REGISTERED NUMBER: 09627590 (England and Wales)

Strategic Report, Report of the Directors and

Audited Financial Statements for the Year Ended 31 December 2019

for

Metka - EGN Limited

Contents of the Financial Statements
for the Year Ended 31 December 2019

Metka - EGN Limited

Company Information
for the Year Ended 31 December 2019

DIRECTORS:	E Pliakos N Papapetrou
REGISTERED OFFICE:	99 White Lion Street Islington London N1 9PF
REGISTERED NUMBER:	09627590 (England and Wales)
AUDITORS:	Haines Watts Manchester Limited, Statutory Auditor Northern Assurance Buildings 9/21 Princess Street Manchester M2 4DN

Strategic Report
for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

REVIEW OF BUSINESS
Metka EGN is both an EPC contractor and a renewable energy developer, drawing on the combined experience of both joint venture partners, Mytilineos Holdings S.A and EGN Projects Limited.

RESULTS AND PERFORMANCE
The company has been successfully securing and delivering solar and battery storage EPC projects for over 3 years. The company is also continuing to grow through applying its expertise to the acquisition and development of its own projects.

The results of the company show a profit before tax of £2.3m (2018: loss of £0.5m) and shareholders funds of £8m (2018: £6.2m). In the prior year, the company incurred significant costs in relation to acquiring a new pipeline of projects and developing new markets. These new projects have been realised in the current year, yielding significant revenues and driving a strong profit margin in the year.

BUSINESS ENVIRONMENT
Whilst government subsidies and Brexit have impacted the renewable industry in the UK, Metka-EGN and its subsidiary companies continue to exploit opportunities at home and overseas. Both the company and the group have a large portfolio of current and future EPC contracts along with a number of maintenance contracts for completed projects.
Furthermore, maintenance contracts in respect of completed projects continue to stretch into future years.

In March 2020, the World Health Organisation announced that the emergence of a Coronavirus (Covid-19) that was infecting humans globally was categorised as a pandemic. The safety of Metka-EGN and its subsidiaries employees and contractors is of the upmost importance at this time. Mytilineos, the parent company, has developed a task force to assess the ongoing developments and advise the group on how to best deal with situation in light of advice from health experts and governments. The pandemic is likely to impact the business operations of the company. Already, measures have been put in place to limit travel and promote at-home working practices. The ability of the company to continue developing EPC projects and obtaining necessary supplies from abroad will also be disrupted. The company and the group is continually assessing the impact of the pandemic on the progress of the projects under construction, cash flow forecasts and liquidity. Based upon current forecasts and reserves, the company remains in a strong position despite the ongoing pandemic and retains the continued financial support of its parent entity to cover any potential short term cash flow issues that may arise.

STRATEGY
In addition to EPC engagements, Metka-EGN and its subsidiaries continue to develop opportunities overseas, in countries including France, Kazakhstan, Greece, Chile, Mexico and Australia.

Furthermore, the company is strongly positioned in the battery storage industry, having successfully completed a number of installations in 2018 and 2019. It is expected that such projects will form a large part of the new business pipeline in the UK as competition in the solar market intensifies.

KEY PERFORMANCE INDICATORS
The board monitors the company's progress with reference to key performance indicators. The company has a gross profit margin of 13% (2018: 17%) and a net profit margin of 5% (2018: -2%). As at 31/12/19 the company had amounts recoverable on contracts of £11.2m (2018: £1.6m) and amounts invoiced in excess of contract progress of £0.5m (2018: £0.4m).

PRINCIPAL RISKS AND UNCERTAINTIES

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. Compliance with regulation, legal and ethical standards is a high priority for the directors and they take an important oversight role in this regard.

Prospects for 2020

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 generates significant added value.

We expect that the renewable energy market in the UK will be impacted by the continued lack of political support and by Brexit. The company is addressing these risks by diversifying both geographically and within the renewable market through new revenue streams such as development and battery storage. To manage the potential risk of Brexit related delays to the import of goods, the company now includes mitigating clauses in contracts to ensure that it is not liable for these costs or delays.

Financial risk management

The company's activities give rise to multiple financial risks, including the foreign exchange and interest rates related risks; credit risks; and liquidity risks. The essential risk management policies are determined by the group and applied by the group corporate treasury department.

