

ES-KO (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



**ES-KO (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**ES-KO (UK) LIMITED
BOARD AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Board of ES-KO (UK) Limited

M. Masters

A. Goncalves (resigned July 7, 2018)

Company Secretary

London Law Secretarial Limited

Bankers:

Natwest Bank, 151, High Street, Guilford, Surrey, GU1 3 AH

**Crown Agents Bank Limited Saint Nicholas House,
Saint Nicholas Road Sutton Surrey , SM1 1EL UK**

**CARIGE Bank, agenzia 39, 1 P.zza delle Americhe,
16129 Genova**

Independent Auditors:

**KPMG Audit LLC
Heritage Court
41 Athol Street, Douglas, Isle of Man
IM99 1HN**

Registered Office:

**Collingham House,
6-12 Gladstone Road, Wimbledon
London SW19 1QT
Telephone: +44 (0) 1252 302 368
E-mail: admin_euk@es-ko.com
Web: www.es-ko.com**

Registered Number:

03504911

**ES-KO (UK) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors submit their annual report together with the audited financial statements of the Group and the Company for the year ended 31 December 2018.

Directors

The director of the Company who was in office during the year and up to the date of signing the annual report and financial statements was:

M. Masters (appointed 01/01/2017)

No director had a direct interest, as defined by the Companies Act 2006, in the share capital of the company or its parent company at any time during the year ended 31 December 2018.

Statement of disclosure of information to the auditors

Each of the persons who are directors at the date of approval of this report confirms that, so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware. Each director has taken all steps that he ought to have taken as a director, in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for such internal control as they determine is necessary to enable the preparation of

**ES-KO (UK) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and Company and to prevent and detect fraud and other irregularities.


Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. Directors' and Officers' liability insurance in respect of certain directors was purchased, although not by the Company, and maintained throughout the financial year.

Statutory Auditor

A resolution for the re-appointment of KPMG Audit LLC as the Company's auditor will be proposed at the Annual General Meeting.

By order of the Board



Michael Anthony Masters
Director

30-September-2019

ES-KO (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ES-KO (UK) LIMITED

Opinion

We have audited the financial statements of ES-KO (UK) Limited ("the Group and the company") for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Cash Flows, Company Statement of Cash Flows, Consolidated Statement of Changes in Shareholder's Equity, Company Statement of Changes in Shareholder's Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group and Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

ES-KO (UK) LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ES-KO (UK) LIMITED
(CONTINUED)

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**ES-KO (UK) LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ES-KO (UK) LIMITED
(CONTINUED)**

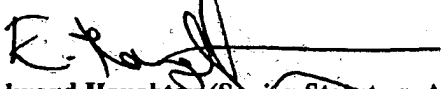
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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.



Edward Houghton (Senior Statutory Auditor)
for and on behalf of KPMG Audit LLC, Statutory Auditor
Chartered Accountants
Heritage Court
41 Athol Street
Douglas
Isle of Man
IM99 1HN

4 October 2019

ES-KO (UK) LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

| | <u>Note</u> | <u>2018</u> <u>£</u> | <u>2017</u> <u>£</u> |
|--|-------------|-------------------------|-------------------------|
| Turnover | 1(e),2 | 8,781,391 | 6,298,530 |
| Cost of sales | | (8,042,956) | (5,771,817) |
| Gross Profit | | <u>738,435</u> | <u>526,713</u> |
| Administrative expenses | | (985,855) | (449,215) |
| Allowance for credit loss | | - | - |
| Operating Profit | | <u>(247,420)</u> | <u>77,498</u> |
| Interest payable | 4 | - | (3) |
| Interest receivable | 4 | 54 | 4 |
| Profit on ordinary activities before taxation | 5 | <u>(247,366)</u> | <u>77,499</u> |
| Tax on profit on ordinary activities | 6 | (25,992) | (4,488) |
| (Loss) / Profit for the financial year | | <u>(273,358)</u> | <u>73,011</u> |
| Other comprehensive income | | | |
| (Loss) / Profit for the financial year | | (273,358) | 73,011 |
| Exchange rate differences on retranslation | | 2,342 | 16,125 |
| Total comprehensive (Loss)/Profit | | <u>(271,016)</u> | <u>89,136</u> |

All of the total comprehensive loss for the current and previous years is attributable to the owners of the parent company.

