

Parent (Holdings) Limited and its Subsidiary Companies

Directors' Report & Consolidated Financial Statements

Year Ended 31 December 2017

These financial statements are a simple set of consolidated financial statements – They are full FRS 102 financial statements and are not small companies regime consolidated financial statements. They incorporate the requirements of the Companies (Accounting) Act 2017. Note for groups above the small companies regime thresholds/requirements it would make sense to only adopt Companies (Accounting) Act 2017 for periods beginning on or after 1 January 2017 (i.e. it may be better not to voluntarily early adopt as the consolidation thresholds reduce and Scope of the Section 357 guarantee is expanded under CAA 2017).

Note this simple set has the Audit opinion for periods beginning on or after 17 June 2016. For periods from that date the ISA's issued by IAASA are applicable which require a new form of auditors report.

These financial statements are solely illustrative and intended to be used exclusively for educational and training purposes. They provide guidance in relation to the format and contents of FRS 102 company Consolidated financial statements prepared under FRS 102 and Companies Act 2014 as amended by Companies (Accounting) Act 2017. They do not purport to give definitive advice in any form. Despite taking every care in the preparation of this document OmniPro does not take any legal responsibility for the contents of these financial statements and the consequences that may arise due to any errors or omissions. OmniPro shall therefore not be liable for any damage or economic loss occasioned to any person acting on, or refraining from any action, as a result of or based on the material contained in this publication.

Parent (Holdings) Limited and its Subsidiary Companies

Year Ended 31 December 2017

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Parent (Holdings) Limited and its Subsidiary Companies

Year Ended 31 December 2017

Directors and Other Information

Directors	Mr XXXX Mr XXXX
Secretary	Mr XXXX
Auditors	Auditor & Co. XXXXX Accountants and Statutory Audit Firm XX Street Town Co XXX
Bankers	Omnipro Bank XX Street Town Co XXX
Solicitors	XX & Co XX Street Town Co XXX
Registered Office	XX Street Town Co XXX

Parent (Holdings) Limited and its Subsidiary Companies

Year Ended 31 December 2017

Directors' Report

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

Directors and secretary

The names of persons who at any time during the financial year were directors of the company are as follows:

Mr XXX

Mr XXX

Mr XXX held the position of company secretary for the duration of the financial year.

Principal Activities and Business Review

The company is an investment holding company.

The principal activity of the group is that of a XXX stockholding business carried on in the Republic of Ireland that distributes a broad range of XXXXXXXXX products to the engineering, agricultural and related sectors.

There have been no significant changes in the companies' activities during the financial year. The group has continued to improve performance in recent years. The group achieved turnover of €XXXXXXXXXX in 2017 (2016: €XXXXXXXXXX) which represents an increase of 3.6% on the prior year allowing the firm to increase profitability levels in a challenging industry. Volume sales increased by X% on the previous year. The gross profit margin for the year was XXX% (2016: XXX%) and the operating profit margin of X% (2016: X%), this increase in margin was due to favourable market conditions. Solid operating profits of €XXXXXX were recorded in 2017 (2016: €XXXXXX).

The net assets of the group at year end was €XXXXXXXX (2016: €XXXXXXXX) and the directors are satisfied with the level of retained reserves at the year end.

Future Developments

The directors are not expecting to make any significant changes in the nature of the business in the near future.

Parent (Holdings) Limited and its Subsidiary Companies

Year Ended 31 December 2017

Directors' Report

Results and Dividends

The retained profit of the group for the financial year amounted to €XXXXXXX (2016: €XXXXXXX) and this was transferred to reserves at the year end. The directors have not declared a dividend for the year (2016: €Nil).

Principal Risks and Uncertainties

In common with all companies and groups operating in Ireland in this sector, the risk and uncertainties facing the company relate to the macro economic environment in Ireland and internationally. A reduction in economic growth in Ireland could adversely affect the company's revenues and operating margins. Global growth patterns may affect demand and pricing for XXX. The company must continue to compete successfully to maintain and develop a strong market position as it continues to face strong competition in the market place. Existing products may be replaced by substitute products and, as a result, the company may lose market share in the markets for those products. The company has long experience in dealing with these risks and continues to streamline its cost base as appropriate to ensure it remains competitive.

