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REGISTERED NUMBER: 08559513 (England and Wales)

**Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 December 2017
for
EGN PROJECTS LIMITED**

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EGN PROJECTS LIMITED (REGISTERED NUMBER: 08559513)

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for the year ended 31 December 2017**

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EGN PROJECTS LIMITED

Company Information for the year ended 31 December 2017

Directors: N Papapetrou
E Pliakos

Secretary: A R C Tulloch

Registered office: 99 White Lion Street
Islington
London
M1 9PF

Registered number: 08559513 (England and Wales)

Independent auditors: Haines Watts Manchester Limited, Statutory Auditor
Northern Assurance Buildings
9-21 Princess Street
Manchester
M2 4DN

**Group Strategic Report
for the year ended 31 December 2017**

The directors present their strategic report of the company and the group for the year ended 31 December 2017.

Review of business

EGN Projects and its subsidiaries operate in the telecoms, energy, construction and development industries in the UK, Cyprus, Bulgaria, Romania, Serbia and Macedonia. The group acts as EPC contractors and renewable energy developers, and produces cast products of steel, iron and aluminium alloys.

Results and performance

The results of the group show a profit before tax of £1,023k (2016: £2,185k) and shareholders funds of £7,186k (2016: £6,161k).

Profits generated by EGN Project have fallen due to a reduction in the income from associate undertakings. The directors are focusing on generating new business through their joint venture in Metka-EGN Limited, however the pipeline of new EPC contracts continues to grow and although the reduction in government subsidies and the threat of Brexit has cooled the UK market, the group is well-placed to explore and exploit opportunities in Europe and further afield. The aggregate capital and reserves of Metka-EGN Limited have grown to £6,376k (2016: £4,891k).

Business environment

Between April-September 2017, the UK produced more energy from solar panels than from burning coal. The solar industry in the UK has proved resilient despite the reduction in government feed-in tariffs, with the downward pressure on installation costs being offset by the availability of cheap financing. Globally, the demand for renewable energy sources is ever increasing as the world wakes up to the environmental damage caused by fossil fuels.

Strategy

Globally, solar energy represents a small fraction of energy generation and the group is well placed to develop new opportunities on an international basis. In addition, the group will continue to develop its construction and telecoms businesses.

Principal risks and uncertainties

The group adjusts its strategic planning by focussing on the development of its activities in markets with particular demands, where its prestige and know-how can generate significant added value.

How the group responds to risks and uncertainties is dealt with in the report of the directors.

Key performance indicators

The board monitors the group's progress with reference to key performance indicators. The group's turnover has increased by £952k (16%) in the year ended 31 December 2017 and gross profit has increased by £16k (2%) in the same period. Operating profit has increased by £137k (107%) by profit before tax has decreased by £1,162k (53%).

On behalf of the board:



.....
E Pliakos - Director

Date: 02/01/2019

**Report of the Directors
for the year ended 31 December 2017**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2017.

Dividends

No dividends will be distributed for the year ended 31 December 2017.

Directors

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

N Papapetrou
E Pliakos

Financial instruments

The group's activities give rise to multiple financial risks, including the foreign exchange and interest rates related risks; credit risks; and liquidity risks.

Credit Risks

The group does not exhibit any considerable concentration of credit risk in any one customer. Credit risk originates from available cash and cash equivalents, deposits with banks and financial institutions and clients with respect to trade receivables.

To minimise credit risk on cash reserves and cash equivalents, the group specifies certain limits to its exposure on each individual financial institutions and only engages in transactions with creditworthy financial institutions of high credit rating.

The group monitors its business claims and adopts policies and practices to ensure that such claims are collected. By way of example, such policies and practices include insuring credits where possible; pre-collection of the value of product sold, and receiving letters of guarantee.

Liquidity Risks

Liquidity risk is related to the group's need for sufficient financing of its operations and development. The relevant liquidity risks are the subject of management through the meticulous monitoring of debts, financial liabilities and payments made on a regular basis.

