



Financial Statements

Obelisk Power Systems UK Limited

For the financial year ended 31 December 2017



Registered number: 10105921

Obelisk Power Systems UK Limited

Company Information

Directors	Alan Ryan Declan O'Neill Padraig Plunkett (resigned 13 April 2018) John Byrne Stephen Christopher Marshall (appointed 22 May 2017, resigned 11 July 2018)
Company secretary	Roger Geraghty
Registered number	10105921
Registered office	2nd Floor, 225/226 Station House Stamford New Road Altrincham Cheshire United Kingdom WA14 1EP
Independent auditors	Grant Thornton Chartered Accountants & Statutory Auditors 13-18 City Quay Dublin 2
Bankers	First Trust 1 Bridge Street Banbridge Co. Down BT32 3JL
Solicitors	Byrne Wallace 88 Harcourt Street Dublin 2

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Directors' report

For the financial year ended 31 December 2017

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

Principal activity

The principal activity of the company is construction of substations.

Directors

The directors who served during the financial year were:

Alan Ryan
Declan O'Neill
Padraig Plunkett (resigned 13 April 2018)
John Byrne
Stephen Christopher Marshall (appointed 22 May 2017, resigned 11 July 2018)

Statement on relevant audit information

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Grant Thornton, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

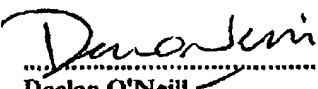
Material uncertainty related to going concern

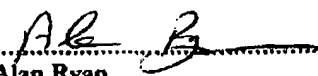
The company incurred a loss of £569,787 (2016: loss of £698,616) for the year ended 31 December 2017 and had a deficit in shareholders' funds of £1,268,303 (2016: £698,516) as at that date. In addition there are certain material uncertainties for the Company, which are significant for its future trading prospects and which may cast significant doubt over the company's ability to continue as a going concern. The directors have reviewed current budgets to assess the company's ability to meet its obligations for the foreseeable future and have put in place a formal financial management plan. The directors have scaled back the company's activities such that no new contracts will be sought for the foreseeable future. The directors are actively implementing the measures taken and will continue to review the progress of the company awaiting the outcome of the material uncertainties.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 5 February 2019 and signed on its behalf.


Declan O'Neill
Director


Alan Ryan
Director

Directors' responsibilities statement

For the financial year ended 31 December 2017

The directors are responsible for preparing the Directors' report 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to 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.



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

Opinion

We have audited the financial statements of Obelisk Power Systems UK Limited, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity for the financial year ended 31 December 2017, and the related 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'.

In our opinion, Obelisk Power Systems UK Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial position of the company as at 31 December 2017 and of its financial performance for the financial year then ended; 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') and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor 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 United Kingdom, namely FRC's Ethical Standard concerning the integrity, objectivity and independence of the auditor. We have fulfilled our 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.

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which indicates that the company incurred a loss of £569,787 (2016: loss of £698,616) for the year ended 31 December 2017 and had a deficit in shareholders' funds of £1,268,303 (2016: £698,516) as at that date. As stated in note 2.3, these conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon, including the Directors' report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the 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

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

inconsistencies in the financial statements, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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' exemptions from the requirement to prepare a strategic report or in preparing the Directors' report.

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Directors' Responsibilities Statement, Management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS101 and for such internal control as the directors determine is 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, management is 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 management either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

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

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor 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 an Auditors' report 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.

As part of an audit in accordance with ISAs (UK), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. They will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The auditor shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.



Grant Thornton

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

The purpose of our audit work and to whom we owe our responsibilities

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 auditor's 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.


