CURRENT ASSETS		<u>41,953,787</u>	<u>38,475,223</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		44,516,902	41,833,872
CREDITORS			
Amounts falling due after more than one year	14	(4,662,186)	(4,148,036)
PROVISIONS FOR LIABILITIES	16	(32,901,598)	(32,901,598)
NET ASSETS		<u><u>6,953,118</u></u>	<u><u>4,784,238</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	1,369,200	1,369,200
Share premium	18	479,220	479,220
Retained earnings	18	5,104,698	2,935,818
SHAREHOLDERS' FUNDS		<u><u>6,953,118</u></u>	<u><u>4,784,238</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 20/02/2023 and were signed on its behalf by:

Mr Y Potiyko - Director

The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2022**

	Called up share capital €	Retained earnings €	Share premium €	Total equity €
Balance at 29 February 2020	1,369,200	1,049,347	479,220	2,897,767
Changes in equity				
Total comprehensive income	-	1,886,471	-	1,886,471
Balance at 28 February 2021	1,369,200	2,935,818	479,220	4,784,238
Changes in equity				
Total comprehensive income	-	2,168,880	-	2,168,880
Balance at 28 February 2022	1,369,200	5,104,698	479,220	6,953,118

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2022**

	Notes	28.2.22 €	28.2.21 €
Cash flows from operating activities			
Cash generated from operations	1	(5,068,789)	7,286,898
Interest paid		(1,165,704)	(1,184,980)
Tax paid		(280,709)	(618,846)
Net cash from operating activities		(6,515,202)	5,483,072
Cash flows from investing activities			
Purchase of tangible fixed assets		(4,377)	(58,817)
Sale of tangible fixed assets		80,600	-
Sale of investment property		207,300	-
Other investments		1,642,717	-
Purchase of Investments		(6,632,472)	(2,530,037)
Interest received		504,599	281,808
Net cash from investing activities		(4,201,633)	(2,307,046)
Cash flows from financing activities			
Due to related party		514,150	(1,942,560)
Net cash from financing activities		514,150	(1,942,560)
(Decrease)/increase in cash and cash equivalents		(10,202,685)	1,233,466
Cash and cash equivalents at beginning of year	2	46,285,451	45,051,985
Cash and cash equivalents at end of year	2	36,082,766	46,285,451

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2022**

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

	28.2.22	28.2.21
	€	€
Profit before taxation	2,646,982	2,282,824
Depreciation charges	430,194	343,885
Loss on disposal of fixed assets	81,817	-
Loss/(gain) on revaluation of fixed assets	2,435,184	(6,050)
Provision	-	32,901,598
Finance costs	1,165,704	1,184,980
Finance income	(504,599)	(281,808)
	<u>6,255,282</u>	<u>36,425,429</u>
Decrease/(increase) in stocks	34,019,378	(27,020,363)
Decrease in trade and other debtors	744,287	1,407,377
Decrease in trade and other creditors	(46,087,736)	(3,525,545)
Cash generated from operations	<u>(5,068,789)</u>	<u>7,286,898</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 2022

	28.2.22	1.3.21
	€	€
Cash and cash equivalents	<u>36,082,766</u>	<u>46,285,451</u>

Year ended 28 February 2021

	28.2.21	29.2.20
	€	€
Cash and cash equivalents	<u>46,285,451</u>	<u>45,051,985</u>

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2022**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.3.21 €	Cash flow €	At 28.2.22 €
Net cash			
Cash at bank and in hand	46,285,451	(10,202,685)	36,082,766
	<u>46,285,451</u>	<u>(10,202,685)</u>	<u>36,082,766</u>
 Liquid resources			
Current asset investments	6,683,825	2,609,168	9,292,993
	<u>6,683,825</u>	<u>2,609,168</u>	<u>9,292,993</u>
 Debt			
Debts falling due within 1 year	(13,715,180)	(1,091,779)	(14,806,959)
	<u>(13,715,180)</u>	<u>(1,091,779)</u>	<u>(14,806,959)</u>
 Total	<u>39,254,096</u>	<u>(8,685,296)</u>	<u>30,568,800</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022**

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.

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.

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 2022

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 cost
Computer equipment	- 33% on cost

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Investment property

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

Investments

Investments comprise investments in quoted bank bonds and similar securities which are measured at fair value. Changes in fair value are recognised in profit or loss. Where fair value cannot be measured reliably, then the investment is carried at cost less impairment.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2022

2. ACCOUNTING POLICIES - continued

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.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 2022

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 profit before taxation are attributable to the one principal activity of the company.