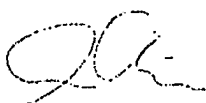
The notes form part of these financial statements.

ES-KO (UK) LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2018

| | Note | 2018 £ | 2017 £ |
|---|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 7 | 12,448 | 11,506 |
| | | <u>12,448</u> | <u>11,506</u> |
| Current assets | | | |
| Debtors | 9 | 1,023,401 | 848,388 |
| Cash at bank and in hand | | 1,083,337 | 702,672 |
| | | <u>2,106,738</u> | <u>1,551,060</u> |
| Creditors: amounts falling due within one year | 10 | (1,969,718) | (1,142,082) |
| Net current assets | | <u>137,020</u> | <u>408,978</u> |
| Net assets | | <u>149,468</u> | <u>420,484</u> |
| Capital and reserves | | | |
| Called up share capital | 11 | 250,000 | 250,000 |
| Profit and loss account | | (100,532) | 170,484 |
| Total capital and reserves | | <u>149,468</u> | <u>420,484</u> |

The notes form part of these financial statements.

The financial statements were approved by the Board and signed on its behalf by



Michael Anthony Masters
 Director

30-September-2019

**ES-KO (UK) LIMITED
COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2018**

| | <u>Note</u> | <u>2018</u> £ | <u>2017</u> £ |
|---|-------------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 7 | 3,272 | 636 |
| Investments | 8 | 8,986 | 8,886 |
| | | <u>12,258</u> | <u>9,522</u> |
| Current assets | | | |
| Debtors | 9 | 1,002,768 | 826,170 |
| Cash at bank and in hand | | 1,080,280 | 684,147 |
| | | <u>2,083,048</u> | <u>1,510,317</u> |
| Creditors: amounts falling due within one year | 10 | (2,063,479) | (1,221,230) |
| Net current assets | | <u>19,569</u> | <u>289,087</u> |
| Net assets | | <u>31,827</u> | <u>298,609</u> |
| Capital and reserves | | | |
| Called up share capital | 11 | 250,000 | 250,000 |
| Retained earnings | | 48,609 | 16,074 |
| Result for the year | | (266,782) | 32,535 |
| Total capital and reserves | | <u>31,827</u> | <u>298,609</u> |

The notes form part of these financial statements.

The Directors took the exemption to disclose the Company Statement of Comprehensive Income.

The financial statements were approved by the Board and signed on its behalf by



Michael Anthony Masters
Director

30-September-2019

ES-KO (UK) LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2018

| | <u>Note</u> | <u>2018</u> £ | <u>2017</u> £ |
|---|-------------|------------------|------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 14 | 395,505 | 353,961 |
| Interest received | | 54 | 4 |
| Interest paid | | - | (3) |
| Tax paid | | (13,252) | (4,488) |
| | | ----- | ----- |
| Net cash inflow from operating activities | | 382,308 | 349,474 |
| Cash flows from investing activities | | | |
| Acquisition of fixed assets | | (3,908) | (1,658) |
| Proceeds from disposal of fixed assets | | 2,265 | - |
| | | ----- | ----- |
| Net cash (outflow) from investing activities | | (1,643) | (1,658) |
| Dividends paid | | ----- | ----- |
| Net cash from financing activities | | - | - |
| | | ----- | ----- |
| Net increase in cash and cash equivalents | | 380,665 | 347,816 |
| Cash and cash equivalents at the beginning of the year | | 702,672 | 354,856 |
| | | ----- | ----- |
| Cash and cash equivalents at the end of the year | | 1,083,337 | 702,672 |
| | | ----- | ----- |

The notes form part of these financial statements.

