Registered number: 10527034

ENKA UK CONSTRUCTION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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COMPANY INFORMATION

Directors	S Akturk Ö Aslan O Kirkgoz K Yalcin U Yurttutan
Company secretary	Redfern Legal LLP
Registered number	10527034
Registered office	Crossway 156 Great Charles Street Queensway Birmingham B3 3HN
Independent auditor	Buzzacott LLP Statutory Auditor 130 Wood Street London EC2V 6DL

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors present their Strategic Report of ENKA UK Construction Limited ('the Company'), a subsidiary of the ENKA Group headed by ENKA Insaat Ve Sanayi A.S ('ENKA Group'), for the year ended 31 December 2022.

Principal Activities

ENKA UK Construction Limited ('ENKA UK') is engaged in the construction business and it works on a project basis. ENKA UK currently has two contracts for the construction of two power plants in Iraq in consortium with General Electric. The employer is the Iraqi Ministry of Electricity. The scope of work on an Engineering, Procurement and Construction ('EPC') basis includes the design, manufacture, delivery to site, erection, painting, setting to work, commissioning, start-up and testing of the Combined Cycle Power Plants. While General Electric's role is mainly to supply and commission the major equipment, ENKA UK's role is the engineering and procurement of Balance of Plant ('BOP') equipment, all construction and installation activities and commissioning the power plants. The power plant configuration is 4x4x1 and will be capable of being operated by 3 different fuels, namely; natural gas ('NG'), light distilled oil ('LDO') and heavy fuel oil ('HFO') / crude oil ('CO'). Natural gas is the primary fuel for both plants and the others are backup fuels. Fuel storage and treatment facilities for liquid fuels are also included in the scope of work. The gross output at ISO conditions will be 750 MW for NG and 730 MW for HFO/CO and LDO. Furthermore, Enka UK has been supplying manpower services in Libya since June 2021 and the Company will prefabricate and erect all the piping systems at the Hinkley Nuclear Power Station power island ('HPC') in the UK.

Business Review

At the end of 2022, ENKA UK continued to execute the two power plant projects in Iraq simultaneously. The contracts were signed in January 2017. It was planned to finance both power plant projects by UK Export Finance ('UKEF') and the Overseas Private Investment Corporation ('OPIC' - USA). During 2017 and 2018, the OPIC portion was dismissed. Accordingly, the parties and stakeholders agreed to split the projects into 2 phases; Phase 1 being a Simple Cycle Power Plant and Phase 2 being a Combined Cycle Power Plant. Accordingly, an amended and restated contract was signed in November 2018. Phase 1 of both projects was financed by UKEF.

The loan agreements between the Iraqi Ministry of Finance, UKEF and other lenders were signed off on 31 December 2018.

Following the execution of the loan agreement in December 2018 the financial closure for Phase 1 of projects occurred in March 2019 and ENKA UK set up an office in the UK. Prior to the financial closure, limited engineering, procurement and construction works were performed, where the construction works were mainly enabling works. Following the financial closure the project execution of Phase 1 commenced and continued at full steam.

Phase 1 of the projects was executed on all work fronts based on the project schedule and was mostly ahead of the project schedule.

The project commissioning works were completed by the end of April 2021 and the Provisional Acceptance Certificate was officially signed at the end of June 2021.

The projects were in a guarantee period in 2022. There is currently uncertainty about the Phase 2 financial closure. Staff demobilisation therefore started in December 2022 and January 2023, except for some camp buildings.

In 2021, ENKA UK established a branch office in Libya. The Company has supplied manpower services to ENKA INSAAT projects in Libya since 2021.

In addition to activities abroad, ENKA UK performs business development activities in the UK. Furthermore, ENKA UK signed a contract for the execution of HPC Turbine Island piping prefabrication and erection works in 2021. The project entails complete prefabrication and erection of turbine island piping at both units of Hinkley Point Nuclear Power Plant, currently being built in Somerset, UK. Directors are assuming that the Company will mobilise the Hinkley site in quarter 4 of 2023 and the works are scheduled to be completed in 48 months.

Principal risks and uncertainties

The Company has an established risk management monitoring and review process which is reviewed regularly. The principal risks and uncertainties facing the business which could have a material impact on the business include:

i. Political uncertainties, security issues for both Iraq and Libya

iii. Termination of contracts

iii. Default by the employer on the loan agreements which may cause an interruption in cash flow

iv. Multiple fatalities, life-changing injuries, injuries and long-term ill health that reduces life expectancy or the quality of life

v. Operational costs or delays due to extreme weather conditions

vi. Difficulties in attracting, recruiting and/or retaining employees with needed competencies

vii. Damaged reputation; if suppliers and subcontractors act in ways not consistent with ENKA UK's values

vii. Failure by a supplier could result in ENKA UK facing a financial loss, damaged reputation and inability to meet the project schedule.

ix. Global tensions/crises

Key Performance Indicators

As ENKA UK's works are on a project basis the main key performance indicator (KPI) for the Company is project profitability. During the year ended 31 December 2022, only the demobilisation of the Iraq projects and manpower services in Libya took place and has resulted in a stagnant year.