The group ensures that there are sufficient available credit facilities to be able to cover its short-term business needs, after the calculation of cash flows arising from the operation as well as cash and cash equivalents which are held.

Exchange rate risk

The group operates at an international level and is therefore exposed to exchange rate risk that arises. Such risk primarily stems from commercial transactions in foreign currency. For the management of such risk, the group both buys and sells in foreign currencies and maintains foreign currency bank accounts.

Interest rate risk

The group's assets that are exposed to interest rate fluctuation primarily concern cash and cash equivalents. The group's policy is to invest its cash in floated interest rates so as to maintain the necessary liquidity while achieving satisfactory return for its shareholders.

Price

The majority of the group's business is conducted via fixed price contracts. The group undertakes diligence on its customers and where appropriate requires funds to be held on deposit or in escrow,

**Report of the Directors
for the year ended 31 December 2017**

Statement of directors' responsibilities

The directors are responsible for preparing the Group 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group'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 group's auditors are aware of that information.

Auditors

The auditors, Haines Watts Manchester Limited, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:



.....
E Pliakos - Director

Date: 02/01/2019
.....

Report of the Independent Auditors to the Members of EGN Projects Limited

Opinion

We have audited the financial statements of EGN Projects Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated 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 group's and of the parent company affairs as at 31 December 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Group 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group 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 EGN Projects Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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.

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.

Other matter

In the previous accounting period the directors took advantage of s399 of the Companies Act and did not prepare consolidated financial statements. As a result not all the subsidiary comparative information that has been consolidated has been subject to audit, but we are not aware of any material misstatements therein.

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.

Mc Watts

Antony Sassen FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts Manchester Limited, Statutory Auditor
Northern Assurance Buildings
9-21 Princess Street
Manchester
M2 4DN

Date: 3/1/15

EGN PROJECTS LIMITED (REGISTERED NUMBER: 08559513)

**Consolidated Statement of Comprehensive Income
for the year ended 31 December 2017**

	Notes	2017 £	2016 £
Turnover	4	6,910,846	5,958,428
Cost of sales		<u>(5,961,573)</u>	<u>(5,025,369)</u>
Gross profit		949,273	933,059
Administrative expenses		<u>(876,407)</u>	<u>(1,087,196)</u>
		72,866	(154,137)
Other operating income		<u>192,460</u>	<u>282,379</u>
Operating profit	6	265,326	128,242
Income from interest in associated undertakings		750,064	2,056,604
Interest receivable and similar income		<u>9,317</u>	<u>10</u>
		1,024,707	2,184,856
Interest payable and similar expenses	7	<u>(1,589)</u>	<u>310</u>
Profit before taxation		1,023,118	2,185,166
Tax on profit	8	<u>(74,488)</u>	<u>(21,041)</u>
Profit for the financial year		948,630	2,164,125
Other comprehensive income			
Exchange differences		76,274	530,847
Income tax relating to other comprehensive income		<u>-</u>	<u>-</u>
Other comprehensive income For the year, net of income tax		76,274	530,847
Total comprehensive income for the year		<u><u>1,024,904</u></u>	<u><u>2,694,972</u></u>
Profit attributable to: Owners of the parent		<u><u>948,630</u></u>	<u><u>2,164,125</u></u>
Total comprehensive income attributable to: Owners of the parent		<u><u>1,024,904</u></u>	<u><u>2,694,972</u></u>