ES-KO (UK) LIMITED
COMPANY STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2018

| | <u>Note</u> | <u>2018</u> £ | <u>2017</u> £ |
|--|-------------|------------------|------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 15 | 408,288 | 331,128 |
| Interest received | | - | - |
| Interest paid | | 52 | (3) |
| Tax paid | | (8,537) | - |
| | | ----- | ----- |
| Net cash inflow from operating activities | | 399,803 | 331,125 |
| Cash flows from investing activities | | | |
| Acquisition of fixed assets | | (3,670) | (716) |
| | | | |
| Net cash flow (outflow) from investing activities | | (3,670) | (716) |
| Dividends paid | | - | - |
| | | ----- | ----- |
| Net cash flow from financing activities | | - | - |
| | | ----- | ----- |
| Net increase in cash and cash equivalents | | 396,133 | 330,409 |
| Cash and cash equivalents at the beginning of the year | | 684,147 | 353,738 |
| | | ----- | ----- |
| Cash and cash equivalents at the end of the year | | 1,080,280 | 684,147 |
| | | ----- | ----- |

The notes form part of these financial statements.

ES-KO (UK) LIMITED
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY AS AT 31 DECEMBER 2018

CONSOLIDATED

| | Share Capital | Retained Earnings | Total |
|-------------------------------------|----------------------|--------------------------|----------------|
| | £ | £ | £ |
| Balance at January 1, 2017 | 250,000 | 81,348 | 331,348 |
| Profit for the year | - | 73,011 | 73,011 |
| Other comprehensive income | - | 16,125 | 16,125 |
| Balance at January 1, 2018 | 250,000 | 170,484 | 420,484 |
| Loss for the year | - | (273,358) | (273,358) |
| Other comprehensive income | - | 2,342 | 2,342 |
| Balance at December 31, 2018 | <u>250,000</u> | <u>(100,532)</u> | <u>149,468</u> |

COMPANY

| | Share Capital | Retained Earnings | Total |
|-------------------------------------|----------------------|--------------------------|---------------|
| | £ | £ | £ |
| Balance at January 1, 2017 | 250,000 | 3,460 | 253,460 |
| Profit for the year | - | 32,535 | 32,535 |
| Other comprehensive income | - | 12,614 | 12,614 |
| Balance at January 1, 2018 | 250,000 | 48,609 | 298,609 |
| Loss for the year | - | (279,668) | (279,667) |
| Other comprehensive income | - | 12,886 | 12,866 |
| Balance at December 31, 2018 | <u>250,000</u> | <u>(218,173)</u> | <u>31,827</u> |

The notes form part of these financial statements.

ES-KO (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. Summary of significant accounting policies

ES-KO (UK) Limited is incorporated in the United Kingdom and its registered office is Collingham House, 6-12 Gladstone Road, Wimbledon.

The principal accounting policies selected for use in the preparation of the financial statements, which have been consistently applied, are set out below.

a) Basis of preparation

The Group and individual financial statements of ES-KO (UK) Limited have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102)' and the Companies Act 2006.

These financial statements have been prepared on the going concern basis under the historical cost convention.

The preparation of financial statements requires the use of critical accounting estimates and the exercise of management judgement in the process of applying the Group and Company accounting policies. The key area involving a higher degree of judgement or complexity is the carrying value of receivables.

The Company has taken advantage of the exemption in section 408 of the Companies Act from presenting its individual profit and loss account.

b) Basis of consolidation

The Group financial statements include the Company, its subsidiary and Cyprus fiscal Branch opened on the 1st December 2017, all made up to 31 December.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the Group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity, it accounts for that entity, as a subsidiary.

All inter Company transactions, balances, income and expenses are eliminated on consolidation.

c) Foreign currency translation

i) Functional and presentation currency

The Company financial statements are presented in pounds sterling being the Company's presentation currency.

ii) Transactions and balances

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the foreign exchange rate ruling at that date. Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. All resulting foreign exchange differences have been recognized in other comprehensive income.

ES-KO (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

In the consolidated financial statements, the income statements of subsidiary entities, which do not report in sterling, are translated at the average exchange rate for the period, whereas balance sheet items are translated at the exchange rates at the balance sheet date.

d) Tangible fixed assets and depreciation

Tangible fixed assets are used for contracts that generally operate in locations where at the end of the project the assets have low residual value. Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment. Depreciation is charged to the income statement on a straight line basis over the estimated useful lives of all tangible assets based on the projected length of the contract in which the tangible assets are in use. The contract length is assessed at the start of the contract and covers the fixed period of the contract. The nature and location of operations means that the residual value of assets is generally zero at the end of the contract. Typically the estimated useful lives of all tangible assets are as follows:

| | |
|-----------------------|-----------|
| Fixtures and fittings | - 3 years |
| Motor Vehicles | - 3 years |
| Plant and machinery | - 3 years |
| Computer equipment | - 3 years |

e) Turnover

Revenue from services provided is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date. Commissions and fees are recognised on an accruals basis.