	2022	2021
	$	$
Turnover	28.7 million	71.0 million
Gross (Loss) / Profit	(4.80) million	10.0 million

Future Outlook

ENKA UK will mobilise the full workforce at the construction sites and will complete all projects according to the contractual requirements.

S172 Statement

S172 of the Companies Act 2006 sets out the duties of each Director of the Company to act in the way he considers, in good faith, would be most likely to promote the success of the Company for the benefit of shareholders as a whole and in doing so, have regard to a number of broader matters which are set out below:

(a) the likely consequences of any decision in the long term;
(b) the interest of the Company's employees;
(c) the need to foster the Company's business relationships with suppliers, partners, customers, and others;
(d) the impact of the Company's operations on the community and the environment;
(e) the desire for the Company to maintain a reputation for high standards of business conduct;
(f) the need to act fairly between members of the Company.

The directors of ENKA UK make strategic decisions on behalf of the Company and manage the Company on a day to day basis.

In making these decisions the directors consider their legal duties and the priorities and requirements of the sole shareholder, ENKA Holding B.V.

(a) the likely consequences of any decision in the long term;

ENKA UK's strategic decisions influence the decisions taken by the directors in areas such as structuring the business into cash-generating units, business development, supply chain, sustainability and key internal processes.

The strategy adopted by the ENKA UK directors for the UK market takes into account UK laws and regulations and UK supplier and employee needs.

The directors take into account the impact of any decision on both the short term and long term interests of the Company and its sole stakeholder. The dividend is a key decision; the directors consider the Company's ability to distribute a dividend, taking into account the needs of the parent company.

(b) the interests of the Company's employees;

The directors recognise that employee engagement and retention is one of the most important factors in the short term and long term success of the Company.

This is encouraged in many ways including:

- An annual online satisfaction survey which all employees are invited to take part in. The results of the survey are shared anonymously with management and used to focus actions for each function and site.

- Health and safety being a priority; breaches of the health and safety policy are highlighted to employees to prevent all levels of accidents occurring and to remind employees that they must prioritise the safety of themselves and their colleagues.

- All employees are required to undertake at least one day of training each year and being encouraged to go beyond this and take opportunities to continue learning.

(c) the need to foster the Company's business relationships with suppliers, partners, customers, and others;

Supplier evaluations are undertaken by procurement management and the results are reviewed by the directors to drive supplier service excellence.

The Enka Group has a supplier code of conduct that ENKA UK also uses; it can be found online at https://www.enka.com/tr/egvn/

The ENKA Group procurement teams work collaboratively with ENKA UK's suppliers to ensure that this code of conduct is met by suppliers.

The standard ENKA UK intercompany payment terms are 90 days and the Company's average payment terms for suppliers outside of ENKA UK is 30 days.

(d) the impact of the Company's operations on the community and environment;

The emission values of the projects have been designed in accordance with World Bank standards and it is expected to have the lowest environmental impact at the location where it is established.

The project carried out in the region has provided the local people with employment and the capacity to develop themselves. Additionally many purchases and services have been received from local companies.

The power plants have supplied regular electricity to the region since June 2020, much ahead of the contractual schedule. It is highly beneficial to the local communities and infrastructure.

(e) the desirability of the Company maintaining a reputation for high standards of business conduct;

There is a whistleblowing line called the ENKA Ethics Hotline on the home page of the Company's internet site which is linked into the ENKA Group. Employees can raise issues in confidence if they are concerned about non-compliance with any policy.

Employees and all relevant stakeholders can convey concerns that they cannot alleviate by dealing with their managers or local project management by contacting the ENKA Ethics Hotline.

ENKA UK is committed to maintaining confidentiality to the maximum extent possible and strictly prohibits retaliation against anyone who makes a good faith report.

Reports may be made anonymously in Turkish, English, Russian and Kazakh languages.

While company-wide adherence to the latest in engineering and management sciences has always ensured the highest quality, the ENKA Group's standards are also based on internationally acknowledged procedures. ENKA Group's in-house systems, pertaining to quality, are endorsed by the BSI and ASME and include Quality Management System (ISO 9001), Environmental Management System (ISO 14001), Occupational Health and Safety System (OHSAS 18001) and ASME Certificates of Authorization (A, S, U, and U2).

(f) the need to act fairly between members of the Company;

It is company policy that there should be no unfair discrimination in considering applications for employment, based on equal opportunities to all, irrespective of sex, race, colour, disability, or marital status.

The Company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

This report was approved by the board and signed on its behalf by:

S Akturk
Director

Date: 28.09.2023

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements of the Company for the year ended 31 December 2022.

Principal activity

The principal activity of the Company continued to be that of engineering and construction.

The Company also has a branch in Iraq, supplies services in Libya and has an office in the UK for its UK business development activities.

