

EUROSITE POWER LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

EUROSITE POWER LIMITED

COMPANY INFORMATION

Directors	P J Hamblyn Dr E Samaras C Marsland (appointed 8 November 2019)
Company secretary	L J Chambers
Registered number	07379560
Registered office	Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA
Trading address	Suite C, Pinewood Court Larkwood Way Tytherington Business Village Macclesfield SK10 2XR
Independent auditor	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

EUROSITE POWER LIMITED

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EUROSITE POWER LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year are disclosed on the company information page.

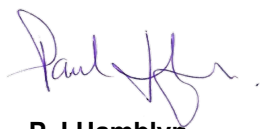
Disclosure of information to auditor

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

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

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

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



P J Hamblyn
Director

Date: 20 March 2020

EUROSITE POWER LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROSITE POWER LIMITED

Opinion

We have audited the financial statements of Eurosite Power Limited (the 'company') for the year ended 31 December 2019, which comprise the profit and loss account, the balance sheet, 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 2019;
- 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of matter

We draw attention to Note 1.3 of the financial statements, which describes the uncertainty caused by the global Coronavirus pandemic. Our opinion is not modified in respect of this matter.

EUROSITE POWER LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROSITE POWER LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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; 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

EUROSITE POWER LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROSITE POWER LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 1, 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.

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.



Paul Rowley (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: 20 March 2020

EUROSITE POWER LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Turnover	1.4	3,494,583	3,325,180
Cost of sales		(2,570,029)	(2,505,724)
Gross profit		924,554	819,456
Administrative expenses		(1,070,028)	(925,689)
Operating loss		(145,474)	(106,233)
Interest payable		(48,412)	(41,547)
Loss on ordinary activities before taxation		(193,886)	(147,780)
Taxation on loss on ordinary activities		15,914	23,278
Loss for the financial year		(177,972)	(124,502)

There were no recognised gains and losses for 2019 or 2018 other than those included in the profit and loss account.

The notes on pages 8 to 17 form part of these financial statements.

EUROSITE POWER LIMITED
REGISTERED NUMBER: 07379560

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible fixed assets	3	5,230,460	5,069,514
Investments	4	570,108	560,127
		<u>5,800,568</u>	<u>5,629,641</u>
Current assets			
Stocks		205,416	161,399
Debtors: amounts falling due within one year	5	545,449	842,269
Cash at bank and in hand		1,424,463	1,633,375
		<u>2,175,328</u>	<u>2,637,043</u>
Creditors: amounts falling due within one year	6	(548,587)	(491,998)
Net current assets		<u>1,626,741</u>	<u>2,145,045</u>
Total assets less current liabilities		<u>7,427,309</u>	<u>7,774,686</u>
Creditors: amounts falling due after more than one year	7	(700,312)	(675,690)
Provisions for liabilities			
Deferred taxation	8	(307,059)	(274,825)
Net assets		<u><u>6,419,938</u></u>	<u><u>6,824,171</u></u>
Capital and reserves			
Called up share capital	9	1	1
Capital contribution reserve		10,265,181	10,491,442
Profit and loss account		(3,845,244)	(3,667,272)
Shareholders' funds		<u><u>6,419,938</u></u>	<u><u>6,824,171</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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


P J Hamblin
 Director

Date: 20 March 2020

The notes on pages 8 to 17 form part of these financial statements.

EUROSITE POWER LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital	Capital contribution reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019	1	10,491,442	(3,667,272)	6,824,171
Loss for the financial year	-	-	(177,972)	(177,972)
Dividends paid	-	(226,261)	-	(226,261)
At 31 December 2019	<u>1</u>	<u>10,265,181</u>	<u>(3,845,244)</u>	<u>6,419,938</u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Capital Contribution reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018	1	10,865,947	(3,542,770)	7,323,178
Loss for the financial year	-	-	(124,502)	(124,502)
Dividends paid	-	(374,505)	-	(374,505)
At 31 December 2018	<u>1</u>	<u>10,491,442</u>	<u>(3,667,272)</u>	<u>6,824,171</u>

The notes on pages 8 to 17 form part of these financial statements.

EUROSITE POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies

1.1 Basis of preparation of financial statements

Eurosite Power Limited (the 'company') is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office and principal place of business are shown on the company information page.

The financial statements are prepared in Sterling (£), which is the functional currency of the company. The financial statements are for the year ended 31 December 2019 (2018: year ended 31 December 2018).

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland including Section 1A of FRS 102 and the Companies Act 2006.