The notes form part of these financial statements

Consolidated Balance Sheet
31 December 2017

	Notes	£	2017 £	£	2016 £
Fixed assets					
Intangible assets	10		652		2,031
Tangible assets	11		370,400		427,052
Investments	12				
Interest in associate			3,237,718		2,471,749
			<u>3,608,770</u>		<u>2,900,832</u>
Current assets					
Stocks	13	383,681		264,867	
Debtors: amounts falling due within one year	14	6,898,375		6,278,891	
Debtors: amounts falling due after more than one year	14	519,354		490,649	
Cash at bank and in hand		1,696,828		1,548,101	
			<u>9,498,238</u>	<u>8,582,508</u>	
Creditors					
Amounts falling due within one year	15	5,919,726		5,322,002	
Net current assets			<u>3,578,512</u>		<u>3,260,506</u>
Total assets less current liabilities			<u>7,187,282</u>		<u>6,161,338</u>
Creditors					
Amounts falling due after more than one year	16		1,040		-
Net assets			<u><u>7,186,242</u></u>		<u><u>6,161,338</u></u>
Capital and reserves					
Called up share capital	18		1,000		1,000
Other reserves	19		1,341		-
Translation reserve	19		679,695		603,421
Retained earnings	19		6,504,206		5,556,917
Shareholders' funds			<u><u>7,186,242</u></u>		<u><u>6,161,338</u></u>

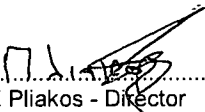
The financial statements were approved by the Board of Directors on 02/01/2019 and were signed on its behalf by:


 E Pliakos - Director

Company Balance Sheet
31 December 2017

	Notes	£	2017 £	£	2016 £
Fixed assets					
Intangible assets	10		-		-
Tangible assets	11		4,270		6,946
Investments	12		28,255		28,255
			<u>32,525</u>		<u>35,201</u>
Current assets					
Debtors: amounts falling due within one year	14	2,440,777		1,422,391	
Cash at bank		462,720		837,303	
		<u>2,903,497</u>		<u>2,259,694</u>	
Creditors					
Amounts falling due within one year	15	2,886,988		2,260,591	
Net current assets/(liabilities)			<u>16,509</u>		<u>(897)</u>
Total assets less current liabilities			<u>49,034</u>		<u>34,304</u>
Capital and reserves					
Called up share capital	18		1,000		1,000
Retained earnings	19		48,034		33,304
Shareholders' funds			<u>49,034</u>		<u>34,304</u>
Company's profit/(loss) for the financial year			<u>14,730</u>		<u>(116,368)</u>

The financial statements were approved by the Board of Directors on 02/01/2019 and were signed on its behalf by:


E Pliakos - Director

EGN PROJECTS LIMITED (REGISTERED NUMBER: 08559513)

**Consolidated Statement of Changes in Equity
for the year ended 31 December 2017**

	Called up share capital £	Retained earnings £	Other reserves £	Translation reserve £	Total equity £
Balance at 1 January 2016	1,000	3,392,792	-	72,574	3,466,366
Changes in equity					
Profit for the year	-	2,164,125	-	-	2,164,125
Other comprehensive income	-	-	-	530,847	530,847
Total comprehensive income	-	2,164,125	-	530,847	2,694,972
Balance at 31 December 2016	1,000	5,556,917	-	603,421	6,161,338
Changes in equity					
Profit for the year	-	948,630	-	-	948,630
Other comprehensive income	-	(1,341)	1,341	76,274	76,274
Total comprehensive income	-	947,289	1,341	76,274	1,024,904
Balance at 31 December 2017	1,000	6,504,206	1,341	679,695	7,186,242

The notes form part of these financial statements

EGN PROJECTS LIMITED (REGISTERED NUMBER: 08559513)

**Company Statement of Changes in Equity
for the year ended 31 December 2017**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016	1,000	149,672	150,672
Changes in equity			
Total comprehensive loss	-	(116,368)	(116,368)
Balance at 31 December 2016	<u>1,000</u>	<u>33,304</u>	<u>34,304</u>
Changes in equity			
Total comprehensive income	-	14,730	14,730
Balance at 31 December 2017	<u><u>1,000</u></u>	<u><u>48,034</u></u>	<u><u>49,034</u></u>

The notes form part of these financial statements

EGN PROJECTS LIMITED (REGISTERED NUMBER: 08559513)