Dan Holland, (FCA)

for and on behalf of
Grant Thornton

Chartered Accountants
Statutory Auditors

Dublin 2

5 February 2019

Statement of comprehensive income

For the financial year ended 31 December 2017

	12 months period ended 31 December 2017	As restated 9 months period ended 31 December 2016
Note		£
Turnover	7,609,355	1,481,559
Cost of sales	(7,330,076)	(1,861,281)
Gross profit/(loss)	279,279	(379,722)
Administrative expenses	(788,735)	(318,213)
Exceptional administrative expenses	8 (58,288)	-
Operating loss	4 (567,744)	(697,935)
Interest payable and expenses	6 (2,043)	(681)
Loss before tax	(569,787)	(698,616)
Loss for the financial year/period	(569,787)	(698,616)

All amounts relate to discontinued operations.

There was no other comprehensive income for 2017 (2016: NIL).

The notes on pages 10 to 23 form part of these financial statements.

Obelisk Power Systems UK Limited
Registered number:10105921

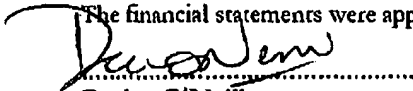
Statement of financial position

As at 31 December 2017

	Note	2017 £	As restated 2016 £
Fixed assets			
Tangible assets	9	165,473	185,122
Current assets			
Stocks	10	917,630	524,675
Debtors: amounts falling due within one year	11	1,080,839	1,092,450
Cash at bank and in hand	12	490,012	109,056
		<u>2,488,481</u>	<u>1,726,181</u>
Creditors: amounts falling due within one year	13	<u>(3,884,378)</u>	<u>(2,544,285)</u>
Not current liabilities		<u>(1,395,897)</u>	<u>(818,104)</u>
Total assets less current liabilities		<u>(1,230,424)</u>	<u>(632,982)</u>
Creditors: amounts falling due after more than one year	14	<u>(37,879)</u>	<u>(65,534)</u>
		<u>(1,268,303)</u>	<u>(698,516)</u>
Net assets excluding pension asset		<u>(1,268,303)</u>	<u>(698,516)</u>
Net liabilities		<u>(1,268,303)</u>	<u>(698,516)</u>
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account	17	<u>(1,268,403)</u>	<u>(698,616)</u>
		<u>(1,268,303)</u>	<u>(698,516)</u>

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

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


Declan O'Neill

Director

Date: 5 February 2019

The notes on pages 10 to 23 form part of these financial statements.

Statement of changes in equity

For the financial year ended 31 December 2017

	Called up share capital £	Profit and loss account £	Total equity £
Loss for the period	-	(698,616)	(698,616)
Shares issued during the period	100	-	100
At 1 January 2017 (as previously stated)	100	(86,978)	(86,878)
Prior year adjustment	-	(611,638)	(611,638)
At 1 January 2017 (as previously stated)	100	(698,616)	(698,516)
Loss for the financial year	-	(569,787)	(569,787)
At 31 December 2017	100	(1,268,403)	(1,268,303)

The notes on pages 10 to 23 form part of these financial statements.

Notes to the financial statements

For the financial year ended 31 December 2017

1. General Information

Obelisk Power Systems UK Limited is a company limited by shares, incorporated in England and Wales with a registered office at 2nd Floor, Stamford New Road, Altrincham, Cheshire, WA14 1EP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies 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 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, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

The ultimate parent undertaking Obelisk International Group Holdings Limited prepares publically available consolidated financial statements in line with disclosure exemption requirements under FRS 101. Copies of the group financial statements of Obelisk International Group Holdings Limited are available from The Registrar of Companies, Parnell House, Dublin

2.3 Going concern

The company incurred a loss of £569,787 (2016: loss of £698,616) for the year ended 31 December 2017 and had a deficit in shareholders' funds of £1,268,303 (2016: £698,516) as at that date. In addition there are certain material uncertainties for the Company, which are significant for its future trading prospects and which may cast significant doubt over the company's ability to continue as a going concern. The directors have reviewed current budgets to assess the company's ability to meet its obligations for the foreseeable future and have put in place a formal financial management plan. The directors have scaled back the company's activities such that no new contracts will be sought for the foreseeable future. The directors are actively implementing the measures taken and will continue to review the progress of the company awaiting the outcome of the material uncertainties.

