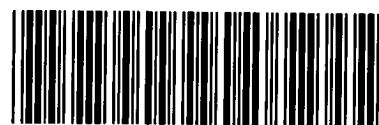


REGISTERED NUMBER: 06810409 (England and Wales)

**DUGLAS ALLIANCE LTD.**  
**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2023**

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

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COMPANIES HOUSE

**DUGLAS ALLIANCE LTD. (REGISTERED NUMBER: 06810409)**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2023**

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	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>4</b>
<b>Report of the Independent Auditors</b>	<b>5</b>
<b>Statement of Comprehensive Income</b>	<b>8</b>
<b>Balance Sheet</b>	<b>9</b>
<b>Statement of Changes in Equity</b>	<b>10</b>
<b>Cash Flow Statement</b>	<b>11</b>
<b>Notes to the Cash Flow Statement</b>	<b>12</b>
<b>Notes to the Financial Statements</b>	<b>14</b>

**DUGLAS ALLIANCE LTD.**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 28 FEBRUARY 2023**

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**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 2023**

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The directors present their strategic report for the year ended 28 February 2023.

**REVIEW OF BUSINESS**

Duglas Alliance Limited is engaged in the construction of hydro power plant in the Republic of Equatorial Guinea. During the year the construction work continued to be 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**

The Board monitors the progress of the business by reference to the following KPIs:

	2023	2022
Gross profit	14.96%	14.68%
Net Profit	7.25%	5.72%
Return on capital employed	61%	80%
Trade debtor days	326	452

The company maintained the gross profit margin in the year. The net profit margins have improved this year. In prior years, the profit margins were affected by additional, unavoidable administration costs. Net profit returns will be a focus for the directors and increasing administration efficiency remains one of the priorities for the coming year.

The company is conscious of environmental matters and positively conserve usage of resources and any disposal are carried out responsibly.

DUGLAS ALLIANCE LTD. (REGISTERED NUMBER: 06810409)

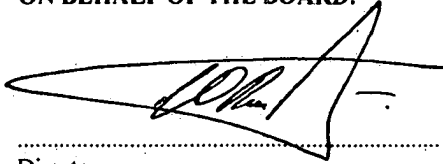
**STRATEGIC REPORT  
FOR THE YEAR ENDED 28 FEBRUARY 2023**

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**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: 27.11.2023  
.....

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 28 FEBRUARY 2023**

The directors present their report with the financial statements of the company for the year ended 28 February 2023.

**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 2023.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 March 2022 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.

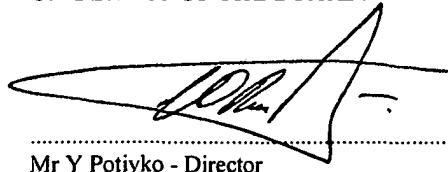
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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: 27.11.2023

## **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 2023 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 2023 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.**

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### **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.

### **Capability of the audit in detecting irregularities, including fraud**

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

Based on our understanding of the entity and its industry, we identified that the principle risks of non-compliance with laws and regulations related to contracts. Employment regulation, Health & Safety regulation and anti-money laundering regulations. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as Companies Act 2006. We considered the extent to which non-compliance might have a material effect on the financial statements.

We assess the appropriateness of the collective competence and capabilities of the engagement team including consideration of the engagement team's:

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
- knowledge of the industry in which the client operates; and
- understanding of the legal and regulatory requirements specific to the company including the provisions of the applicable legislation and the applicable statutory provisions.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principle risks were related to inappropriate journal entries to manipulate financial performance, and management bias through judgements and assumptions in significant accounting estimates.



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

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Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with management their policies and procedures regarding compliance with laws and regulations including consideration of known or suspected instances of non-compliance and fraud;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of any acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate the risks relating to irregularities and fraud;
- Discussing amongst the engagement team the risks of fraud;
- Addressing the risks of fraud through management override of controls by performing journal entry testing in particular any journal entries posted with unusual account combinations focusing on journals impacting fee income, capitalisation of costs, cash, related party transactions and expenses; and
- Challenging judgements and assumptions made by management in their key accounting judgements and estimation uncertainty.

