

Financial Statements

Obelisk Power Systems UK Limited

For the period 6 April 2016 (date of incorporation) to 31 December 2016

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COMPANIES HOUSE

Company Information

Directors	Alan Ryan (appointed 6 April 2016) Declan O'Neill (appointed 6 April 2016) Padraig Plunkett (appointed 6 April 2016) John Byrne (appointed 2 September 2016)
Company secretary	Roger Geraghty
Registered number	10105921
Registered office	Oriel Chambers Suite 31 14-16 Water Street Liverpool United Kingdom L2 8TD
Independent auditors	Grant Thornton Chartered Accountants & Statutory Audit Firm Molyneux House Bride Street Dublin 8
Bankers	First Trust 1 Bridge Street Banbridge Co. Down BT32 3JL
Solicitors	Byrne Wallace 88 Harcourt Street Dublin 2

Obelisk Power Systems UK Limited

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Independent auditors' report to the members of Obelisk Power Systems UK Limited

We have audited the financial statements of Obelisk Power Systems UK Limited for the period ended 31 December 2016, which comprise the Statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 101 'Reduced Disclosure Framework'.

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

Respective responsibilities of Directors and the Auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2016 and of its loss for the period 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.



Independent auditors' report to the members of Obelisk Power Systems UK Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.

Molyneux House
Bride Street
Dublin 8

27 March 2017

A handwritten signature in black ink, appearing to read 'Colin Feely'.

Colin Feely, FCA (Senior statutory auditor)
for and on behalf of
Grant Thornton
Chartered Accountants
& Statutory Audit Firm

Obelisk Power Systems UK Limited
Registered number:10105921

Statement of financial position

As at 31 December 2016

	Note	2016 £	2016 £
Fixed assets			
Tangible assets	5		185,122
			<u>185,122</u>
Current assets			
Stocks	6	1,136,313	
Debtors: amounts falling due within one year	7	1,092,450	
Cash at bank and in hand	8	109,056	
		<u>2,337,819</u>	
Creditors: amounts falling due within one year	9	(2,544,285)	
Net current (liabilities)			<u>(206,466)</u>
Creditors: amounts falling due after more than one year	10		(65,534)
Net (liabilities)			<u>(86,878)</u>
Capital and reserves			
Called up share capital	11		100
Profit and loss account			(86,978)
Shareholder's deficit			<u>(86,878)</u>

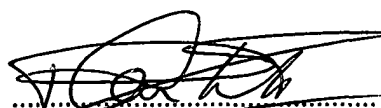
The company's financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime.

The directors have taken advantage of the exemption contained in section 444(1) of the Companies Act 2006 from filing the directors' report and the profit & loss account.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


Declan O'Neill

Director


Padraig Plunkett

Director

Date: 27 March 2017

The notes on pages 4 to 13 form part of these financial statements.

Notes to the financial statements

For the period ended 31 December 2016

1. General information

Obelisk Power Systems UK Limited is a company limited by shares, incorporated in England and Wales with a registered office at Oriel Chambers Suite 31, 14-16 Water Street, Liverpool, United Kingdom, L2 8TD.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 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, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

2.3 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
 - it is probable that the company will receive the consideration due under the contract;
 - the stage of completion of the contract at the end of the reporting period can be measured reliably;
- and
- the costs incurred and the costs to complete the contract can be measured reliably.

Turnover represents the total invoice value, excluding Value Added Tax, of sales made during the year. It includes provision for contracts in progress at the year end. Profit is recognised on contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss, turnover and related costs as contract activity advances.

Notes to the financial statements

For the period ended 31 December 2016

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- 20%
Fixtures and fittings	- 15%
Computer equipment	- 15%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.5 Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Costs of long term contracts include direct costs and attributable profits. A provision is made in full for any foreseeable losses.

Long term contracts are assessed on a contract by contract basis and reflected in the income statement by recording turnover and related costs as contract and activity progresses. No profit is recognised until the outcome of a long term contract can be assessed with reasonable certainty. Work in progress represents costs incurred net of amounts transferred to costs of sales, less foreseeable losses and applicable payments on account not matched with turnover.