Financial Risk Management

Through financial instruments held the company's operations expose it to a variety of financial risks that include price risk, credit risk, liquidity risk and cash flow risk.

Price Risk

The group is exposed to the price risk of commodities through its operations. The directors believe that the cost of managing this risk is in excess of the potential benefits given the size of the company. The directors, however, review the appropriateness of this policy on an annual basis.

Credit Risk

Credit risk is the risk that one party to a financial transaction will cause financial loss for that other party by failing to discharge an obligation. Group policies are aimed at minimising such losses, and requires that appropriate credit checks are carried out on new customers before sales are made. All customers have individual credit limits that are reviewed on an ongoing basis by the board. Provisions for bad debts are made based on historical evidence and any new events which might indicate a reduction in the recoverability of cash flows.

Liquidity Risk

The group maintains a mix of long and short term finance to ensure the company has sufficient funds available to meet obligations as they fall due. It holds excess cash so that it can meet its obligations at any point in time.

Cash Flow Risk

The group holds both interest bearing assets and liabilities. Assets include cash balances which earn a fixed rate of interest. The company policy is to maintain debt at a fixed rate to ensure future interest cash flows.

Parent (Holdings) Limited and its Subsidiary Companies
Year Ended 31 December 2017
Directors' Report

Director's and Secretary's interests

The interest of the directors and secretary in the share capital of Parent (Holdings) Limited at 31 December 2017 and 31 December 2016 was as follows:

Parent (Holdings) Limited	Ordinary shares of €0.01 each	
	2017	2016
	Number	Number
Mr XXX	XX	XX
Mr XXX	XX	XX

Parent (Holdings) Limited	Preference shares of €1 each	
	2017	2016
	Number	Number
Mr XXX	XX	XX
Mr XXX	XX	XX

Events after the Balance Sheet date

There were no events after the balance sheet date which requires disclosure.

Accounting Records

The Directors acknowledge their responsibilities under Section 281 to Section 285 of the Companies Act 2014 to keep adequate accounting records for the group.

In accordance with Section 330 of the Companies Act 2014:

- so far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware; and
- each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

In accordance with Section 383(2) of the Companies Act 2014, the auditors, Auditor & Co. XXXXX Accountants and Statutory Audit Firm will continue in office.

On behalf of the board

Mr XXX
Director

Mr XXX
Director

DATE:

Parent (Holdings) Limited and its Subsidiary Companies

Year Ended 31 December 2017

Directors' Responsibilities Statement

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

Irish Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with Companies Act 2014 and accounting standards issued by the Financial Reporting Council including FRS 102 The Financial Reporting Standard applicable in the UK and Ireland (Generally Accepted Accounting Practice in 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 assets, liabilities and financial position of the group and parent company as to the financial year end and of the profit or loss of the group for the financial year and otherwise comply with the Companies Act 2014.

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

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards and note the effect and the reasons for any material departure from those standards
- 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 ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors report comply with the Companies Act 2014 and enable the financial statements to be audited. 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.

On behalf of the board

Mr XXX
Director

Mr XXX
Director

DATE: _____

Auditor Co

Independent Auditors Report to the Members of Parent (holdings) Limited for the Year Ended 31 December 2017

We have audited the financial statements of Parent (Holdings) Limited for the year ended 31 December 2017, which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheet, the Group and Parent Company Statement of Changes in Equity, the Group Statement of Cashflows and the related notes including the summary of accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group and parent company as at 31 December 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, and
- have been prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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 and group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Irish Auditing and Accounting Service Authority ("IAASA") 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 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 Group's or the parent 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.

Other information

The other information comprises the information included in the annual report¹, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

¹ The term used to describe the annual report should be the same as that used by the directors.

Auditor Co

Independent Auditors Report to the Members of Parent (holdings) Limited for the Year Ended 31 December 2017

Opinions on other matters prescribed by Companies Act 2014

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

- we have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited².
- the financial statements are in agreement with the accounting records.
- the information given in the Director's Report is consistent with the financial statements.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Group and parent Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made³. We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement [set out on page ...], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and otherwise comply with Companies Act 2014, 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 Group and the parent Company's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or has 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 (Ireland) 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 IAASA website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

Or

Further details relating to our work as auditor is set out in the Scope of Responsibilities Statement contained in the appendix of this report, which is to be read as an integral part of our report.⁴

Or Alternatively include full content of the appendix within the body of this Audit Report

² Where the company has material branches, this notation can be expanded by including "and information and returns adequate for our audit have been received from branches of the company not visited by us."