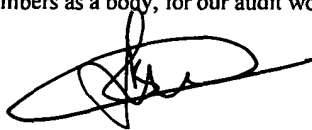
Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the overriding of internal controls.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**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: 28/11/2022

**DUGLAS ALLIANCE LTD. (REGISTERED NUMBER: 06810409)**

**STATEMENT OF COMPREHENSIVE  
INCOME  
FOR THE YEAR ENDED 28 FEBRUARY 2023**

	Notes	28.2.23 €	28.2.22 €
<b>TURNOVER</b>	3	42,704,544	46,312,808
Cost of sales		36,314,402	39,514,360
<b>GROSS PROFIT</b>		6,390,142	6,798,448
Administrative expenses		1,526,803	1,196,097
		4,863,339	5,602,351
Other operating income		148,565	140,920
<b>OPERATING PROFIT</b>	5	5,011,904	5,743,271
Interest receivable and similar income		749,245	504,599
Gain/loss on revaluation of investments		5,761,149 (1,523,634)	6,247,870 (2,435,184)
		4,237,515	3,812,686
Interest payable and similar expenses	6	1,140,743	1,165,704
<b>PROFIT BEFORE TAXATION</b>		3,096,772	2,646,982
Tax on profit	7	588,989	478,102
<b>PROFIT FOR THE FINANCIAL YEAR</b>		2,507,783	2,168,880
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		2,507,783	2,168,880

The notes form part of these financial statements

DUGLAS ALLIANCE LTD. (REGISTERED NUMBER: 06810409)

**BALANCE SHEET**  
**28 FEBRUARY 2023**

	Notes	28.2.23 €	28.2.22 €
<b>FIXED ASSETS</b>			
Tangible assets	8	550,000	734,534
Investment property	9	1,563,877	1,828,581
		<u>2,113,877</u>	<u>2,563,115</u>
<b>CURRENT ASSETS</b>			
Stocks	10	42,595,000	63,696,454
Debtors	11	39,287,785	60,126,341
Investments	12	50,729,686	9,292,993
Cash at bank		46,139,589	36,082,766
		<u>178,752,060</u>	<u>169,198,554</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	133,013,292	127,244,767
<b>NET CURRENT ASSETS</b>		<u>45,738,768</u>	<u>41,953,787</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>47,852,645</u>	<u>44,516,902</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	(5,490,146)	(4,662,186)
<b>PROVISIONS FOR LIABILITIES</b>	16	(32,901,598)	(32,901,598)
<b>NET ASSETS</b>		<u><u>9,460,901</u></u>	<u><u>6,953,118</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	1,369,200	1,369,200
Share premium	18	479,220	479,220
Retained earnings	18	7,612,481	5,104,698
<b>SHAREHOLDERS' FUNDS</b>		<u><u>9,460,901</u></u>	<u><u>6,953,118</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 27.11.2023 and were signed on its behalf by:

  
Mr Y Potiyko - Director

The notes form part of these financial statements

**DUGLAS ALLIANCE LTD. (REGISTERED NUMBER: 06810409)**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 28 FEBRUARY 2023**

	<b>Called up share capital €</b>	<b>Retained earnings €</b>	<b>Share premium €</b>	<b>Total equity €</b>
<b>Balance at 1 March 2021</b>	1,369,200	2,935,818	479,220	4,784,238
<b>Changes in equity</b>				
Total comprehensive income	-	2,168,880	-	2,168,880
<b>Balance at 28 February 2022</b>	<u>1,369,200</u>	<u>5,104,698</u>	<u>479,220</u>	<u>6,953,118</u>
<b>Changes in equity</b>				
Total comprehensive income	-	2,507,783	-	2,507,783
<b>Balance at 28 February 2023</b>	<u><u>1,369,200</u></u>	<u><u>7,612,481</u></u>	<u><u>479,220</u></u>	<u><u>9,460,901</u></u>

The notes form part of these financial statements

**DUGLAS ALLIANCE LTD. (REGISTERED NUMBER: 06810409)**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 28 FEBRUARY 2023**

