



# The Irish Financial Reporting Conference 2019

## Financial Statement Disclosures - Real Life Problems & Solutions

### Presenter:

Des O'Neill & Colm Owens- OmniPro



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## Real Life Financial Statement Disclosure Issues

- The Overview
- The Reviewer's Insight
- The Technical Insight
- The Big 4 Approach
- The Practical Approach

## Real Life Financial Statement Disclosure Issues

- In both audit and non-audit visits,
  - poor financial reporting
  - poor financial statements
- can result in a file or a visit to fail even though
  - the audit
  - non-audit work is of a good standard.

## Real Life Financial Statement Disclosure Issues

- In an audit context, AR 310, ISA 330 (para 24) states ‘The auditor shall perform sufficient audit procedures to evaluate whether the overall presentation of the financial statements, including related disclosures, is in accordance with the applicable financial reporting framework. (Ref: Para. A59)’.
- The firm should have procedures in place to show a reviewer that the firm has complied with ISA 330.

## Real Life Financial Statement Disclosure Issues

- Possible causes of poor financial reporting / financial statements
  - Over reliance on financial reporting / accounting package;
  - Lack of / lack of use of financial statements disclosure checklists or other form of reference material (i.e. proforma accounts);
  - Over reliance on staff – none or not effective RI review process;
  - Competence / lack of knowledge / awareness of FRS 102/S1.A FRS 102 or FRS 105.

## Real Life Financial Statement Disclosure Issues

- In cases where poor financial reporting / financial statements have been identified by a reviewed (and the work is of good standard);
  - Take responsibility / ownership;
  - Give reasons why it has occurred (is it a once off or systematic of a deficiency in the firm);
  - Have a documented action plan in place addressing the financial reporting / financial statements issue (if possible, provide examples of similar financial statements prepared since the set being reviewed).

## Real Life Financial Statement Disclosure Issues

- Financial Statement Issue Areas
- Auditors Reports
- Directors Report
- Primary Financial Statements
- Accounting Policies
- Notes to the Financial Statements

## Why OmniPro

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## Why OmniPro

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- We work out what accountants want and need
- We find the best solution for accountants in any given situation

## Why OmniPro

### What We Do -

We provide accountants with information products, consulting and training in the areas of;

- practice management, business development & marketing;
- company secretarial & taxation;
- audit & financial reporting;
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## Amazon Data Services Ireland Limited

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### REPORT OF THE DIRECTORS

for the year ended 31 December 2018

The Directors present their annual report and audited financial statements for the year ended 31 December 2018 for Amazon Data Services Ireland Limited ("the Company").

#### PRINCIPAL ACTIVITY

The Company's principal activity is the operation of a data centre business to provide web-hosting services to group companies.

#### BUSINESS REVIEW

The Company operates several data hub facilities in the Dublin area and at 31 December 2018 employed 1,371 people. The data hubs are currently supporting the Amazon group activities. The key performance indicator for the Company is administrative expenses. This is set out on page 10. During the year, administrative expenses increased in line with expectations primarily due to an increase in depreciation charges.

The Statement of Comprehensive Income and Balance Sheet for the year ended 31 December 2018 are set out on pages 10 and 11 respectively. Profit before tax amounted to €39,464,000 (2017: €30,226,000). After adjusting for the tax charge of €11,848,000 (2017: €11,144,000) a profit after tax of €27,616,000 (2017: €19,082,000) is available for dividends and retention.

The Directors aim to maintain the management policies and processes that support the principal activity of the Company. The Company is continually reviewing and refining these policies to improve the framework of financial control and manage the costs effectively.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The Company is dependent on the continued success of the Amazon.com group companies. The principal risks and uncertainties they face include, among others, risks related to competition, management of growth, new products, services and technologies, potential fluctuations in operating results, international expansion, outcomes of legal proceedings and claims, data centre and fulfilment centre optimisation, seasonality, commercial agreements, acquisitions and strategic transactions, foreign exchange rates, loss of key personnel, system interruption, data loss or security breaches, inventory, intellectual property rights, stock price volatility, government regulation and taxation, payments and fraud. More information about the principal risks and uncertainties facing the group is included in Amazon.com, Inc.'s filings with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended 31 December 2018, and all subsequent filings.

#### DIVIDENDS

The Directors do not propose the payment of a dividend for 2018.

#### POLITICAL CONTRIBUTIONS

No political donations were made by the Company during the year.

#### RESEARCH AND DEVELOPMENT

The Company provides research and development services to other group companies.

#### FINANCIAL INSTRUMENTS

The Amazon.com group, of which the Company is a member, manages financial risk on a group wide basis. The Company does not use financial instruments for risk management purposes.

## Amazon Data Services Ireland Limited

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### REPORT OF THE DIRECTORS (continued) for the year ended 31 December 2018

#### IMPORTANT EVENTS SINCE THE YEAR END

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

#### DIRECTORS

The Directors of the Company are listed on page 2 and have served throughout the financial year, and up to the date of the approval of these financial statements, unless otherwise stated.

#### DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES

The Directors and Secretary who held office at 31 December 2018 had no interests in shares in, or debentures of the Company, the ultimate holding company or any group undertaking, at the beginning or end of the financial year (or date of appointment if later), requiring disclosure in the Report of the Directors under Section 329 of the Companies Act 2014.

#### ACCOUNTING RECORDS

The measures that the Directors have taken to secure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014, with regard to the keeping of accounting records, include the provision of appropriate resources to maintain adequate accounting records throughout the Company, and ensuring the appointment of personnel with appropriate qualifications, experience and expertise.

These accounting records are maintained at Unit 27, 6400 Cork Airport Business Park, Kinsale Road, Cork.

#### RELEVANT AUDIT INFORMATION

The Directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Company's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Company's statutory auditors are unaware.

#### AUDIT COMMITTEE

The Directors confirm that they have opted not to appoint an audit committee for the Company on the basis that the ultimate holding company, Amazon.com Inc. has an audit committee in place. The Directors are satisfied that the group's audit committee terms of reference incorporate the Company and are sufficiently detailed to meet the requirements of Section 167 of the Companies Act 2014.

#### DIRECTORS' COMPLIANCE STATEMENT

The Directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations as outlined in Section 225 of the Companies Act 2014. The Directors confirm that they have:

- drawn up a compliance policy statement setting out the policies in respect of compliance with its relevant obligations;
- put in place appropriate arrangements that are, in the Directors' opinion, designed to secure material compliance with the relevant obligations; and
- conducted a review, during the financial year, of the arrangements that have been put in place.

## Amazon Data Services Ireland Limited

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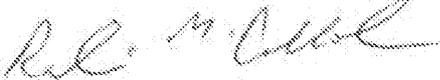
REPORT OF THE DIRECTORS (continued)  
for the year ended 31 December 2018

### AUDITORS

The auditors, Ernst & Young, Chartered Accountants, will continue in office in accordance with Section 383(2) of the Companies Act 2014.

On behalf of the Board

  
Alan Judge  
Director

  
Robin McCulloch  
Director

Date: 14 February 2019

Date: 14 February 2019

## Amazon Data Services Ireland Limited

### STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2018

	<i>Note</i>	<i>2018</i> € '000	<i>2017</i> € '000
TURNOVER	4	1,656,835	1,110,913
Administrative expenses		(1,600,349)	(1,068,652)
OPERATING PROFIT	6	56,486	42,261
Interest payable and similar expenses	8	(12,914)	(13,736)
Interest receivable and similar income	9	3	1
(Loss)/gain on disposal of tangible fixed assets		(4,111)	1,700
PROFIT BEFORE TAX		39,464	30,226
Tax on profit	10	(11,848)	(11,144)
PROFIT AFTER TAX		27,616	19,082
Other comprehensive income		—	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		27,616	19,082

All amounts reported in the statement of comprehensive income relate to continuing operations.

In anticipation of the Annual General Meeting's adoption of the financial statements, the total comprehensive income of €27,616,000 will be added to the Profit and loss account.

The accompanying notes form an integral part of these financial statements.

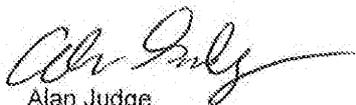
## Amazon Data Services Ireland Limited

### BALANCE SHEET as at 31 December 2018

	Note	2018 € '000	2017 € '000
<b>FIXED ASSETS</b>			
Tangible assets	11	2,381,956	2,239,711
<b>CURRENT ASSETS</b>			
Debtors - amounts falling due within one year	12	402,123	197,172
Debtors - amounts falling due after more than one year	13	8,680	10,324
Cash at bank		41,735	36,289
		<u>452,538</u>	<u>243,785</u>
CREDITORS - amounts falling due within one year	14	(958,599)	(822,416)
		<u>(506,061)</u>	<u>(578,631)</u>
NET CURRENT LIABILITIES		(506,061)	(578,631)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,875,895	1,661,080
CREDITORS - amounts falling due after more than one year	15	(1,017,169)	(966,320)
PROVISION FOR LIABILITIES	17	(13,147)	(8,379)
		<u>(1,030,316)</u>	<u>(974,699)</u>
NET ASSETS		845,579	686,381
<b>CAPITAL AND RESERVES</b>			
Called up share capital - presented as equity	18	510	510
Non distributable reserve		1,530	1,530
Other reserve		642,400	532,400
Share based payment		72,554	50,972
Profit and loss account		128,585	100,969
		<u>845,579</u>	<u>686,381</u>
TOTAL EQUITY		845,579	686,381

The accompanying notes form an integral part of these financial statements.

On behalf of the Board



Alan Judge  
 Director  
 Date: 14 February 2019



Robin McCulloch  
 Director  
 Date: 14 February 2019

Amazon Data Services Ireland Limited

STATEMENT OF CHANGES IN EQUITY  
 as at 31 December 2018

Note	Called up share capital € '000	Non distributable reserve € '000	Other Reserve € '000	Share based payment € '000	Profit and loss account € '000	Other comprehensive income € '000	Total € '000
At 1 January 2017	510	1,530	432,400	34,768	81,887	—	551,095
Profit for the year	—	—	—	—	19,082	—	19,082
Charge arising in the year	—	—	—	16,204	—	—	16,204
Received in the year	—	—	100,000	—	—	—	100,000
Other comprehensive income	—	—	—	—	—	—	—
At 1 January 2018	510	1,530	532,400	50,972	100,969	—	686,381
Profit for the year	—	—	—	—	27,616	—	27,616
Charge arising in the year	—	—	—	21,582	—	—	21,582
Received in the year	—	—	110,000	—	—	—	110,000
Other comprehensive income	—	—	—	—	—	—	—
At 31 December 2018	510	1,530	642,400	72,554	128,585	—	845,579

A non-distributable reserve was established in compliance with the requirements of the Grant Agreement entered into by the Company and the Industrial Development Authority in 2007.

The Company received an unconditional capital contribution of €110,000,000 (2017: €100,000,000) from Amazon EU S.à.r.l which was transferred to the Other Reserve of the Company.

The accompanying notes form an integral part of these financial statements.

## Amazon Data Services Ireland Limited

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### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

#### 1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH FINANCIAL REPORTING STANDARD 101 'REDUCED DISCLOSURE FRAMEWORK'.

Amazon Data Services Ireland Limited ("the Company") is a private company limited by shares incorporated and domiciled in Ireland.

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

The financial statements for the year ended 31 December 2018 were authorised for issue by the Board of Directors on 14 February 2019.

#### 2. ACCOUNTING POLICIES

##### *Accounting convention*

The financial statements are prepared in Euro in accordance with generally accepted accounting principles under the historical cost convention and comply with the financial reporting standards of the Financial Reporting Council and as applied by the Companies Act 2014. The financial statements are rounded to the nearest thousand Euro (€'000) for presentation.

##### *Basis of preparation*

The financial statements have been prepared on a going concern basis in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Act 2014. The financial reporting framework that has been applied in their preparation is the accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Under FRS 101, the Company has opted for the following disclosure exemptions:

- The requirements of IAS 7 Statement of Cash Flows to prepare a Statement of Cash Flows;
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of the group that are wholly owned within the group and the requirements in paragraph 17 regarding the disclosure of key management personnel compensation;
- The requirements in paragraphs 134-136 of IAS 1 Presentation of Financial Statements to disclose objectives, policies and processes for managing capital;
- The requirements of paragraph 30 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to disclose information about standards issued but not yet effective;
- The requirements of IFRS 7 'Financial Instruments: Disclosures' to disclose information about the significance of financial instruments and information in respect of the nature and extent of risks arising from financial instruments;
- The requirements of paragraphs 45(b) and 46 - 52 of IFRS 2 'Share-based Payment' to disclose the number and weighted average price of equity instruments of another group entity; and
- The requirements of paragraphs 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.

## Amazon Data Services Ireland Limited

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### NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2018

#### 2. ACCOUNTING POLICIES (continued)

##### *Basis of preparation (continued)*

These disclosure exemptions are available to the Company as the Company is a member of a group where the parent of that group prepares publicly available consolidated financial statements. Details of availability are given in Note 19 to the financial statements.

##### *Revenue recognition*

Turnover, which is stated net of value added tax, represents amounts invoiced to other group companies and is attributable to the principal activity of the Company, recognized as services are provided.

##### *Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost less depreciation. Costs comprise the purchase price and any direct costs incurred in bringing the asset to its location and condition for its intended use.

Depreciation is provided at the following annual rates in order to write off the cost of each asset over its useful life by equal annual installments.

Fixtures and fittings	20% - 33% straight line
Computer equipment	25% - 33% straight line
Technology infrastructure	20% - 33% straight line/straight line over the term of the lease
Leasehold improvements	Lower of expected useful life or lease term
Buildings	2.56% - 6.67% straight line
Heavy equipment	10% straight line

If the useful life of an asset is amended, the net book value at the date the change is made is depreciated over the remainder of the revised useful life.

The Company performs an assessment at the end of each reporting period to determine whether an asset displays any indicator of impairment. Where such indicators are noted, the amount of impairment is determined to be the difference between net book value and recoverable amount. The resulting difference is recorded in the Statement of Comprehensive Income.

##### *Debtors*

Debtors are recognised and carried at the lower of their original invoiced value and recoverable amount. Provision is made where there is objective evidence that the Company will not be able to recover the balances in full. Balances are written off when the probability of recovery is assessed as being remote.

##### *Trade creditors*

Trade creditors are recorded at their repayment value.

##### *Interest bearing loans and borrowings*

All interest bearing loans and borrowings are initially recognised at the fair value less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

## Amazon Data Services Ireland Limited

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### NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2018

#### 2. ACCOUNTING POLICIES (continued)

##### *Foreign currencies*

Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the exchange rates ruling at the balance sheet date. Revenues, costs and non-monetary assets are translated at the exchange rates ruling at the date of the transactions.

Monetary assets are monies held and amounts to be received in money, and all other assets are non-monetary assets.

Profits and losses arising from foreign currency translation and on settlement of amounts receivable and payable in foreign currency are recorded in the Statement of Comprehensive Income.

##### *Leased assets*

Leases of assets that transfer substantially all the risks and rewards of ownership are classified as finance leases.

Assets held under finance leases and hire purchase contracts are capitalised at the commencement of the lease at the lower of fair value and the present value of minimum lease payments. The assets are depreciated over the shorter of the lease term and the assets' useful life.

The capital element of lease obligations is recorded as a liability on the balance sheet. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce constant rate of change on the balance of capital repayments outstanding.

Rentals and lease incentives paid under operating leases are charged to income on a straight line basis over the lease term.

##### *Income taxes*

Income taxes have been provided for using an asset and liability based approach. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. Deferred income tax balances reflect the effects of temporary differences between the carrying amounts of asset and liabilities and their tax bases and are stated at enacted or substantially enacted tax rates expected to be in effect when taxes are actually paid or recovered. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

## Amazon Data Services Ireland Limited

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### NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2018

#### 2. ACCOUNTING POLICIES (continued)

##### *Pensions*

The Company contributes to a defined contribution pension scheme. Contributions are charged to the statement of comprehensive income in the year to which they relate.

##### *Provisions*

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision for an asset retirement obligation is recognised for leased buildings that existed at the year end date. The provision has been calculated based on present value of expected future cash flows at the termination of the lease in order to return the building to its original condition. The Company applies a risk-adjusted pre-tax discount rate in order to take effect of the time value of money to arrive at the value of the asset retirement obligation. The accretion of the discount each year is recorded as interest payable and similar expenses.

##### *Share based payments*

In accordance with IFRS 2 'Share-based Payment', the fair value of equity-settled share-based payments is determined at the date of grant and is expensed using an accelerated method over the vesting period, based on the Company's estimate of shares that will eventually vest. The fair value of the equity awards is based on the average of the high and low share price on the date of the grant. Details of the plan are available in Note 21.

##### *Research & development*

Expenditure on research and development is charged to the Statement of Comprehensive Income account in the year in which the expenditure is incurred. Research and development tax credits are credited to the Statement of Comprehensive Income account when recoverability is reasonably assured.

##### *Significant estimates*

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expense. Significant management judgements are applied in the recognition and measurement of deferred tax assets, the useful life of fixed assets, the calculation of the asset retirement obligation and the estimates used for equity awards that will eventually vest.

## Amazon Data Services Ireland Limited

### NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2018

#### 3. GOING CONCERN

The Company's operations generated an increase in net assets during 2018 and are expected to do so for the foreseeable future. On this basis the Directors have a reasonable expectation that the Company has adequate resources to continue as an operational business for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

#### 4. TURNOVER

Revenues earned relate to the principal activity of the Company. As a result, management do not believe that any further disaggregation of revenue is required in order to provide a greater understanding as to how the nature, timing and uncertainty of cash flows are affected by economic factors.

#### 5. STAFF COSTS

	2018 €'000	2017 €'000
Wages & salaries	113,520	87,412
Social welfare costs	13,501	12,262
Pension costs	2,808	2,111
Share based payments (note 21)	21,582	16,204
	151,411	117,989

The Company contributes to a defined contribution pension scheme for its employees and the cost for the year is disclosed above. There were no employer contributions outstanding in relation to the pension scheme at year end (2017: €nil).