Results and dividends

The loss for the year, after taxation, amounted to $1,295,778 *(2021 - profit $12,611,581).*

Interim dividends of $10,714,000 (2021: £Nil) were paid during the year. The directors do not recommend payment of a final dividend.

Statement of corporate governance

The Company is a wholly-owned subsidiary of Enka Holding B.V., the strategic decisions of the ENKA Group have a major influence on the decisions of the Company.

Many of the processes and systems of the Company are implemented by the ENKA Group worldwide. The local implementation is done by employees with relevant experience and qualifications.

The main objectives are;
- to present the proposals for the corporate governance policies of the Company,
- to enhance the quality of the corporate governance applications, and
- to inform the Board of Directors about the effect the pursuit of the legislation of the corporate governance principles and the generally accepted corporate governance principles of the international capital markets will have, and about implementing those principles which it deems applicable.

Management Structure

The target in determining the directors is to create a structure that will enable the members to make productive and constructive activities, to take decisions quickly and rationally, and to form committees in order to organise their activities in an effective way.

The annual appraisal and goal setting procedures apply to the directors in the same way as for all other employees of the Company.

The directors take into account the needs of all stakeholders and UK regulatory requirements when implementing the ENKA Group goals. Directors will be guided by the ENKA Group's vision when considering the impact of key decisions.

Employee rights and employee satisfaction

- All ENKA UK employees have pension rights and rights to maternity/paternity leave specified in UK law.
- All ENKA employees have the right to a 50% discount at ENKA Sports, which is one of Turkey's leading sports clubs.
- All ENKA employees have the right to a 20% discount for events organized by ENKA Culture & Arts, which hosts a variety of well-respected artistic performances.
- One day of volunteer leave right per month is provided to employees who want to take part in volunteering projects.
- Sailing programs are organized every year especially for employees with and without sailing experience, at basic and advanced levels.
- Health services in clinics established at the head office and projects are offered free of charge.
- Suitable menus are prepared for vegetarians and for employees needing special diets.

Risk management and internal controls mechanism

It is too early identify any potential risks that might jeopardise the existence, development, and continuation of the Company, and to take and implement the necessary measures and preventive actions for the elimination of such detected potential risks as well as to perform any workings related to risk management and to review at least once a year any applied risks management systems.

The internal control unit, within the structure of the Company, periodically inspects the projects and the group companies in advance and proposes the necessary solutions for any deviations from the objectives, as well as all of the potential risk factors to the management. The internal control systems and their structure is organised in a way that can eliminate all risks to the Company, especially the ones which could adversely affect the activities and proactively works for the solution without encountering any problems even in the crisis period.

Mission, vision and objectives of the Company

Our Mission:

To design, build, and deliver safe, high-quality, and cost-effective construction projects on schedule for our customers while providing quality employment and career growth opportunities for ENKA Employees.

Our Vision:

To be one of the best and innovative engineering and construction companies serving globally.

Our Performance Objectives:

- To be open to innovations, using advanced technologies, and always seeking the better;
- To be prudent and sensitive about work security and environmental protection;
- To train our young employees in accordance with our culture as creative, hardworking, and honest employees and to ensure that our employees work as individuals who have self-confidence, are able to communicate and use discretionary power and take responsibility; and
- To seek our competitive power and profit in perfecting our management and technical skills.

The objectives that reflect our sensitivity about completing the works before the end of the planned time frame and delivering to the client are pursued very diligently at the highest and most detailed level.

Going concern

The financial statements have been prepared on a going concern basis. The Company's business activities, together with the factors likely to affect its future developments, performance, and position are set out in the Strategic Report. The forecasts and projections for projects in which the Company is engaged, taking account of reasonably possible changes in trading performance, show that the Company should be able to manage business risk successfully. Furthermore, the directors note that the Company has sufficient cash resources in order to continue to operate for the foreseeable future. In this regard, the directors have considered the current and future plans for the delivery of the projects and the financial position of the Company.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months post the date of signing the financial statements. The directors, therefore, continue to adopt the going concern basis in preparing the financial statements.

Directors

The directors who served during the year were:

S Akturk
Ö Aslan
O Kirkgoz (appointed 9 February 2022)
K Yalcin
U Yurttutan (appointed 28 May 2021)

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements of the Company in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements of the Company for each financial year. Under that law the directors have elected to prepare the financial statements of the Company in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements of the Company 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 of the Company, the directors are required to:

- select suitable accounting policies for the Company's financial statements 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 of the Company 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 of the Company 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.

Streamlined energy and carbon reporting statement

Introduction

In accordance with ENKA's Sustainability Policy, ENKA and its group companies clearly declare their commitment to "Reducing the Environmental Impact" arising from its activities through its Environmental Management Approach and Policy to both the public and all of its stakeholders and highlights its importance to the Company. Please refer to the links below for ENKA's Sustainability Policy and also Environmental Management Approach and Policy:

https://www.enka.com/sustainability/home/strategy/sustainability-policy/

https://www.enka.com/sustainability/home/health-safety-environment/environment-management-approach-policy/

ENKA Insaat and its subsidiaries implement systems in line with international environmental management standards to fulfil these commitments, operate in accordance with the ISO 14001:2015 Environmental Management System Standard and open their systems to audits by independent organisations.