³ Sections 307 to 308 CA 2014 – Particulars of loans by the company to Directors or guarantees/quasi loans provided for the benefit of the directors are not disclosed in the accounts

⁴ Inclusion of the Appendix in full (and without modification) is necessary to meet the requirements of ISA 700. Please see Appendix preceding this audit report.

Auditor Co
Independent Auditors Report to the Members of Parent (holdings) Limited
for the Year Ended 31 December 2017

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

This report is made solely to the company's members as a body in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in the audit 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 or the company's members as a body for our audit work, for this report, or for the opinions we have formed.⁵

Signed by:

Persons Signing

For and on behalf of Auditor & Co

XXXX Accountants & Statutory Audit Firm

31 XXX Street

XXXX Accountants & Statutory Audit Firm

XXXX

Date: _____

⁵ Paragraph included as best practice

Parent (Holdings) Limited and its Subsidiary Companies
Consolidated Profit and Loss Account
For the Year Ended 31 December 2017

	Notes	31-Dec 2017 €	31-Dec 2016 €
Turnover	5	23,352,422	22,120,191
Cost of sales		(17,351,088)	(17,126,076)
Gross profit		6,001,334	4,994,115
Distribution costs		(4,360,451)	(3,441,829)
Administrative expenses		(899,152)	(769,259)
Operating profit	6	741,731	783,027
Interest receivable and similar expenses	7	22,422	12,107
Interest payable	8	(2,628)	(963)
Profit before taxation		761,525	794,171
Tax on profit	9	(149,787)	(121,823)
Profit for the financial year		611,738	672,348
Profit for the financial year attributable to:			
Non-controlling interests		611,738	672,348
Owners of the parent company		-	-
		611,738	672,348

Parent (Holdings) Limited and its Subsidiary Companies
Consolidated Statement of Changes in Equity
Year Ended 31 December 2017

	Called up Share Capital €	Capital Redemption reserve €	Profit and Loss Account €	Total Equity €
Balance at 1 January 2016	15,937	1,400,000	10,499,673	11,915,610
Profit for the year	-	-	702,132	702,132
Change in useful life of goodwill which previously used the default rate of 20 years	-	-	(29,784)	(29,784)
Balance at 31 December 2016	15,937	1,400,000	11,172,021	12,587,958
Balance at 1 January 2017	15,937	1,400,000	11,172,021	12,587,958
Profit for the year	-	-	611,738	611,738
Balance at 31 December 2017	<u>15,937</u>	<u>1,400,000</u>	<u>11,783,759</u>	<u>13,199,696</u>

The capital redemption reserve fund was created on redemption of XXXXXXXX preference shares.

Parent (Holdings) Limited and its Subsidiary Companies
Parent Company Statement of Changes in Equity
For the Year Ended 31 December 2017

	Called up Share Capital €	Capital Redemption reserve €	Profit and Loss Account €	Total Equity €
Balance at 1 January 2016	15,937	1,400,000	400,000	1,815,937
Profit for the year	-	-	-	-
Balance at 31 December 2016	15,937	1,400,000	400,000	1,815,937
Balance at 1 January 2017	15,937	1,400,000	400,000	1,815,937
Profit for the year	-	-	-	-
Balance at 31 December 2017	<u>15,937</u>	<u>1,400,000</u>	<u>400,000</u>	<u>1,815,937</u>

The capital redemption reserve fund was created on redemption of XXXXXX preference shares.