The average number of employees (including Directors) during the year was 1,277 and is analysed into the following categories:

	2018 No.	2017 No.
Management	356	255
Operations	921	788
	1,277	1,043

## Amazon Data Services Ireland Limited

### NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2018

#### 6. OPERATING PROFIT

	2018 €'000	2017 €'000
This is stated after charging:		
Depreciation of tangible assets - owned	124,927	102,471
Depreciation of tangible assets - leased	676,919	578,360
Auditors' remuneration - audit of financial statements	44	39
Operating lease rentals - equipment	2,913	559
Operating lease rentals - land & buildings	18,371	15,154
Net foreign exchange loss	293	631
Research and development costs	70,713	9,928

#### 7. DIRECTORS' EMOLUMENTS

	2018 €'000	2017 €'000
Aggregate emoluments paid or receivable by Directors in respect of qualifying services	573	399
Aggregate amounts paid or receivable by Directors in respect of share based awards	1,033	801
Aggregate amounts of contribution paid or payable to a retirement benefit scheme in respect of qualifying services of Directors	23	35

Certain Directors' emoluments have been borne by the parent company, Amazon.com, Inc., or one of its affiliated companies. These Directors are also Directors or officers of a number of the companies within the Amazon Group. These Directors' services to the Company do not occupy a significant amount of their time. As such these Directors do not consider that they have received any remuneration for their qualifying services to the Company for the years ended 31 December 2018 and 31 December 2017.

## THE FOOTBALL ASSOCIATION OF IRELAND

(a company limited by guarantee and not having a share capital)

### REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

# DIRECTORS' REPORT

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

## PRINCIPAL ACTIVITY

The principal activity of the Association is the management and direction of Association Football throughout the Republic of Ireland.

## RESULTS FOR THE FINANCIAL YEAR AND STATE OF AFFAIRS AT THE FINANCIAL YEAR END AND REVIEW OF THE BUSINESS

The results for the year and state of affairs at the financial year end are set out in the Statement of Comprehensive Income and Balance Sheet respectively.

The following is a summary of the results for the current financial year:

	2017 €	2016 €
Surplus on ordinary activities before grants	5,152,634	4,656,352
Development and operating grants to affiliates	(2,394,571)	(2,312,061)
<b>Retained surplus for financial year</b>	<b>2,758,063</b>	<b>2,344,291</b>

## INCOME AND EXPENDITURE

Overall our turnover was €49.0m (2016: €50.4m). The revenue in 2017 decreased in comparable terms due to the receipt of a significant 4-yearly grant in 2016. Annual operating income year-on-year remained stable with Match, Commercial, Technical and other income solidifying the long term future of the Association.

Sport Ireland continued to provide strong support to the Association and the running of the technical department by allocating €2.7m in grants (2016:€2.7m) to the FAI's football programmes.

The Association continued to have strong sponsorship income which was €8.3m in 2017 (2016: €8.2m). These partnerships include strong companies like Aviva, 3Mobile, Toplion (New Balance), Diageo, Ford, Airtricity, Continental Tyres, Spar, BOI, Irish Daily Mail, Celtic Pure, Trackchamp Bwin, DID Electrical, Ladbrokes, Tetrarch, EA Sports, Panini, O'Driscoll O'Neill, Bartoni, Kepak, Ipro Sport, Fota Island Resort and Castleknock Hotel.

The Association continued to work at reducing costs and implemented a number of cost saving measures in 2017. Cost control will continue to be a key priority for the Association together with a strong focus on revenue generation to ensure the Association is positioned to meet its financial commitments and invest in the future of the game.

The Association continues to invest in the underage international squads with over €2.9m spent supporting our underage and Women's international teams. The return on this investment can be seen by the success across the levels.

## THE FOOTBALL ASSOCIATION OF IRELAND

(a company limited by guarantee and not having a share capital)

### REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

# DIRECTORS' REPORT (CONTINUED)

Our development and operating grants were €2.4m (2016: €2.3m) which shows our commitment to providing funding at all levels of the game.

The underlying retained surplus was €2.8m (2016: €2.3m) after taking all income, expenditure, investment income, interest costs, amortisation and grants into account.

## STATEMENT OF FINANCIAL POSITION

As at the 31 December 2017 we had net assets of €22.4m, an increase of €2.8m from 2016. The Association has assets of just over €93.7m (2016: €95.7m) and bank borrowings of €38.2m (2016: €39m.)

## PRINCIPAL RISKS AND UNCERTAINTIES FACING THE ASSOCIATION

The Association is dependent upon the income generated by the success of the Senior International team by way of ticket revenue, sponsorship and television revenue to continue to invest in all aspects of football throughout the country. Any variances in the revenue being generated from such activities may affect the level of such investment.

In contributing towards the development of the Aviva Stadium, the Association has received funding through debt financing. The Association has a business plan in place which identifies it will generate sufficient cashflow to facilitate repayment of this financing in line with agreed repayment terms.

## FUNDING AND FUTURE CHALLENGES

The Association recognises the current economic climate throughout the country and the common challenges faced by all businesses in Ireland. The Association remains committed to securing long term revenue streams including the UEFA TV contract which came in to effect in 2014 and currently extends to 2022, UEFA Hattrick Programme funding and commercial contracts. These revenues, allied to future income from the resale of Stadium naming rights and premium seats, our strong day-to-day revenues, provides a strong foundation for the Association.

We continue to challenge our costs to ensure we meet our financial obligations and in tandem we focus on growing revenue and generating funds to continue to strengthen our game for future generations.

## GOING CONCERN

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements.

## DIRECTORS & SECRETARY

The present membership of the Board of Management is set out on page 91. In addition to the National Council members set out on page 91, M Gorman, T Leydon & R Winn served as members of the National Council during the year ended 31 December 2017.

The Company Secretary at 31 December 2017 was Rea Walshe (appointed 20 April 2017).

## THE FOOTBALL ASSOCIATION OF IRELAND

(a company limited by guarantee and not having a share capital)

### REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

# DIRECTORS' REPORT (CONTINUED)

## EVENTS AFTER THE BALANCE SHEET DATE

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

## ACCOUNTING RECORDS

The measures that the directors have taken to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at the National Sports Campus, Abbotstown, Dublin 15.

## STATEMENT ON RELEVANT AUDIT INFORMATION

In the case of each of the persons who are directors at the time the Directors' Report and Financial Statements are approved:

- (a) so far as the director is aware, there is no relevant audit information of which the company's statutory auditors are unaware, and
- (b) the 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 company's statutory auditors are aware of that information.

## DIRECTORS' COMPLIANCE STATEMENT

The Directors have drawn up a compliance policy statement (as defined in section 225(3)(a) of the Companies Act 2014) and arrangements and structures are in place that are, in the Directors' opinion, designed to secure material compliance with the Association's relevant obligations under the Companies Act 2014.

The Directors confirm that these arrangements and structures were reviewed subsequent to the financial year end. As required by Section 225(2) of the Companies Act 2014, the Directors acknowledge that they are responsible for the Association's compliance with the relevant obligations. In discharging their responsibilities under Section 225, the Directors relied on the advice both of persons employed by the Association and of persons retained by the Association under contract, who they believe have the requisite knowledge and experience to advise the Association on compliance with its relevant obligations.

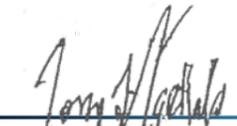
## AUDIT COMMITTEE

The Board is ultimately responsible for risk management within the Association. The Board has established an Audit Committee with responsibility for monitoring the effectiveness of the Association's risk management and internal control systems. The audit committee comprises of members from the National Council.

## AUDITORS

The auditors, Deloitte, Chartered Accountants and Statutory Audit Firm, continue in office in accordance with Section 383(2) of the Companies Act 2014.

Signed on behalf of the Board of Management:

  
Tony Fitzgerald  
President

  
Eddie Murray  
Honorary Treasurer

Date: 7 June 2018

## THE FOOTBALL ASSOCIATION OF IRELAND

(a company limited by guarantee and not having a share capital)

### REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

# DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014.

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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council ("relevant financial reporting framework"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company 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 for the company financial statements 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 the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FOOTBALL ASSOCIATION OF IRELAND

(a company limited by guarantee and not having a share capital)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### OPINION ON THE FINANCIAL STATEMENTS OF THE FOOTBALL ASSOCIATION OF IRELAND (THE 'COMPANY')

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2017 and of the surplus for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Statement of Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity;
- the Statement of Cash Flows; and
- the related notes 1 to 22, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council ("the relevant financial reporting framework").

### 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 described below 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 Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, 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 ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in 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.

### OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Reports and Financial Statements for the financial year ended 31 December 2017, 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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FOOTBALL ASSOCIATION OF IRELAND

(a company limited by guarantee and not having a share capital)

## OTHER INFORMATION (CONTINUED)

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.

## RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement, 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 the 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 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 (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.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FOOTBALL ASSOCIATION OF IRELAND

(a company limited by guarantee and not having a share capital)

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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 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.

### Report on other legal and regulatory requirements

#### Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

### Matters on which we are required to report by exception

Based on 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 provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

For and on behalf of Richard Howard, Deloitte Ireland LLP

Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

Date: 7 June 2018

## THE FOOTBALL ASSOCIATION OF IRELAND

(a company limited by guarantee and not having a share capital)



# STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Notes	2017 €	2016 €
<b>TURNOVER</b>	3	<b>49,038,340</b>	50,403,572
Cost of sales		<b>(30,410,187)</b>	(29,295,780)
<b>OPERATING INCOME</b>		<b>18,628,153</b>	21,107,792
Administration expenses		<b>(11,476,664)</b>	(11,703,980)
<b>OPERATING SURPLUS</b>		<b>7,151,489</b>	9,403,812
Interest payable and similar charges	5	<b>(1,998,855)</b>	(4,747,460)
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE GRANTS</b>	6	<b>5,152,634</b>	4,656,352
Development and operating grants to affiliates		<b>(2,394,571)</b>	(2,312,061)
<b>SURPLUS RETAINED FOR THE FINANCIAL YEAR</b>		<b>2,758,063</b>	2,344,291

## THE FOOTBALL ASSOCIATION OF IRELAND

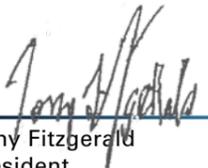
(a company limited by guarantee and not having a share capital)

# BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 €	2016 €
<b>Fixed Assets</b>			
Tangible assets	7	2,966,496	3,035,654
Intangible assets	8	58,512,035	59,806,040
Financial assets	9	25,196,503	25,196,503
		<b>86,675,034</b>	<b>88,038,197</b>
<b>Current Assets</b>			
Debtors and prepayments	10	6,754,354	6,713,475
Cash and cash equivalents	11	-	937,447
		<b>6,754,354</b>	<b>7,650,922</b>
<b>Current Liabilities</b>			
<b>Creditors:</b> Amounts falling due within one year	12	(27,863,019)	(27,336,576)
<b>Net Current Liabilities</b>		<b>(21,108,665)</b>	<b>(19,685,654)</b>
<b>Total Assets less Current Liabilities</b>		<b>65,566,369</b>	<b>68,352,543</b>
<b>Creditors:</b> Amounts falling due after more than one year	12	(43,213,483)	(48,757,720)
<b>NET ASSETS</b>		<b>22,352,886</b>	<b>19,594,823</b>
<b>Represented by:</b>			
Capital reserve		29,775	29,775
Revenue reserves		22,323,111	19,565,048
<b>TOTAL RESERVES</b>		<b>22,352,886</b>	<b>19,594,823</b>

The financial statements were approved by the Board of Management on 7 June 2018 and signed on its behalf by:

  
Tony Fitzgerald  
President

  
Eddie Murray  
Honorary Treasurer

## THE FOOTBALL ASSOCIATION OF IRELAND

(a company limited by guarantee and not having a share capital)

ANNUAL REPORT 2017/18



# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Capital Reserves €	Revenue Reserves €	Total €
At 1 January 2016	29,775	17,220,757	17,250,532
Surplus for the financial year	-	2,344,291	2,344,291
At 31 December 2016	29,775	19,565,048	19,594,823
Surplus for the financial year	-	2,758,063	2,758,063
<b>At 31 December 2017</b>	<b>29,775</b>	<b>22,323,111</b>	<b>22,352,886</b>

# STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Notes	2017 €	2016 €
<b>Net cash flows from operating activities</b>	15	<b>2,804,723</b>	17,364,708
<b>Cash flows from investing activities</b>			
Acquisitions of intangible fixed assets		(418,199)	(224,277)
Acquisitions of tangible fixed assets		(355,514)	(580,338)
Payment of grants		(2,320,308)	(2,414,306)
Investment Income received		-	94
<b>Net cash flows from investing activities</b>		<b>(3,094,021)</b>	(3,218,827)
<b>Cash flows from financing activities</b>			
Repayments of borrowings		(786,840)	(9,240,183)
Interest payable and similar charges		(1,224,416)	(2,056,431)
<b>Net cash flows from financing activities</b>		<b>(2,011,256)</b>	(11,296,614)
<b>Net increase in cash and cash equivalents</b>	14	<b>(2,300,554)</b>	2,849,267
Cash and cash equivalents at beginning of financial year		937,447	(1,911,820)
Cash and cash equivalents at end of financial year	11	<b>(1,363,107)</b>	937,447



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

## 1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding year.

### General Information and Basis of Accounting

The Football Association of Ireland is a company incorporated in Ireland. The address of the registered office is given on page 91. The nature of the company's operations and its principal activities are set out in the directors' report on pages 92 to 94.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with the Companies Act 2014 and Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of The Football Association of Ireland is considered to be euro because that is the currency of the primary economic environment in which the company operates.

### Going Concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The Association had a surplus retained for the financial year of €2,758,063 (2016: €2,344,291) and as at the balance sheet date had net assets of €22,352,886 (2016: €19,594,823) with net current liabilities of €21,108,665 (2016: €19,685,654). The net current liabilities excluding deferred income at the balance sheet date was €6,230,352 (2016: €5,016,195). Subsequent to the year end the Association received further funding and has positive cash reserves.

In order to fund the continuing operations of the Association, the Association continues to utilise existing sources of finance available to it. The Association will continue to efficiently manage its working capital on a day-to-day basis to ensure availability of cash. Based on approved management forecasts of trading performance, and finance facilities being made available to the Association, the Directors have forecasted that the Association will operate within current overdraft facilities for at least twelve months from the date of approval of the financial statements.

On the basis of management's forecast of the Association's operating performance and financing requirements, the Directors believe they have adequate resources to fund their operations for the foreseeable future. The Directors are therefore of the opinion that it is appropriate to prepare the financial statements on a going concern basis.

### Taxation

The Association has been granted sporting body status, and accordingly no charge to Corporation tax arises by virtue of Section 235 of the Taxes Consolidation Act, 1997.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

## 1. ACCOUNTING POLICIES (CONTINUED)

### Turnover

Turnover comprises the value of sales of goods and services in the normal course of business including gate receipts, sponsorship monies, subventions, marketing, commercial and miscellaneous income.

Turnover from marketing contracts is recognised rateably over the period of the contract or where a fair value can be attributed to an element of a contract when that element has been delivered. Subvention and grant income is recognised over the period when the related cost is recognised.

### Tangible Fixed Assets

Tangible fixed assets are stated at cost, net of depreciation and any allowance for impairment. Depreciation is provided on all tangible fixed assets, other than land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line balance basis over its expected useful life, as follows:

Office, machinery, furniture and equipment	10% – 33% per annum
Motor Vehicles	25% per annum
Training grounds	10% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives.

In the opinion of the directors, any charge to depreciation on the grounds and related accumulated depreciation would not be material as the value of the assets relate primarily to land.

### Intangible Fixed Assets

Intangible fixed assets are stated at cost net of depreciation and any allowance for impairment.

Intangible fixed assets comprise of contributions to New Stadium Limited in respect of the construction of Aviva Stadium and software licences.

The stadium asset is amortised on a straight line basis over a 50 year period in line with the estimated useful life. Software Licences are capitalised at their fair value and amortised on a straight line basis over the shorter of their estimated useful lives or licence duration from the date the software is available for use.

### Financial Assets

Financial assets consist of investments in joint venture undertakings together with other financial asset investments held at cost. Investments are carried at cost less provisions for any permanent diminution in carrying value below cost.



# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

## 1. ACCOUNTING POLICIES (CONTINUED)

### Financial Instruments

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into.

### Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified at fair value through surplus or deficit, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

### (i) Investments

Investments are measured at fair value with changes in fair value recognised through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in joint ventures are measured at cost less impairment.

### (ii) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

## 1. ACCOUNTING POLICIES (CONTINUED)

### Finance Costs

Interest and similar costs are expensed to the Statement of Comprehensive Income over the period to which the loan financing relates. Where the financing related directly to the addition of a fixed asset, such costs were attributed to the related asset.

Finance costs associated with the raising of finance are netted against the related loan and amortised over the period of the loan. Where future contracted revenue cashflows are securitised, the resulting difference between the upfront proceeds and the gross value of the contract is recognised over the period of the related contract as a finance cost.

### Pensions

Charges in respect of pension arrangements under a defined contribution pension scheme are charged to the Statement of Comprehensive Income in the year to which they relate.

### Grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets.

Grants relating to fixed assets are treated as a deferred credit, which is credited to the Income Statement over the estimated useful lives of the related assets on a straight line basis. Grants relating to non-capital expenditure are credited to the S.O.C.I. in the same period as the related expenditure is incurred.

### Foreign Currency

Transactions denominated in foreign currencies are recorded at actual exchange rates as at the date of the transaction. The monetary assets and liabilities denominated in foreign currencies at the year-end are reported at the rates of exchange prevailing at the year-end. All exchange differences are dealt with in the S.O.C.I.

## 2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements include;

- the assessment of expected useful lives for fixed assets, both tangible and intangible. Depreciation rates are set by reference to internal estimation of useful lives and benchmarking assets against externally available information,
- assessment of period over which revenue is recognised for contracts which span more than one accounting period and where multiple deliverables may form part of the contract.
- calculation of interest charge on financial instruments.



# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

## 2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

The key source of estimation is the determination of bad debt provisions at year end where such provisions include an estimation of future cashflows and where they may not reflect the eventual cash receipts.

## 3. TURNOVER

An analysis of the company's turnover is as follows:

	2017 €	2016 €
International match income	17,361,298	15,737,201
Commercial income	16,921,173	16,617,763
Grants & subvention income	6,147,300	9,694,192
Income from technical department courses	6,180,956	5,411,455
Other income	2,427,613	2,942,961
	<b>49,038,340</b>	<b>50,403,572</b>

In addition to this revenue, the FAI also received benefits from sponsors in the form of discounts and usage of sponsors' equipment. The value of this sponsorship is not reflected in the turnover figure.