ENKA UK Construction Limited (ENKA UK) has prepared this report in compliance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the 2018 Regulations.

For more information on ENKA Group's sustainability performance and climate change response please refer to ENKA 2020 Sustainability Report and Company's current CDP responses.

https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf

https://www.enka.com/sustainability/enka-cdp-climate-change-water-security-2022-answers/

Organisational and operational boundaries of the Company

ENKA UK is engaged in the construction business and works on a project basis. Staff demobilisation for the Iraq projects started in December 2022 and January 2023. Furthermore ENKA UK is continuing to give manpower services in Libya which began in 2021. The company will prefabricate and erect all piping systems of the power island at Hinkley Nuclear Power Station in the UK. Project management is assuming that we will mobilize to the site in the the fourth quarter of 2023 for the Hinkley project.

Since there weren't Company didn't have any site activities in the year, the environmental performance reporting below has been made covering all the ENKA group companies in total.

Environmental Performance and Reporting Methodology

Please note that the environmental performance values below are the consumption and emission calculations for ENKA and its subsidiaries operating various locations worldwide. Those operations are not within the boundaries of UK.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Scope 1 GHG Emissions (tCO2e)	2022	2021
Diesel (stationary)		28,795	31,896
Diesel (Mobile on road)		14,678	9,172
Diesel (Mobile off road)		43,714	49,003
Gasoline (Mobile on road)		1,206	699
LPG (Mobile)		9	3
Natural Gas		2,792,558	3,928,298
LPG		134	58
Refrigerant emissions		7,559	6,395
Total		**2,888,653**	**4,025,525**
	Scope 2 GHG Emissions (tCO2e)	**2022**	**2021**
Purchased Electricity		96,621	99,254
Purchased Heating		47,421	73,180
Purchased Steam		767	1,379
Total		**144,809**	**173,813**
Total Scope 1 and Scope 2		**3,033,462**	**4,199,338**
	Energy consumption (kWh)	**2022**	**2021**
Fuel consumption		13,650,833,000	19,105,280,000
Electricity		327,027,000	303,611,100
Heat and Steam		150,277,770	172,500,000
Total Enery consumption		**14,128,137,770**	**19,581,391,100**
	Energy consumption (Tj)	**2022**	**2021**
Fuel consumption		49,143	68,779
Electricity		1,177	1,093
Heat and Steam		541	621
Total Enery consumption		**50,861**	**70,493**

Base year

2022

Intensity ratio

The ENKA group's total energy intensity in 2022 was 16.67 TJ/million USD. The ENKA group's emission intensity per million USD and other metrics are available in its Sustainability Report with subsidiary and project breakdown:

https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2022.pdf

Energy Efficiency and Carbon Emission Reduction Actions

The ENKA group is aware of the negative effects of climate change and greenhouse gas emissions on the world and conducts its activities with efforts to minimise its negative impacts on the environment and climate. In line with its sustainability policy statement ENKA assesses its climate change risks and strictly monitors and reports its fuel and energy consumption and carbon emissions and takes action to reduce emissions from its activities. Accordingly ENKA published its goals for 2050 and 2030 to reduce its environmental impact and emissions.

https://www.enka.com/sustainability/sustainability-targets/

In order to reduce its carbon emissions, the ENKA group communicates climate related risks with its employees and individual actions that they can take during their daily lives. For this purpose the ENKA group publishes monthly sustainability newsletters for the attention of its all employees. As a part of its project planning and implementation phases, the ENKA group considers emission reduction measures as an EPC contractor. Below are some of the actions taken at the operation sites of the Company in order to reduce carbon emissions.

In order to reduce human induced greenhouse gas emissions, environmental conditions were carefully considered when determining the thermal insulation thickness on the buildings in the Dhi Qar and Samawa Cycle Power Plant projects. Taking into account the hot climate conditions in the regions in which the projects are located, the insulation thickness specified in the project contract was exceeded and the use of ventilation equipment has been limited.

In order to minimize emissions from machines and construction equipment used in ENKA Insaat projects, the Machinery & Equipment Park is renewed with environmentally friendly products. Low emission equipment is prioritized in the equipment supply planning carried out every year. Accordingly, with the efforts within the last five years, the number of low-emission machines and equipment in the machinery park has reached 83% of the total machinery and equipment. It is aimed to increase this rate in the following years.

The Company will sustain its efforts to reduce the carbon emissions of its operations with its engineering solutions and will continue communicating with and training its employees on climate change and carbon emission reduction measures. For more details on ENKA's efforts, please refer to its Sustainability Report, Our Planet section:

https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2022.pdf

Methodology

The methodologies used for calculating are the ISO 14064-1 and the GHG Protocol Corporate Accounting and Reporting Standards. For conversion factors IPCC, US EPA, T.C. ETKB, Climate Transparency Report, IEA, IRENA and DEFRA data were used.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

Matters of strategic importance

Future developments, principal risks and uncertainties and disclosure regarding the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, are not shown in the directors' report as they are instead included in the strategic report on pages 1 to 2 under S414c(11).