Parent (Holdings) Limited and its Subsidiary Companies
Consolidated Balance Sheet
At 31 December 2017

	Notes	31-Dec 2017 €	31-Dec 2016 €
Fixed assets			
Intangible assets	13	244,749	326,332
Tangible assets	14	1,645,891	1,601,675
		<u>1,890,640</u>	<u>1,928,007</u>
Current assets			
Stocks	16	7,488,171	6,137,809
Debtors	17	6,708,321	7,208,371
Cash at bank and in hand		820,980	804,376
		<u>15,017,472</u>	<u>14,150,556</u>
Creditors: amounts falling due within one year	18	(3,708,416)	(3,490,605)
Net current assets		<u>11,309,056</u>	<u>10,659,951</u>
Net Assets		<u>13,199,696</u>	<u>12,587,958</u>
Capital and reserves			
Called up share capital	20	15,937	15,937
Capital redemption reserve		1,400,000	1,400,000
Profit and loss account		11,783,759	11,172,021
		<u>13,199,696</u>	<u>12,587,958</u>

The financial statements were approved by the Board of Directors on
issue on . They were signed on its behalf by

and authorised for

Mr XXXX
Director

Mr XXXX
Director

DATE:

Parent (Holdings) Limited and its Subsidiary Companies
Consolidated Statement of Cashflows
For the year Ended 31 December 2017

	Notes	31-Dec 2017 €	31-Dec 2016 €
Cash flows from operating activities			
Cash generated from/(used in) operations	24	398,020	(415,716)
Taxation (paid)/refunded		(237,146)	35,491
Net cash generated from/(used in) operating activities		160,874	(380,225)
Cash flows from investing activities			
Payments to acquire tangible fixed assets		(222,945)	(249,013)
Proceeds on disposal of tangible fixed assets		58,881	51,400
Interest received		22,422	12,104
Net cash used in investing activities		(141,642)	(185,509)
Cash flows from financing activities			
Interest paid		(2,628)	(963)
Net cash used in financing activities		(2,628)	(963)
Net increase/(decrease) in cash and cash equivalents	25	16,604	(566,697)
Cash and cash equivalents at beginning of year		804,376	1,326,179
		820,980	759,482

Parent (Holdings) Limited and its Subsidiary Companies

Year Ended 31 December 2017

Notes to the Financial Statements

1 ACCOUNTING POLICIES

Parent (Holdings) Limited and its Subsidiary Companies is a customer focused and growth orientated stockholding business that distributes a broad range of XXXXXXXX products to the engineering, agricultural and related sectors. Its operations base and registered office is at XX Co XX.

The company is a limited liability company limited by shares incorporated in Ireland. The company is tax resident in Ireland. **The Company's registered office is XXX, Co. XXX and the Company registration number is 123435**

The Company and Consolidated financial statements have been prepared by Parent (Holdings) Limited in accordance with accounting standards issued by the Financial Reporting Council, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102").

The significant accounting policies adopted by the Group and applied consistently in the preparation of these financial statements are as follows:

(a) Basis of preparation

The Financial Statements are prepared on the going concern basis, under the historical cost convention and comply with the financial reporting standards of the Financial Reporting Council and the Companies Act 2014.

The financial statements are prepared in Euro which is the functional currency of the group.

(b) Basis of consolidation

The Group financial statements reflect the consolidation of the results, assets and liabilities of the parent undertaking, the Company and all of its subsidiaries. Where a subsidiary is acquired or disposed of during the financial year, the Group financial statements include the attributable results from, or to, the effective date when control passes.

(c) Subsidiary Undertakings

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Parent (Holdings) Limited and its Subsidiary Companies

Year Ended 31 December 2017

Notes to the Financial Statements

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are capitalised with the cost of the investment. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition by acquisition basis, the Group recognises any non- controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

(d) Currency

(i) *Functional and presentation currency*

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in euro, which is the company's functional and presentation currency and is denoted by the symbol "€".

(ii) *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. The primary exchange rates used for the translation of results, cash flows and balance sheets into euro were as follows:

	2017	2016
	€1=£1stg	€1=£1stg
Year end	0.7375	0.7849
Average rate	0.7344	0.8092

All foreign exchange gains and losses are presented in the profit and loss account within 'distribution expenses'.

(e) Turnover

Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Turnover comprises the fair value of consideration received and receivable exclusive of value added tax and after discounts and rebates.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods to the customer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Parent (Holdings) Limited and its Subsidiary Companies
Year Ended 31 December 2017
Notes to the Financial Statements

(f) Interest income

Interest income is recognised using the effective interest method.

(g) Taxation

The company is managed and controlled in the Republic of Ireland and, consequently, is tax resident in Ireland. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

(i) Current tax

Current tax is calculated on the profits for the period. Current tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Current or deferred taxation assets and liabilities are not discounted.