	Notes	28.2.23 €	28.2.22 €
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	52,188,056	(5,068,789)
Interest paid		(1,140,743)	(1,165,704)
Tax paid		(452,804)	(280,709)
<b>Net cash from operating activities</b>		<u>50,594,509</u>	<u>(6,515,202)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(21,945)	(4,377)
Sale of tangible fixed assets		-	80,600
Sale of investment property		285,000	207,300
Other investments		5,187,156	1,642,717
Purchase of Investments		(48,028,899)	(6,632,472)
Interest received		749,245	504,599
<b>Net cash from investing activities</b>		<u>(41,829,443)</u>	<u>(4,201,633)</u>
<b>Cash flows from financing activities</b>			
Exchange gains/ losses		463,797	-
Due to related party		827,960	514,150
<b>Net cash from financing activities</b>		<u>1,291,757</u>	<u>514,150</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>10,056,823</u>	<u>(10,202,685)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>36,082,766</u>	<u>46,285,451</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>46,139,589</u></u>	<u><u>36,082,766</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 28 FEBRUARY 2023**

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

	<b>28.2.23</b>	<b>28.2.22</b>
	<b>€</b>	<b>€</b>
Profit before taxation	3,096,772	2,646,982
Depreciation charges	206,479	430,194
(Profit)/loss on disposal of fixed assets	(20,296)	81,817
Loss on revaluation of fixed assets	1,523,634	2,435,184
Finance costs	1,140,743	1,165,704
Finance income	(749,245)	(504,599)
	<u>5,198,087</u>	<u>6,255,282</u>
Decrease in stocks	21,101,454	34,019,378
Decrease in trade and other debtors	20,838,556	744,287
Increase/(decrease) in trade and other creditors	<u>5,049,959</u>	<u>(46,087,736)</u>
<b>Cash generated from operations</b>	<u><b>52,188,056</b></u>	<u><b>(5,068,789)</b></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 2023**

	<b>28.2.23</b>	<b>1.3.22</b>
	<b>€</b>	<b>€</b>
Cash and cash equivalents	<u>46,139,589</u>	<u>36,082,766</u>

**Year ended 28 February 2022**

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

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 28 FEBRUARY 2023

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.3.22 €	Cash flow €	At 28.2.23 €
<b>Net cash</b>			
Cash at bank and in hand	36,082,766	10,056,823	46,139,589
	<u>36,082,766</u>	<u>10,056,823</u>	<u>46,139,589</u>
<b>Liquid resources</b>			
Current asset investments	9,292,993	41,436,693	50,729,686
	<u>9,292,993</u>	<u>41,436,693</u>	<u>50,729,686</u>
<b>Debt</b>			
Debts falling due within 1 year	(14,806,959)	(1,154,742)	(15,961,701)
	<u>(14,806,959)</u>	<u>(1,154,742)</u>	<u>(15,961,701)</u>
<b>Total</b>	<u>30,568,800</u>	<u>50,338,774</u>	<u>80,907,574</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2023**

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**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 2023**

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**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 properties are initially measured at cost. Investment properties whose fair value can be reliably measured without undue cost or effort are measured at that fair value at each balance sheet date with gains and losses recognised in profit and 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 2023**

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**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.

**Deferred 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 2023**

**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:

	28.2.23	28.2.22
	€	€
Rest of the world (excl. UK)	42,704,544	46,312,808
	<u>42,704,544</u>	<u>46,312,808</u>

**4. EMPLOYEES AND DIRECTORS**

	28.2.23	28.2.22
	€	€
Wages and salaries	1,112,716	908,109
Social security costs	141,313	97,901
	<u>1,254,029</u>	<u>1,006,010</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 28 FEBRUARY 2023**

**4. EMPLOYEES AND DIRECTORS - continued**

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

	28.2.23	28.2.22
Administration	11	11
Project maintenance and support	12	8
	<u>23</u>	<u>19</u>

	28.2.23	28.2.22
	€	€
Directors' remuneration	<u>213,437</u>	<u>333,486</u>

Information regarding the highest paid director is as follows:

	28.2.23	28.2.22
	€	€
Emoluments etc	<u>210,000</u>	<u>330,000</u>

**5. OPERATING PROFIT**

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

	28.2.23	28.2.22
	€	€
Depreciation - owned assets	206,479	430,194
(Profit)/loss on disposal of fixed assets	(20,296)	81,817
Auditors' remuneration	42,000	36,500
Foreign exchange differences	<u>463,797</u>	<u>50,597</u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	28.2.23	28.2.22
	€	€
Other loan interest	<u>1,140,743</u>	<u>1,165,704</u>