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, Buzzacott LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:

S Akturk
Director

Date: 28.09.2023

INDEPENDENT AUDITOR'S REPORT TO THE OF ENKA UK CONSTRUCTION LIMITED

Opinion

We have audited the financial statements of ENKA UK Construction Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations, including knowledge specific to construction firms;
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected and alleged fraud;
- we identified the laws and regulations that could reasonably be expected to have a material effect on the financial statements of the Company through discussions with directors and other management at the planning stage, and from our knowledge and experience of construction firms;
- the audit team held a discussion to identify any particular areas that were considered to be susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations; and
- we focused our planned audit work on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company including the Companies Act 2006, Health & Safety Act 1974, Construction (Design & Management) Regulations 2015, employment legislation, and taxation legislation.

We assessed the extent of compliance with the laws and regulations identified above through:

- making enquiries of management;
- reviewing legal expenditure throughout the year for any potential litigation or claims; and
- considering the internal controls in place that are designed to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the financial statements (continued)

To address the risk of fraud through management bias and override of controls, we:

- determined the susceptibility of the Company to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process;
- reviewed journal entries throughout the year to identify unusual transactions;
- performed analytical procedures to identify any large, unusual or unexpected transactions and investigated any large variances from the prior year;
- reviewed accounting estimates and evaluated where judgements or decisions made by management indicated bias on the part of the Company's management;
- tested the completeness and cut-off of revenue by reviewing the terms of construction contracts and the estimated costs of completion and investigated any material variances to expectations; and
- carried out substantive testing to check the occurrence and cut-off of expenditure.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error as they may involve deliberate concealment or collusion. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in 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.

Buzzacott LLP

Philip Westerman (Senior statutory auditor)

for and on behalf of
Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL
Date: 28 September 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 $	*2021 $*
Turnover	4	**28,748,279**	*71,049,612*
Cost of sales		**(33,528,236)**	*(60,976,865)*
Gross (loss)/profit		**(4,779,957)**	*10,072,747*
Other operating income	5	**43,314**	*171,521*
Profit on the sale of tangible fixed assets	12	**3,088,600**	*5,468,802*
Operating (loss)/profit	6	**(1,648,043)**	*15,713,070*
Tax on (loss)/profit	10	**352,265**	*(3,101,489)*
(Loss)/profit for the financial year		**(1,295,778)**	*12,611,581*

The Statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

There was no other comprehensive income for 2022 or 2021.

The notes on pages 20 to 36 form part of these financial statements.

ENKA UK CONSTRUCTION LIMITED
REGISTERED NUMBER: 10527034

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note		2022 $		2021 $
Fixed assets					
Tangible assets	13		**31,447**		*4,573,553*
Current assets					
Debtors	14	**1,326,845**		*19,852,519*	
Cash at bank and in hand	15	**9,115,932**		*7,188,110*	
		10,442,777		*27,040,629*	
Current liabilities					
Creditors: amounts falling due within one year	16	**(9,865,455)**		*(14,485,310)*	
Net current assets			**577,322**		*12,555,319*
Total assets less current liabilities			**608,769**		*17,128,872*
Provisions for liabilities					
Deferred tax	17		**(7,862)**		*(518,187)*
Other provisions	18		**-**		*(4,000,000)*
Net assets			**600,907**		*12,610,685*
Capital and reserves					
Called up share capital	19		**127**		*127*
Profit and loss account	20		**600,780**		*12,610,558*
			600,907		*12,610,685*

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

S Akturk
Director

Date: 28.09.2023

The notes on pages 20 to 36 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Profit and loss account	Total equity
	$	$	$
At 1 January 2021	**127**	**(1,023)**	**(896)**
Profit for the year	-	**12,611,581**	**12,611,581**
At 1 January 2022	**127**	**12,610,558**	**12,610,685**
Loss for the year	-	**(1,295,778)**	**(1,295,778)**
Dividends	-	**(10,714,000)**	**(10,714,000)**
At 31 December 2022	**127**	**600,780**	**600,907**

The notes on pages 20 to 36 form part of these financial statements.

1. General information

ENKA UK Construction Limited is a private company limited by shares and is registered and incorporated in England and Wales. The principal place of business and registered office is Crossway, 156 Great Charles Street Queensway, Birmingham, B3 3HN.

The Company's principal activities and nature of its operations are disclosed in the Directors' Report.

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 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in US Dollars, which is the functional and presentational currency of the Company. Monetary amounts in these financial statements are rounded to the nearest $.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Enka Insaat ve Sanayi A. S. as at 31 December 2022 and these financial statements may be obtained from its registered office situated at Balmumcu, Zincirlikuyu Yolu, No. 10, 34349 ENKA Binasi, Besiktas, Istanbul, Turkey.