(h) Tangible fixed assets

(i) Cost

Tangible fixed assets are recorded at historical cost, less accumulated depreciation.

(ii) Depreciation

Depreciation is provided on tangible fixed assets, on a straight-line basis, so as to write off their cost less residual amounts over their estimated useful economic lives.

Freehold Premises	2%-5% straight line on cost
Motor vehicles	20%-33 $\frac{1}{3}$ % straight line on cost
Fixtures & fittings	20% straight line on cost
Plant and machinery	12.5%-33 $\frac{1}{3}$ % straight line on cost

The company's policy is to review the remaining useful economic lives and residual values of tangible fixed assets on an on-going basis and to adjust the depreciation charge to reflect the remaining estimated useful economic life and residual value.

Parent (Holdings) Limited and its Subsidiary Companies
Year Ended 31 December 2017
Notes to the Financial Statements

Fully depreciated property, plant & equipment are retained in the cost of property, plant & equipment and related accumulated depreciation until they are removed from service. In the case of disposals, assets and related depreciation are removed from the financial statements and the net amount, less proceeds from disposal, is charged or credited to the profit and loss account.

(iii) Impairment

Assets not carried at fair value are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk free rate and the risks inherent in the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

(i) Investments in subsidiary undertakings

Investments in subsidiary undertakings are shown at historical cost less provision for impairments in value where applicable.

(j) Stocks

Stocks comprise goods held for resale. Stocks are stated at the lower of cost and net realisable value. Cost is calculated on a first in, first out basis and includes invoice price, import duties and transportation costs. Net realisable value comprises the actual or estimated selling price less all further costs to completion or to be incurred in marketing, selling and distribution.

At the end of each reporting period stocks are assessed for impairment. If an item of stock is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

Parent (Holdings) Limited and its Subsidiary Companies
Year Ended 31 December 2017
Notes to the Financial Statements

(k) Trade and other debtors

Trade and other debtors are recognised initially at transaction price (including transaction costs) unless a financing arrangement exists in which case they are measured at the present value of future receipts discounted at a market rate. Subsequently these are measured at amortised cost less any provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. All movements in the level of provision required are recognised in the profit and loss.

(l) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(m) Creditors and accruals

Creditors and accruals are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors and accruals are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

(n) Borrowings

Borrowings are recognised initially at the transaction price (present value of cash payable to the bank, including transaction costs). Borrowings are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest method and is included in interest expense.

Borrowings are classified as current liabilities unless the Company has a right to defer settlement of the liability for at least 12 months after the reporting date.

(o) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Parent (Holdings) Limited and its Subsidiary Companies
Year Ended 31 December 2017
Notes to the Financial Statements

(p) Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

(q) Employee Benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Annual bonus plans

The company recognises a provision and an expense for bonuses where the company has a legal or constructive obligation as a result of past events and a reliable estimate can be made.

(iii) Defined contribution pension plans

The Company operates a defined contribution plan. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate fund. Under defined contribution plans, the company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the company pays contributions to privately administered pension plans on a contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

(r) Share capital

Ordinary and preference shares are classified as equity where they meet the definition of equity in Section 22 of FRS 102. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(s) Goodwill

Goodwill represents the excess of consideration paid for the acquisition of shares in subsidiaries over the fair value of the identifiable assets and liabilities. Goodwill is amortised to the profit and loss account on a straight line basis over its estimated useful life. The estimated useful lives of goodwill is 5 years which is the default rate under FRS 102 as detailed in note 3. Useful life is determined by reference to the period over which the values of the underlying businesses are expected to exceed the values of their identifiable net assets.

Goodwill is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Parent (Holdings) Limited and its Subsidiary Companies
Year Ended 31 December 2017
Notes to the Financial Statements

3 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Establishing useful economic lives for depreciation/amortisation purposes of tangible and intangible fixed assets

Long-lived assets, consisting primarily of tangible and intangible fixed assets, comprise a significant portion of the total assets. The annual depreciation/amortisation charge depends primarily on the estimated useful economic lives of each type of asset and estimates of residual values. The directors regularly review these asset useful economic lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset useful lives can have a significant impact on depreciation and amortisation charges for the period. Detail of the useful economic lives is included in the accounting

(c) Inventory provisioning

The group holds a significant volume of inventory. As a result it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the estimated realisable value and the estimated costs to completion. The level of provision required is reviewed on an on-going basis and has been disclosed in note 16.