Credit Risks

The company maintains strict credit controls over customer balance, ensuring that there is no concentration of credit risk outside of the limits deemed acceptable for each individual 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 company specifies certain limits to its exposure on each individual financial institution and only engages in transactions with creditworthy financial institutions of high credit rating.

The company 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 company'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. The company can rely on its parent company and other group companies for long-term liquidity.

Exchange Rate Risks

The company operates at an international level and is therefore exposed to exchange rate risk that arises mainly from the Euro and the US dollar. Such risk primarily stems from commercial transactions in foreign currency. For the management of such risk, the group to which the company belongs establishes financial derivative and non-derivative instruments with financial organizations to compensate for adverse movements in foreign exchange rates.

Interest Rate Risks

The company's assets that are exposed to interest rate fluctuation primarily concern cash and cash equivalents. The company'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 company's business is conducted via fixed-price contracts. The company undertakes diligence on its customers and where appropriate requires funds to be held on deposit or in escrow.

ON BEHALF OF THE BOARD:

E Pliakos - Director

2 September 2020

Report of the Directors
for the Year Ended 31 December 2019

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

DIVIDENDS
No dividends will be distributed for the year ended 31 December 2019.

DIRECTORS
E Pliakos has held office during the whole of the period from 1 January 2019 to the date of this report.

Other changes in directors holding office are as follows:

N Papapetrou was appointed as a director after 31 December 2019 but prior to the date of this report.

P J Smith ceased to be a director after 31 December 2019 but prior to the date of this report.

FINANCIAL INSTRUMENTS
Details of financial instruments can be found in the strategic report.

FUTURE DEVELOPMENTS
Details of future developments can be found in the strategic report.

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, 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

2 September 2020

Directors' Responsibilities Statement
for the Year Ended 31 December 2019

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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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;
- 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.

Report of the Independent Auditors to the Members of Metka - EGN Limited

Opinion

We have audited the financial statements of Metka - EGN Limited (the 'company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and 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 101 'Reduced Disclosure Framework' (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 31 December 2019 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

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 company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Directors' view on the impact of COVID-19 is disclosed in the accounting policies.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report, the Report of the Directors and the Directors' Responsibilities Statement, 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.

Report of the Independent Auditors to the Members of Metka - EGN Limited

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.

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 Directors' Responsibilities Statement set out on page six, 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.

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
Metka - EGN Limited

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.

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

4 September 2020

Metka - EGN Limited (Registered number: 09627590)

Statement of Comprehensive Income
for the Year Ended 31 December 2019

	Notes	31.12.19 £	31.12.18 £
TURNOVER	3	**46,991,591**	25,516,027
Cost of sales		**41,590,335**	21,473,653
GROSS PROFIT		**5,401,256**	4,042,374
Administrative expenses		**2,564,763**	3,870,437
		2,836,493	171,937
Other operating income		**107,721**	72,798
OPERATING PROFIT		**2,944,214**	244,735
Interest payable and similar expenses	5	**593,061**	774,795
PROFIT/(LOSS) BEFORE TAXATION	6	**2,351,153**	(530,060)
Tax on profit/(loss)	7	**448,867**	(102,736)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		**1,902,286**	(427,324)
OTHER COMPREHENSIVE INCOME			
Item that may be reclassified subsequently to profit or loss:			
IFRS16 Adjustment		**(4,572)**	-
Income tax relating to item that may be reclassified subsequently to profit or loss		**-**	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		**(4,572)**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,897,714**	(427,324)

The notes form part of these financial statements

Statement of Financial Position
31 December 2019

	Notes	31.12.19 £	31.12.19 £	31.12.18 £	31.12.18 £
FIXED ASSETS					
Owned					
Tangible assets	8		**17,752**		23,283
Right-of-use					
Tangible assets	8, 14		**168,500**		-
Investments	9		**34,999**		34,805
			221,251		58,088
CURRENT ASSETS					
Inventory	10	**462,236**		453,457	
Debtors	11	**43,004,209**		8,703,145	
Contract assets	3	**11,319,784**		1,566,095	
Cash at bank and in hand		**909,945**		1,933,231	
		55,696,174		12,655,928	
CREDITORS					
Amounts falling due within one year	12	**(47,204,894)**		(6,093,131)	
CONTRACT LIABILITIES					
Amounts falling due within one year	3	**(504,065)**		(425,203)	
NET CURRENT ASSETS			**7,987,215**		6,137,594
TOTAL ASSETS LESS CURRENT LIABILITIES			**8,208,466**		6,195,682
CREDITORS					
Amounts falling due after more than one year	13		**115,070**		-
NET ASSETS			**8,093,396**		6,195,682

The notes form part of these financial statements

continued...