All income arose in the Republic of Ireland.

During the year the FAI received grant funding from the Young Peoples Facilities and Services Fund 2 (YPPSF 2) - Football in the Community Officers funding €361,778 (2016: €344,550), Department of Justice €45,022 (2016: €Nil), Sport Ireland €2,707,910 (2016: €2,707,910), Department of Foreign Affairs and Trade Emigrant Support Programme €Nil (2016: €55,000), Department of Children and Youth Affairs €Nil (2016: €40,750), Dublin Waste to Energy Project Grant - Community Gain €Nil (2016: €2,000), DCYA / CDYSB - General Fund Youth Employability Grant €Nil (2016: €15,000) Dun Laoghaire Rathdown County Council - Young People Facilities & Services Fund €23,535 (2016: €22,415) and Kildare Wicklow ETB - Young People Facilities & Services Fund €23,536 (2016: €22,415), Dormant Account funding €18,000 (2016: €Nil). These grants have been expended for the purpose for which they were intended.

**THE FOOTBALL ASSOCIATION OF IRELAND**

(a company limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS** (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

4. STAFF COSTS	2017 €	2016 €
Wages and Salaries	10,713,173	10,327,248
Social welfare costs	1,206,068	843,843
Pension costs	80,139	43,197
	<b>11,999,380</b>	<b>11,214,288</b>

Average number of persons employed (including directors) was:

	Number	Number
Management	13	13
Administration and operations	180	169
	<b>193</b>	<b>182</b>

5. INTEREST PAYABLE AND SIMILAR CHARGES	2017 €	2016 €
Interest payable on overdraft and loans payable within 5 years	1,607,946	4,247,460
Unwinding of discount (Note 12)	390,909	500,000
	<b>1,998,855</b>	<b>4,747,460</b>

6. SURPLUS ON ORDINARY ACTIVITIES BEFORE GRANTS	2017 €	2016 €
Surplus on ordinary activities before grants is arrived at after charging:		
Directors' Remuneration:		
- Directors emoluments	360,000	360,000
- Officers' emoluments	70,000	70,000
- Tangible fixed asset depreciation	391,253	474,849
- Intangible fixed assets amortisation	1,712,205	1,533,262
- Operating lease charge - land & building	2,794,605	2,794,605
	<b>2,794,605</b>	<b>2,794,605</b>

**THE FOOTBALL ASSOCIATION OF IRELAND**

(a company limited by guarantee and not having a share capital)

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**NOTES TO THE FINANCIAL STATEMENTS** (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

6. SURPLUS ON ORDINARY ACTIVITIES BEFORE GRANTS (CONTINUED)	2017 €	2016 €
Auditors' Remuneration (including VAT) is as follows:		
- Audit of company's accounts	59,784	58,985
- Other assurance services	26,180	17,068
- Tax advisory services	4,305	18,087
- Other non-audit services	44,285	8,632
	<b>134,554</b>	<b>102,772</b>

7. TANGIBLE ASSETS	Football Grounds €	Office Machinery, Furniture and Equipment €	Training Grounds €	Total €
At 1 January 2017	725,504	3,802,280	1,960,861	6,488,645
Additions	48,208	233,258	74,048	355,514
Disposals	-	(74,263)	-	(74,263)
<b>As at 31 December 2017</b>	<b>773,712</b>	<b>3,961,275</b>	<b>2,034,909</b>	<b>6,769,896</b>
<b>Depreciation</b>				
At 1 January 2017	-	3,199,026	253,965	3,452,991
Charge for the financial year	-	190,868	200,385	391,253
Disposals	-	(40,844)	-	(40,844)
<b>At 31 December 2017</b>	<b>-</b>	<b>3,349,050</b>	<b>454,350</b>	<b>3,803,400</b>
<b>Carrying value</b>				
<b>At 31 December 2017</b>	<b>773,712</b>	<b>612,225</b>	<b>1,580,559</b>	<b>2,966,496</b>
At 31 December 2016	725,504	603,254	1,706,896	3,035,654

Grounds represent the Associations interest in United Park in Drogheda, Ferrycarrig Park in Wexford, St. Colman's Park in Cobh, the FAI Centre of Excellence in Glanmire, Cork and Ray McSharry Park in Sligo. Training grounds represent the Associations interest in National Sports Campus and AUL sports ground.

Included in Furniture and Equipment are assets held under finance leases with a net book value of €276,389 (2016: €363,554). The depreciation charge on these assets amounted to €129,118 (2016: €111,729).

**THE FOOTBALL ASSOCIATION OF IRELAND**

(a company limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS** (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

**8. INTANGIBLE ASSETS**

	Stadium Contributions €	Software Licences €	Total €
<b>Cost or valuation</b>			
At 1 January 2016	69,376,193	1,296,122	70,672,315
Additions	-	224,277	224,277
As at 31 December 2016	69,376,193	1,520,399	70,896,592
Additions	-	418,199	418,199
<b>As at 31 December 2017</b>	<b>69,376,193</b>	<b>1,938,598</b>	<b>71,374,791</b>
<b>Depreciation</b>			
At 1 January 2016	8,846,603	710,687	9,557,290
Amortisation in financial year	1,399,524	133,738	1,533,262
At 31 December 2016	10,246,127	844,425	11,090,552
Amortisation in financial year	1,399,524	312,681	1,712,205
<b>At 31 December 2017</b>	<b>11,645,651</b>	<b>1,157,106</b>	<b>12,802,757</b>
<b>Net Book Value</b>			
<b>At 31 December 2017</b>	<b>57,730,542</b>	<b>781,493</b>	<b>58,512,035</b>
At 31 December 2016	59,130,066	675,974	59,806,040

**9. FINANCIAL ASSETS**

	2017 €	2016 €
<b>Investments:</b>		
Prize bonds	1,270	1,270
Unquoted investments	1	1
Investments in joint ventures (Note 17)	25,195,232	25,195,232
	<b>25,196,503</b>	<b>25,196,503</b>

**THE FOOTBALL ASSOCIATION OF IRELAND**

(a company limited by guarantee and not having a share capital)

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**NOTES TO THE FINANCIAL STATEMENTS** (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

**10. DEBTORS AND PREPAYMENTS**

	2017 €	2016 €
<b>Amounts falling due within one year:</b>		
Trade debtors	3,980,940	2,464,425
Loans to clubs and leagues	452,854	508,893
Prepayments & Other Debtors	993,610	2,192,552
Accrued Income	1,326,950	1,547,605
	<b>6,754,354</b>	<b>6,713,475</b>

Loans to clubs and leagues includes bridging finance advanced to clubs and leagues to cover capital expenditure in advance of them receiving other financial aid and normal loans to clubs and leagues, the terms of which are specific to each individual loan.

Included in debtors and prepayments is €452,854 (2016: €508,893) of debtors which is due after one year.

**11. CASH AND CASH EQUIVALENTS**

	2017 €	2016 €
Cash at bank and in hand	-	937,447
Bank Overdraft	(1,363,107)	-
Cash and cash equivalents at the end of financial year	<b>(1,363,107)</b>	<b>937,447</b>

**12. CREDITORS**

	2017 €	2016 €
<b>Amounts due within one year:</b>		
Bank and other loans (Note 16)	2,625,000	875,000
Bank overdraft (Note 11)	1,363,107	-
Deferred Income	14,878,313	14,669,459
Trade creditors and accruals	8,151,001	11,017,779
Other creditors grants	108,690	101,911
PAYE/PRSI	592,216	553,496
Finance lease obligation	144,692	118,931
	<b>27,863,019</b>	<b>27,336,576</b>

**THE FOOTBALL ASSOCIATION OF IRELAND**

(a company limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS** (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

**12. CREDITORS (CONTINUED)**

2017  
€

2016  
€

**Amounts due after more than one year:**

Bank and other loans (Note 16)	35,598,160	38,135,000
Deferred Income	7,399,345	10,384,865
Finance lease obligations	215,978	237,855
	<u>43,213,483</u>	<u>48,757,720</u>

Included in deferred income is €3,065,286 (2016: €4,107,705) of net revenue arising under a securitised sponsorship agreement where the net revenue was received upon commencement of the contract. Gross revenue from this contract is recognised rateably over the contract period with an implied interest chargeable to the income and expenditure account was €390,909 (2016 €500,000).

Included in Creditors are finance leases of €360,670 (2016: €356,786) which are broken down as follows:

	2017 €	2016 €
Amount due within one year	144,692	118,931
Amount due between two and five years	215,978	237,855
	<u>360,670</u>	<u>356,786</u>

**13. FINANCIAL INSTRUMENTS**

2017  
€

2016  
€

**Financial assets**

Debt instruments measured at amortised cost		
Loans receivable (see note 10)	452,854	508,893
Measured at cost less impairment		
Other investments (see note 9)	25,196,503	25,196,503
Measured at fair value through Profit & Loss		
Bank (see note 11)	-	937,447
Measured at undiscounted amounts receivable		
Debtors and prepayments (see note 10)	6,301,500	6,204,582
	<u>31,950,857</u>	<u>32,847,425</u>

**THE FOOTBALL ASSOCIATION OF IRELAND**

(a company limited by guarantee and not having a share capital)



**NOTES TO THE FINANCIAL STATEMENTS** (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

**13. FINANCIAL INSTRUMENTS (CONTINUED)**

2017  
€

2016  
€

**Financial Liabilities**

*Measured at amortised cost*

Bank loans and other loans (see notes 12)	38,223,160	39,010,000
Obligations under finance leases (see notes 12)	360,670	356,786

*Measured at undiscounted amounts payable*

Bank overdraft (see note 11)	1,363,107	-
Trade and other payables (see note 12)	8,151,001	11,017,779
	<u>48,365,085</u>	<u>50,384,565</u>

**14. ANALYSIS OF NET DEBT/FUNDS**

	1 January 2017 €	Movement €	31 December 2017 €
Bank balance	937,447	(2,300,554)	(1,363,107)
	<u>937,447</u>	<u>(2,300,554)</u>	<u>(1,363,107)</u>
Debt due within one year (Note 12)	(875,000)	(1,750,000)	(2,625,000)
Debt due after one year (Note 12)	(38,135,000)	2,536,840	(35,598,160)
	<u>(39,010,000)</u>	<u>786,840</u>	<u>(38,223,160)</u>
Net Debt	(38,072,553)	(1,513,714)	(39,586,267)

**15. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2017 €	2016 €
Surplus on ordinary activities	7,151,489	9,403,812
Depreciation of tangible fixed assets	350,409	474,849
Amortisation of intangible fixed assets	1,712,205	1,533,262
Decrease in debtors & prepayments	(40,884)	2,813,039
Increase / (decrease) in creditors & accruals	(6,368,496)	3,139,746
	<u>2,804,723</u>	<u>17,364,708</u>
Net cash inflow from operating activities		

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

## 16. BANK AND OTHER LOANS

2017	2016
€	€

Bank and other loans are due as follows:

Amount due within one year	2,625,000	875,000
Amount due between one and two years	3,750,000	2,625,000
Amount due between two and five years	32,250,000	36,000,000
Capitalised borrowing costs	(401,840)	(490,000)
	<u>38,223,160</u>	<u>39,010,000</u>

## 17. INVESTMENT IN JOINT VENTURES

New Stadium Designated Activity Company

(i) The Association holds 2 shares of €1 in New Stadium DAC (2016: 2 shares), representing a 50% interest in its issued share capital. New Stadium DAC was formed as a joint venture with the Irish Rugby Football Union to develop Aviva Stadium and has its registered address at Earlsfort Terrace, Dublin 2. The Association's share of the joint venture loss was €1,748,500 (2016: €1,766,500).

During the financial year, payments in respect of deferred contributions and loans of €Nil (2016: €Nil) were made by the Association to New Stadium DAC in relation to construction of Aviva Stadium. During the financial year New Stadium DAC charged the Association €3,219,275 (2016: €3,082,187) in relation to use of the stadium and ancillary usage costs. As at the financial year end, an amount of €522,237 (2016: €437,123) is payable by the Association to New Stadium DAC which is included in trade creditors and accruals.

During the financial year, the Association received a dividend of €175,000 (2016: €Nil) from New Stadium DAC.

AUL-FAI Limited

(ii) The Association hold 100,000 ordinary shares in AUL-FAI Limited, a company incorporated to manage and develop the AUL complex in Clonshaugh, Co Dublin. AUL-FAI Limited was formed as a joint venture with the Athletic Union Football League and has its registered address at Clonshaugh, Co Dublin. The Association's share of the joint venture profit was €8,777 (2016 Loss: €14,679).

During the financial year, the Association paid rental fees for the use of the facilities at the AUL Complex of €162,000 (2016: €162,000). As at financial year end, an amount of €Nil (2016: €36,066) is payable by the Association to AUL-FAI Limited which is included in trade creditors and accruals.

During the financial year, the AUL Complex made loan repayments to the Association of €50,000 (2016: €Nil). As at financial year end, an amount of €27,775 (2016: €77,775) is payable by the AUL-FAI Limited to the Association which is included in debtors & prepayments.



# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

## 18. AFFILIATED BODIES

The activities of the Affiliated Bodies listed below are not incorporated in these financial statements;

- Colleges Football Association of Ireland
- Defence Forces Athletic Association
- F.A.I. Junior Council
- F.A.I. Schools
- Irish Soccer Referees' Society
- Irish Universities Football Union
- Schoolboys Football Association of Ireland
- Football for All

## 19. SPORT IRELAND

Grant received of €2,707,910 (2016: €2,707,910) from Sport Ireland during the financial year have been expended for the purpose for which they were intended by the Irish Sports Council/Sport Ireland.

The Irish Sports Council/Sport Ireland grant of €2,707,910 is allocated across the following programmes:

	2017	2016
	€	€
Grassroots	740,000	740,000
FAI Education	305,000	305,000
Player Development	400,410	400,410
Central & Regional Development Staff	1,120,000	1,120,000
Women in Sport	142,500	142,500
	<u>2,707,910</u>	<u>2,707,910</u>

## 20. RELATED PARTY TRANSACTIONS

The total remuneration for key management personnel for the period totalled €430,000 (2016: €430,000).



# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

## 21. GUARANTEES AND COMMITMENTS

The Association has entered into bank guarantees. The maximum amounts guaranteed were €244,030 as at 31 December 2017 (2016: €252,013).

The Association has provided security and guarantees on loan balances encompassing charges over certain bank accounts, receivables, including future contracted receivables and first floating charge over the Association's property, assets and undertakings.

Total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>2017</b>	2016
	<b>Land and Buildings</b>	Land and Buildings
	<b>€</b>	<b>€</b>
- within one year	<b>250,000</b>	250,000
- between one and five years	<b>1,000,000</b>	1,000,000
- after five years	<b>3,750,000</b>	4,000,000
	<b><u>5,000,000</u></b>	<b><u>5,250,000</u></b>

## 22. EVENTS AFTER THE BALANCE SHEET DATE

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

## IRISH CANCER SOCIETY

### DIRECTORS' REPORT

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The directors submit their annual report, together with the audited financial statements, for the financial year ended 31 December 2017.

The Irish Cancer Society is a registered charity and a company limited by guarantee.

The Society has a voluntary board of directors which meets at least six times per annum. The board also manages its work through a number of committees, each of which is chaired by a director. The committees are: cancer prevention, cancer support, research advisory, fundraising oversight, fundraising advisory, finance, audit and risk and governance and nominating. Director nominations are managed by the governance committee. Director induction includes an overview of the Society's activities and the roles and responsibilities of directors. All directors sign a conflict of interest policy which is renewed annually. Directors and committee members do not receive fees or reimbursement for any expenses incurred for their time or contribution to the Society.

Responsibility for the day-to-day management is delegated by the board to the Chief Executive, who is supported by a senior management team, staff and volunteers. The senior management team comprises heads of function for services and advocacy, research, communications, fundraising, human resources and finance. Remuneration of the Chief Executive is reviewed and approved by the board.

The Society benefits significantly from the contribution of its volunteers. Delivery of key services and many of the Society's fundraising campaigns could not be achieved without the generous support of the volunteers who provide their time and efforts to service and fundraising campaigns. 270,000 hours of volunteers' time is needed to deliver the Society's volunteer driver service, daffodil centres, community awareness campaigns, charity shops and fundraising campaigns. It is impossible to quantify the additional thousands of hours generously given by the public who fundraise on behalf of the Society, without which the Society could not deliver on its mission. In addition, the Society's board and committee members all serve in a voluntary capacity providing critical governance oversight and expertise.

### REVIEW OF 2017 ACTIVITIES

	2017 €'m	2016 €'m
<b>Income</b>	<b>26.9</b>	<b>22.8</b>
<b>Less:</b>		
<b>Expenditure</b>		
Charitable activities	12.8	13.8
Fundraising activities	4.5	4.4
Charity shop trading activities	3.0	2.9
	<u>20.3</u>	<u>21.1</u>
<b>Net income</b>	<u>6.6</u>	<u>1.7</u>

## IRISH CANCER SOCIETY

### DIRECTORS' REPORT (CONTINUED)

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#### REVIEW OF 2017 ACTIVITIES (Continued)

##### Income

The Society's income in 2017 was €26.9m (2016: €22.8m). The Society's income is principally raised through fundraising, in 2017 this was approximately 94.1% of total income. The balance came from charitable activities 2.6%, investment income 0.7% and government funding for service provision (Travel2Care) and other state grants 2.6%. The Society continues to evolve and develop its fundraising strategy and sources to ensure a continuing broad income base and to minimise dependency on any one income source. The Society received a bequest in December 2017 of €6m. The Society is currently investigating a number of high-impact and transformational projects in which the bequeathed funds will be invested.

The Society's fundraising strategy is to both motivate and partner with people and organisations who share our vision towards a future without cancer. This is achieved through campaigns and fundraising activities that engage the public, companies, trusts and foundations.

- National campaigns include Daffodil Day, Pink, Shave or Dye, Dare to Care and Movember.
- Community events include Relay for Life, challenge events, functions and church-gate collections.
- Individual giving comprises regular givers, major donors, special appeals, tribute gifts and legacies.
- Corporate partnerships include sponsorships, cause-related marketing and charity of the year.
- The Society also operates a national network of charity shops.

##### Expenditure

The Society spent €20.3m in 2017 (2016: €21.1m).