(c) Providing for doubtful debts

The group makes an estimate of the recoverable value of trade and other debtors. The company uses estimates based on historical experience in determining the level of debts, which the company believes, will not be collected. These estimates include such factors as the current credit rating of the debtor, the ageing profile of debtors and historical experience. Any significant reduction in the level of customers that default on payments or other significant improvements that resulted in a reduction in the level of bad debt provision would have a positive impact on the operating results. The level of provision required is reviewed on an ongoing basis and has been disclosed in note 17.

Parent (Holdings) Limited and its Subsidiary Companies
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Notes to the Financial Statements

4 TURNOVER

Turnover is derived from the single activity of the Group that of selling XXX products. As permitted by Schedule 3 paragraph 65(6) of the Companies Act 2014, the directors have availed of the exemption not to disclose turnover by market as in the opinion of the directors the disclosure of this information would be seriously prejudicial to the interests of the Group.

5 OPERATING PROFIT

Operating profit is stated after charging:	2017	2016
	€	€
Depreciation	147,094	137,308
Amortisation of goodwill	81,583	81,582
Directors' remuneration	614,594	388,376
Profit of disposal of fixed assets	(27,246)	(1,865)
Rentals under operating leases	-	-
Movement on stock provision	56,070	-
Stock used in the period recognised as an expense in cost of sales	17,351,088	17,126,076
Foreign exchange gain	(283,195)	(159,103)
Auditors' remuneration including out of pocket expenses		
Audit of group financial statements	11,000	11,000
Non audit services	-	-
Tax Advisory services	-	-
	<hr/>	<hr/>

6 INTEREST RECEIVABLE AND SIMILAR INCOME

Interest earned on assets held at amortised cost:		
Deposit interest	22,422	12,107
	<hr/>	<hr/>

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2017	2016
	€	€
Interest charged on financial liabilities carried at amortised cost:		
On bank loans and overdrafts	2,628	963
	<hr/>	<hr/>

Parent (Holdings) Limited and its Subsidiary Companies
Year Ended 31 December 2017
Notes to the Financial Statements

8 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2017	2016
	€	€
a) Tax expense in profit and loss:		
Current tax expense:		
Irish corporation tax on profits for the year	120,614	121,823
Adjustments in respect of prior periods	29,173.00	-
	149,787	121,823
Deferred tax expense:		
Origination and reversal of temporary difference	-	-
	149,787	121,823

(b) Reconciliation of tax charge

The tax assessed for the period is higher than the standard rate of corporation tax in Ireland for the year end 31 December 2017 of 12.5% (2016: 12.5%). The differences are explained below.

	2017	2016
	€	€
Profit on ordinary activities before tax	761,525	794,171
Tax calculated at Irish tax rates of 12.5% (2016: 12.5%)	95,191	99,271
<i>Effects of:</i>		
Non deductible expenses	19,840	12,649
Income taxed at higher rates	2,803	1,513
Deferred tax not previously recognised - capital allowances/depreciation in excess of depreciation/capital allowances	(331)	9,201
Deferred tax not previously recognised - losses forward utilised	-	(2,491)
Close company surcharge	3,111	1,680
Tax charge for year	120,614	121,823

9 EMPLOYEES

The average monthly number of employees was:

	2017	2016
Sales and distribution	14	14
Administration	6	6
	20	20

	2017	2016
	€	€
Operating costs		
Staff costs:		
Wages and salaries	1,294,823	1,159,456
Social welfare costs	93,551	85,294
Retirement Benefits – defined contribution plans	254,437	160,389
	1,642,811	1,405,139

Parent (Holdings) Limited and its Subsidiary Companies
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Notes to the Financial Statements

10 DIRECTORS REMUNERATION AND TRANSACTIONS

	2017	2016
	€	€
Remuneration		
Salary	308,794	286,000
Retirement Benefits	20,220	8,000
	329,014	294,000

11 RESULTS ATTRIBUTABLE TO PARENT (HOLDINGS) LIMITED

Parent (Holdings) Limited has availed of the exemption contained in Section 304(2) of the Companies Act 2014 and as a result its profit and loss account, together with the information supplementing the profit and loss account has not been presented. Parent (Holdings) Limited's result for the year after tax was €XX (2016: €XX).