**Consolidated Cash Flow Statement
for the year ended 31 December 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	504,205	(770,334)
Interest paid		(1,589)	310
Tax paid		(61,864)	(55,766)
Net cash from operating activities		<u>440,752</u>	<u>(825,790)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(730)	(738)
Purchase of tangible fixed assets		(46,309)	(97,323)
Sale of tangible fixed assets		-	326
Interest received		9,317	10
Net cash from investing activities		<u>(37,722)</u>	<u>(97,725)</u>
Cash flows from financing activities			
New loans in year		-	245,097
Loan repayments in year		(254,303)	-
Net cash from financing activities		<u>(254,303)</u>	<u>245,097</u>
Increase/(decrease) in cash and cash equivalents		<u>148,727</u>	<u>(678,418)</u>
Cash and cash equivalents at beginning of year	2	<u>1,548,101</u>	<u>2,226,519</u>
Cash and cash equivalents at end of year	2	<u><u>1,696,828</u></u>	<u><u>1,548,101</u></u>

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement
for the year ended 31 December 2017**

1. Reconciliation of profit before taxation to cash generated from operations

	2017	2016
	£	£
Profit before taxation	1,023,118	2,185,166
Depreciation charges	135,417	114,457
Foreign currency translation differences	(51,005)	430,668
Finance costs	1,589	(310)
Finance income	(759,381)	(2,056,614)
	<u>349,738</u>	<u>673,367</u>
Increase in stocks	(118,814)	(53,780)
Increase in trade and other debtors	(607,435)	(866,560)
Increase/(decrease) in trade and other creditors	<u>880,716</u>	<u>(523,361)</u>
Cash generated from operations	<u><u>504,205</u></u>	<u><u>(770,334)</u></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 31 December 2017

	31/12/17	1/1/17
	£	£
Cash and cash equivalents	<u>1,696,828</u>	<u>1,548,101</u>

Year ended 31 December 2016

	31/12/16	1/1/16
	£	£
Cash and cash equivalents	1,548,101	2,226,703
Bank overdrafts	-	(184)
	<u>1,548,101</u>	<u>2,226,519</u>

3. Analysis of changes in net funds

	At 1/1/17	Cash flow	At 31/12/17
	£	£	£
Net cash:			
Cash at bank and in hand	<u>1,548,101</u>	<u>148,727</u>	<u>1,696,828</u>
	<u>1,548,101</u>	<u>148,727</u>	<u>1,696,828</u>
Debt:			
Debts falling due within 1 year	<u>(254,303)</u>	<u>254,303</u>	<u>-</u>
	<u>(254,303)</u>	<u>254,303</u>	<u>-</u>
Total	<u><u>1,293,798</u></u>	<u><u>403,030</u></u>	<u><u>1,696,828</u></u>

**Notes to the Consolidated Financial Statements
for the year ended 31 December 2017**

1. Statutory information

EGN Projects Limited 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 General Information page.

2. Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. Accounting policies

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and its subsidiary undertaking together with the Group's share of the results of associates made up to 31 December 2017.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Group holds long term interest and where the Group has significant influence. The Group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of associates are accounted for using the equity method of accounting.

Any subsidiary undertakings sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the Group's interest in the entity.

Investments - company

Investment in subsidiaries and associates are stated at cost less impairment.

Significant judgements and estimates

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the costs of delivering a contract. The amount of contract revenue recognised is directly proportionate to the percentage of budgeted costs incurred. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and any adjustments are recognised in the period in which the budgets are revised.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue in respect of construction contracts is recognised on the basis of work completed.

The company invoices its customers on the basis of stage payments as set out in individual contracts. As a result accrued and deferred income (being the difference between revenue recognised in the accounts and invoices issued), is recognised on the balance sheet as amounts recoverable or payable by the company in respect of construction contracts.

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2017**

3. Accounting policies - continued

Tangible fixed assets

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

Fixtures and fittings	- 20% straight line
Motor vehicles	- 20% straight line
Computer equipment	- 33% straight line

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.

Financial instruments

The company and group have chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

There are no assets which are initially measured at fair value.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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.

Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2017

3. Accounting policies - continued

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

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

4. Turnover

The turnover and profit before taxation are attributable to the one principal activity of the group.