f) Taxation

Current tax is the corporation tax payable in respect of the taxable profit for the year. Tax payable is calculated on the basis of tax rates and laws that have been enacted or substantially enacted at the period end.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

g) Operating lease payments

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

ES-KO (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

1. Summary of significant accounting policies(continued)

h) Impairment

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication then the recoverable amount is calculated and compared to the carrying amount. The recoverable amount is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows as a result of the assets continued use.

If the recoverable amount is estimated to be lower than the carrying amount the carrying value is reduced to its recoverable amount. Any impairment loss is recognized in the income statement. If an impairment loss is subsequently reversed, the carrying value of the asset is increased to the revised estimate of the recoverable amount, but only to the extent that the revised estimate does not exceed its original impairment charge.

i) Investment in Subsidiary

Investments in subsidiaries are accounted at cost less accumulated impairment.

j) Cash and cash Equivalents

Cash and cash equivalents include cash in hand, call deposits and other short term highly liquid investments with original maturities of three months or less. Bank overdrafts, where no right of set off exists, are shown as current liabilities.

k) Provisions

Provisions are recognised when:

- i) there is a present or legal or constructive obligation arising from past events;
- ii) it is probable that an outflow of resources will be required to settle the obligation, and;
- iii) the amount of the obligation can be estimated reliably.

l) Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed, when material, unless the possibility of a loss is remote. Contingent assets are not recognised in the financial statements but are disclosed, when material, if the inflow of economic benefits is probable.

m) Financial Instruments

The Group has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets, including trade & other receivables and cash at bank & investments, are initially recognised at transaction price. They are subsequently carried at amortised cost using the effective interest method.

Financial liabilities, including trade & other payables and loans from Group companies, are initially recognised at transaction price. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

n) Dividends

Dividends and other distributions to shareholders are recognized as a liability in the financial statements in the period in which they are approved by the shareholders.

ES-KO (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Analysis of turnover

Turnover geographical analysis

| | <u>2018</u> | <u>2017</u> |
|---------------|-------------|-------------|
| | £ | £ |
| Asia | 6,783,425 | 4,864,270 |
| Europe | 819,857 | 787,786 |
| Africa | 1,151,382 | 435,096 |
| North America | 26,727 | 211,378 |
| | ----- | ----- |
| | 8,781,391 | 6,298,530 |
| | ----- | ----- |

Revenue stream analysis

| | <u>2018</u> | <u>2017</u> |
|---------------------------------------|-------------|-------------|
| | £ | £ |
| Catering and camp management services | 8,675,647 | 6,034,208 |
| Commission fees | 79,017 | 52,944 |
| Country capability reports | 26,727 | 211,378 |
| | ----- | ----- |
| | 8,781,391 | 6,298,530 |
| | ----- | ----- |

3. Staff costs

No directors received emoluments for their services to the Group (2017: £nil).

Key management personnel remuneration amounted to £ 110,442 (2017: £92,840).

The average monthly number of permanent staff and fee earners (excluding directors) employed by the Group during the year was:-

| | <u>2018</u> | <u>2017</u> |
|------------------|-------------|-------------|
| By activity: | | |
| Management | 1 | 1 |
| Administration | 1 | 1 |
| Field operatives | 52 | 50 |
| | ----- | ----- |
| | 54 | 52 |
| | ----- | ----- |

Costs incurred for employees on contracts of employment are recorded in cost of sales and administrative expense and were as follows:

| | <u>2018</u> | <u>2017</u> |
|-----------------------|-------------|-------------|
| | £ | £ |
| Wages and salaries | 669,929 | 574,949 |
| Social security costs | 86,816 | 79,828 |
| | ----- | ----- |
| | 756,745 | 654,777 |
| | ----- | ----- |