The current Strategic Plan *Towards a Future Without Cancer* (2013-2017) has four goals: 1. reduce the risk of cancer, 2. improve lives, 3. lead excellent collaborative research, and 4. inform and influence public policy.

##### *Goal 1: Reduce the Risk of Cancer*

Preventing cancer is a key objective for the Society. Four out of ten cancer cases are preventable through behaviour change. We also know that the earlier a cancer is detected the more likely the treatment will be successful. The Society works with local communities to deliver programmes that can help prevent cancer or detect it early, these include:

- We Can Quit: a group-based smoking cessation service for women in disadvantaged areas.
- X-HALE: an initiative that partners with youth organisations and young people to work towards a tobacco-free generation.
- Fit for Work and Life: a community health promotion and well-being programme, facilitating participants in employability programmes to be fit for both their work and personal life.
- PREVENT: a volunteer-delivered community programme highlighting cancer prevention and early detection of cancer.
- SunSmart: promoting awareness and actions to protect skin from UV exposure, reducing risk of skin cancer.
- Information and Support: comprehensive suite of online and printed resources.
- Cork Cancer Action Network (CCAN): a collaborative network established to address health inequalities in Cork City.
- National Awareness campaigns: Targeted PR and social media campaigns promoting awareness of prevention and early detection of lung, bowel, skin, breast and prostate cancers.

## IRISH CANCER SOCIETY

### DIRECTORS' REPORT (CONTINUED)

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#### REVIEW OF 2017 ACTIVITIES (Continued)

##### *Goal 2: Improve Lives*

Independent information advice and support is a cornerstone of our strategy to improve the lives of those affected by cancer. In 2017 over 30,000 cancer patients and their families were directly supported by our Cancer Nurseline and Daffodil Centres. The Society provides a range of services and supports to help improve the lives both of those living with cancer and their families and carers including:

- Information and Support: delivered through our Cancer Nurseline (1800 200 700), Daffodil Centres in 13 hospitals nationwide, and a comprehensive suite of online ([www.cancer.ie](http://www.cancer.ie)) and printed resources.
- Survivor Volunteers: psychosocial support programme.
- Night Nursing: supporting families to provide end-of-life care to their loved ones at home.
- Volunteer Drivers Service: for patients travelling to and from chemotherapy treatment.
- Support Group Affiliation: building and developing the affiliation network of cancer-support services in Ireland through training and grant support including grants to provide free counselling for patients and their families.
- Financial assistance: for families of children with cancer who are suffering financially because of a cancer diagnosis and treatment.
- Travel2Care: grant support for patients travelling to any of the eight designated cancer centres or designated satellite centres. Funded by the National Cancer Control Programme (NCCP), delivered by the Society.
- National Conference for Cancer Survivors.

##### *Goal 3: Lead Excellent Collaborative Research*

The Society is the largest voluntary funder of cancer research in Ireland. Research to find better ways of diagnosing and treating cancer and improving the outcome for patients is a vital part of the fight against cancer. Research grants are awarded following a competitive, international peer-review process with ongoing oversight and review to ensure awardees are continuing to deliver innovative new research findings.

In 2017 the Society continued its support for larger national collaborations of researchers focussed on particular aspects of cancer through IPCOR, BREAST-PREDICT and the Blood Cancer Network Ireland. In addition our support of Cancer Trials Ireland underpins the high quality research being undertaken across the country to identify new medicine and treatments for different cancers. 2017 saw an increase in our investment in survivorship research for example, with the support of Relay for Life in Donegal we initiated a research project which will examine the potential for improving cancer survivorship through a pilot project being undertaken in Letterkenny University Hospital Donegal.

##### *Goal 4: Inform and Influence Public Policy*

In 2017, the Society continued to highlight the 'Real Cost of Cancer' for patients and families, and achieved a number of policy changes and successes to help reduce the financial burden of cancer, including:

- A reduction in the Drugs Payment Scheme (DPS) threshold.
- A reduction in the prescription charge for medical card holders.

These reflected two of our key pre-budget proposals. Along with this the Society ran a 'Park the Charges' campaign to reduce the cost of car parking for cancer patients at public hospitals, which resulted in reduced charges in two hospitals and improved transparency in the advertising of charges at hospitals that offer free or reduced car parking.

The Society has advocated for the prompt passage of the Public Health (Alcohol) Bill, ensuring that an amendment to that legislation proposed by the Society, to include notification of the link between alcohol and fatal cancers on alcohol containers, was passed in the Seanad.

## IRISH CANCER SOCIETY

### DIRECTORS' REPORT (CONTINUED)

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#### REVIEW OF 2017 ACTIVITIES (Continued)

The National Cancer Strategy was published in 2017, following significant input from the Society. The Society has sought to ensure communication of the Strategy is clear and relatable for a public/patient audience. We are also lobbying for full implementation of the Strategy.

Additionally, the Society advocated for an increase in the VAT rate on sunbeds, addressing a longstanding anomaly which saw it subject to a reduced rate, while sunscreen was subject to the full 23% VAT rate. After political and media campaigning, the Minister for Finance agreed to increase the VAT rate on sunbeds. This year also saw the introduction of plain packaging on tobacco products, an issue which the Society has played a prominent role in for a number of years, against the backdrop of significant tobacco industry lobbying.

Like all charities the Society is a VAT end-user and therefore, unlike commercial companies, cannot reclaim VAT on any of its costs. During 2017 total non-recoverable VAT amounted to €659,298 (2016: €553,816).

#### Fundraising

Fundraising expenditure is the cost of running campaigns and includes fundraising personnel and overheads. Fundraising also includes the cost of investment in some income sources where the return is expected to occur over a number of years or into the future e.g. direct marketing to increase numbers of regular givers.

Fundraising costs are analysed in note 5.

#### Support Costs

This is the total expenditure on personnel and overheads of the chief executive, finance, human resources, facilities and information technology. The costs associated with the governance of the Society and also external audit costs, other legal and regulatory compliance costs are also included. These costs are allocated across the Society's activities to fairly represent the cost of delivering those activities, in accordance with SORP FRS102. Support costs are analysed in note 6.

The Society uses available information relating to national and international charity sector expenditure as a guideline for assessing the level of overall expenditure incurred on fundraising and support costs. The directors are satisfied that the Society's expenditure ratios are reasonable when compared with national and international peers.

#### REVIEW OF RESULTS FOR THE FINANCIAL YEAR

The results for the year are set out on pages 16 and 17. The Society's income showed significant growth in 2017 over 2016. The increased income was as a result of the €6m bequest received in 2017. Excluding this bequest the Society's income declined by €1.9m compared to 2016.

#### FINANCIAL POSITION AT YEAR END

At 31 December 2017 total cash and investments (excluding the €6m bequest) was equivalent to the Society's policy and sector standard of six months of total annual expenditure.

In accordance with best practice for charities fund management, the Society manages its income and retained funds across three reserves: restricted (donor specifies how the income must be used), designated (allocated by the directors to key strategic areas) and unrestricted. The movements on funds are analysed in note 8.

## IRISH CANCER SOCIETY

### DIRECTORS' REPORT (CONTINUED)

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#### INVESTMENT POLICY AND PERFORMANCE

The Society requires working capital and adequate appropriately-accessible reserves to provide a buffer from income fluctuations. The Society seeks to maintain an amount equivalent to approximately six months of annual expenditure in cash and investments. However the actual amount maintained in cash and investments will vary depending on short and medium term needs as well as income forecasts and the prevailing investment climate. Investments are made within ethical guidelines, balancing risk and return, with capital preservation taking precedence over potential return. The majority of the Society's investments are held in funds which can be converted to cash very quickly.

During 2017 the Society's invested funds yielded an average return of 3.2% (2016: 2.8%). The directors are satisfied with this return given market conditions and deposit rates of return available.

#### PROGRESS ON STRATEGIC TARGETS

The directors monitor the Society's delivery of its annual strategic targets. Key activities in 2017 which contributed to the strategic targets of the Society include:

##### Goal 1 – Reduce the Risk of Cancer

- Continued reduction in smoking rates to 22% (18% daily, 4% occasional) decrease by 1% since 2016. 47% of all smokers have made an attempt to quit in the past 12 months.
- X-Hale: 40 organisations across 20 counties working with 483 young people created and promoted their films through their online and community campaigns. Films received over 25,000 views and widespread regional and national media coverage.
- We Can Quit: 20 courses completed in 2017, total registered 229 and 180 completed. Percentage who had quit at 12 weeks: 49.5%.
- Fit for Work and Life: 20 programmes delivered by 18 trained community facilitators to 211 participants in four regions: Dublin North/Coolmine, Dublin North Inner City, Monaghan and Limerick.
- PREVENT: 62 Community and work-place events were facilitated by volunteers and cancer prevention staff. Over 2,000 people attended these events.

##### Goal 2 – Improve Lives

- Opened a second CASE clinic (Care Advice Support and Education) providing survivorship support for prostate cancer patients and their families.
- Continued delivery of a quality Night Nursing service with 10% of all people who die across the state and over 33% of those who die at home in receipt of the service.
- Organised and delivered the World Psycho-oncology Congress in Ireland and established IPSON, a collaborative group to represent the psycho-oncology community in Ireland.

##### Goal 3 – Lead Excellent Collaborative Research

- Our larger collaborative research centres continued to deliver excellent research output and completed their annual reviews, including a very successful international review of BREAST-PREDICT.
- We maintained support for public cancer research communications through media and events and a training programme for researchers.
- This year saw a further growth in the number of survivorship research projects funded. These are aimed at improving the outcome from cancer through prehabilitation and more customised support after treatment.

**IRISH CANCER SOCIETY**

**DIRECTORS' REPORT (CONTINUED)**

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**PROGRESS ON STRATEGIC TARGETS (CONTINUED)**

**Goal 4 – Inform and Influence Public Policy**

- Significantly influenced the preparation, strategic direction, and communication of the 2017–2026 National Cancer Strategy, and took a number of steps to push for its implementation.
- Focused strongly on addressing the 'Cost of Cancer' for patients through the 'Park the Charges' campaign and a pre-budget submission which proposed reductions in prescription charges, Drugs Payment Scheme (DPS) charges and in-patient charges. A number of these targets were achieved.
- Achieved an increase in the VAT rate in Budget 2018 on Sunbeds, which enabled greater discussion on sunbed regulation and the proposed National Skin Cancer Prevention Plan.
- Introduction of plain packaging paves the way for reduction in smoking prevalence, particularly among the younger population.
- Increased excise duty on cigarettes of 50c and increased excise on roll-your-own tobacco on a pro-rata basis (+25c) will also support a reduction in smoking prevalence.
- Our Charles Cully lecture helped highlight future initiatives to reduce lung cancer mortality and incidence, and to highlight research on diagnosis through emergency presentation, which will help drive action on key performance indicators in the National Cancer Strategy.

**FUTURE DEVELOPMENTS**

The Society will continue to work towards ensuring that the National Cancer Strategy is implemented and will also continue to advocate on other important issues regarding cancer prevention and support.

**EVENTS AFTER THE BALANCE SHEET DATE**

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

## IRISH CANCER SOCIETY

### DIRECTORS' REPORT (CONTINUED)

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#### GOING CONCERN

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements.

#### RISK MANAGEMENT OBJECTIVES AND POLICIES

The Society is committed to embedding a consistent enterprise risk management process to ensure all risks, which would prevent or hinder the achievement of the Society's objectives, are identified, assessed and managed appropriately. The Society has adopted a common language and methodology to promote the consolidation of risks and the sharing of risk intelligence. The overarching risk appetite of the Society is to manage, whilst accepting that the Society cannot totally eliminate, all risks which would prevent the achievement of the Society's goals. A risk register is maintained which identifies key risks and the controls that have been put in place to mitigate and manage these risks. Risks are monitored on an ongoing basis and reported on regularly throughout the year at audit and risk committee and board meetings.

The Society operates to the highest governance standards and codes of conduct and is fully committed to achieving the standards contained in the following: Guidelines for Charitable Organisations on Fundraising from the Public, Guidance for Charity Trustees, Internal Financial Controls Guidelines for Charities, Guidance on Charities and the Promotion of Political Causes (issued by the Charities Regulator) and the Governance Code (issued by the Governance Code Working Group).

##### *Financial Risk*

A key risk for the Society is the inability to grow income. Income growth must be achieved to deliver on the strategic goals. The Society must maintain income and cash/cash equivalents at a level to match planned expenditure. The Society seeks to maintain and develop existing and new income sources to manage the income risk. The Society also seeks to maintain reserves at the sector standard of six months of expenditure in order to manage within income fluctuations.

##### *Reputational Risk*

In common with many charities, a key risk for the Society is reputational damage. Reputational damage could be caused by an event either within or outside the Society's control.

##### *Operational Risk*

Operational risk is managed using strong systems of internal controls, procedures and budget management, covering all elements of financial, fundraising and operational activities. The controls are put in place to ensure the integrity of the financial information, including completeness and accuracy of the statement of financial activities (SOFA), to eliminate fraud or error. The controls and procedures in place ensure compliance with legislation and regulations and the effective and efficient use of resources, including staff and volunteers. Controls are continually reviewed and improved as part of the annual audit, normal operational activities and risk management.

##### *Health and Safety Risk*

The Society is committed to providing a safe working environment for its employees, clients and members of the public in accordance with the Safety Health and Welfare at Work Act, 2005, and the General Application Regulations, 2007. A health and safety Committee, headed by a health and safety officer, oversees all aspects of health and safety, ensuring that legislation is monitored, changes are implemented as required and all appropriate training takes place.

## IRISH CANCER SOCIETY

### DIRECTORS' REPORT (CONTINUED)

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#### DIRECTORS AND SECRETARY

The directors and secretary, who served at any time during the financial year except as noted, were as follows:

**Directors:**

Mr. Dermot Breen (Chairman)  
Mr. Fergus Brennan  
Dr. Sinead Brennan  
Ms. Geraldine Clarke  
Mr. Andrew Craig (appointed 01 September 2017)  
Mr. Kieran Crowley  
Mr. Sean Dorgan  
Prof. Liam Grogan  
Dr. Cormac Kilty  
Dr. Helen McAvoy  
Mr. Willie O'Reilly  
Prof. Ray Stallings (resigned 01 January 2018)

**Chief Executive:**

Mr. John McCormack (resigned 31 December 2017)  
Ms. Avenil Power (appointed 01 January 2018)

**Secretary:**

Ms. Niamh Ni Chonghaile (resigned 07 December 2017)  
Mr. Eamonn O'Dwyer (appointed 07 December 2017)

The following reflects the rotation of directors during the year:

- \* On 01 September 2017, in accordance with Article 48 of the Articles of Association, Mr. Dermot Breen was reappointed as Chairman for a further 12 months.
- \* On 01 September 2017, the following directors retired in accordance with Article 39 of the Articles of Association: Mr. Willie O'Reilly, Dr. Cormac Kilty and Ms. Geraldine Clarke and being eligible offered themselves for re-election and were duly re-elected.
- \* On 01 September 2017, Dr. Sinead Brennan, Dr. Helen McAvoy and Prof. Ray Stallings retired in accordance with Article 44 of the Articles of Association and being eligible offered themselves for re-election and were duly re-elected.

The current directors and secretary are listed on page 2.

**IRISH CANCER SOCIETY**

**DIRECTORS' REPORT (CONTINUED)**

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**ACCOUNTING RECORDS**

The measures that the directors have taken to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at 43/45 Northumberland Road, Dublin 4.

**DISCLOSURE OF INFORMATION TO AUDITORS**

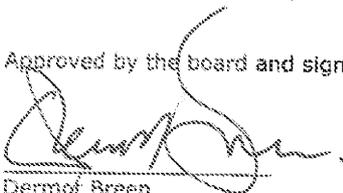
In the case of each of the persons who are directors at the time the directors' report and financial statements are approved:

- A) So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- B) Each director has taken all steps that ought to have been taken by the director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Deloitte, Chartered Accountants and Statutory Audit Firm, continue in office in accordance with Section 383(2) of the Companies Act 2014.

Approved by the board and signed on its behalf by:



Dermot Breen  
Director



Andrew Craig  
Director

29 May 2018  
Date

IRISH CANCER SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES AND  
 INCOME AND EXPENDITURE ACCOUNT  
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Notes	2017 Unrestricted €'000	2017 Restricted €'000	2017 Designated €'000	2017 Total €'000	2016 Unrestricted €'000	2016 Restricted €'000	2016 Designated €'000	2016 Total €'000
<b>INCOME:</b>									
Donations and legacies	3(a)	7,885	941	-	8,826	3,032	473	-	3,505
Funds raised	3(b)	10,188	2,500	-	12,688	10,911	2,816	-	13,727
Charity shop trading activities	3(c)	3,784	-	-	3,784	3,916	-	-	3,916
Investments	3(d)	173	-	-	173	149	-	-	149
Charitable activities	3(e)	720	686	-	1,406	1,167	350	-	1,517
Other income	3(f)	12	-	-	12	7	-	-	7
<b>Total income</b>		<b>22,762</b>	<b>4,127</b>	-	<b>26,889</b>	<b>19,182</b>	<b>3,639</b>	-	<b>22,821</b>
<b>EXPENDITURE:</b>									
Charitable activities	4	8,849	4,003	-	12,852	9,905	3,953	-	13,858
Fundraising activities	5	4,157	340	-	4,497	3,882	495	-	4,377
Charity shop trading activities	3(c)	2,971	-	-	2,971	2,930	-	-	2,930
<b>Total expenditure</b>		<b>15,977</b>	<b>4,343</b>	-	<b>20,320</b>	<b>16,717</b>	<b>4,448</b>	-	<b>21,165</b>
<b>Net income/ (expenditure)</b>	9	<b>6,785</b>	<b>(216)</b>	-	<b>6,569</b>	<b>2,465</b>	<b>(809)</b>	-	<b>1,656</b>
Taxation	10	-	-	-	-	-	-	-	-
Transfers between funds	8	(6,000)	-	6,000	-	(1,000)	-	1,000	-

IRISH CANCER SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES AND  
 INCOME AND EXPENDITURE ACCOUNT (CONTINUED)  
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Notes	2017 Unrestricted €'000	2017 Restricted €'000	2017 Designated €'000	2017 Total €'000	2016 Unrestricted €'000	2016 Restricted €'000	2016 Designated €'000	2016 Total €'000
Net income/ (expenditure) after transfers and tax		785	(216)	6,000	6,569	1,465	(809)	1,000	1,656
Funds balances brought forward		<u>14,126</u>	<u>518</u>	<u>1,000</u>	<u>15,644</u>	<u>12,551</u>	<u>1,327</u>	-	<u>13,988</u>
Funds balances carried forward		<u>14,911</u>	<u>302</u>	<u>7,000</u>	<u>22,213</u>	<u>14,126</u>	<u>518</u>	<u>1,000</u>	<u>15,644</u>

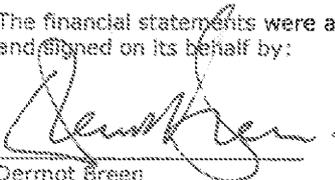
All income and expenditure derives from continuing operations.