12 INTANGIBLE ASSETS - GROUP

	Goodwill	
	2017	2016
	€	€
<u>Costs</u>		
At beginning of year and end of year	514,774	514,774
<u>Amortisation</u>		
At beginning of year	188,442	106,860
Charge for Year	81,583	81,582
At end of year	270,025	188,442
<u>Net book value</u>		
At 31 December	244,749	326,332

Goodwill arises from the acquisition of a 100% interest in Sub Co Limited a number of years ago. This goodwill is being amortised over a five year period.

Parent (Holdings) Limited and its Subsidiary Companies
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Notes to the Financial Statements

13 **TANGIBLE ASSETS - GROUP⁶**

	Land & Buildings €	Plant & Machinery €	Fixtures & Fittings €	Motor Vehicles €	Total €
Costs					
At beginning of year	1,483,515	662,281	80,483	304,519	2,530,798
Additions in year	-	155,591	3,639	63,715	222,945
Disposals in year	-	(133,451)	-	(30,600)	(164,051)
At end of year	1,483,515	684,421	84,122	337,634	2,589,692
Depreciation					
At beginning of year	239,794	491,033	79,311	118,985	929,123
Charge for Year	25,232	49,785	530	71,547	147,094
On disposals	-	(101,816)	-	(30,600)	(132,416)
At end of year	265,026	439,002	79,841	159,932	943,801
Net book value					
At 31 December 2017	1,218,489	245,419	4,281	177,702	1,645,891
At 31 December 2016	1,243,721	171,248	1,172	185,534	1,601,675

⁶ Para 48, Sch III, CA 2014 – Requires the presentation of cost, accumulated depreciation and net book value. Sch 3(5)(2) no longer requires the movement on the prior year fixed asset note to be included

Parent (Holdings) Limited and its Subsidiary Companies
Year Ended 31 December 2017
Notes to the Financial Statements

15	FINANCIAL ASSETS - COMPANY	2017	2016
		€	€
	Shares in subsidiary undertakings - cost	1,815,437	1,815,437

Subsidiary undertakings

<i>Company Name</i>	<i>Country of Incorporation</i>	<i>Details of investment</i>	<i>Proportion held by company</i>	<i>Registered Office</i>	<i>Principle Activity</i>
Sub Co 1 Limited	Ireland	25,000 ordinary shares of €1.27 each	100%	XXX Co XXXXX	XXX Stockholding
Sub Co 2 Limited	Ireland	2 ordinary shares of €1 each	100%	XXX Co XXXXX	Dormant company

In the opinion of the directors the shares in the company's subsidiaries are worth at least the amounts at which they are stated in the balance sheet.

16	STOCKS	Group	
		2017	2016
		€	€
	Finished goods	7,488,171	6,137,809
		7,488,171	6,137,809

Stocks are stated after provisions for impairment of €XXXXX (2016: €Nil).

17	DEBTORS	Group	
		2017	2016
		€	€
	Trade debtors	6,397,702	7,007,844
	Accrued income ⁷	-	-
	Prepayments and other debtors	310,619	200,527
		6,708,321	7,208,371

The fair values of Debtors and Prepayments approximate to their carrying amounts. Trade debtors are stated after provisions for impairments of €XXXXX (2016: €XXXXX).

⁷ Sch 3 Formats as amended by CAA 2017 requires accrued income to be shown separately in the notes.

Parent (Holdings) Limited and its Subsidiary Companies
Year Ended 31 December 2017
Notes to the Financial Statements

18 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2017	2016
	€	€
Trade creditors	3,101,437	2,297,827
Corporation tax	27,964	121,823
PAYE/PRSI	85,607	79,746
Other creditors and accruals	189,285	681,895
Value added tax	304,123	309,314
	3,708,416	3,490,605

OmniPro Bank Commercial Services Limited and OmniPro Bank Ireland Limited hold a debenture over all sums due under this facility and a floating charge on the assets of the group.