Statement of Financial Position - continued
31 December 2019

	Notes	31.12.19 £	31.12.19 £	31.12.18 £	31.12.18 £
CAPITAL AND RESERVES					
Called up share capital	15		**1,000**		1,000
Retained earnings	16		**8,092,396**		6,194,682
SHAREHOLDERS' FUNDS			**8,093,396**		6,195,682

The financial statements were approved by the Board of Directors and authorised for issue on 2 September 2020 and were signed on its behalf by:

E Pliakos - Director

The notes form part of these financial statements

Statement of Changes in Equity
for the Year Ended 31 December 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	1,000	6,622,006	6,623,006
Changes in equity			
Total comprehensive income	-	(427,324)	(427,324)
Balance at 31 December 2018	1,000	6,194,682	6,195,682
Changes in equity			
Total comprehensive income	-	1,897,714	1,897,714
Balance at 31 December 2019	1,000	8,092,396	8,093,396

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2019

1. STATUTORY INFORMATION

Metka - EGN 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 Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The nature of the company's operations and its principal activities are set out in the business review on page 2.

The company has taken advantage of the exemption under s.400 of the Companies Act 2006 not to prepare consolidated financial statements because it is included in the financial statements of Mytilineos Holdings S.A. which are available at www.mytilineos.gr.

2. ACCOUNTING POLICIES

Basis of preparation
These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
  the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
  - paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10)(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

continued...

2. ACCOUNTING POLICIES - continued

Turnover
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. As required by IFRS 15, 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 EPC 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.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Fixtures and fittings: 5 years on a straight-line basis
Plant and machinery: 3 years on a straight-line basis
Motor Vehicles: 8 years on a straight-line basis
Right-of-use: Over the life of the lease

Tangible assets with finite useful lives are carried at cost less accumulated depreciation and accumulated impairment losses.

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

Taxation
Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position 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.

Leases
Leases are recognised as finance leases. The lease liability is initially recognised at the present value of the lease payments which have not yet been made and subsequently measured under the amortised cost method. The initial cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, lease payments made prior to the lease commencement date, initial direct costs and the estimated costs of removing or dismantling the underlying asset per the conditions of the contract.

Where ownership of the right-of-use asset transfers to the lessee at the end of the lease term, the right-of-use asset is depreciated over the asset's remaining useful life. If ownership of the right-of-use asset does not transfer to the lessee at the end of the lease term, depreciation is charged over the shorter of the useful life of the right-of-use asset and the lease term.

continued...

2. ACCOUNTING POLICIES - continued

Employee benefit costs
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Going concern
The directors have prepared forecasts of the Company's profitability and cash generation, taking into account the sensitivity of business performance to possible changes in market conditions and the potential impact of COVID-19. After reviewing the forecasts and making such other enquiries as they consider necessary, the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources, either from operations or through drawing on the ongoing financial support of the parent company, to continue in operational existence for the foreseeable future.

Critical accounting judgements and key sources of estimation uncertainty
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.

Amounts recoverable on contracts and amounts payable on contracts are disclosed at note 11 and note 12 respectively.

3. TURNOVER

The turnover and profit (2018 - loss) before taxation are attributable to the one principal activity of the company.

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

	31.12.19	31.12.18
	£	£
EPC Contracts	**45,603,626**	24,201,237
Maintenance contracts	**1,387,965**	1,314,790
	46,991,591	25,516,027

An analysis of turnover by geographical market is given below:

	31.12.19	31.12.18
	£	£
United Kingdom	**46,991,591**	25,516,027
	46,991,591	25,516,027

continued...