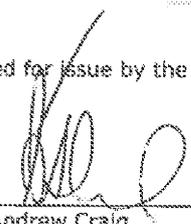
IRISH CANCER SOCIETY

BALANCE SHEET AS AT 31 DECEMBER 2017

	Notes	2017 €'000	2016 €'000
<b>Fixed Assets</b>			
Tangible assets	12	9,792	10,001
		9,792	10,001
<b>Current Assets</b>			
Investments	13	5,378	5,195
Stocks		152	169
Debtors: Amounts falling due within one year	14	867	488
Cash at bank and in hand		10,826	4,943
		17,223	10,795
Creditors: Amounts falling due within one year	15	(3,851)	(4,806)
Net current assets		13,372	5,989
<b>Total assets less current liabilities</b>		23,184	15,990
<b>Creditors: Amounts falling due after more than one year</b>			
Long term liabilities	15	(951)	(346)
<b>NET ASSETS</b>		22,213	15,644
<b>Funds:</b>			
Designated income funds	8	7,000	1,000
Restricted income funds		302	518
Unrestricted income funds		14,911	14,126
<b>TOTAL FUNDS</b>		22,213	15,644

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

  
 \_\_\_\_\_  
 Dermot Green  
 Director

  
 \_\_\_\_\_  
 Andrew Craig  
 Director

**IRISH CANCER SOCIETY**

**STATEMENT OF CASH FLOWS  
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	<i>Notes</i>	<b>2017 €'000</b>	<b>2016 €'000</b>
<b>Cash flows from operating activities:</b>			
Net cash generated by operating activities	17	6,251	1,780
<b>Cash flows from investing activities:</b>			
Deposit interest received		2	2
Purchase of fixed assets		(187)	(72)
<b>Net cash flow from investing activities</b>		<b>(185)</b>	<b>(70)</b>
<b>Increase in cash and cash equivalents</b>		<b>6,066</b>	<b>1,710</b>
Cash and cash equivalents at 1 January		10,138	8,428
Cash and cash equivalents at 31 December		16,204	10,138
<b>Analysis of cash and cash equivalents</b>			
Bank and cash		10,826	4,943
Cash equivalents		5,378	5,195
Cash and cash equivalents at 31 December		16,204	10,138

## IRISH CANCER SOCIETY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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#### 1. ACCOUNTING POLICIES

##### Basis of Preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments. The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts 2014 as applied in accordance with the Statement of Recommended Practice (SORP) FR5 102 (revised 2015) "Accounting and Reporting by Charities" as published by the Charity Commission for England and Wales, who are recognised by the UK Accounting Standards Board (ASB) as the appropriate body to issue SORPs for the charity sector in the UK. Financial reporting in line with the SORP is considered best practice for charities in Ireland.

The Irish Cancer Society is constituted under Irish company law as a company limited by guarantee and is a registered charity. In prior years companies not trading for gain for the members were not within the scope of company law requirements with regard to formats and content of financial statements which applied to for profit companies thus permitting the adoption of a format appropriate to a charity. Accordingly, the Society adopted and reported its performance in accordance with the format provided for in the Charities SORP and in particular reports its performance for the financial year in the format of the SORP's Statement of Financial Activities (SOFA).

##### Going Concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report. The directors' report describes the financial position of the company and its risk management.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

##### Revenue

Revenue includes donations, legacies, collections and income from other fundraising activities. Revenue is analysed as Restricted, Unrestricted or Designated. Restricted funds represent income recognised in the financial statements, which is subject to specific conditions imposed by the donors or grant making institutions. Unrestricted funds represent amounts which are expendable at the discretion of the company, in furtherance of the objectives of the charity. Such funds may be held in order to finance working capital or capital investment. The designated fund is comprised of income received without any restriction, and subsequently allocated to a particular area of expenditure by the directors.

Goods donated for resale to the Society's shops are accounted for on sale rather than at donation because of the high volume of low value items. The Society does receive some end of line new goods for resale but such donations are ad hoc, often single items and value is often not determinable until sale.

Legacies are included in income when the legacy can be determined as probable in terms of amount. No amount is included for legacies which will be received by the Society following the expiry of a life interest in the legacy, as the amounts involved are not capable of accurate financial measurement at this time.

Grants receivable are booked as income on receipt with the exception of research funding grants which are matched against the expenditure.

**IRISH CANCER SOCIETY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**Grants Expenditure**

Grants are paid over the term of the grant agreement and the full cost of a grant is recognised in the year in which the commitment is made.

**Leases**

The costs of operating leases are charged to the SOFA as they accrue.

**Tangible Fixed Assets**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any allowance for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Premises	:	2.0% per annum
Fixtures and fittings	:	10.0% per annum
Motor vehicles	:	25.0% per annum
Furniture and equipment	:	20.0% per annum
Computer equipment	:	33.3% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

**Investments**

Investments are stated at fair value. Movements in fair value are recognised in the SOFA. Income from investments is recognised in the year in which it is receivable.

**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell, which is equivalent to the net realisable value. Cost is defined as invoice price.

**Financial Instruments**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**IRISH CANCER SOCIETY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**Retirement Benefits**

The Irish Cancer Society operates a defined contribution pension scheme. Contributions payable to this scheme are charged to the Income and Expenditure account in the period in which they relate.

**2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**Value in use Assumption:**

The directors sought independent advice on the appropriate assumptions to apply to the value in use of the Society's premises at 43/45 Northumberland Road.

**IRISH CANCER SOCIETY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

<b>3. INCOME</b>	<b>2017 €'000</b>	<b>2016 €'000</b>
a) Donations and legacies	8,826	3,505
b) Funds raised		
Daffodil Day	3,137	3,084
Events, corporate initiatives, direct marketing	9,551	10,643
	<u>12,688</u>	<u>13,727</u>
c) Charity shop trading activities		
Shops income	3,784	3,916
Shops operating costs	(2,971)	(2,930)
Net Shop contribution	<u>813</u>	<u>986</u>
d) Investment income		
Investment income	171	147
Deposit interest	2	2
	<u>173</u>	<u>149</u>
e) Income from charitable activities		
NCCP travel to care	300	350
Other state grants	403	3
Total state grants	<u>703</u>	<u>353</u>
Conference, publications, workplace seminars, other	1	344
Night nursing reimbursements - malignant	39	133
Night nursing reimbursements - non-malignant	663	687
	<u>1,406</u>	<u>1,517</u>
f) Other income		
Rental income	<u>12</u>	<u>7</u>

**IRISH CANCER SOCIETY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

**4. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

The table below analyses direct and support costs. Direct costs are the delivery cost of an activity including direct salaries. Support costs are analysed in note 6.

	Direct €'000	Support €'000	2017 €'000	2016 €'000
Reduce the Risk of Cancer	928	257	1,185	1,185
Improve Lives				
Survivorship	2,012	257	2,269	2,529
Information and support	5,158	933	6,091	6,299
Research Grants and Activities	2,879	133	3,012	3,561
Advocacy Activities	162	133	295	284
	<u>11,139</u>	<u>1,713</u>	<u>12,852</u>	<u>13,858</u>

**Analysis of Direct Costs:**

	2017 €'000	2016 €'000
<b>Reduce the Risk of Cancer</b>		
Cancer prevention campaigns and literature	394	371
Cancer action communities	47	100
Youth advocacy	36	38
Operating costs	451	486
	<u>928</u>	<u>939</u>
<b>Improve Lives - Survivorship</b>		
Survivors supporting survivors	8	8
IPOS conference	-	371
Prostate awareness and support	271	249
Volunteer drivers	273	248
Support group affiliation	463	457
National conference for cancer survivors	107	52
Financial support	167	264
Travel2Care (NCCP)	384	300
Operating costs	339	334
	<u>2,012</u>	<u>2,283</u>
<b>Improve Lives - Information and Support</b>		
Cancer Nurseline	290	263
Daffodil centres	863	918
Night nursing	2,069	3,184
Public and patient awareness	693	723
Patient literature	121	102
Professional support	26	31
Operating costs	195	192
	<u>5,158</u>	<u>5,413</u>

IRISH CANCER SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

4. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES (Continued)

	2017 €'000	2016 €'000
Research		
Biomedical research grants	1,277	1,895
Clinical research grants	790	972
Other research grants	444	309
Operating costs	<u>368</u>	<u>258</u>
	<u>2,879</u>	<u>3,434</u>
Grants are analysed in note 7.		
Advocacy		
Operating costs	<u>162</u>	<u>157</u>

5. FUNDRAISING ACTIVITIES

Costs comprise the following:

	Direct €'000	Support €'000	2017 €'000	2016 €'000
Campaigns	2,350	771	3,121	3,020
Operating costs	<u>1,376</u>	<u>-</u>	<u>1,376</u>	<u>1,357</u>
	<u>3,726</u>	<u>771</u>	<u>4,497</u>	<u>4,377</u>

Campaign costs are incurred directly in organising campaigns, events and functions. Support costs are analysed in note 6.

6. SUPPORT COSTS

Support costs are the costs of personnel and associated overheads of the chief executive, finance, human resources functions (aggregated as "Other Indirect" in the table below), infrastructural support of facilities and information technology. Also included are the governance costs of the external annual audit and other legal and regulatory compliance. Costs are allocated across the Society's activities to fairly represent the cost of delivering those activities. Allocations are based on the number and cost of direct and indirect staff involved, the use of premises and the dependence of information technology infrastructure.

	Facilities and IT €'000	Other Indirect €'000	2017 €'000	2016 €'000
Programme	478	969	1,447	1,378
Research	52	81	133	127
Advocacy	52	81	133	127
Fundraising	<u>287</u>	<u>484</u>	<u>771</u>	<u>737</u>
	<u>869</u>	<u>1,615</u>	<u>2,484</u>	<u>2,369</u>

**IRISH CANCER SOCIETY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

**7. RESEARCH GRANTS**

Expenditure on the following grants was charged in 2017:

Recipient	Project Description	€'000
<i>Breast</i>		
Breast-Predict	Irish Cancer Society BREAST-PREDICT Collaborative Cancer Research Centre	991
<i>Prostate</i>		
Molecular Medicine Ireland	The Irish Prostate Cancer Outcomes Research collaboration	350
Dr. Dara Lundo	Refining Active Surveillance protocols for prostate cancer by integrating novel biomarkers	75
Ms. Romina Silva	Prostate and ovarian cancer study. Co-investment with UCD	34
<i>Survivorship</i>		
Dr. Conor Murphy	Weight loss in oesophageal cancers	125
Dr. Janice Richmond / Dr. Jane Walsh	Personalised self management after cancer treatment - a pilot study	103
Shauna Malone	Exercise prehabilitation in lung cancer patients	90
<i>All Cancers</i>		
Maeve Mullooly	NCI fellowship reintegration grant - CPFPR 2013-1	52
Dr. Amy Mullee	IARC fellowship award - cancer prevention	65
Various	Miscellaneous projects	4
<i>Blood Cancer</i>		
Prof. Michael O'Dwyer	SFI Blood Cancer Network funding	117
Prof. John Quinn & Prof. Peter O Gorman	Blood Cancer Network Ireland (BCNI) Support Resource Role	100
Mr. John Daly	Scholarship project -Targeting Siglec -7	128
<i>Clinical Research</i>		
Cancer Trials Ireland	Core and strategic funding for 2017	435
		26

IRISH CANCER SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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7. RESEARCH GRANTS (CONTINUED)

Recipient	Project Description	€'000
	<i>Other</i>	
Mobility	Total mobility grants 2017	5
Movember Foundation	Global Action Plan programme	44
Irish Association for Cancer Research	Conference and Core funding	15
Refunds	Prior years Grants unused and returned	(222)
Operating Costs	Management of tenders, review and oversight	368
Support and central costs	(Note 6)	133
		<hr/>
		3,012

The research grants paid by the Society during 2017 contributed to the direct employment of 110 researchers in Ireland (2016: 121).

**IRISH CANCER SOCIETY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

**8. ANALYSIS OF CHARITABLE FUNDS**

**a) Analysis of Movement in Designated Funds**

The designated fund comprises amounts allocated by the directors from unrestricted income. €6m has been transferred to the designated fund from the unrestricted fund in 2017 to be used for a number of high-impact and transformational projects, which are currently being reviewed as part of a detailed selection process.

	Opening Balance as at 01/01/2017 €'000	Income/ Expenditure 2017 €'000	Transfers 2017 €'000	Closing Balance as at 31/12/2017 €'000
Research	1,000	-	-	1,000
Other	-	-	6,000	6,000
	<u>1,000</u>	<u>-</u>	<u>6,000</u>	<u>7,000</u>

**b) Analysis of Movement in Restricted Funds**

Restricted funds are funds received where the donor has specified how the funds are to be used.

	Opening Balance as at 01/01/2017 €'000	Income 2017 €'000	Expenditure 2017 €'000	Transfers 2017 €'000	Closing Balance as at 31/12/2017 €'000
Breast cancer	-	874	(874)	-	-
Prostate (Movember)	400	797	(1,071)	-	126
Travel2Care grants (state)	50	300	(350)	-	-
Research	68	1,225	(1,193)	-	100
Nursing	-	688	(688)	-	-
Survivorship	-	81	(50)	-	31
Reduce the risk	-	162	(117)	-	45
	<u>518</u>	<u>4,127</u>	<u>(4,343)</u>	<u>-</u>	<u>302</u>

**c) Analysis of Movement in Unrestricted Funds**

Unrestricted funds are funds received where the donor has not specified how the funds are to be used.

	Opening Balance as at 01/01/2017 €'000	Income 2017 €'000	Expenditure 2017 €'000	Transfers 2017 €'000	Closing Balance as at 31/12/2017 €'000
General fund	14,126	22,762	(15,977)	(6,000)	14,911

**IRISH CANCER SOCIETY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

**8. ANALYSIS OF CHARITABLE FUNDS (CONTINUED)**

**d) Analysis of Net Assets Between Funds**

	Restricted Funds €'000	Designated Funds €'000	General Funds €'000	Total 2017 €'000	Total 2016 €'000
Tangible fixed assets	-	-	9,792	9,792	10,001
Current assets	302	7,000	9,921	17,223	10,795
Current liabilities	-	-	(4,802)	(4,802)	(5,152)
	302	7,000	14,911	22,213	15,644

**9. NET INCOME/(EXPENDITURE) FOR THE FINANCIAL YEAR**

	2017 €'000	2016 €'000
This is stated after charging:		
Depreciation	395	359
Auditor's remuneration:		
- Audit of financial statements	30	23
- Other assurance services	9	4
- Tax advisory services	1	-
Directors' remuneration	-	-
Operating lease payments	690	690

The auditor's remuneration is disclosed net of VAT. VAT of €9,091 (2016: €6,204) is not reclaimable by the Society.

The directors all serve in a voluntary capacity and do not receive any remuneration.

**IRISH CANCER SOCIETY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

**10. TAXATION**

The company is exempt from taxation on Income under Section 207 Taxes Consolidation Act 1997. The Society cannot reclaim Value Added Tax on any of its costs.

**11. EMPLOYEES AND REMUNERATION**

The Society employs staff to deliver on its strategy, raise income and provide infrastructure and support. Staff costs are allocated to a number of activities as follows:

**Charitable Activities:**

Delivery of cancer information and support services (e.g. Daffodil Centre and Cancer Nurseline nurses). Delivery of cancer survivorship services (e.g. Volunteer Drivers Programme, Cancer Support Groups Affiliation). Running cancer prevention campaigns and projects (e.g. X-Hale and We Can Quit). Managing and investing in research. Delivery of advocacy targets and communications messages.

**Fundraising:**

Running national campaigns (including Daffodil Day, Shave or Dye, Dare to Care, Colour Dash races and Paint it Pink), events (Women's Mini Marathon and treks), community activities (local fundraising walks, fun runs and Relay for Life events), corporate partnerships (sponsorship, charity of the year and employee fundraising) and supporter fundraising (donor and regular giving appeals).

**Charity Shops:**

Operating and managing the Society's national network of 21 charity shops (2016: 21). During the year, a decision was made to close one of the charity shops; the shop in question was closed in December 2017.

**Support Activities:**

Providing infrastructure to support the Society's operations and to ensure legal and regulatory compliance.

The average number of persons, excluding night nurses, employed by the company during the financial year is set out below:

	2017 Number	2016 Number
Charitable activities	55	51
Fundraising	25	22
Charity shops	45	46
Support	23	23
	----- 148	----- 142
	-----	-----

**Night Nursing:**

In addition to the staff numbers above, the Society also employs night nurses to provide free end of life care in patients' homes. Over 180 (2016: 200) nurses are employed on a sessional basis based on demand with an average of 72 nurses working per week (2016: 77).

**IRISH CANCER SOCIETY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

**11. EMPLOYEES AND REMUNERATION (CONTINUED)**

The aggregate payroll costs, excluding night nursing, were as follows:

	2017 €'000	2016 €'000
Salaries	6,060	5,981
Social welfare costs	638	621
Defined contribution pension employer cost (note 18)	510	480
Other compensation costs	13	12
Total	<u>7,221</u>	<u>7,094</u>

Included in the remuneration figures used to complete this table are redundancy costs for two people totalling €40,297 (2016: €111,648 for seven people) arising from the closure of a shop.

In addition to salaries above, the Society incurred €2,735,580 (2016: €2,983,708) in night nursing salaries.

Employee remuneration exceeding €70,000:	2017 Number	2016 Number
€70,000 - €80,000	3	3
€80,001 - €90,000	1	2
€90,001 - €100,000	6	5
€100,001 - €110,000	-	-
€110,001 - €120,000	-	-
€120,001 - €130,000	-	-
€130,001 - €140,000	1	1
> €140,000	-	-
	<u>-</u>	<u>-</u>

Included in the 11 employees above is the senior management team comprising the Chief Executive and 6 heads of function. The total emoluments (including benefits and pension) paid in regard to the senior management team in 2017 was €780,681 (2016: €778,087).