ES-KO (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

4. Interest and similar items

| | <u>2018</u> | <u>2017</u> |
|--|-------------|-------------|
| | <u>£</u> | <u>£</u> |
| Interest payable on bank overdrafts | - | (3) |
| Interest receivable on related party loans | 54 | 4 |
| | ----- | ----- |
| | 54 | 1 |
| | ----- | ----- |

5. Profit on ordinary activities before taxation

| | <u>2018</u> | <u>2017</u> |
|--|-------------|-------------|
| | <u>£</u> | <u>£</u> |
| Operating profit is stated after charging: | | |
| Depreciation of tangible assets | 3,045 | 2,062 |
| Operating lease charges – plant and machinery | 11,523 | 7,724 |
| Services provided by the Group’s auditor: | | |
| Fees payable for the audit | 14,750 | 10,571 |
| Services provided by the subsidiary’s auditor: | | |
| - Fees payable for the audit | 9,735 | 4,380 |
| - Tax compliance services | - | - |
| Foreign exchange loss/gain | - | - |
| Movement in allowance for credit loss | - | 65,390 |
| | ----- | ----- |

ES-KO (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

6. Tax on profit on ordinary activities

| | <u>2018</u> £ | <u>2017</u> £ |
|--|------------------|------------------|
| Current tax: | | |
| UK corporation tax on profits for the year | 15,032 | - |
| Adjustment in respect of previous periods | - | - |
| | ----- | ----- |
| Foreign corporation tax on profits for the year | 10,960 | 4,488 |
| | ----- | ----- |
| | 25,992 | 4,488 |
| | ----- | ----- |
| Tax on profit on ordinary activities | 25,992 | 4,488 |
| | ----- | ----- |
| | <u>2018</u> £ | <u>2017</u> £ |
| (Loss)/Profit on ordinary activities before taxation | (247,366) | 77,499 |
| | ----- | ----- |
| (Loss)/Profit on ordinary activities before tax multiplied by the applicable rate of UK corporation tax (19%) (2017: 19.25%) | (47,000) | 14,919 |
| Non-deductible expenditure | 72,857 | - |
| Movement on unrecognized deferred tax | 135 | (10,431) |
| | ----- | ----- |
| | 25,992 | 4,488 |
| | ----- | ----- |

The company is subject to UK corporation tax on its worldwide income and gains and is also subject to tax in Cyprus where the company has a fiscal branch. The company gets double taxation relief in the UK for the foreign tax paid in Cyprus whilst the company is exempt from corporate tax in Mali albeit it is subject to tax in the UK on its Mali branch profits.

ES-KO (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

7. Tangible assets - Group

| | <u>Motor Vehicles</u> | <u>Fixtures and Fittings</u> | <u>Plant and Machinery</u> | <u>Computer Equipment</u> | <u>TOTAL</u> |
|----------------------------------|---------------------------|----------------------------------|--------------------------------|-------------------------------|---------------|
| | £ | £ | £ | £ | £ |
| Cost: | | | | | |
| At 1 January 2018 | 15,415 | 4,861 | 12,500 | 5,513 | 38,289 |
| Additions | 2,552 | - | 238 | 1,118 | 3,908 |
| Exchange rate difference | 173 | 46 | 141 | 2,336 | 2,696 |
| Disposal | (15,588) | - | - | - | (15,588) |
| At 31 December 2018 | 2,552 | 4,907 | 12,879 | 8,967 | 29,305 |
| Accumulated Depreciation: | | | | | |
| At 1 January 2018 | 15,415 | 2,489 | 4,457 | 4,422 | 26,783 |
| Charge for the year | 545 | 651 | 1,269 | 581 | 3,046 |
| Disposal | (15,588) | - | - | - | (15,588) |
| Exchange rate difference | 182 | 32 | 69 | 2,333 | 2,616 |
| At 31 December 2018 | 554 | 3,172 | 5,795 | 7,336 | 16,857 |
| Net Book Value: | | | | | |
| At 31 December 2018 | 1,998 | 1,735 | 7,084 | 1,631 | 12,448 |
| At 31 December 2017 | - | 2,372 | 8,043 | 1,091 | 11,506 |