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

	2017	2016
	£	£
Sale of goods	142,815	106,751
Product sales	26,039	23,775
Sale of other inventories	22,665	38,142
Revenue from services	6,719,327	5,789,760
	<u>6,910,846</u>	<u>5,958,428</u>

An analysis of turnover by geographical market is given below:

	2017	2016
	£	£
United Kingdom	942,535	901,354
Rest of World	5,968,311	5,057,074
	<u>6,910,846</u>	<u>5,958,428</u>

5. Employees and directors

	2017	2016
	£	£
Wages and salaries	224,382	177,102
Social security costs	6,356	5,322
Other pension costs	-	990
	<u>230,738</u>	<u>183,414</u>

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

	2017	2016
Other	<u>86</u>	<u>106</u>

EGN PROJECTS LIMITED (REGISTERED NUMBER: 08559513)

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2017**

5. Employees and directors - continued

The average number of employees by undertakings that were proportionately consolidated during the year was 86 (2016 - 106).

	2017	2016
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

6. Operating profit

The operating profit is stated after charging:

	2017	2016
	£	£
Depreciation - owned assets	133,281	114,169
Computer software amortisation	2,136	90
Auditors' remuneration	16,250	8,000
Foreign exchange differences	<u>144,621</u>	<u>302,584</u>

7. Interest payable and similar expenses

	2017	2016
	£	£
Bank loan interest	1,606	-
Financial Income	<u>(17)</u>	<u>(310)</u>
	<u>1,589</u>	<u>(310)</u>

8. Taxation

Analysis of the tax charge

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

	2017	2016
	£	£
Current tax:		
UK corporation tax	(8,116)	(26,200)
Foreign tax charges	<u>82,604</u>	<u>47,241</u>
	<u>74,488</u>	<u>21,041</u>
Tax on profit		

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**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2017**

8. 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:

	2017 £	2016 £
Profit before tax	<u>1,023,118</u>	<u>2,185,166</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.247% (2016 - 20%)	196,920	437,033
Effects of:		
Income not taxable for tax purposes	(144,365)	(411,321)
Adjustments to tax charge in respect of previous periods	(8,116)	(26,200)
Adjustment to tax in respect of foreign tax charges	<u>30,049</u>	<u>21,529</u>
Total tax charge	<u>74,488</u>	<u>21,041</u>

Tax effects relating to effects of other comprehensive income

	Gross £	Tax £	2017 Net £
Exchange differences	<u>76,274</u>	<u>-</u>	<u>76,274</u>
	Gross £	Tax £	2016 Net £
Exchange differences	<u>530,847</u>	<u>-</u>	<u>530,847</u>

9. Individual statement of comprehensive income

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

EGN PROJECTS LIMITED (REGISTERED NUMBER: 08559513)

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2017**

10. Intangible fixed assets

Group

	Computer software £
Cost	
At 1 January 2017	3,550
Additions	730
Exchange differences	27
At 31 December 2017	<u>4,307</u>
Amortisation	
At 1 January 2017	1,519
Amortisation for year	2,136
At 31 December 2017	<u>3,655</u>
Net book value	
At 31 December 2017	<u>652</u>
At 31 December 2016	<u>2,031</u>

11. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £
Cost			
At 1 January 2017	237,400	3,577	84,617
Additions	-	-	1,597
Exchange differences	6,113	142	302
At 31 December 2017	<u>243,513</u>	<u>3,719</u>	<u>86,516</u>
Depreciation			
At 1 January 2017	58,013	1,256	77,072
Charge for year	31,704	735	5,401
Eliminated on disposal	-	-	-
At 31 December 2017	<u>89,717</u>	<u>1,991</u>	<u>82,473</u>
Net book value			
At 31 December 2017	<u>153,796</u>	<u>1,728</u>	<u>4,043</u>
At 31 December 2016	<u>179,387</u>	<u>2,321</u>	<u>7,545</u>

EGN PROJECTS LIMITED (REGISTERED NUMBER: 08559513)