**IRISH CANCER SOCIETY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

**12. TANGIBLE ASSETS**

	Charity Shop €'000	Freehold Premises €'000	Fixtures & Fittings €'000	Motor Vehicles €'000	Furniture & Equipment €'000	Computer Equipment €'000	Total €'000
<b>Cost:</b>							
At 01/01/2017	932	12,326	182	41	535	1,023	15,039
Additions	-	-	-	-	19	168	187
Disposals	-	-	-	(22)	(34)	(29)	(85)
<b>At 31/12/2017</b>	<b>932</b>	<b>12,326</b>	<b>182</b>	<b>19</b>	<b>520</b>	<b>1,162</b>	<b>15,141</b>
<b>Depreciation:</b>							
At 01/01/2017	244	3,158	136	35	505	960	5,038
Charge for financial year	19	247	9	6	16	99	396
Disposals	-	-	-	(22)	(34)	(29)	(85)
<b>At 31/12/2017</b>	<b>263</b>	<b>3,405</b>	<b>145</b>	<b>19</b>	<b>487</b>	<b>1,030</b>	<b>5,349</b>
<b>Net book amounts:</b>							
At 31/12/2017	669	8,921	37	-	33	132	9,792
<b>Net book amounts:</b>							
At 31/12/2016	688	9,168	46	6	30	63	10,001

**13. CURRENT ASSET INVESTMENTS**

	2017 €'000	2016 €'000
<b>Investment Funds:</b>		
At 1 January	5,195	6,049
Net Disposals	-	(1,004)
Movement in fair value	252	209
Other income	15	-
Management fees	(84)	(59)
<b>At 31 December</b>	<b>5,378</b>	<b>5,195</b>

Investment funds are included in the accounts at fair value and any fluctuations are accounted for in the SOFA. Movements in fair value represent gains and losses earned by investments within the funds and investment income.

**14. DEBTORS: Amounts falling due within one year**

	2017 €'000	2016 €'000
Trade and other debtors	104	105
Accrued income	395	184
Prepayments	368	199
	<b>867</b>	<b>488</b>

## Keary Motors Limited

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### DIRECTORS' REPORT

The directors present their report and the financial statements of the company for the financial year ended 28 February 2018.

#### Statement of directors' responsibilities

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

Irish law requires the directors to prepare financial statements for each financial year giving a true and fair view of the company's assets, liabilities and financial position at the end of the financial year and the profit or loss of the company for the financial year. Under that law the directors have prepared the financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and Irish law).

Under Irish law, the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the company for the financial year.

In preparing these 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 and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements;
- prepare the financial statements on a 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:

- correctly record and explain 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; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The directors 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.

#### Principal activities and review of the business

The company operates a franchise for the sale of new Renault motor vehicles. The company's activities also includes the sale of used vehicles, supply of parts and the servicing of motor vehicles.

The directors are disappointed with the results of the financial year as trading conditions were difficult but are looking forward to an improved performance in 2018/2019. The directors anticipate increased profitability for 2018/2019 and will continue to explore opportunities for expansion of activity into the future.

#### Results for the year

Turnover and profit on ordinary activities before taxation for the financial year amounted to €72,457,702 (2017: €76,854,306) and €109,590 (2017: €1,570,057) respectively. Operating expenses amounted to €2,386,936 for the financial year (2017: €2,170,037) resulting from an increased level of activity. The directors recommend that the profit for the financial year of €87,794 (2017: €1,370,975) be retained in the profit and loss account. The reduction in profitability is due to pressure on margin.

## Keary Motors Limited

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### DIRECTORS' REPORT - continued

#### Results and dividends

The following EBITDA ("earnings before interest, tax, depreciation and amortisation") was generated from operating activities during the financial year:

	Financial year ended 28 February 2018 €	Financial year ended 28 February 2017 €
Profit before taxation	109,590	1,570,057
Interest (note 7)	21,881	27,213
Depreciation (note 9)	146,532	103,170
EBITDA	<u>278,003</u>	<u>1,700,440</u>

#### Accounting records

The measures taken by the directors to secure compliance with the company's obligation to keep proper accounting records are the use of appropriate systems, procedures and employment of competent persons. The accounting records are kept at Kinsale Road Roundabout, Cork.

#### Dividends

The directors do not recommend a payment of a dividend in the 2018 financial year (2017: €Nil).

#### Financial risk management

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The company has budgetary and financial reporting procedures, supported by key performance indicators, to manage credit, liquidity and other financial risk.

##### *Cash flow risk*

The company's activities do not expose it to the financial risks of changes in foreign currency exchange rates.

##### *Credit risk*

The company's principal financial assets are bank balances, trade and other debtors.

The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

##### *Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long-term and short-term debt finance.

#### Principal risks and uncertainties

The principal risks and uncertainties faced by the company are as follows:

- Our overall markets could decline due to lower consumer spend caused by external economic factors, including Brexit.
- A significant customer's business could fail with consequent credit risk exposure to the company and a loss of future sales.
- Customers could stop purchasing from the company and leave for a competing brand.
- Suppliers may not perform effectively in delivering product quality.
- Operations at the company's facilities could be interrupted due to a fire, flood, or equipment failure (including IT systems).
- The company may not continue to have the ability to attract and retain suitably qualified employees.
- Laws and regulations could change with a negative impact on the company.

## Keary Motors Limited

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### DIRECTORS' REPORT - continued

#### Political donations

The Electoral (Amendment) (Political Funding) Act 2012 requires companies to disclose all political donations over €200 in aggregate made during the financial year. The directors, on enquiry, have satisfied themselves that no such donations in excess of this amount have been made by the company.

#### Events since end of the financial year

There have been no significant events affecting the company since the end of the financial year.

#### Directors and secretary

The names of the persons who are currently and were directors for the financial year ended 28 February 2018 are set out below. Except where indicated, they served for the entire year.

Brendan Keary  
Noel O'Donovan (director and secretary)

#### Disclosure of information to auditors

The directors in office at the date of this report have each confirmed that:

- As far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### Directors' and secretary's interests in shares

The disclosable beneficial interests, including family interests, of the directors and secretary of Keary Motors Limited in office at 28 February 2018 in the shares of Keary Motors Limited and other group undertakings of MRBP Motors Unlimited Company at 28 February 2017 (or date of appointment, if later) and 28 February 2018 were:

	28 February 2018 Number of shares	28 February 2017 Number of shares
<b>Directors</b>		
<i>MRBP Motors Unlimited Company</i>		
Ordinary shares of €0.01 each		
Brendan Keary (beneficial interest)	38,335	38,335
'B' ordinary shares of €0.01 each		
Brendan Keary (beneficial interest)	1,415	1,415
Noel O'Donovan	<u>750</u>	<u>750</u>

#### Going concern

The directors, after making enquiries, have a reasonable expectation, that the company has adequate resources to continue operating for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the financial statements.

#### Audit Committee

The directors have considered the requirement by Companies Act 2014, section 167, for large companies to establish an audit committee or decide not to establish such a committee.

The directors has decided not to establish an audit committee. We have considered the requirements of the relevant legislation and the directors are satisfied that the existing governance arrangements are adequate and appropriate for the company. The directors plan to reassess this matter on an annual basis.

## Keary Motors Limited

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### DIRECTORS' REPORT - continued

#### Directors' compliance statement

The Directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations.

The Directors confirm that;

- 1) A compliance policy statement setting out the Company's policies, that in our opinion are appropriate to the Company, respecting compliance by the Company with its relevant obligations has been drawn up.
- 2) Appropriate arrangements or structures that are designed to secure material compliance with the Company's relevant obligations have been put in place.
- 3) A review of the arrangements and structures referred to at 2 above has been conducted during the financial year ended 28 February 2018.

#### Statutory auditors

The statutory auditors, PricewaterhouseCoopers, will be re-appointed in accordance with Section 383 (2) of the Companies Act, 2014.

#### On behalf of the board

Brendan Keary

Noel O'Donovan

Brendan Keary  


## Keary Motors Limited

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### DIRECTORS' REPORT - continued

#### Directors' compliance statement

The Directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations.

The Directors confirm that;

- 1) A compliance policy statement setting out the Company's policies, that in our opinion are appropriate to the Company, respecting compliance by the Company with its relevant obligations has been drawn up.
- 2) Appropriate arrangements or structures that are designed to secure material compliance with the Company's relevant obligations have been put in place.
- 3) A review of the arrangements and structures referred to at 2 above has been conducted during the financial year ended 28 February 2018.

#### Statutory auditors

The statutory auditors, PricewaterhouseCoopers, will be re-appointed in accordance with Section 383 (2) of the Companies Act, 2014.

#### On behalf of the board

Brendan Keary

Noel O'Donovan

21 November 2018

**Keary Motors Limited**

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**PROFIT AND LOSS ACCOUNT**  
**For the financial year ended 28 February 2018**

	Notes	Financial year ended 28 February 2018 €	Financial year ended 28 February 2017 €
<b>Turnover</b>	5	72,457,702	76,854,306
Cost of sales		<u>(69,939,295)</u>	<u>(73,086,999)</u>
<b>Gross profit</b>		2,518,407	3,767,307
Administration expenses		(1,991,656)	(1,830,377)
Distribution expenses		<u>(395,280)</u>	<u>(339,660)</u>
<b>Operating profit</b>	6	131,471	1,597,270
Interest payable and similar expenses	7	<u>(21,881)</u>	<u>(27,213)</u>
<b>Profit on ordinary activities before taxation</b>		109,590	1,570,057
Taxation on profit	8	<u>(21,796)</u>	<u>(199,082)</u>
<b>Profit for the financial year</b>		<u>87,794</u>	<u>1,370,975</u>

There was no other income apart from those dealt with in the profit and loss account and therefore no separate statement of comprehensive income has been presented.

**Keary Motors Limited**

**BALANCE SHEET**  
**As at 28 February 2018**

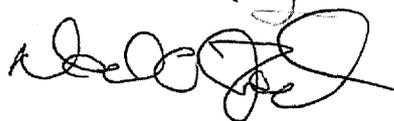
	Notes	28 February 2018 €	28 February 2017 €
<b>Fixed assets</b>			
Tangible assets	9	<u>943,419</u>	<u>811,013</u>
<b>Current assets</b>			
Stocks	10	21,256,973	17,703,280
Debtors	11	10,107,728	8,166,315
Cash at bank and in hand		<u>1,325,272</u>	<u>1,302,877</u>
		<u>32,689,973</u>	<u>27,172,472</u>
<b>Creditors - Amounts falling due within one year</b>	12	(27,256,164)	(21,578,673)
<b>Net current assets</b>		<u>5,433,809</u>	<u>5,593,799</u>
<b>Total assets less current liabilities</b>		<u>6,377,228</u>	<u>6,404,812</u>
<b>Creditors - Amounts falling due after more than one year</b>	13	(101,390)	(216,768)
<b>Net assets</b>		<u>6,275,838</u>	<u>6,188,044</u>
<b>Capital and reserves</b>			
Called up share capital presented as equity	16	120,000	120,000
Profit and loss account	16	<u>6,155,838</u>	<u>6,068,044</u>
<b>Total equity</b>		<u>6,275,838</u>	<u>6,188,044</u>

The notes on pages 14 to 28 form an integral part of these financial statements.

**On behalf of the board**

Brendan Keary

Noel O'Donovan

Brendan Keary  


**Keary Motors Limited**

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**STATEMENT OF CHANGES IN EQUITY**  
**For the financial year ended 28 February 2018**

	Called-up share capital presented as equity €	Profit and loss account €	Total €
Balance as at 1 March 2016	120,000	4,697,069	4,817,069
Profit for the financial year	-	1,370,975	1,370,975
<b>Balance as at 28 February 2017</b>	<u>120,000</u>	<u>6,068,044</u>	<u>6,188,044</u>
Balance as at 1 March 2017	120,000	6,068,044	6,188,044
Profit for the financial year	-	87,794	87,794
<b>Balance as at 28 February 2018</b>	<u>120,000</u>	<u>6,155,838</u>	<u>6,275,838</u>

**Keary Motors Limited**

**STATEMENT OF CASH FLOWS**  
**For the financial year ended 28 February 2018**

	Note	Financial year ended 28 February 2018 €	Financial year ended 28 February 2017 €
<b>Net cash inflow from operating activities</b>	19	499,047	1,154,107
Corporation tax paid		<u>(65,000)</u>	<u>(315,916)</u>
<b>Net cash inflow generated from operating activities</b>		434,047	838,191
<b>Cash flows from investing activities</b>			
Payments to acquire tangible fixed assets		<u>(278,938)</u>	<u>(372,224)</u>
<b>Net cash outflow used in investing activities</b>		<u>(278,938)</u>	<u>(372,224)</u>
<b>Cash flows from financing activities</b>			
Interest paid		(21,880)	(27,223)
Repayments finance leases		(3,874)	(3,874)
Repayments of borrowings due after more than one year		<u>(106,960)</u>	<u>(99,999)</u>
<b>Net cash flows used in financing activities</b>		<u>(132,714)</u>	<u>(131,096)</u>
<b>Net increase in cash and cash equivalents</b>		22,395	334,871
<b>Cash and cash equivalents at the beginning of the financial year</b>		<u>1,302,877</u>	<u>968,006</u>
<b>Cash and cash equivalents at the end of the financial year</b>		<u><u>1,325,272</u></u>	<u><u>1,302,877</u></u>
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand		<u>1,325,272</u>	<u>1,302,877</u>
<b>Cash and cash equivalents</b>		<u><u>1,325,272</u></u>	<u><u>1,302,877</u></u>

## Keary Motors Limited

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### NOTES TO THE FINANCIAL STATEMENTS

#### 1 General information

Keary Motors Limited is a company incorporated in Ireland under the Companies Act 2014. The company operates a franchise for the sale of new Renault motor vehicles. The company's activities also includes the sale of used vehicles, supply of parts and the servicing of motor vehicles. The address of its registered office is Kinsale Road Roundabout, Cork.

The company's registered number is 478411.

The company's parent company is MRBP Motors Unlimited Company, a company incorporated in the Republic of Ireland.

MRBP Motors Unlimited Company prepares group financial statements and is both the smallest and largest group for which group financial statements are drawn up and of which Keary Motors Limited is a member. The company's financial statements reflect the effects of such group membership. These financial statements are the company's separate financial statements for the financial year beginning 1 March 2017 and ending 28 February 2018.

#### 2 Statement of compliance

The entity financial statements have been prepared on a going concern basis and in accordance with Irish GAAP (accounting standards issued by the Financial Reporting Council of the UK and promulgated by the Institute of Chartered Accountants in Ireland and the Companies Act 2014). The entity financial statements comply with Financial Reporting Standard 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (FRS 102) and the Companies Act 2014.

#### 3 Summary of significant accounting policies

The significant accounting policies used in the preparation of the entity financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

##### (a) Basis of preparation

The entity financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year. It also requires the directors to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 4.

##### (b) Going concern

The directors, after making enquiries, have a reasonable expectation, that the company has adequate resources to continue operating for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the financial statements.

## Keary Motors Limited

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### NOTES TO THE FINANCIAL STATEMENTS - continued

#### 3 Summary of significant accounting policies - continued

##### (c) Foreign currency

###### (i) *Functional and presentation currency*

The company's functional and presentation currency is the Euro, denominated 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 the end of each financial year foreign currency monetary items are translated to Euro 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 exchange rates at the end of the financial year 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 within 'interest receivable and similar income' or 'interest payable and similar charges' as appropriate. All other foreign exchange gains and losses are presented in the profit and loss account within 'other expensing expenses'.

##### (d) Turnover

Turnover is the amount of revenue derived from the provision of goods and services falling within the company's ordinary activities after deduction of trade discounts and value-added tax. For Keary Motors Limited, turnover comprises revenue arising from the sale of motor vehicles, the sale of parts and the sale of services.

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

The company bases its estimate of returns, discounts and rebates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The company recognises turnover when (a) the significant risks and rewards of ownership of the goods have been transferred to the buyer; (b) the company retains no continuing managerial involvement or effective control over the goods; (c) the amount of turnover and costs can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to the each of company's sales channels have been met, as described below.

###### (i) *Motor vehicle sales*

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be measured reliably. Turnover includes amounts receivable generated for sale of services provided in the normal course of business, net of discounts, rebates, VAT and other sales-related taxes.

Revenue from the sale of motor vehicles is recognised once the risks and rewards of ownership have passed to the customer.

## **NOTES TO THE FINANCIAL STATEMENTS - continued**

### **3 Summary of significant accounting policies - continued**

#### **(d) Turnover - continued**

##### *(ii) Part sales*

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be measured reliably. Turnover includes amounts receivable generated for sale of services provided in the normal course of business, net of discounts, rebates, VAT and other sales-related taxes.

Revenue from parts sales represents the total invoice value, excluding value added tax of sales made during the year.

##### *(iii) Service sales*

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be measured reliably. Turnover includes amounts receivable generated for sale of services provided in the normal course of business, net of discounts, rebates, VAT and other sales-related taxes.

Turnover represents the invoiced value of services supplied by the company, exclusive of value added tax.

#### **(e) Income tax**

Income tax expense for the financial year comprises current and deferred tax recognised in the financial year. Income tax expense is presented in the same component of total comprehensive income (profit and loss account or other comprehensive income) or equity as the transaction or other event that resulted in the income tax expense.

Current or deferred tax assets and liabilities are not discounted.

##### *(i) Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the financial year or past financial years. Current tax is measured at the amount of current tax that is expected to be paid using tax rates and laws that have been enacted or substantively enacted by the end of the financial year.

The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. A current tax liability is recognised where appropriate and measured on the basis of amounts expected to be paid to the tax authorities.

##### *(ii) Deferred tax*

Deferred tax is recognised in respect of timing differences, which 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 financial years different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the end of each financial year with certain exceptions. Unrelieved tax losses and other deferred tax assets are recognised only when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the end of each financial year end and that are expected to apply to the reversal of the timing difference.

## Keary Motors Limited

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### NOTES TO THE FINANCIAL STATEMENTS - continued

#### 3 Summary of significant accounting policies - continued

##### (f) Tangible assets

Tangible assets are carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to the location and condition necessary for its intended use, applicable dismantling, removal and restoration costs and borrowing costs capitalised.