The following principal accounting policies have been applied:

1.2 Disclosure exemptions

The company has taken advantage of the FRS102 Section 1AC.35 exemption from disclosing transactions with wholly owned group undertakings.

1.3 Going concern

The financial statements are prepared on a going concern basis. For the year ending 31 December 2019 the company reported a loss of £177,972 (2018: £124,502) but a positive EBITDA of £301,309 (2018: £332,642). The current year results have been impacted by the results of certain capital projects and other investments in the long term growth of the business. If these items are removed, the company's underlying recurring business has grown, and increased in profitability year on year. The company's fleet of generating assets are now of a scale that the directors believe will lead to profitability.

As explained in note 12, since the year end there has been a global Coronavirus pandemic which is having a significant economic impact globally. At the time of signing these financial statements, it is relatively early days regarding an assessment of the impact of the virus on the global economy, but it is clear there will be a significant level of uncertainty for a sustained period of time. However, the directors believe the company is well placed to trade through the uncertain times caused by the Coronavirus pandemic due to the company's strong cash position, its available funding and its future order book.

On this basis the directors are confident that the company has adequate resources to meet its liabilities as they fall due for the foreseeable future and, accordingly, have adopted the going concern basis in preparing the financial statements.

EUROSITE POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.4 Turnover

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

Sale of energy

Turnover from the sale of energy is recognised when all of the following conditions are satisfied:

- turnover is recognised as energy is generated;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

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

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

EUROSITE POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.5 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Plant and machinery	- 15 years straight line
Motor vehicles	- 4 years straight line

Assets under the course of construction are capitalised but are not depreciated until they are brought fully into use.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

At each balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Any impairment loss is recognised as an expense immediately.

1.6 Valuation of investments

Investments are initially valued at cost and are reviewed annually for signs of impairment. If any impairment loss is identified this is recognised immediately in the profit and loss account and the value of the investment is reduced accordingly.

1.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

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

EUROSITE POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.8 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 the profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet 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 balance sheet.

1.9 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade, and other debtors and creditors and loans from third parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

1.10 Foreign currency translation

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account.

EUROSITE POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.11 Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.12 Pensions

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

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the scheme are held separately from the company in independently administered funds.

1.13 Current and deferred taxation

The tax charge for the year comprises of current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or subsequently enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

2. Employees

The average monthly number of employees, including directors, during the year was 11 (2018: 8).

EUROSITE POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Assets under construction £	Total £
Cost				
At 1 January 2019	6,481,599	41,696	269,956	6,793,251
Additions	8,580	-	599,149	607,729
Disposals	(22,505)	(18,023)	-	(40,528)
Transfers between classes	143,837	-	(143,837)	-
At 31 December 2019	<u>6,611,511</u>	<u>23,673</u>	<u>725,268</u>	<u>7,360,452</u>
Depreciation				
At 1 January 2019	1,690,448	33,289	-	1,723,737
Charge for the year	441,722	5,061	-	446,783
Disposals	(22,505)	(18,023)	-	(40,528)
At 31 December 2019	<u>2,109,665</u>	<u>20,327</u>	<u>-</u>	<u>2,129,992</u>
Net book value				
At 31 December 2019	<u>4,501,846</u>	<u>3,346</u>	<u>725,268</u>	<u>5,230,460</u>
At 31 December 2018	<u>4,791,151</u>	<u>8,407</u>	<u>269,956</u>	<u>5,069,514</u>

EUROSITE POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4. Fixed asset investments

	Investment in subsidiary company £
Cost	
At 1 January 2019	560,127
Additions	9,981
At 31 December 2019	<u>570,108</u>

Subsidiary undertaking

The following is a subsidiary undertaking of the company:

Name	Country of incorporation	Class of shares	Holding
Eurosite Power Holdings Limited	Cyprus	Ordinary	100%

The registered office of Eurosite Power Holdings Limited is Julia House, 3 Thermistokli Dervi, 1006 Nicosia, Cyprus.

Indirect joint ventures

The following is a joint venture of Eurosite Power Holdings Limited:

Name	Country of incorporation	Class of shares	Holding
FCN Energy Logistics Limited	Cyprus	Ordinary	50%

The registered office of FCN Energy Logistics Limited is Diagoras House, 16 Pantelis Catelaris Street, 1097 Nicosia, Cyprus.

Indirect subsidiaries

The following is a subsidiary of FCN Energy Logistics Limited:

Name	Country of incorporation	Class of shares	Holding
Blue Grid Gas & Power Single-Member Societe Anonyme	Greece	Ordinary	100%

The registered office of Blue Grid Gas & Power Single-Member Societe Anonyme is 227, Kifissias Avenue, Kifissia, 14561, Athens, Greece.