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2017**

11. Tangible fixed assets - continued

Group

	Motor vehicles £	Computer equipment £	Totals £
Cost			
At 1 January 2017	676,917	5,426	1,007,937
Additions	44,712	-	46,309
Disposals	(85,381)	-	(85,381)
Exchange differences	23,763	-	30,320
At 31 December 2017	<u>660,011</u>	<u>5,426</u>	<u>999,185</u>
Depreciation			
At 1 January 2017	438,847	5,697	580,885
Charge for year	95,441	-	133,281
Eliminated on disposal	(85,381)	-	(85,381)
At 31 December 2017	<u>448,907</u>	<u>5,697</u>	<u>628,785</u>
Net book value			
At 31 December 2017	<u>211,104</u>	<u>(271)</u>	<u>370,400</u>
At 31 December 2016	<u>238,070</u>	<u>(271)</u>	<u>427,052</u>

Company

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Cost				
At 1 January 2017 and 31 December 2017	<u>6,193</u>	<u>3,000</u>	<u>5,426</u>	<u>14,619</u>
Depreciation				
At 1 January 2017	811	1,165	5,697	7,673
Charge for year	<u>2,076</u>	<u>600</u>	<u>-</u>	<u>2,676</u>
At 31 December 2017	<u>2,887</u>	<u>1,765</u>	<u>5,697</u>	<u>10,349</u>
Net book value				
At 31 December 2017	<u>3,306</u>	<u>1,235</u>	<u>(271)</u>	<u>4,270</u>
At 31 December 2016	<u>5,382</u>	<u>1,835</u>	<u>(271)</u>	<u>6,946</u>

EGN PROJECTS LIMITED (REGISTERED NUMBER: 08559513)

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2017**

12. Fixed asset investments

Group

	Interest in associate £
Cost	
At 1 January 2017	2,471,749
Share of profit/(loss)	750,064
Exchange differences	15,905
At 31 December 2017	<u>3,237,718</u>
Net book value	
At 31 December 2017	<u>3,237,718</u>
At 31 December 2016	<u>2,471,749</u>

Company

	Shares in group undertakings £	Interest in associate £	Totals £
Cost			
At 1 January 2017 and 31 December 2017	<u>27,897</u>	<u>358</u>	<u>28,255</u>
Net book value			
At 31 December 2017	<u>27,897</u>	<u>358</u>	<u>28,255</u>
At 31 December 2016	<u>27,897</u>	<u>358</u>	<u>28,255</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

EGNATIA MK DOOEL

Registered office: Jane Sandanski 24/25, 1000 Skopje, Macedonia
Nature of business: Energy and infrastructure projects

Class of shares:	%
Ordinary	holding 100.00

EGNATIA BULGARIA EOOD

Registered office: 128, Simeonovsko shousse Str., 1700 Sofia, Bulgaria
Nature of business: Energy and infrastructure projects

Class of shares:	%
Ordinary	holding 100.00

EGNATIA ROM SRL

Registered office: Strada Sfanta Maria, Nr. 65, Bucharest
Nature of business: Energy and infrastructure projects

Class of shares:	%
Ordinary	holding 100.00

All subsidiaries above are held by EGN Projects Limited and are included in these consolidated financial statements.

EGN PROJECTS LIMITED (REGISTERED NUMBER: 08559513)

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2017

12. Fixed asset investments - continued

Egnatia Serbia

Registered office: 128, Simeonovsko shousse Str., 1700 Sofia, Bulgaria

Nature of business: Energy and infrastructure projects

Class of shares:	%
Ordinary	holding 100.00

Egnatia Serbia is a 100% subsidiary of EGNATIA BULGARIA EOOD.