##### (i) Freehold buildings

Freehold buildings are carried at cost less accumulated depreciation and accumulated impairment losses.

##### (ii) Plant and machinery

Plant and machinery is carried at cost less accumulated depreciation and accumulated impairment losses.

##### (iii) Office equipment

Office equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

##### (iv) Depreciation and residual values

Depreciation is calculated using the straight-line method to allocate the cost over the assets' useful lives. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at least at each financial year-end. The key assumptions used in the depreciation of tangible assets are as follows:

- Freehold buildings: 40 years
- Plant and machinery: 10 years
- Office equipment: 5 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each financial year. The effect of any change in either residual values or useful lives is accounted for prospectively.

##### (v) Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as separate assets where they have significantly different patterns of consumption of economic benefits and are depreciated separately over their useful lives.

Repairs, maintenance and minor inspection costs are expensed as incurred.

##### (vi) Derecognition

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

##### (g) Leased assets

##### (i) Finance leases

Finance leases transfer substantially all the risks and rewards incidental to ownership to the lessor.

At the commencement of the finance lease term the company recognises its right of use and obligation under a finance lease as an asset and a liability at the amount equal to the fair value of the leased asset, or if lower, at the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the company's incremental borrowing rate is used. Incremental and directly attributable costs incurred in negotiating and arranging a finance lease are included in the cost of the asset.

## **NOTES TO THE FINANCIAL STATEMENTS - continued**

### **3 Summary of significant accounting policies - continued**

#### **(g) Leased assets - continued**

##### *(i) Finance leases - continued*

Assets under finance leases are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at the end of each financial year.

The minimum lease payments are apportioned between the outstanding liability and finance charges, using the effective interest method, to produce a constant periodic rate of interest on the remaining balance of the liability.

##### *(ii) Operating leases*

Operating leases do not transfer substantially all the risks and rewards of ownership to the lessor. Payments under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease.

#### **(h) Impairment of non-financial assets**

At the end of each financial year non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash-generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash-generating unit) is estimated.

The recoverable amount of the asset (or cash-generating unit) is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from continuing use of the asset (or cash-generating unit) and from its ultimate disposal. In measuring value in use pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current risk-free market rate and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the recoverable amount of the asset (or cash-generating unit) is less than the carrying amount of the asset (or cash-generating unit) the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in profit or loss, unless the asset has been revalued. If the asset has been revalued the impairment loss is recognised in other comprehensive income to the extent of the revaluation gains accumulated in equity in respect of that asset. Thereafter any excess is recognised in profit or loss.

If an impairment loss reverses (the reasons for the impairment loss have ceased to apply), 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 financial years. A reversal of an impairment loss is recognised in the profit and loss account, unless the asset is carried at a revalued amount.

#### **(i) Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Stocks are recognised as an expense in the financial year in which the related revenue is recognised.

Cost is determined using normal levels of cost. Cost comprises the purchase price, including taxes and duties and transport and handling costs directly attributable to bringing the stock to its present location and condition.

At the end of each financial year, stocks are assessed for impairment. If an item of stock is impaired, the identified stock is measured at its selling price less costs to complete and sell and the resulting impairment loss is recognised in profit or loss. Where a reversal of the impairment loss is recognised the impairment loss is reversed, up to the original impairment loss, and is recognised in profit or loss.

#### **(j) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

Bank deposits which have original maturities of more than three months are not cash and cash equivalents and are presented as current asset investments.

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 3 Summary of significant accounting policies - continued

#### (j) Cash and cash equivalents - continued

If the recoverable amount of the asset (or cash-generating unit) is less than the carrying amount of the asset (or cash-generating unit) the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in profit or loss, unless the asset has been revalued. If the asset has been revalued the impairment loss is recognised in other comprehensive income to the extent of the revaluation gains accumulated in equity in respect of that asset. Thereafter any excess is recognised in profit or loss.

If an impairment loss reverses (the reasons for the impairment loss have ceased to apply), 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 financial years. A reversal of an impairment loss is recognised in the profit and loss account, unless the asset is carried at a revalued amount.

#### (k) 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 year in which the service is received.

##### *ii) Post-employment benefits*

For defined contribution schemes the amounts charged to the profit and loss account in respect of pension costs and other post-retirement benefits are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### (l) Financial instruments

The company has chosen to apply the provisions of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

##### *(i) Financial assets*

Basic financial assets, including trade and other debtors, cash and cash equivalents, short-term deposits and investments in corporate bonds, are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial asset is initially measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Trade and other debtors, cash and cash equivalents, investments in corporate bonds and financial assets from arrangements which constitute financing transactions are subsequently measured at amortised cost using the effective interest method.

At the end of each financial year financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired an impairment loss is recognised in profit or loss. The impairment loss is the difference between the financial asset's carrying amount and the present value of the financial asset's estimated cash inflows discounted at the asset's original effective interest rate.

If, in a subsequent financial year, the amount of an impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 3 Summary of significant accounting policies - continued

#### (l) Financial instruments - continued

##### (i) *Financial assets - continued*

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

##### (ii) *Financial liabilities*

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial liability is initially measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Trade and other creditors, bank loans, loans from fellow group companies, preference shares and financial liabilities from arrangements which constitute financing transactions are subsequently carried at amortised cost, using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is treated as a prepayment for liquidity services and amortised over the year of the facility to which it relates.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as due within one year if payment is due within one year or less. If not, they are presented as falling due after more than one year. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

##### (iii) *Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an 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.

#### (m) Distributions to equity shareholders

Dividends and other distributions to the company's equity shareholders are recognised as a liability in the financial statements in the financial year in which the dividends and other distributions are approved by the company's shareholders.

#### (n) Finance costs and income

Finance costs comprise interest expense on borrowings (including amortisation of deferred debt issue costs), impairment losses recognised on certain financial assets, borrowing extinguishment costs and are recognised in profit or loss. Finance costs are recognised in profit or loss using the effective interest method. Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are recognised as an expense.

Finance income comprises interest income on certain foreign currency translation gains related to financing and are recognised in profit or loss. Interest income is recognised as it accrues using the effective interest method.

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 3 Summary of significant accounting policies - continued

#### (o) Share capital presented as equity

Equity shares issued are recognised at the proceeds received. Incremental costs directly attributable to the issue of new equity shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### (p) Corresponding amounts

Certain corresponding amounts have been adjusted so they are directly comparable with the amounts shown in respect of the current financial year.

### 4 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the entity financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### (a) Critical accounting estimates and assumptions

The directors make estimates and assumptions concerning the future in the process of preparing the entity financial statements. 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 addressed below.

##### (i) *Useful economic lives of tangible assets*

The annual depreciation on tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the tangible fixed assets, and note 3(f) for the useful economic lives for each class of tangible fixed assets.

##### (ii) *Impairment of debtors*

The directors make an assessment at the end of each financial year of whether there is objective evidence that a trade or other debtor is impaired. When assessing impairment of trade and other debtors, the directors consider factors including the current credit rating of the debtor, the age profile of outstanding invoices, recent correspondence and trading activity, and historical experience of cash collections from the debtor. See note 11 for the net carrying amount of the debtors at the end of the financial period.

##### (iii) *Carrying value of stock*

Stock represents new cars, used cars and parts and is measured at the lower of cost and net realisable value. As a result it is necessary to consider the recoverability of the carrying amount of stock at the end of each financial year. When calculating any stock impairment, the directors consider the nature and condition of the stock, current estimated selling prices, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See note 10 for the net carrying amount of the stocks and the impairment loss recognised in the financial year.

Provision is made for obsolete, slow moving or defective items where appropriate based on publicly available market prices.

**Keary Motors Limited**

**NOTES TO THE FINANCIAL STATEMENTS - continued**

**5 Turnover**

Turnover comprises the invoice value of goods supplied by the company in the Republic of Ireland, exclusive of trade discounts and value added tax.

	Financial year ended 28 February 2018 €	Financial year ended 28 February 2017 €
The amount of turnover by class of activity is as follows:		
Vehicles	67,353,907	71,663,150
Parts	3,294,353	3,461,860
Service	1,809,442	1,729,296
	<u>72,457,702</u>	<u>76,854,306</u>

**6 Operating profit**

	Financial year ended 28 February 2018 €	Financial year ended 28 February 2017 €
Operating profit is stated after charging/(crediting)		
Impairment of stock	-	212,949
Stock recognised as an expense	63,972,619	71,619,041
Depreciation (note 9)	146,532	103,170
Auditor's remuneration	12,570	12,925
	<u>12,570</u>	<u>12,925</u>

**(i) Auditors' remuneration**

Remuneration (including expenses) for the statutory audit and other services carried out for the company by the company's auditors is as follows:

	Financial year ended 28 February 2018 €	Financial year ended 28 February 2017 €
Audit of entity financial statements	10,000	10,500
Tax advisory services	2,170	2,050
Secretarial services	400	375
	<u>12,570</u>	<u>12,925</u>

**(ii) Employees**

Staff costs comprise:

	Financial year ended 28 February 2018 €	Financial year ended 28 February 2017 €
Wages and salaries	3,735,104	3,423,365
Social insurance costs	417,697	387,273
Retirement benefit costs	94,357	27,424
Expensed in the financial year	<u>4,247,158</u>	<u>3,838,062</u>

**Keary Motors Limited**

**NOTES TO THE FINANCIAL STATEMENTS - continued**

<b>6 Operating profit - continued</b>	Financial year ended 28 February 2018 Number	Financial year ended 28 February 2017 Number
Average monthly number of persons employed	103	93

Defined contribution pension costs for the year amounted to €94,357 (2017: €27,424), with an amount of €Nil (2017: €Nil) outstanding at the year end.

<b>(iii) Directors</b>	Financial year ended 28 February 2018 €	Financial year ended 28 February 2017 €
Directors' costs during the financial year:		
Directors' remuneration	151,669	168,079
Social insurance costs	16,983	18,744
Benefit-in-kind	6,380	6,299
Retirement benefit costs	53,900	2,365
Total Directors' remuneration in the financial year	<u>228,932</u>	<u>195,487</u>

**(iv) Key management compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company and include company directors. The compensation paid to key management personnel during 2018 was €218,329 (2017: €176,743). This includes the costs disclosed in the table above.

<b>7 Net interest expense</b>	Financial year ended 28 February 2018 €	Financial year ended 28 February 2017 €
Interest payable on bank overdrafts and amounts owed to credit institutions	<u>21,881</u>	<u>27,213</u>

<b>8 Taxation</b>	Financial year ended 28 February 2018 €	Financial year ended 28 February 2017 €
<b>(a) Tax expense included in profit or loss</b>		
Current tax on profit for the financial year:		
- Irish corporation tax at 12.5%	17,430	198,172
- Adjustments in respect of prior years	4,366	910
Current tax charge for the financial year	<u>21,796</u>	<u>199,082</u>

**Keary Motors Limited**

**NOTES TO THE FINANCIAL STATEMENTS - continued**

**8 Taxation - continued**

Tax assessed for the financial year is higher (2017: higher) than the standard rate of corporation tax in the Republic of Ireland for the financial year ended 28 February 2018 of 12.5% (2017: 12.5%). The differences are explained below:

	Financial year ended 28 February 2018 €	Financial year ended 28 February 2017 €
<b>(b) Reconciliation of tax expense</b>		
Profit on ordinary activities before tax	<u>109,590</u>	<u>1,570,057</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in Ireland for the year of 12.5%	13,699	196,257
Effects of:		
Expenses added back for tax purposes	3,703	5,523
Difference between depreciation and capital allowances	(1,508)	(3,608)
Income tax withheld	1,536	-
Adjustment in respect of prior years	<u>4,366</u>	<u>910</u>
Total tax charge for the financial year	<u>21,796</u>	<u>199,082</u>

<b>9 Tangible assets</b>	Fixtures and fittings €	Office fittings €	Equipment €	Vehicles €	Total €
<b>Cost</b>					
At 1 March 2017	297,266	548,937	204,557	16,700	1,067,460
Additions	<u>86,925</u>	<u>153,428</u>	<u>38,585</u>	-	<u>278,938</u>
<b>At 28 February 2018</b>	<u>384,191</u>	<u>702,365</u>	<u>243,142</u>	<u>16,700</u>	<u>1,346,398</u>
<b>Depreciation</b>					
At 1 March 2017	54,262	84,255	105,404	12,526	256,447
Charge for the year	<u>33,807</u>	<u>73,102</u>	<u>36,283</u>	<u>3,340</u>	<u>146,532</u>
<b>At 28 February 2018</b>	<u>88,069</u>	<u>157,357</u>	<u>141,687</u>	<u>15,866</u>	<u>402,979</u>
<b>Net book value</b>					
At 1 March 2017	<u>243,004</u>	<u>464,682</u>	<u>99,153</u>	<u>4,174</u>	<u>811,013</u>
<b>At 28 February 2018</b>	<u>296,122</u>	<u>545,008</u>	<u>101,455</u>	<u>834</u>	<u>943,419</u>

## Keary Motors Limited

### NOTES TO THE FINANCIAL STATEMENTS - continued

<b>10 Stocks</b>	28 February 2018 €	28 February 2017 €
Vehicles	21,035,088	17,361,636
Parts and fuel	221,885	341,644
	<u>21,256,973</u>	<u>17,703,280</u>

The replacement cost of stocks did not differ significantly from the figures shown.

The cost of inventories recognised as an expense during the financial year was €63,972,619 (2017: €71,619,041).

<b>11 Debtors</b>	28 February 2018 €	28 February 2017 €
Trade debtors	6,463,199	6,021,066
Amounts owed by parent undertaking and fellow subsidiary undertakings	3,080,133	1,543,439
Prepayments and accrued income	420,707	503,467
Corporation tax	126,099	82,895
Directors' loan (note 20)	17,590	15,448
	<u>10,107,728</u>	<u>8,166,315</u>

All amounts included above fall due within one year.

Amounts due from group undertakings and related undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

There was no impairment of debtors during the year or reversal of write offs.

<b>12 Creditors – Amounts falling due within one year</b>	28 February 2017 €	28 February 2017 €
Amounts owed to credit institutions (note 14)	114,410	106,962
Trade creditors	25,737,477	19,548,994
Accruals	638,626	214,510
Amounts owed to fellow subsidiary undertakings	268,519	169,613
Obligations under finance leases (note 15)	970	3,874
Other creditors including tax and social insurance comprise:		
- VAT	709	1,034,184
- PAYE	74,431	64,299
- Social Insurance	57,561	49,408
- Vehicle registration tax	363,461	386,829
	<u>27,256,164</u>	<u>21,578,673</u>

**Keary Motors Limited**

**NOTES TO THE FINANCIAL STATEMENTS - continued**

**12 Creditors – Amounts falling due within one year - continued**

Trade and other creditors are payable at various dates in the three months after the end of the financial year in accordance with the suppliers' usual and customary credit terms. Certain trade creditors are secured by means of a reservation of title clause in their contracts.

Creditors for tax and social insurance are payable in the time frame set down in the legislation.

Amounts due to fellow subsidiary undertakings are unsecured, interest free and are repayable on demand.

<b>13 Creditors – Amounts falling due after more than one year</b>	28 February 2018 €	28 February 2017 €
Bank loans (note 14)	101,390	215,798
Obligations under finance leases (note 15)	-	970
	<u>101,390</u>	<u>216,768</u>

Amounts due to fellow subsidiary undertakings and related undertakings are unsecured, interest free and are repayable on demand.

<b>14 Loans and other borrowings</b>	28 February 2018 €	28 February 2017 €
Amounts owed to credit institutions	215,800	322,760
Less: amounts falling due after more than one financial year (note 13)	<u>(101,390)</u>	<u>(215,798)</u>
Amounts falling due within one financial year (note 12)	<u>114,410</u>	<u>106,962</u>

Renault Ireland Limited hold personal guarantees from William Keary, director, and from a close family member of the director, in respect of the loan advanced.

Bank facilities and loans are secured by guarantees and fixed and floating charges over the assets of the company.

**15 Finance leases**

The company has the following future minimum lease payments under non-cancellable finance leases at the end of the financial year:

	28 February 2018 €	28 February 2017 €
Not later than one year	970	3,874
Later than one year and not later than five years	-	970
Total finance minimum charge payment	<u>970</u>	<u>4,844</u>

**Keary Motors Limited**

**NOTES TO THE FINANCIAL STATEMENTS - continued**

<b>16 Called up share capital presented as equity</b>	28 February 2018 €	28 February 2017 €
<b>Authorised:</b>		
950,000 (2017: 950,000) ordinary shares of €1 (2017: €1) each	950,000	950,000
50,000 (2017: 50,000) "B" ordinary shares of €1 (2017: €1) each	50,000	50,000
	<u>1,000,000</u>	<u>1,000,000</u>
<b>Allotted, issued and fully paid:</b>		
115,005 (2017: 115,005) ordinary shares of €1 (2017: €1) each	115,005	115,005
4,995 (2017: 4,995) "B" ordinary shares of €1 (2017: €1) each	4,995	4,995
	<u>120,000</u>	<u>120,000</u>

The total authorised number of ordinary shares is 950,000 shares (2017: 950,000 shares) with a par value of €1.00 per share (2017: €1.00 per share). The authorised share capital of the company comprises ordinary shares and "B" ordinary shares.

The Ordinary Shareholders and the B Ordinary Shareholders rank pari passu with respect to attendance at meetings and voting at meetings.

Both Ordinary Shareholders and B Ordinary Shareholders are entitled to dividends.

The Directors may declare and pay a dividend on any class or classes of shares in the capital of the company without declaring or paying the same or any dividend on any other class or classes of shares in the capital of the company.

Each Ordinary Shareholder is automatically entitled to act as a Director.

Each B Ordinary Shareholder shall be entitled to act as a Director provided that the B Ordinary Shareholder is an employee of the company at the time of appointment. If the B Ordinary Shareholders leaves the company as an employee the right to be a Director will cease automatically.

On liquidation, the assets of the company available for distribution among the members shall be applied first in repaying the holders of the Ordinary Shares a maximum amount of €3 million inclusive of dividends declared and paid on the Ordinary Shares from 26 February 2013 to the date of dissolution of the Company in priority to the B Ordinary Shareholders but shall not confer the right on the holders of the Ordinary Shares to any further participation in profits or assets available for distribution.

Following the payments to the Ordinary Shareholders, the B Ordinary Shareholders shall be entitled to the remaining profits and assets of the Company available for distribution on a winding up in proportion to the B Ordinary Shares held by them.