3. TURNOVER - continued

The company generates its turnover by undertaking engineering, procurement and construction contracts "EPC contracts". The nature of such contracts means that it is impossible to separate the provision of services from the sales of goods and equipment.

Revenue from contracts with customers
For the year ended 31 December 2019, the company's recognised revenue relating to customers contracts of £46,991,591 (2018: £25,516,027)

Contract balances

	31.12.19	31.12.18	1.1.18
	£	£	£
Contract assets			
Current			
Contract assets	**11,319,784**	1,566,095	6,612,085
	11,319,784	1,566,095	6,612,085
Contract liabilities			
Current			
Contract liabilities	**504,065**	425,203	434,551
	504,065	425,203	434,551

4. EMPLOYEES AND DIRECTORS

	31.12.19	31.12.18
	£	£
Wages and salaries	**1,354,338**	1,150,510
Social security costs	**139,030**	119,448
Other pension costs	**11,772**	49,793
	1,505,140	1,319,751

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

	31.12.19	31.12.18
Engineering and support staff	**22**	29

	31.12.19	31.12.18
	£	£
Directors' remuneration	**157,941**	101,719
Directors' pension contributions to money purchase schemes	**6,232**	-

continued...

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.19	31.12.18
	£	£
Connected party interest	130,076	108,400
IFRS 16 lease interest	8,035	-
Bonds	439,311	645,645
Bank charges	15,639	20,750
	593,061	774,795

6. PROFIT/(LOSS) BEFORE TAXATION

The profit before taxation (2018 - loss before taxation) is stated after charging/(crediting):

	31.12.19	31.12.18
	£	£
Cost of inventories recognised as expense	40,838,501	13,901,618
Other operating leases	56,649	171,082
Depreciation - owned assets	11,798	12,025
Depreciation - right-of-use assets	61,196	-
Auditors' remuneration	13,000	12,000
Audit-related assurance services	9,000	13,500
Foreign exchange differences	(55,332)	71,846
Group interest receivable	107,721	72,798

7. TAXATION

Analysis of tax expense/(income)

	31.12.19	31.12.18
	£	£
Current tax:		
Tax	448,867	(102,736)
Total tax expense/(income) in statement of comprehensive income	448,867	(102,736)

continued...

7. **TAXATION - continued**

Factors affecting the tax expense
The tax assessed for the year is higher (2018 - lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.19	31.12.18
	£	£
Profit/(loss) before income tax	2,351,153	(530,060)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	446,719	(100,711)
Effects of:		
Capital allowances in excess of depreciation	(1,229)	(690)
Disallowable expenses	3,377	-
Prior year adjustment	-	(1,335)
Tax expense/(income)	448,867	(102,736)

Tax effects relating to effects of other comprehensive income

		31.12.19	
	Gross	Tax	Net
	£	£	£
IFRS16 Adjustment	(4,572)	-	(4,572)

continued...

8. TANGIBLE FIXED ASSETS

	Right-of-use asset £	Office Equipment £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2019	-	10,735	2,000	35,550	48,285
Additions	229,696	-	-	6,267	235,963
At 31 December 2019	229,696	10,735	2,000	41,817	284,248
DEPRECIATION					
At 1 January 2019	-	3,127	2,000	19,875	25,002
Charge for year	61,196	2,146	-	9,652	72,994
At 31 December 2019	61,196	5,273	2,000	29,527	97,996
NET BOOK VALUE					
At 31 December 2019	168,500	5,462	-	12,290	186,252
At 31 December 2018	-	7,608	-	15,675	23,283

9. INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2019	34,805
Additions	194
At 31 December 2019	34,999
NET BOOK VALUE	
At 31 December 2019	34,999
At 31 December 2018	34,805

continued...

9. **INVESTMENTS - continued**

Metka-EGN Chile S.p.A. (Chile)

On 4/9/15 Metka-EGN Limited invested £6,536 in Metka-EGN Chile S.p.A (Chile).

Metka-EGN owns 7,000,000 x $1CLP ordinary shares in the company, which represents 100% of its share capital.

The registered office of the company is:
Av Nueva Tajamar 555 Piso 6
Las Condes
Santiago
76.513.469-2
Chile

The principal activity of the company is EPC within the solar energy industry.