**7. TAXATION**

**Analysis of the tax charge**

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

	28.2.23	28.2.22
	€	€
Current tax:		
UK corporation tax	483,706	421,709
Deferred tax	<u>105,283</u>	<u>56,393</u>
Tax on profit	<u>588,989</u>	<u>478,102</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 28 FEBRUARY 2023

7. TAXATION - continued

Reconciliation of total tax 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:

	28.2.23 €	28.2.22 €
Profit before tax	3,096,772	2,646,982
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	588,387	502,927
Effects of:		
Depreciation	39,231	81,737
Capital Allowances	(143,912)	(178,864)
Deferred Tax	105,283	56,393
Profit/(Loss) on disposal	-	15,545
Capital Gains	-	364
Total tax charge	588,989	478,102

8. TANGIBLE FIXED ASSETS

	Plant and machinery €	Fixtures and fittings €	Computer equipment €	Totals €
<b>COST</b>				
At 1 March 2022	21,311,182	1,842,059	339,092	23,492,333
Additions	21,945	-	-	21,945
At 28 February 2023	21,333,127	1,842,059	339,092	23,514,278
<b>DEPRECIATION</b>				
At 1 March 2022	20,641,214	1,824,998	291,587	22,757,799
Charge for year	191,913	7,061	7,505	206,479
At 28 February 2023	20,833,127	1,832,059	299,092	22,964,278
<b>NET BOOK VALUE</b>				
At 28 February 2023	500,000	10,000	40,000	550,000
At 28 February 2022	669,968	17,061	47,505	734,534

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 28 FEBRUARY 2023**

**9. INVESTMENT PROPERTY**

	<b>Total €</b>
<b>FAIR VALUE</b>	
At 1 March 2022	1,828,581
Disposals	(264,704)
	<u>1,563,877</u>
At 28 February 2023	1,563,877
<b>NET BOOK VALUE</b>	
At 28 February 2023	<u>1,563,877</u>
At 28 February 2022	<u>1,828,581</u>

**10. STOCKS**

	<b>28.2.23 €</b>	<b>28.2.22 €</b>
Raw materials	18,821,653	19,008,323
Work-in-progress	23,773,347	44,688,131
	<u>42,595,000</u>	<u>63,696,454</u>

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>28.2.23 €</b>	<b>28.2.22 €</b>
Trade debtors	38,114,077	57,328,587
Other debtors	1,173,708	2,797,754
	<u>39,287,785</u>	<u>60,126,341</u>

**12. CURRENT ASSET INVESTMENTS**

	<b>28.2.23 €</b>	<b>28.2.22 €</b>
Other	50,729,686	9,292,993

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>28.2.23 €</b>	<b>28.2.22 €</b>
Other loans (see note 15)	15,961,701	14,806,959
Trade creditors	96,960,767	93,447,105
Tax	455,151	424,249
Other creditors	-	206,743
Accruals and deferred income	19,635,673	18,359,711
	<u>133,013,292</u>	<u>127,244,767</u>

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

	<b>28.2.23 €</b>	<b>28.2.22 €</b>
Trade creditors	5,490,146	4,662,186

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 28 FEBRUARY 2023**

**15. LOANS**

An analysis of the maturity of loans is given below:

	28.2.23 €	28.2.22 €
Amounts falling due within one year or on demand:		
Other loans	15,961,701	14,806,959

**16. PROVISIONS FOR LIABILITIES**

	28.2.23 €	28.2.22 €
Other provisions	32,901,598	32,901,598

**17. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	28.2.23 €	28.2.22 €
1,000,000	Ordinary shares	£1	1,369,200	1,369,200

**18. RESERVES**

	Retained earnings €	Share premium €	Totals €
At 1 March 2022	5,104,698	479,220	5,583,918
Profit for the year	2,507,783		2,507,783
At 28 February 2023	7,612,481	479,220	8,091,701

**19. RELATED PARTY DISCLOSURES**

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

	28.2.23 €	28.2.22 €
Purchases	864,857	-
Transfers	-	514,150
Payments	(36,897)	-
Amount due to related party	5,490,146	4,662,186

**20. ULTIMATE CONTROLLING PARTY**

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