Tangible assets - Company

| | <u>Motor Vehicles</u> | <u>Fixtures and Fittings</u> | <u>Plant and Machinery</u> | <u>Computer Equipment</u> | <u>TOTAL</u> |
|----------------------------------|---------------------------|----------------------------------|--------------------------------|-------------------------------|--------------|
| | £ | £ | £ | £ | £ |
| Cost: | | | | | |
| At 1 January 2018 | - | 716 | - | - | 716 |
| Addition | 2,552 | - | - | 1,118 | 3,670 |
| At 31 December 2018 | 2,552 | 716 | - | 1,118 | 4,386 |
| Accumulated Depreciation: | | | | | |
| At 1 January 2018 | - | 80 | - | - | 80 |
| Charge for the year | 553 | 239 | - | 242 | 1,034 |
| At 31 December 2018 | 553 | 319 | - | 242 | 1,114 |
| Net Book Value: | | | | | |
| At 31 December 2018 | 1,999 | 397 | - | 876 | 3,272 |
| At 31 December 2017 | - | 636 | - | - | 636 |

ES-KO (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

8. Investments - Company

| | <u>2018</u> | <u>2017</u> |
|-------------------------|-------------|-------------|
| | £ | £ |
| Subsidiary undertakings | 8,986 | 8,886 |
| | ----- | ----- |

The balance relates to the Company's holding of 100% of the share capital of ES-KO CYPRUS LTD, 6 Themistokli Dervi Street, Papyrus Building, 4th floor, Office D5, 1045 Nicosia, Cyprus. The share capital comprises 10,000 ordinary shares of € 1 each. ES-KO CYPRUS LTD was incorporated on 28 February 2011 in Cyprus, its principal activity being payroll and procurement services to the Group.

9. Debtors - Group

| | <u>2018</u> | <u>2017</u> |
|---------------------------------|-------------|-------------|
| | £ | £ |
| Trade debtors | 928,791 | 783,667 |
| Amounts owed by related parties | 36,396 | 20,188 |
| Taxation | 39,326 | 9,008 |
| Prepayments and accrued income | 18,888 | 35,525 |
| | ----- | ----- |
| | 1,023,401 | 848,388 |
| | ----- | ----- |

Debtors - Company

| | <u>2018</u> | <u>2017</u> |
|---------------------------------|-------------|-------------|
| | £ | £ |
| Trade debtors | 928,791 | 727,125 |
| Amounts owed by related parties | 36,396 | 55,472 |
| Taxation | 18,693 | 8,338 |
| Prepayments and accrued income | 18,888 | 35,235 |
| | ----- | ----- |
| | 1,002,768 | 826,170 |
| | ----- | ----- |

Amounts owed by related parties principally arise from trading with ES-KO International Inc. Receivables relate to a wide range of customers for whom there was no recent history of default. Receivables will be recovered no more than 12 months after the reporting date.

ES-KO (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

10. Creditors: amounts falling due within one year - Group

| | <u>2018</u> | <u>2017</u> |
|--------------------------------|-------------|-------------|
| | £ | £ |
| Trade creditors | 80,705 | 179,995 |
| Amounts due to related parties | 990,684 | 924,068 |
| Taxation and social security | 17,623 | 2,843 |
| Accruals and deferred income | 880,706 | 35,176 |
| | ----- | ----- |
| | 1,969,718 | 1,142,082 |
| | ----- | ----- |

Amounts owed to related parties arise from trading with ES-KO Int. Inc.

ES-KO Int. Inc. in case of subcontract agreement is repaid within 7 days from date of the collection of the Invoice from the client.

Creditors: amounts falling due within one year – Company

| | <u>2018</u> | <u>2017</u> |
|--------------------------------|-------------|-------------|
| | £ | £ |
| Trade creditors | 79,732 | 172,484 |
| Amounts due to related parties | 1,091,797 | 1,013,747 |
| Taxation and social security | 17,623 | - |
| Accruals and deferred income | 874,327 | 34,999 |
| | ----- | ----- |
| | 2,063,479 | 1,221,230 |
| | ----- | ----- |

Amounts owed to related parties principally arise from trading and recharge of expenses with ES-KO Int. Inc for £ 990,684.

ES-KO Int. Inc. in case of subcontract agreement is repaid within 7 days from date of the collection of the Invoice from the client.