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis. The Company's business activities, together with the factors likely to affect its future developments, performance and position are set out in the Strategic Report. The forecasts and projections for projects in which the Company is engaged, taking account of reasonably possible changes in trading performance, show that the Company should be able to manage business risk successfully. Furthermore, the directors note that the Company has sufficient cash resources in order to continue to operate for the foreseeable future. In this regard, the directors have considered the current and future plans for the delivery of the projects and the financial position of the Company.

After making the above enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months post the date of signing the financial statements. The directors therefore continue to adopt the going concern basis in preparing the financial statements.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is USD.

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 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 profit or loss within 'other operating income'.

2. Accounting policies (continued)

2.5 Turnover

Where the outcome of a construction contract can be estimated reliably, turnover and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Turnover arising from cost plus fee contracts is recognised on the basis of costs incurred plus a percentage of the contract fee earned during the year. Contract costs include all direct material and labour costs and those indirect costs related to contract performance, such as indirect labour, supplies, tools, repairs and depreciation costs. Selling, general and administrative expenses are charged to the statement of comprehensive income as incurred. Provisions for estimated losses on uncompleted contracts are made in full, in the period in which such losses are determined. Changes in job performance, job conditions and estimated profitability, including those arising from contract penalty provisions and final contract settlements may result in revisions to costs and income and are recognised in the period in which the revisions are determined. Profit incentives are included in turnover when their realization is reasonably assured. Costs and estimated earnings in excess of billings on uncompleted contracts represent turnover recognised in excess of amounts billed. Billings in excess of costs and estimated earnings on uncompleted contracts represent billings in excess of turnover recognised and are included in other creditors.

Turnover arising from the provision of manpower to ENKA INSAAT projects in Libya is recognised in line with the service agreement on an accruals basis.

2.6 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 profit or loss 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. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 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. The exceptional items recognised during the current and prior year relate to the profit on disposal of fixed assets utilised on the Iraq projects.

2.9 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.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2. Accounting policies (continued)

2.9 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:

Property related asset	- 25% Straight line
Plant and machinery	- 15-25% Straight line

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 profit or loss.

2.10 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.

2.11 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.

2.12 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2. Accounting policies (continued)

2.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

2.15 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

2. Accounting policies (continued)

2.15 Financial instruments (continued)

Basic financial liabilities
Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Derecognition of financial liabilities
Financial liabilities are derecognised when, and only when, the Company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments
Equity instruments issued by the Company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are as follows:

Revenue recognition
The Company uses the 'percentage of completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded for contract costs in determining the stage of completion.

Provisions
On issuance of an operational acceptance certificate, the Company estimates the costs to completion under a project's defect liability period. These costs are recognised as a provision at the reporting date.

Useful economic life of tangible fixed assets
The Company has estimated the useful estimated life of tangible fixed assets as the length of the project for which an asset was purchased. Assets have not been allocated with residual values as there is no guarantee an asset will be of use and sold after the end of the project for which it was purchased.

4. Turnover

Turnover relates to the provision of manpower to ENKA INSAAT projects in Libya, and HPC piping prefabrication and erection works in Hinkley Point Nuclear Power Plant, Somerset.

An analysis of turnover by class of business is as follows:

	2022	*2021*
	$	*$*
Turnover	**28,748,279**	*71,049,612*

Analysis of turnover by country of destination:

	2022	*2021*
	$	*$*
United Kingdom	**2,473,787**	*80,157*
Rest of the world	**26,274,492**	*70,969,455*
	28,748,279	*71,049,612*

5. Other operating income

	2022	*2021*
	$	*$*
Other operating income	**43,314**	*171,521*

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2022	*2021*
	$	*$*
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	**(2,157,670)**	*(196,460)*
Depreciation on tangible fixed assets	**257,592**	*557,882*
Profit on the sale of tangible fixed assets (Note 12)	**(3,088,600)**	*(5,468,802)*

During the year ENKA UK disposed of Iraqi fixed assets with a cost of $6,852,901 (2021: $10,728,044) and accumulated depreciation of $2,568,387 (2021: $6,461,573) (Note 13) resulting in a profit on disposal of $3,088,600 (2021: $5,468,802) (Note 12).

7. Auditor's remuneration

	2022 $	2021 $
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	**56,226**	*57,167*

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2022 $	2021 $
Wages and salaries	**25,184,930**	*29,470,246*
Social security costs	**1,328,950**	*859,349*
Cost of defined contribution scheme	**9,366**	*14,398*
	26,523,246	*30,343,993*

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

	2022 No.	2021 No.
Project management staff	**213**	*133*
Production	**875**	*758*
	1,088	*891*

9. Directors' remuneration

	2022 $	2021 $
Directors' emoluments	**63,722**	*70,254*
Company contributions to defined contribution pension schemes	**4,401**	*4,852*
	68,123	*75,106*

During the year retirement benefits were accruing to 1 director *(2021 - 1)* in respect of defined contribution pension schemes.