EUROSITE POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

5. Debtors

	2019 £	2018 £
Trade debtors	335,706	585,665
Other debtors	209,743	226,604
Amounts recoverable on long term contracts	-	30,000
	<u>545,449</u>	<u>842,269</u>

6. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	141,168	136,596
Other taxation and social security	31,241	50,844
Other loans	225,730	177,181
Accruals	150,448	127,377
	<u>548,587</u>	<u>491,998</u>

For details of security see note 7.

7. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Other loans	<u>700,312</u>	<u>675,690</u>

Other loans are secured on specific trade receivables, and their future income streams, which are assigned to the lender on commencement of the contract. Amounts which are due to be repaid in greater than five years total £42,922 (2018: £63,924).

EUROSITE POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

8. Deferred taxation

	£
At 1 January 2019	274,825
Charged to the profit and loss account	32,234
At 31 December 2019	<u>307,059</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Losses and other deductions	(561,585)	(561,586)
Fixed asset timing differences	868,869	836,511
Short term timing differences	(225)	(100)
	<u>307,059</u>	<u>274,825</u>

9. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

10. Commitments under operating leases

At 31 December 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	28,739	31,700
Later than 1 year and not later than 5 years	16,176	18,651
	<u>44,915</u>	<u>50,351</u>

11. Related party transactions

The capital contribution reserve represents contributions made by the parent company Eurosite Power Inc. in previous years, less any distributions made by qualifying consideration. During the year a dividend was paid from this reserve of £226,261 (2018: £374,505).

EUROSITE POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

12. Post balance sheet events

On 3 March 2020 a further £435,846 of capital was invested in the company's subsidiary undertaking.

Subsequent to the year end, there has been an outbreak of Coronavirus which has developed into a global pandemic. At this stage the directors are assessing what impact this may have on the company however, although there is a high level of uncertainty about the extent and the timeframe of the virus on the global economy, they believe the company is strongly positioned to handle any downturn that may occur.

13. Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking is Eurosite Power Inc, a company incorporated in the USA. The registered office of Eurosite Power Inc is the same as that of the company as disclosed on the company information page.

The directors consider that there is no ultimate controlling party of Eurosite Power Inc.

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is Eurosite Power Inc. Consolidated accounts are available from the company's website.

EUROSITE POWER LIMITED

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
Turnover	3,494,583	3,325,180
Cost of sales	(2,570,029)	(2,505,724)
Gross profit	<u>924,554</u>	<u>819,456</u>
Gross profit %	26.5 %	24.6 %
Less: overheads		
Administrative expenses	(1,070,028)	(925,689)
Operating loss	<u>(145,474)</u>	<u>(106,233)</u>
Interest payable	(48,412)	(41,547)
Taxation on profit on ordinary activities	15,914	23,278
Loss for the financial year	<u>(177,972)</u>	<u>(124,502)</u>

EUROSITE POWER LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Turnover		
Sales	3,494,583	3,325,180
	<u>3,494,583</u>	<u>3,325,180</u>
	2019 £	2018 £
Cost of sales		
Purchases	2,128,307	2,087,127
Depreciation of plant and equipment	441,722	418,597
	<u>2,570,029</u>	<u>2,505,724</u>
	2019 £	2018 £
Administrative expenses		
Directors salaries	137,200	118,600
Directors pension costs	4,732	2,240
Staff salaries	400,725	342,631
Staff national insurance	53,121	32,699
Commissions payable	10,522	2,339
Motor running costs	41,478	23,647
Hotels, travel and subsistence	64,672	77,870
Postage	16,827	16,730
Telephone and fax	16,093	15,695
Computer costs	28,598	10,117
Advertising and promotion	21,056	18,768
Trade subscriptions	43,268	27,420
Legal and professional	72,028	44,930
Auditor's remuneration	16,000	15,250
Other accounting and tax fees	11,375	4,250
Bank charges	1,737	1,993
Bad debts	-	(733)
Difference on foreign exchange	(1,853)	10,344
Rent - operating leases	49,624	35,215
Service charges	2,016	4,016
Insurances	53,615	48,147
Repairs and maintenance	27,883	22,995
Depreciation - motor vehicles	5,061	13,101
Profit/loss on sale of tangible assets	(5,750)	710
Impairment of fixed assets	-	36,715
	<u>1,070,028</u>	<u>925,689</u>