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

	28.2.22	28.2.21
	€	€
Rest of the world (excl. UK)	46,312,808	48,368,274
	<u>46,312,808</u>	<u>48,368,274</u>

4. EMPLOYEES AND DIRECTORS

	28.2.22	28.2.21
	€	€
Wages and salaries	908,109	634,709
Social security costs	97,901	50,267
	<u>1,006,010</u>	<u>684,976</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2022

4. EMPLOYEES AND DIRECTORS - continued

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

	28.2.22	28.2.21
Administration	11	15
Project maintenance and support	8	16
	<u>19</u>	<u>31</u>

	28.2.22	28.2.21
	€	€
Directors' remuneration	<u>333,486</u>	<u>333,385</u>

Information regarding the highest paid director is as follows:

	28.2.22	28.2.21
	€	€
Emoluments etc	<u>330,000</u>	<u>333,385</u>

5. OPERATING PROFIT

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

	28.2.22	28.2.21
	€	€
Depreciation - owned assets	430,194	343,885
Loss on disposal of fixed assets	81,817	-
Auditors' remuneration	36,500	34,272
Foreign exchange differences	<u>50,597</u>	<u>(56,521)</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	28.2.22	28.2.21
	€	€
Other loan interest	1,165,704	1,180,907
Interest paid corporation tax	-	4,073
	<u>1,165,704</u>	<u>1,184,980</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	28.2.22	28.2.21
	€	€
Current tax:		
UK corporation tax	421,709	299,694
Deferred tax	<u>56,393</u>	<u>96,659</u>
Tax on profit	<u>478,102</u>	<u>396,353</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2022

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	28.2.22 €	28.2.21 €
Profit before tax	2,646,982	2,282,824
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	502,927	433,737
Effects of:		
Depreciation	81,737	65,338
Capital Allowances	(178,864)	(219,899)
Deferred Tax	56,393	96,659
Profit/(Loss) on disposal	15,545	-
Capital Gains	364	-
Other taxes	-	20,518
Total tax charge	478,102	396,353

8. TANGIBLE FIXED ASSETS

	Plant and machinery €	Fixtures and fittings €	Computer equipment €	Totals €
COST				
At 1 March 2021	21,601,182	1,842,059	334,715	23,777,956
Additions	-	-	4,377	4,377
Disposals	(290,000)	-	-	(290,000)
At 28 February 2022	21,311,182	1,842,059	339,092	23,492,333
DEPRECIATION				
At 1 March 2021	20,372,848	1,819,697	260,727	22,453,272
Charge for year	394,033	5,301	30,860	430,194
Eliminated on disposal	(125,667)	-	-	(125,667)
At 28 February 2022	20,641,214	1,824,998	291,587	22,757,799
NET BOOK VALUE				
At 28 February 2022	669,968	17,061	47,505	734,534
At 28 February 2021	1,228,334	22,362	73,988	1,324,684

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2022

9. INVESTMENT PROPERTY

	Total €
FAIR VALUE	
At 1 March 2021	2,033,965
Disposals	(205,384)
At 28 February 2022	<u>1,828,581</u>
NET BOOK VALUE	
At 28 February 2022	<u>1,828,581</u>
At 28 February 2021	<u>2,033,965</u>

10. STOCKS

	28.2.22 €	28.2.21 €
Raw materials	19,008,323	26,987,195
Work-in-progress	44,688,131	70,728,637
	<u>63,696,454</u>	<u>97,715,832</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28.2.22 €	28.2.21 €
Trade debtors	57,328,587	57,883,957
Other debtors	2,797,754	2,986,671
	<u>60,126,341</u>	<u>60,870,628</u>

12. CURRENT ASSET INVESTMENTS

	28.2.22 €	28.2.21 €
Other	<u>9,292,993</u>	<u>6,683,825</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28.2.22 €	28.2.21 €
Other loans (see note 15)	14,806,959	13,715,180
Trade creditors	93,447,105	140,560,375
Tax	424,249	283,249
Other creditors	206,743	170,722
Accruals and deferred income	18,359,711	18,350,987
	<u>127,244,767</u>	<u>173,080,513</u>

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

	28.2.22 €	28.2.21 €
Trade creditors	<u>4,662,186</u>	<u>4,148,036</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2022

15. LOANS

An analysis of the maturity of loans is given below:

	28.2.22 €	28.2.21 €
Amounts falling due within one year or on demand:		
Other loans	14,806,959	13,715,180

16. PROVISIONS FOR LIABILITIES

	28.2.22 €	28.2.21 €
Other provisions	32,901,598	32,901,598

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	28.2.22 €	28.2.21 €
1,000,000	Ordinary shares	£1	1,369,200	1,369,200

18. RESERVES

	Retained earnings €	Share premium €	Totals €
At 1 March 2021	2,935,818	479,220	3,415,038
Profit for the year	2,168,880		2,168,880
At 28 February 2022	5,104,698	479,220	5,583,918

19. RELATED PARTY DISCLOSURES

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

	28.2.22 €	28.2.21 €
Transfers	514,150	578,136
Amount due to related party	4,662,186	4,148,036

20. ULTIMATE CONTROLLING PARTY

The controlling party is Mr. Yuriy Potiyko by virtue of holding 100% share capital of the company.