10. Taxation

	2022 $	2021 $
Corporation tax		
Current tax on profits for the year	**481,270**	*2,677,266*
Adjustments in respect of previous periods	**(323,210)**	*(187,717)*
Double taxation relief	**-**	*(32,589)*
	158,060	*2,456,960*
Foreign tax		
Foreign tax on income for the year	**-**	*49,182*
Total current tax	**158,060**	*2,506,142*
Deferred tax		
Origination and reversal of timing differences	**(1,135,325)**	*333,810*
Adjustments in respect of prior periods	**625,000**	*217,286*
Effect of tax rate change on opening balance	**-**	*44,251*
Total deferred tax	**(510,325)**	*595,347*
Taxation on (loss)/profit on ordinary activities	**(352,265)**	*3,101,489*

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2021 - higher than)* the standard rate of corporation tax in the UK of 19% *(2021 - 19%)*. The differences are explained below:

	2022	*2021*
	$	*$*
(Loss)/profit on ordinary activities before tax	**(1,648,043)**	*15,713,070*
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	**(313,128)**	*2,985,483*
Effects of:		
Adjustments to tax charge in respect of previous periods	**159,595**	*72,498*
Foreign exchange differences	**73,746**	*(97,450)*
Foreign tax credits	**-**	*16,593*
Remeasurement of deferred tax for change in rates	**(272,478)**	*124,365*
Total tax (credit) / charge for the year	**(352,265)**	*3,101,489*

Factors that may affect future tax charges

With effect from 1 April 2023, the rate of corporation tax increased, tapering from 19% for businesses with profits of less than £50,000 to 25% for businesses with profits over £250,000.

The deferred taxes at the reporting date and reflected in these financial statements have been measured at 25% (2021: 19%), being the rate that was substantively enacted at the reporting date and the expected rate at which the deferred tax liability will be realised

11. Dividends

	2022	*2021*
	$	*$*
Interim paid	**10,714,000**	-

In the year ended 31 December 2022 one interim dividend was declared being $10,714,000 on 8 November 2022.

12. Exceptional items

	2022 $	*2021* *$*
Profit on disposal of tangible fixed assets	**3,088,600**	*5,468,802*

13. Tangible fixed assets

	Property related assets $	Plant and machinery $	Total $
Cost or valuation			
At 1 January 2022	**4,112,486**	**6,826,043**	**10,938,529**
Disposals	**(1,023,215)**	**(5,829,686)**	**(6,852,901)**
At 31 December 2022	**3,089,271**	**996,357**	**4,085,628**
Depreciation			
At 1 January 2022	**3,955,899**	**2,409,077**	**6,364,976**
Charge for the year	**73,636**	**183,956**	**257,592**
Disposals	**(971,226)**	**(1,597,161)**	**(2,568,387)**
At 31 December 2022	**3,058,309**	**995,872**	**4,054,181**
Net book value			
At 31 December 2022	**30,962**	**485**	**31,447**
At 31 December 2021	*156,587*	*4,416,966*	*4,573,553*

14. Debtors

	2022 $	2021 $
Trade debtors	**199,245**	*7,237,354*
Amounts owed by group undertakings	**-**	*11,867,747*
Other debtors	**767,473**	*747,418*
Tax recoverable	**360,127**	*-*
	1,326,845	*19,852,519*

15. Cash and cash equivalents

	2022 $	2021 $
Cash at bank and in hand	**9,115,932**	*7,188,110*

16. Creditors: amounts falling due within one year

	2022 $	2021 $
Trade creditors	**258,723**	*1,740,302*
Amounts owed to group undertakings	**1,702,443**	*-*
Corporation tax	**-**	*2,570,748*
Other taxation and social security	**306,135**	*1,547,323*
Other creditors	**950,830**	*2,976,776*
Deferred contract revenue	**6,647,324**	*5,650,161*
	9,865,455	*14,485,310*

17. Deferred taxation

	2022 $
At beginning of year	**(518,187)**
Charged to profit or loss	**510,325**
Utilised in year	**-**
At end of year	**(7,862)**

The provision for deferred taxation is made up as follows:

	2022 $	*2021* *$*
Accelerated capital allowances	**(7,862)**	*(518,187)*

18. Provisions

	Defect liability period provision $
At 1 January 2022	**4,000,000**
Utilised in year	**(4,000,000)**
At 31 December 2022	**-**

Provisions relate to the Company's estimated costs to completion for projects that have received their operational acceptance certificate and are in the defect liability period.

19. Share capital

	2022 $	*2021* *$*
Allotted and called up		
100 *(2021 - 100)* Ordinary shares of £1.00 each	**127**	*127*

The ordinary shares have attached full rights in the Company with respect to voting, dividends and distributions.

20. Reserves

Profit and loss account

Profit and loss account reserve represents cumulative profit and loss net of distributions to owners.

21. Pension commitments

The Company operates a defined contributions pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to $9,366 (2021 - $14,398).

22. Commitments under operating leases

The Company had no commitments under non-cancellable operating leases at the reporting date.