Trade and other creditors are payable at various dates in the next X months in accordance with the usual suppliers usual and customary terms. Tax and social securities are repayable at various dates over the coming months in line with tax authority guidelines.

19 FINANCIAL INSTRUMENTS

		Company	Group	Company	Group
	Note	2017	2016	2017	2016
		€	€	€	€
Financial assets measured at amortised cost					
Trade and other debtors	17	-	6,674,506	-	7,207,395
Cash and short term deposits		500	820,980	500	804,376
Financial liabilities measured at amortised cost					
Trade creditors	18	-	3,101,437	-	2,297,827
Accruals for goods and services	18	-	189,285	-	681,895
Taxation creditors	18	-	417,694	-	510,883

20 SHARE CAPITAL

	2017	2016
	€	€
Authorised Share Capital		
99,990,000 (2016: 99,990,000) ordinary shares of €0.01 each	999,900	999,900
12,160 (2016: 12,160) preference shares of €1.27 each	15,443	15,443
	1,015,343	1,015,343
Allotted, called up and fully paid– presented as equity		
10,000 (2016: 10,000) ordinary shares of €0.01 each	494	494
12,160 (2016: 12,160) preference shares of €1 each (see (i) below)	15,443	15,443
	15,937	15,937

(i) The redeemable preference shares are classified as equity in accordance with Section 22 of FRS 102 (liabilities and equity). The rights attaching to these preference shares are as follows:

- on a winding up of the company to a return of capital paid up or deemed paid up on each such share and otherwise shall not be entitled to participate further in the assets or profits of the company.

Parent (Holdings) Limited and its Subsidiary Companies
Year Ended 31 December 2017
Notes to the Financial Statements

20 SHARE CAPITAL (continued)

- the preference shares carry no right to vote at general meetings of the company or to receive a dividend.

21 CONTINGENCIES

There were no contingencies at 31 December 2017 (2016: €nil)

22 COMMITMENTS

The group had entered into commitments to purchase tangible fixed assets totalling €XXXXXX at the year end (2016: €XXXXX). There were no other commitments entered into at the year end (2016: €Nil).

23 RETIREMENT BENEFITS INFORMATION

	2017	2016
	€	€
	254,437	160,389

Retirement Benefit costs

The company operates an externally funded defined contribution scheme that covers substantially all the employees of the company. The assets of the scheme are vested in independent trustees for the sole benefit of these employees. Contributions outstanding at year end amounted to €Nil (2016: €Nil).

24 RECONCILIATION OF PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2017	2016
	€	€
Profit after taxation	611,738	672,348
Addback/Deduct		
Tax expense	149,787	121,823
Interest receivable and similar income	(22,422)	(12,107)
Interest expense	2,628	963
Operating profit	741,731	783,027
Adjustment for		
Depreciation	147,094	137,308
Goodwill amortisation	81,583	81,582
Gain on disposal of tangible fixed assets	(27,246)	(1,865)
Changes in working capital		
Increase in stocks	(1,350,362)	(684,698)
Decrease/(increase) in debtors and prepayments	493,550	(600,538)
Increase/(decrease) in creditors and accruals	311,670	(130,532)
Cash generated from/(used in) operations	398,020	(415,716)

Parent (Holdings) Limited and its Subsidiary Companies
Year Ended 31 December 2017
Notes to the Financial Statements

25 ANALYSYS OF CASH & CASH EQUIVALENT

	At 31 Dec 2016	Cash flow	Other non- cash items	At 31 Dec 2017
	€	€	€	€
Cash in hand	804,376	16,604	-	820,980
	<u>804,376</u>	<u>16,604</u>	<u>-</u>	<u>820,980</u>

26 RELATED PARTY TRANSACTIONS

There were no transactions entered into with related parties during the year ended 31 December 2017 and 31 December 2016.

Key management includes the Board of Directors and members of the Group Management who have responsibility for planning, directing and controlling the activities of the group. The compensation paid or payable to key management for employee services is shown below:

	2017 €	2016 €
Key management compensation		
Salaries and other short-term employee benefits	308,794	286,000
Post-employment benefits	20,220	8,000
	<u>329,014</u>	<u>294,000</u>

27 POST BALANCE SHEET EVENTS

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

28 APPROVAL OF THE FINANCIAL STATEMENTS

The directors approved the financial statements on _____