Costs incurred associated with ongoing tender applications are included in work in progress at the balance sheet date until such time as the outcome of these tenders is certain. Successful tender application costs are then carried in work in progress as a contract cost. Unsuccessful tender costs are expensed in full.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit and loss.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Notes to the financial statements

For the period ended 31 December 2016

2. Accounting policies (continued)

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of comprehensive income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of financial position.

Notes to the financial statements

For the period ended 31 December 2016

2. Accounting policies (continued)

2.9 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.10 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.11 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Notes to the financial statements

For the period ended 31 December 2016

2. Accounting policies (continued)

2.13 Taxation

Tax is recognised in the Statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

2.14 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

Notes to the financial statements

For the period ended 31 December 2016

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and assumptions

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date, have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year

Useful life of depreciable assets

Tangible fixed assets, other than investments properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Stock and work in progress

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Construction contract revenue

Recognised amounts of construction contract revenues and related receivables reflect management best estimate of each contract outcome and stage of completion. This includes the assessment of the profitability of on-going construction contracts and the order backlog. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation uncertainty. Recognising construction contract revenue requires significant judgement in determining milestones, actual work performed and the estimated costs to complete work.

Notes to the financial statements

For the period ended 31 December 2016

4. Employees

Staff costs were as follows:

	Period ended 31 December 2016 £
Wages and salaries	165,288
Social security costs	18,883
Cost of defined contribution scheme	5,853
	<u>190,024</u>

The average monthly number of employees, including the directors, during the period was as follows:

	Period ended 31 December 2016 No.
Power department	<u>5</u>

5. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
Additions	126,896	4,318	67,333	198,547
At 31 December 2016	<u>126,896</u>	<u>4,318</u>	<u>67,333</u>	<u>198,547</u>
Depreciation				
Charge owned for the period	8,460	216	4,749	13,425
At 31 December 2016	<u>8,460</u>	<u>216</u>	<u>4,749</u>	<u>13,425</u>
Net book value				
At 31 December 2016	<u>118,436</u>	<u>4,102</u>	<u>62,584</u>	<u>185,122</u>

Notes to the financial statements

For the period ended 31 December 2016

6. Stocks

	2016 £
Work in progress	1,136,313
	<u>1,136,313</u>

Stock recognised in cost of sales during the year as an expense was £994,790.

An impairment loss of £Nil was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

7. Debtors

	2016 £
Trade debtors	553,210
Amounts owed by group undertakings	231,943
VAT repayable	101,304
Prepayments	5,514
Accrued income	200,479
	<u>1,092,450</u>

An impairment loss of £Nil was recognised against trade debtors.

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

8. Cash and cash equivalents

	2016 £
Cash at bank and in hand	109,056
	<u>109,056</u>

Notes to the financial statements

For the period ended 31 December 2016

9. Creditors: Amounts falling due within one year

	2016 £
Trade creditors	134,653
Amounts owed to group undertakings	1,773,604
Taxation and social security	9,342
Obligations under finance lease	25,714
Other creditors	19,746
Accruals	581,226
	<u>2,544,285</u>

Trade and other creditors are payable at various dates in the next three months in accordance with the suppliers' usual and customary credit terms.

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

The terms of the accruals are based on the underlying contracts.

10. Creditors: Amounts falling due after more than one year

	2016 £
Net obligations under finance leases	65,534
	<u>65,534</u>

11. Share capital

	2016 £
Shares classified as equity	
Allotted, called up and fully paid	
100 Ordinary shares of £1 each	<u>100</u>

Notes to the financial statements

For the period ended 31 December 2016

12. Ultimate parent and controlling party

The immediate parent company is Obelisk Power Systems Limited a company registered and incorporated in Ireland, with a registered office address at 13/301 Northwest Business Park, Ballycoolin, Dublin 15..

The ultimate parent company is Obelisk International Group Holdings Limited, a company registered and incorporated in Ireland, with a registered office address at Enterprise Centre, Dublin Road, Co. Cavan.