Notes to the financial statements

For the financial year ended 31 December 2017

2. Accounting policies (continued)

2.4 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'.

2.5 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 financial year ended 31 December 2017

2. Accounting policies (continued)

2.6 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.

2.7 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.

2.8 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge 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.

2.9 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.

2.10 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.

Notes to the financial statements

For the financial year ended 31 December 2017

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

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.

2.11 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.

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.

Business Development Costs

In prior accounting periods, costs incurred associated with ongoing tender applications were included in work in progress at the balance sheet date until such time as the outcome of these tenders was certain. Successful tender application costs were then carried in work in progress as a contract cost. Unsuccessful tender costs were expensed in full. During the year, the board of directors changed this accounting policy and business development costs are now fully expensed to the profit and loss account and not capitalised in Work in Progress. See Note 18 which details the application of this change in accounting policy retrospectively and the impact of the same on the prior year financial results.

2.12 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 financial year ended 31 December 2017

2. Accounting policies (continued)

2.13 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.

2.14 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.

2.15 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

Notes to the financial statements

For the financial year ended 31 December 2017

2. Accounting policies (continued)

2.15 Financial instruments (continued)

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.

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.

Stocks 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 judgment in determining milestones, actual work performed and the estimated costs to complete work.

Notes to the financial statements

For the financial year ended 31 December 2017

4. Operating (loss)

The operating (loss) is stated after charging:

	31 December 2017	period ended 31 December 2016
	£	£
Depreciation of tangible fixed assets	36,719	13,425
Exchange differences	17,616	1,898
Defined contribution pension cost	6,500	5,853
Operating lease payments	19,609	-
	<u>19,609</u>	<u>-</u>

5. Employees

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

	12 months period ended 31 December 2017 No.	9 months period ended 31 December 2016 No.
Construction	5	5
	<u>5</u>	<u>5</u>

6. Interest payable and similar expenses

	12 months period ended 31 December 2017 £	9 months period ended 31 December 2016 £
Bank interest payable	2,043	681
	<u>2,043</u>	<u>681</u>

Notes to the financial statements

For the financial year ended 31 December 2017

7. Taxation

Factors affecting tax charge for the financial year

The tax assessed for the financial year is higher than (2016 -higher than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	12 months period ended 31 December 2017 £	9 months period ended 31 December 2016 £
Loss on ordinary activities before tax	(569,787)	(698,616)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	(109,684)	(139,723)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	973
Capital allowances for financial year/period in excess of depreciation	(27,725)	(28,252)
Utilisation of tax losses	24,255	44,675
Group relief	113,154	122,327
Total tax charge for the financial year	-	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

8. Exceptional items

	31 December 2017 £	period ended 31 December 2016 £
Exceptional items	58,288	-
	58,288	-

During the year, the directors performed a review of intercompany balances receivable and concluded that a provision for impairment was required and consequently this was reflected as an exceptional item.

Notes to the financial statements

For the financial year ended 31 December 2017

9. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2017	126,896	4,318	67,333	198,547
Additions	-	7,562	9,508	17,070
At 31 December 2017	126,896	11,880	76,841	215,617
Depreciation				
At 1 January 2017	8,460	216	4,749	13,425
Charge for the financial year on owned assets	25,379	1,056	10,284	36,719
At 31 December 2017	33,839	1,272	15,033	50,144
Net book value				
At 31 December 2017	93,057	10,608	61,808	165,473
At 31 December 2016	118,436	4,102	62,584	185,122

Finance leases

The net book value of motor vehicles held on finance leases at year end is €93,057 (2016: €118,436)

Notes to the financial statements

For the financial year ended 31 December 2017

10. Stocks

	12 months period ended 31 December 2017 £	As restated 9 months period ended 31 December 2016 £
Work in progress	917,630	524,675
	<u>917,630</u>	<u>524,675</u>

Stock recognised in cost of sales during the year as an expense was £4,468,973.