23. Related party transactions

During the year Enka UK Construction Limited purchased $45,881 (2021: $81,046) of equipment and received $1,779,019 (2021: $882,354) of services from Enka Insaat Ve Sanayi A.S, the entity's ultimate parent undertaking. Enka Insaat Ve Sanayi A.S purchased $39,688 (2021: $16,182) of services from Enka UK Construction Limited. At the year end, $310,808 (2021: $219,701) was outstanding and is included within other creditors.

During the year Enka UK Construction Limited purchased $1,306,448 (2021: $99,814) of equipment from Enka Pazarlama Ihracat Ithalat AS., a related party by virtue of being under common control. At the year end $43,038 (2021 $48,661 due from) was outstanding and is included within other creditors.

During the year Cimtas Boru Imalatari Ve Tic. Ltd. Sti. was provided with $10,923 (2021: $11,277) of expenses by Enka UK Construction Limited. Enka UK Construction Limited purchased $93,584 (2021: $0,00) of equipment from Cimtas Boru Imalatari Ve Tic. Ltd. Sti.. Cimtas Boru Imalatari Ve Tic. Ltd. Sti. is a related party by virtue of being under common control. At the year end $0,00 (2021: $0,00) was outstanding and is included within other creditors.

During the year Enka UK Construction Limited gave $Nil (2021: $249,926) of advances to Enka Holding B.V., a related party by virtue of being under common control, and made $10,714,000 (2021: $0,00) of profit distributions. At the year-end $Nil (2021: $249,926) was outstanding and is included within other creditors.

During the year Entas Nakliyat Ve Turizm AS. paid for $71,597 (2021: $185,435) of travel and subsistence expenses on behalf of Enka UK Construction Limited and received repayments of $80,656 (2021: $248,772). Entas Nakliyat Ve Turizm AS. is a related party by virtue of being under common control. At the year end, $2,864 (2021: $12,633) was outstanding and is included within other creditors.

During the year Gebze Elektrik Uretim Ltd.Sti. provided $-106,416 (2021: $2,082) of engineering services to Enka UK Construction Limited. Gebze Elektrik Uretim Ltd.Sti. is a related party by virtue of being under common control. $27,597 (2021: $9,00) was outstanding at the year end and is included within other creditors.

23. Related party transactions (continued)

During the year, Izmir Elektrik Uretim Ltd.Sti. provided $-30,534 (2021: $81,328) of engineering services to Enka UK Construction Limited. Izmir Elektrik Uretim Ltd.Sti. is a related party by virtue of being under common control. $12,340 (2021: $7,742) was outstanding at the year end and is included within other creditors.

During the year Bechtel-Enka UK Limited purchased $5,769,479 (2021: $93,488) of equipment from Enka UK Construction Limited. Bechtel-Enka UK Limited is a related party by virtue of being under common control. $16,872 (2021: $39,100) was outstanding at the year end and is included within other debtors.

During the year, ENKA Insaat ve Sanayi A.S. / Iraq Branch Office Produced Water 2 Project purchased $258,417 (2021: $878,146) of equipment and services from Enka UK Construction Limited and ENKA Insaat ve Sanayi A.S. / Iraq Branch Office Produced Water 2 Project sold $291,241 (2021: $168,837) of equipment and services to Enka UK Construction Limited. ENKA Insaat ve Sanayi A.S. / Iraq Branch Office Produced Water 2 Project is a related party by virtue of being under common control. $30,999 (2021: $63,823) was outstanding at the year end and is included within other debtors.

During the year Enka Insaat Ve Sanayi A.S.- Libya Branch Office sold $1,352,957 (2021: $Nil) of equipment and services to Enka UK Construction Limited and Enka Insaat Ve Sanayi A.S.- Libya Branch Office purchased $26,316,791 (2021: $24,272,726) of equipment and services from Enka UK Construction Limited. Enka Insaat Ve Sanayi A.S.- Libya Branch Office is a related party by virtue of being under common control. $1,353,668 (2021: $11,662,814) was outstanding at the year end and is included within other creditors.

During the year Enka UK Construction Limited purchased $9,081 (2021: $Nil) of services from Enka Renewables LLC. Enka Renewables LLC is a related party by virtue of being under common control. No amounts (2021: $Nil) were outstanding at the year end.

The Company has taken advantage of the exemption in Financial Reporting Standard 102 "Related Party Disclosures" from disclosing related party transactions within a 100% owned group.

24. Controlling party

Enka Insaat Ve Sanayi A.S, incorporated in Istanbul, Turkey, is the smallest group for which consolidated accounts including Enka UK Construction Limited are prepared. The principal place of business of Enka Insaat Ve Sanayi AS. is 10, Zincirlikuyu Yolu, Balmumcu Mahallesi, 34349, Istanbul, Turkey. These consolidated financial statements are available from its registered office, Balmumcu, Zincirlikuyu Yolu No: 10, 34349 Enka Binas1 Be ikta, Istanbul, Turkey.

The Company's ultimate parent undertaking and controlling party is Enka Insaat Ve Sanayi A.S.