Metka-EGN Mexico S. de R.R. de C.V.(Mexico)

On 28/4/17 Metka-EGN invested £204 in Metka-EGN Mexico S. de R.R. de C.V.(Mexico).

The registered office of the company is:

4338 Periferico Sur
Jardines del pedregal de san angel
04500
Ciuded de Mexico
Coyoacan
Mexico

Metka-EGN owns 4,999 x $1MXN ordinary shares in the company, which represents 99.8% of its share capital.

The principal activity of the company is EPC within the solar energy industry.

Metka-EGN K2 LLP (Kazakhstan)

On 11/9/17 Metka-EGN invested £18,985 in Metka-EGN K2 LLP (Kazakhstan).

The registered office of the company is:

House 50, Premises 129, Office 6
Post index 050042
Zhetysu-3 residential district
Almaty City
Auezovskiy region
Republic of Kazakhstan

Metka-EGN owns, which represents a 99.9% partnership interest

continued...

9. INVESTMENTS - continued

The principal activity of the partnership is EPC within the solar energy industry.

Metka-EGN (Japan)

On 11/6/18 Metka-EGN Limited invested £6,989 in Metka-EGN (Japan).

Metka-EGN owns 100 x JPY 10,100 ordinary shares in the company, which represents 100% of its share capital.

The registered office of the company is:
Matsunaga Building 4F, 2-1-17,
Hamamatsucho, Minato-ku,
105-0013
Tokyo

Metka-EGN owns, which represents a 100% partnership interest.

The principal activity of the company is EPC within the solar energy industry.

Metka-EGN (Uganda)

On 2/7/18 Metka-EGN Limited invested £2,091 in Metka-EGN (Japan).

Metka-EGN owns 100 x UGX 100,000 ordinary shares in the company, which represents 100% of its share capital.

The registered office of the company is:
10MW en Bufulubi,
Uganda

Metka-EGN owns, which represents a 100% partnership interest.

The principal activity of the company is EPC within the solar energy industry.

10. INVENTORY

	31.12.19	31.12.18
	£	£
Stocks	**462,236**	453,457

continued...

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19	31.12.18
	£	£
Trade debtors	42,085,778	3,645,925
Amounts owed by group undertakings	845,564	4,821,533
Amounts owed by associates	21,624	21,624
Prepayment	50,243	118,955
Tax	-	94,108
Called up share capital not paid	1,000	1,000
	43,004,209	8,703,145

No financial assets have been accounted for at fair value.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19	31.12.18
	£	£
Trade creditors	28,265,627	4,493,492
Amounts owed to group undertakings	10,657,184	-
Amounts owed to associates	569,438	569,438
Social security and other taxes	39,126	33,200
VAT	307,153	583,328
Other creditors	227,961	62,488
Accrued expenses	6,718,415	295,013
Lease liabilities	59,600	-
Goods received not invoiced	360,390	56,172
	47,204,894	6,093,131

No financial liabilities have been accounted for at fair value.

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

	31.12.19	31.12.18
	£	£
Lease Liabilities	115,070	-

continued...

14. LEASING

Right-of-use assets

Tangible fixed assets

	31.12.19	31.12.18
	£	£
COST		
Additions	**229,696**	-
DEPRECIATION		
Charge for year	**61,196**	-
NET BOOK VALUE	**168,500**	-

15. CALLED UP SHARE CAPITAL

Allotted and issued:

Number:	Class:	Nominal value:	31.12.19 £	31.12.18 £
1,000	Ordinary shares	1	**1,000**	1,000

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

16. RESERVES

	Retained earnings £
At 1 January 2019	**6,194,682**
Profit for the year	**1,902,286**
IFRS16 adjustment	**(4,572)**
At 31 December 2019	**8,092,396**

continued...

17. ULTIMATE PARENT COMPANY

Mytilineos Holdings S.A (incorporated in Greece) is regarded by the directors as being the company's ultimate parent company.

The directors consider Mytilineos Holdings S.A. to be the company's ultimate parent company by virtue of its indirect interest in 50.1% of the shares.

Mytilineos Holdings S.A is listed on the Athens Stock Exchange.