11. Called up share capital

| | <u>2018</u> | <u>2017</u> |
|---|-------------|-------------|
| | £ | £ |
| Allotted and fully paid 187,500 'A' ordinary shares of £1 each, 62,500 'B' ordinary shares of £1 each | 250,000 | 250,000 |
| | ----- | ----- |

"A" shares and "B" shares constitute different classes of shares for the purposes of the Statutes but confer upon the holders thereof the same rights and rank paripassu in all respects. There are no restrictions on the distribution of dividends.

ES-KO (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

12. Provisions and contingent liabilities

In the normal course of its business, the Group issues performance guarantees and bid bonds as required to its customers backed by banks, insurance companies or other financial institutions. It does so in order to provide assurance that it will fulfill its contractual obligations. The issue of such guarantees does not therefore increase the Group's overall risk exposure and the disclosure of such performance guarantees and bid bonds is given for information purposes only. The directors are not aware of any claims arising from the guarantees or bid bonds.

At the balance sheet date, the value of performance guarantee is EUR 555,053 (2017: EUR 819,325) in issue in favor of the United Nations.

13. Financial commitments and facilities

At 31 December 2018, the Group had no commitments under non-cancellable operating leases for assets.

The Group has no credit facilities with banks (2017: nil).

14. Group cash flow from operating activities

| | <u>2018</u> £ | <u>2017</u> £ |
|--|------------------|------------------|
| Profit on ordinary activities after taxation | (273,358) | 73,011 |
| Income tax | 25,992 | 4,488 |
| Finance costs | - | 3 |
| Finance Income | (54) | (4) |
| Foreign exchange loss | 196 | 15,721 |
| Operating result | (247,224) | 93,219 |
| Movement in stock | - | - |
| Movement in trade and other receivables | (161,332) | (150,517) |
| Movement in trade and other payables | (32,673) | 409,198 |
| Increase in provision | 833,689 | - |
| Depreciation | 3,045 | 2,061 |
| Cash flow from operating activities | 395,505 | 353,961 |

ES-KO (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

15. Company cash flow from operating activities

| | <u>2018</u> £ | <u>2017</u> £ |
|--|------------------|------------------|
| Profit on ordinary activities after taxation | (279,667) | 32,535 |
| Income tax | 28,284 | - |
| Net finance income/ costs | (52) | 3 |
| Foreign exchange result | 8,082 | 12,293 |
| | ----- | ----- |
| Operating result | (243,353) | 44,831 |
| Movement in stock | - | - |
| Movement in trade and other receivables | (182,590) | (135,141) |
| Movement in trade and other payables | (12,111) | 421,358 |
| Increase in provision | 845,320 | - |
| | ----- | ----- |
| Depreciation | 1,022 | 80 |
| | ----- | ----- |
| Cash flow from operating activities | 408,288 | 331,128 |
| | ----- | ----- |

ES-KO (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

16. Related party disclosure

During the year under review the following transactions have been entered into between the Group and related parties, which are under common control.

Profit and Loss Account

| | <u>2018</u> | <u>2017</u> |
|--------------------------|-------------|-------------|
| | <u>£</u> | <u>£</u> |
| ES-KO International Inc. | | |
| Turnover | 84,526 | 60,660 |
| Cost of sales | (6,182,633) | (4,874,252) |
| Other recharges | 74,209 | (38,989) |
| | ----- | ----- |

The nature of the work is to sub-contract services within the contracts of the Group and fees for business awards.

At the end of the year the Group had the following balances due to and from related parties, which are under common control.

Balance Sheet

| | <u>2018</u> | <u>2017</u> |
|-------------------------------------|-------------|-------------|
| | <u>£</u> | <u>£</u> |
| ES-KO International Inc. | | |
| Debtors | 36,396 | 18,605 |
| Creditors | 990,684 | 924,068 |
| ES-KO International Limited (Malta) | | |
| Debtors | - | 1,315 |

17. Subsequent events

The Company has been awarded a construction and catering contract of £9.5 M on the 30th May 2019 with the client Fluor Limited.

18. Ultimate shareholders

The parent company of ES-KO UK Limited is ES-KO International Limited (Malta). The ultimate controlling party is Interlog Finance Limited (Malta).