Associated company

METKA-EGN LIMITED

Registered office: 31, Evagorou Str., Evagoras Building, Nicosia, Cyprus

Nature of business: Construction of solar farms

Class of shares:	%
Ordinary	holding 49.90

	2017	2016
	£	£
Aggregate capital and reserves	6,375,505	4,890,933
Profit for the year	1,446,921	4,057,505

13. Stocks

	Group	
	2017	2016
	£	£
Raw materials	155,638	140,108
Work-in-progress	160,967	-
Finished goods	67,076	124,759
	383,681	264,867

14. Debtors

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	5,160,389	5,321,011	1,326,052	914,531
Provision for bad debts	(20,781)	-	-	-
Amounts owed by associates	977,230	418,118	977,230	418,118
Other debtors	501,269	440,202	7,616	69,060
Prepayments and accrued income	280,268	99,560	129,879	20,682
	6,898,375	6,278,891	2,440,777	1,422,391

EGN PROJECTS LIMITED (REGISTERED NUMBER: 08559513)

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2017**

14. Debtors - continued

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Amounts falling due after more than one year:				
Amounts recoverable on contract	45,160	36,729	-	-
Other debtors	452,968	435,280	-	-
Deferred tax	21,226	18,640	-	-
	<u>519,354</u>	<u>490,649</u>	<u>-</u>	<u>-</u>
 Aggregate amounts	 <u>7,417,729</u>	 <u>6,769,540</u>	 <u>2,440,777</u>	 <u>1,422,391</u>

Financial assets measured at amortised cost include trade and other debtors.

15. Creditors: amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Other loans (see note 17)	-	254,303	-	-
Trade creditors	1,570,391	1,089,917	2,294,177	1,987,649
Corporation tax	224,120	250,729	-	-
VAT	13,000	33,133	13,000	33,133
Other creditors	3,922,120	3,681,870	389,716	231,809
Credit cards	-	2,959	-	-
Accruals and deferred income	190,095	9,091	190,095	8,000
	<u>5,919,726</u>	<u>5,322,002</u>	<u>2,886,988</u>	<u>2,260,591</u>

Financial liabilities measured at amortised cost include trade and other creditors.

16. Creditors: amounts falling due after more than one year

	Group	
	2017	2016
	£	£
Other creditors	<u>1,040</u>	<u>-</u>

17. Loans

An analysis of the maturity of loans is given below:

	Group	
	2017	2016
	£	£
Amounts falling due within one year or on demand:		
Other loans	<u>-</u>	<u>254,303</u>

EGN PROJECTS LIMITED (REGISTERED NUMBER: 08559513)

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2017**

18. Called up share capital

Allotted, issued and fully paid:		Nominal value:	2017 £	2016 £
Number:	Class:			
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

The total authorised share capital of the company is 1,000 x £1 Ordinary shares.

19. Reserves

Group	Retained earnings £	Other reserves £	Translation reserve £	Totals £
At 1 January 2017	5,556,917	-	603,421	6,160,338
Profit for the year	948,630	-	-	948,630
Exchange differences	-	-	76,274	76,274
Transfer	(1,341)	1,341	-	-
At 31 December 2017	<u>6,504,206</u>	<u>1,341</u>	<u>679,695</u>	<u>7,185,242</u>

Company	Retained earnings £
At 1 January 2017	33,304
Profit for the year	14,730
At 31 December 2017	<u>48,034</u>

20. Contingent liabilities

The group has given warranties in relation to certain projects it has undertaken, which are underwritten by bank guarantees. At the year end these amounted to £3,413,010 (2016 - £3,413,010).

21. Related party disclosures

Group

During the year the group made sales of £90,000 (2016 - £304,506) to companies under common control.

Included within trade and other debtors at 31 December 2017 is £1,610,289 (2016 - £1,305,551) which is due from companies under common control.

Included within trade and other creditors at 31 December 2017 is £4,744,344 (2016 - £4,434,937) which is due to companies under common control.

Company

Included within trade debtors at 31 December 2017 is £1,464,083 (2016 - £1,464,083) which is due from fellow group companies and £645,449 (2016 - £628,506) due from associate companies.

Included within trade creditors at 31 December 2017 is £601,034 (2016 - £413,894) due to associate companies.

22. Ultimate controlling party

The group is controlled by the Papapetrou family.