The registered address for Metka SA is:
5-7 Patroklou Str.
Maroussi
15125 Athens

The consolidated accounts for Mytilineos Holdings S.A are publicly available from http://www.mytilineos.gr.

18. CONTINGENT LIABILITIES

The company has contingent liabilities of £9,733,616 (2018: £21,536,739) in respect of bank guarantees issued to customers.

continued...

19. RELATED PARTY DISCLOSURES

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries.

Trading transactions entered into, and trading balances outstanding with other related parties, are as follows:

Year ended 31/12/19:

Related party	Sales to related party (£)	Purchase from related party(£)	Trading balances owed by related party(£)	Trading balances owed to related party (£)
Metka S.A. (parent company)	-	-	-	52,641
Metka - EGN CY (parent company)	1,983,844	361,809	2,002,545	361,809
EGN Projects Ltd (associated company)	161,797	154,875	1,005,796	636,649
Tegnatia Egnerji Ulerim (associated company)	-	5,740	-	5,740
EGN Studies (associated company)	-	-	-	208,206
Metka-EGN (Greece) (associated company)	59,246	-	59,246	-
Mytilineos Holdings S.A. (ultimate parent company)	-	686,361	-	1,178,973
Tegnatia Enerji A.S. (associated company)	-	-	127	-

continued...

Year ended 31/12/18:

Related party	Sales to related party (£)	Purchase from related party(£)	Trading balances owed by related party(£)	Trading balances owed to related party (£)
Metka S.A. (parent company)	-	130,700	-	186,763
Metka - EGN CY (parent company)	18,701	-	18,701	-
EGN Projects Ltd (associated company)	242,965	67,260	843,999	481,774
Tegnatia Egnerji Ulerim (associated company)	-	-	-	-
EGN Studies (associated company)	-	-	-	221,739
Metka-EGN (Greece) (associated company)	-	-	63,907	-
Mytilineos Holdings S.A. (ultimate parent company)	-	324,750	-	669,186
Tegnatia Enerji A.S. (associated company)	-	-	-	135

The company also has non-trading debtor and creditor balances with related parties as follows:

Year ended 31/12/19:

Related party	Non-trading balances owed by related party(£ <1 year)	Non-trading balances owed to related party (£ <1 year)
Metka S.A. (ultimate controlling company)	-	98,355
Metka - EGN CY (parent company)	-	9,485,557
EGN Projects Ltd (associated company)	-	531,570
Metka - EGN Chile SPA (associated company)	3,708	-
Metka - EGN USA LLC (associated company	565,172	-
Paraskevi Papapetrou & Co (associated company)	709	-
Metka-EGN Mexico (associated company)	52,550	-
Metka-EGN Kazakhstan (associated company)	144,102	-
Metka-EGN GR (associated company)	122,130	-
Metka EGN Spain (associated company)	-	1,418,536
Metka EGN Uganda (associated company)	7,472	-
Metka-EGN FR (associated company)	1,457	-
Metka-EGN Japan (associated company)	36,974	-

continued...

Year ended 31/12/18:

Related party	Non-trading balances owed by related party(£ <1 year)	Non-trading balances owed to related party (£ <1 year)
Metka S.A. (ultimate controlling company)	-	98,355
Metka - EGN CY (parent company)	3,575,536	-
EGN Projects Ltd (associated company)	-	471,083
Metka - EGN Chile SPA (associated company)	252,984	-
Metka - EGN USA LLC (associated company)	503,181	-
Tegnatia Egnerji Ulerim (associated company)	-	-
Paraskevi Papapetrou & Co (associated company)	21,624	-
Metka-EGN Mexico (associated company)	17,892	-
Metka-EGN Kazakhstan (associated company)	137,237	-
Metka-EGN GR (associated company)	115,418	-
Metka EGN Spain (associated company)	219,285	

In addition to the disclosures made above, during the year ended 2019 the company incurred finance costs of £126,370 (2018: £77,323) in respect of transactions with group/associated companies and received finance income of £104,242 (2018: £14,082) from group/associated companies. As at 31 December 2018 the company owed £977,593 (2018: £706,800) to group companies in respect of guarantee bonds.