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

During the year, as set out in the company accounting policies, the board of directors changed the accounting policy in relation to business development costs and the inclusion of same within Work in Progress balances. All business development costs are now expensed to the profit and loss when incurred.

This policy was retrospectively applied resulting in a prior year adjustment of £611,638 representing prior period business development costs included in Work in progress that should have been reflected in the profit and loss account. This consequently resulted in a reduction of prior year work in progress balances and a reduction in revenue reserves.

11. Debtors

	12 months period ended 31 December 2017 £	9 months period ended 31 December 2016 £
Trade debtors	894,853	553,210
Amounts owed by group undertakings	-	231,943
Other debtors	100	100
VAT repayable	-	101,204
Prepayments	14,129	5,514
Accrued income	171,757	200,479
	<u>1,080,839</u>	<u>1,092,450</u>

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

Notes to the financial statements

For the financial year ended 31 December 2017

12. Cash and cash equivalents

	12 months period ended 31 December 2017 £	9 months period ended 31 December 2016 £
Cash at bank and in hand	490,012	109,056
	<u>490,012</u>	<u>109,056</u>

13. Creditors: Amounts falling due within one year

	12 months period ended 31 December 2017 £	9 months period ended 31 December 2016 £
Trade creditors	959,636	134,653
Amounts owed to group undertakings	740,762	1,773,604
Other taxation and social security	239,608	9,342
Obligations under finance lease and hire purchase contracts	26,662	25,714
Other creditors	24,932	19,746
Accruals and deferred income	1,892,778	581,226
	<u>3,884,378</u>	<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.

Notes to the financial statements

For the financial year ended 31 December 2017

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

	12 months period ended 31 December 2017 £	9 months period ended 31 December 2016 £
Net obligations under finance leases	37,879	65,534
	<u>37,879</u>	<u>65,534</u>

Finance leases are secured on the assets to which they relate

15. Hire purchase and finance leases:

Future minimum lease payments for:

	12 months period ended 31 December 2017 £	9 months period ended 31 December 2016 £
Within one year	26,662	25,714
Between 1-5 years	27,728	26,568
Over 5 years	10,151	38,966
	<u>64,541</u>	<u>91,248</u>

16. Share capital

	12 months period ended 31 December 2017 £	9 months period ended 31 December 2016 £
Allotted, called up and fully paid		
100 (2016 -100) Ordinary shares of £1.00 each	100	100
	<u>100</u>	<u>100</u>

Notes to the financial statements

For the financial year ended 31 December 2017

17. Reserves

Includes all current retained profit and loss.

18. Prior year adjustment

During the year, as set out in the company accounting policies, the board of directors changed the accounting policy in relation to business development costs and the inclusion of same within Work in Progress balances. All business development costs are now expensed to the profit and loss when incurred. This policy was retrospectively applied resulting in a prior year adjustment of £611,638 representing prior period business development costs included in Work in progress that should have been reflected in the profit and loss account. This consequently resulted in a reduction of prior year work in progress balances and a reduction in revenue reserves.

19. Pension commitments

The company operates a defined contribution pension scheme. The company's contributions for the year amounts to £6,500. There was an accrual of £1,953 (2016: £1,443) outstanding at 31 December 2017.

20. Commitments under operating leases

At 31 December 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	12 months period ended 31 December 2017 £	9 months period ended 31 December 2016 £
Not later than 1 year	20,439	4,708
Later than 1 year and not later than 5 years	45,516	51,792
	<u>65,955</u>	<u>56,500</u>

21. Related party transactions

The company has availed of the exemption under IAS 24 from the disclosure of transactions with group companies.

Notes to the financial statements

For the financial year ended 31 December 2017

22. 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.

The ultimate parent undertaking Obelisk International Group Holdings Limited prepares publically available consolidated financial statements in line with disclosure exemption requirements under FRS 101. Copies of the group financial statements of Obelisk International Group Holdings Limited are available from The Registrar of Companies, Parnell House, Dublin