**17 Reserves**

**Profit and loss**

The profit and loss account represents the accumulated comprehensive income for the financial year and prior financial years.

## Keary Motors Limited

### NOTES TO THE FINANCIAL STATEMENTS - continued

#### 18 Financial instruments

The carrying value of the group's financial assets and liabilities are summarised by category below:

	28 February 2018 €	28 February 2017 €
<b>Financial assets</b>		
<i>Debt instruments measured at amortised cost:</i>		
Directors' loans receivable (note 11)	14,473	15,448
Trade debtors (note 11)	6,463,199	6,021,066
Amount owed by parent and fellow subsidiary undertakings (note 11)	3,080,133	1,543,439
	<u>9,557,805</u>	<u>7,579,953</u>
Cash at bank and in hand	<u>1,325,272</u>	<u>1,302,877</u>
<b>Financial liabilities</b>		
<i>Measured at amortised cost:</i>		
Bank loans and other loans (note 14)	215,800	322,760
Obligations under finance leases (note 15)	970	4,844
Trade creditors (note 12)	25,738,478	19,548,994
Amount owed to fellow subsidiary undertakings (note 12)	268,519	169,613
	<u>26,223,767</u>	<u>20,046,211</u>

#### 19 Statement of cash flows

	Financial year ended 28 February 2018 €	Financial year ended 28 February 2017 €
Profit for the financial year	87,794	1,370,975
Taxation on profit for the financial year	21,796	199,082
Finance costs	21,881	27,213
Operating profit	<u>131,471</u>	<u>1,597,270</u>
Adjusted for:		
Depreciation	146,532	103,170
Increase in stock	(3,553,693)	(4,493,771)
(Increase)/decrease in debtors	(1,941,413)	4,414,567
Increase/(decrease) in creditors	5,716,150	(467,129)
Net cash inflow from operating activities	<u>499,047</u>	<u>1,154,107</u>

#### 20 Related party transactions

The company is exempt from disclosing related-party transactions with entities that are part of the MRBP Unlimited Company group of companies under paragraph 33.1A of FRS 102.

See note 6 for disclosure of directors' remuneration and key management compensation. The directors' loan amounted to €17,590 (2017: €15,448) at year-end and it is included in debtors in Note 11.

BM Mara Car Sales Limited is a related party of the Company because it is controlled by Directors of MRBP Unlimited Company. During the year, sales to that related party amounted to €1,541,581 (2017: €Nil). The amount owing by the related party at the year-end is €74,833 (2017: €Nil). Purchases of motor vehicles from the related party of €603,128 (2017: Nil) were also recorded during the year. The amount owing to the related party at the year-end related is €Nil (2017: €Nil).

## **Keary Motors Limited**

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### **NOTES TO THE FINANCIAL STATEMENTS - continued**

#### **21 Subsequent events**

There are no subsequent events required to be disclosed in these financial statements.

#### **22 Commitments**

The company has sold motor vehicles to various financial institutions who, in turn, have entered into personal contract plans with customers. In the case of the number of these contract plans, the customer has the option to pay the residual balance remaining or return the vehicle at the end of the period. The company is committed to repurchasing these vehicles at agreed residual values should the customer choose the option. Due to the nature of the arrangements, the likelihood of buying back the full commitment remains uncertain at the year end. The directors consider that, should this commitment arise, the value of the assets acquired will be in excess of the liability arising.

#### **23 Approval of financial statements**

The financial statements were approved and authorised for issue by the board of directors on 21 November 2018 and were signed on its behalf on that date.

# Slievécourt DAC

## Notes (continued)

### Notes

forming part of the financial statements

#### 1 Accounting policies

Slievécourt DAC (the "company") is a company limited by shares and incorporated and domiciled in Ireland. The address of the registered office is 1 Stokes Place, St. Stephen's Green, Dublin 2 and the registration number of the company is 553910.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102). There have been no amendments to this standard. The presentation currency of these financial statements is euro.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 16.

The financial statements are prepared on the historical cost basis except that investment properties are stated at their fair value.

#### **Basic financial instruments**

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

##### **Tangible fixed assets**

Tangible fixed assets comprise properties held for development and are stated at cost less provision for impairment losses that are not deemed temporary.

The entity assesses at each reporting date whether tangible fixed assets are impaired.

##### **Investment property**

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

- i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and
- ii. no depreciation is provided in respect of investment properties applying the fair value model.

## Slievécourt DAC

### Notes *(continued)*

#### 1 Accounting policies *(continued)*

##### *Investment property (continued)*

If a reliable measure is not available without undue cost or effort for an item of investment property, this item is thereafter accounted for as tangible fixed assets in accordance with Section 17 of FRS 102 until a reliable measure of fair value becomes available.

Any gain or loss arising from a change in fair value is recognised in profit or loss. Rental income from investment property is accounted for as described in the turnover accounting policy.

##### *Turnover*

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms and is included in turnover in the statement of profit or loss due to its operating nature, except for contingent rental income which is recognised when it arises.

##### *Taxation*

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### 2 Turnover

The company's income is represented by rents from an investment property during the period. All income arises in Ireland.

## Slievecourt DAC

### Notes (continued)

<b>6 Dividends</b>	<b>17 month period ended 30 April 2018 €</b>	<b>12 month period ended 30 November 2016 €</b>
Dividends paid, €190,543 per ordinary share (2016: €nil)	<b>190,543</b>	-

<b>7 Tangible Assets</b>	<b>30 April 2018 €</b>	<b>30 November 2016 €</b>
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#### *Properties held for development*

##### **Cost**

Opening balance	<b>486,406</b>	205,894
Additions during the period	<b>2,944,603</b>	280,512
<b>At end of period</b>	<b>3,431,009</b>	<b>486,406</b>

Once this site has been fully developed, it will be transferred to investment properties. The directors are satisfied that no impairment is required against the development.

<b>8 Financial fixed assets</b>	<b>30 April 2018 €</b>	<b>30 November 2016 €</b>
<b><i>Investment property at valuation</i></b>		
Opening balance at valuation	<b>5,450,000</b>	5,450,000
Additions during the period	-	-
<b>Closing balance at valuation</b>	<b>5,450,000</b>	<b>5,450,000</b>

The directors have included the investment property at a directors' valuation as of 30 April 2018 having regard for publicly available indices for comparable property profiles and the most recent independent valuation of the properties. An external consultant with professional qualifications and recent experience in the location and class of property being valued assisted the directors as part of their valuation process. The directors are satisfied the €5.45m (2016: €5.45m) represents the fair value of the investment property at 30 April 2018. This represents a key judgement in preparing the financial statements.

The valuations, which are supported by market evidence, are prepared by considering the aggregate of the net annual rents receivable from the properties and where relevant, associated costs.

## O' MAHONY (INSURANCES) LIMITED

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### REPORT OF THE DIRECTORS' for the year ended 30 April 2018

The directors present their report and financial statements for the year ended 30 April 2018.

#### PRINCIPAL ACTIVITIES

The company's principal activity during the year continued to be insurance brokerage. In common with similar businesses the company's future growth is dependent on the general economic climate.

#### BUSINESS REVIEW

The company's turnover for the year increased and a profit was achieved. The income statement and the statement of financial position for the year ended 2018 are set out on pages 9 and 12. Profit on ordinary activities before taxation amounted to €12,403 compared with a profit of €16,121 in the previous year. After taxation of €1,469 (2017: €71) a profit of €10,934 is carried forward.

The directors are reviewing all aspects of the operation of the business in an effort to improve profitability.

#### PRINCIPAL RISK AND UNCERTAINTIES

The principal risks and uncertainties facing the company are broadly grouped as - competitive, legislative and financial instrument risk.

##### *Competitive risks*

The company operates in a highly competitive environment where its key objective is to increase market share and maintain margin. The principal risks and uncertainties for the company are competitive factors and the impact on demand of changes in the general economic climate.

##### *Legislative risks*

The company operates within a legal framework and consequently faces a requirement to ensure compliance with legal and regulatory requirements.

##### *Financial instrument risks*

The directors' primary objectives are to protect the company from events that hinder the achievement of the company's performance objectives. These objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at business unit level.

Exposure to price, credit, liquidity and cash flow risk:

Price risk arises because of the competitive nature of the insurance industry in which the company operates.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

## O' MAHONY (INSURANCES) LIMITED

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### REPORT OF THE DIRECTORS'

for the year ended 30 April 2018

#### **PRINCIPAL RISK AND UNCERTAINTIES (Continued)**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company aims to mitigate liquidity risk by managing cash generation from its operations and applying cash collection targets.

Cash flow risk is the risk of exposure to variability in cash flows. The company manages this risk as explained re liquidity risk above.

The directors believe that the key personnel and operating procedures are in place to mitigate the risks and uncertainties outlined above.

#### **FINANCIAL INSTRUMENTS**

Details of the financial risk management objectives and policies and the exposure of the company to price risk, credit risk, liquidity risk and cash flow risk are provided under 'Principal Risks and Uncertainties' above.

#### **GOING CONCERN**

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and its exposures to price, credit, liquidity and cash flow risk are described above.

The company has considerable financial resources and a good business model including strong relationships with its customer and supplier base. As a consequence, the directors believe that the company is well placed to manage its business risks successfully.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### **DIVIDENDS**

The company does not propose the payment of a dividend in the current year.

#### **EVENTS SINCE THE STATEMENT OF FINANCIAL POSITION DATE**

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

#### **DIRECTORS**

The directors of the company, all of whom served for the full financial year, are listed on page 1.

## O' MAHONY (INSURANCES) LIMITED

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### REPORT OF THE DIRECTORS'

for the year ended 30 April 2018

### DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES

The interests of the directors and secretary, held directly or indirectly, in the share capital of the company, at the beginning and end of the year were as follows:

	<i>Number of shares</i>	
	<i>2018</i>	<i>2017</i>
David O'Mahony	5,500	5,500
Michael F. O'Mahony	5,500	5,500

### ACCOUNTING RECORDS

The measures that directors have taken to secure compliance with the requirements of Section 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting records. Those books and accounting records are maintained at Exham House, The Fingerpost, Douglas, Cork.

### AUDITORS

The auditors, Ernst & Young, Chartered Accountants, will continue in office in accordance with Section 383(2) of the Companies Act, 2014.

On behalf of the board

Michael F. O'Mahony  
David O'Mahony

Directors

Date: 22 March  
2019

O' MAHONY (INSURANCES) LIMITED

INCOME STATEMENT

for the year ended 30 April 2018

	<i>Notes</i>	<i>2018</i> €	<i>2017</i> €
TURNOVER - continuing operations	2	432,068	401,235
Administrative expenses		(421,765)	(385,818)
OPERATING PROFIT - continuing operations		10,303	15,417
Interest payable and similar charges	4	(316)	(719)
Interest receivable and similar income		256	373
Profit on financial assets at fair value through the income statement		2,160	1,050
PROFIT BEFORE TAXATION	5	12,403	16,121
Taxation	6	(1,469)	(71)
PROFIT FOR THE FINANCIAL YEAR		10,934	16,050

O' MAHONY (INSURANCES) LIMITED

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STATEMENT OF COMPREHENSIVE INCOME  
for the year ended 30 April 2018

	<i>2018</i>	<i>2017</i>
	<i>€</i>	<i>€</i>
PROFIT FOR THE FINANCIAL YEAR	10,934	16,050
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>10,934</u>	<u>16,050</u>

O' MAHONY (INSURANCES) LIMITED

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STATEMENT OF CHANGES IN EQUITY  
for the year ended 30 April 2018

	Share capital €	Profit and loss account €	Total €
At 1 May 2016	13,967	180,312	194,279
Profit for the year	-	16,050	16,050
At 1 May 2017	13,967	196,362	210,329
Profit for the year	-	10,934	10,934
At 30 April 2018	13,967	207,296	221,263

O' MAHONY (INSURANCES) LIMITED

STATEMENT OF FINANCIAL  
 POSITION

at 30 April 2018

	<i>Notes</i>	<i>2018</i> €	<i>2017</i> €
<b>ASSETS EMPLOYED</b>			
<b>FIXED ASSETS</b>			
Tangible assets	<i>7</i>	5,093	5,659
<b>CURRENT ASSETS</b>			
Debtors	<i>8</i>	31,089	55,698
Investments	<i>9</i>	7,050	4,890
Client Premium bank accounts	<i>11</i>	413,324	326,948
Bank and cash		66,583	79,814
		518,046	467,350
<b>CREDITORS (amounts falling due within one year)</b>	<i>10</i>	(301,876)	(262,680)
<b>NET CURRENT ASSETS</b>		216,170	204,670
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		221,263	210,329
		221,263	210,329
<b>CAPITAL AND RESERVES</b>			
Called up share capital	<i>12</i>	13,967	13,967
Profit and loss account		207,296	196,362
<b>SHAREHOLDERS FUNDS</b>		221,263	210,329

The financial statement were approved by the Board of Directors on 22 March 2019 and authorised for issue on that date.  
 They were signed on its behalf by:-

Approved by the Board on: 22 March 2019

Michael F. O'Mahony  
 David O'Mahony

Directors

## O' MAHONY (INSURANCES) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2018

#### 1. ACCOUNTING POLICIES

##### 1.1 *Statement of compliance*

O' Mahony (Insurances) Limited is a limited liability company incorporated in Ireland. The Registered Office is Exham House , The Fingerpost, Douglas, Cork.

The Company's financial statements have been prepared in accordance with applicable accounting standards issued by the Financial Reporting Council, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Generally Accepted Accounting Practice in Ireland).

##### 1.2 *Functional and presentation currency*

The financial statements are prepared in euro which is the functional and presentational currency of the company.

##### 1.3 *Judgements and key sources of estimation uncertainty*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following is the company's key source of estimation uncertainty:

##### (a) *Impairment of non-financial assets*

Where there are indicators of impairment of individual assets, the company performs impairment tests based on fair value less costs to sell or a value in use calculation.

#### 1.4 SIGNIFICANT ACCOUNTING POLICIES

##### (a) *Commission*

Commission fees and charges are recognised on the effective date of the related insurance policy.

##### (b) *Tangible fixed assets & depreciation*

Tangible fixed assets are stated at cost. Depreciation is provided at the rates stated below which are estimated to reduce the assets to realisable values by the end of their expected working lives.

Office Equipment	10%	Reducing Balance
Computer Equipment	25%	Straight Line

## O' MAHONY (INSURANCES) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2018

..... continued

(c) ***Taxation***

Corporation tax is provided on taxable profits at the current rates.

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

Timing differences are temporary differences between profit as computed for taxation purposes and profit as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes.

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

Deferred tax is measured on a non discounted basis at the tax rates that are expected to apply in the year in which the differences reverse based on tax rates and laws enacted or substantively enacted at the balance sheet date.

(d) ***Pensions***

The company operates defined contribution pension schemes. Contributions are charged to the profit and loss account in the year in which the expenditure is incurred.

(f) ***Short-term debtors and creditors***

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

(g) ***Cash and cash equivalents***

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short term deposits that are subject to an insignificant risk of changes in value.

(h) ***Short term investments***

Short term investments are stated at fair value.

## 2. TURNOVER

Turnover represents commission, fees and charges earned. Turnover is attributable to one continuing activity, operating an insurance brokerage. All turnover arises within the State.

# Company Statement of Financial Position as at 31 December 2017

	Notes	2017 €000	2016 €000
<b>Assets</b>			
<b>Non-current assets</b>			
Financial assets	3	250,156	189,499
Trade and other receivables	4	11,253	11,214
		<b>261,409</b>	<b>200,713</b>
<b>Current assets</b>			
Trade and other receivables	4	4,265	4,322
Cash and cash equivalents	5	23,989	3,090
		<b>28,274</b>	<b>7,412</b>
<b>Total assets</b>		<b>289,683</b>	<b>208,125</b>
<b>Equity and liabilities</b>			
Issued share capital	9	916	805
Share premium	10	190,464	140,268
Capital contribution	10	512	512
Share based payment reserve	10	5,110	3,981
Retained earnings	10	18,734	11,247
<b>Total equity</b>		<b>215,736</b>	<b>156,813</b>
<b>Non-current liabilities</b>			
Borrowings	6	60,615	39,723
		<b>60,615</b>	<b>39,723</b>
<b>Current liabilities</b>			
Trade and other payables	7	9,512	8,124
Borrowings	6	3,820	3,465
		<b>13,332</b>	<b>11,589</b>
<b>Total liabilities</b>		<b>73,947</b>	<b>51,312</b>
<b>Total equity and liabilities</b>		<b>289,683</b>	<b>208,125</b>

The Company earned a profit of €10,215,000 for the financial year ended 31 December 2017 (2016: €16,817,000).

On behalf of the directors

Robert Etchingham  
 19 April 2018

Niall Dolan  
 19 April 2018

Financial Statements

# Company Statement of Changes in Equity year ended 31 December 2017

	Issued share capital	Share premium	Capital contribution	Share based payment reserve	Retained earnings	Total
	€000	€000	€000	€000	€000	€000
At 01 January 2016	796	139,427	512	2,991	(5,570)	138,156
Profit for the year	-	-	-	-	16,817	16,817
<b>Total comprehensive income</b>	-	-	-	-	16,817	16,817
Share based payments	-	-	-	990	-	990
Issue of ordinary share capital	9	841	-	-	-	850
<b>At 31 December 2016</b>	<b>805</b>	<b>140,268</b>	<b>512</b>	<b>3,981</b>	<b>11,247</b>	<b>156,813</b>
At 01 January 2017	805	140,268	512	3,981	11,247	156,813
Profit for the year	-	-	-	-	10,215	10,215
<b>Total comprehensive income</b>	-	-	-	-	10,215	10,215
Share based payments	-	-	-	1,129	-	1,129
Issue of ordinary share capital (note 9)	111	50,196	-	-	(1,234)	49,073
Dividends	-	-	-	-	(1,494)	(1,494)
<b>At 31 December 2017</b>	<b>916</b>	<b>190,464</b>	<b>512</b>	<b>5,110</b>	<b>18,734</b>	<b>215,736</b>

# Company Statement of Cash Flows year ended 31 December 2017

	Notes	2017	2016
		€000	€000
<b>Cash flows from operating activities</b>			
Profit before income tax		10,215	16,817
<i>Adjustments for:</i>			
Finance income		(4)	(4)
Finance costs		1,214	(593)
Dividend income		(11,250)	(16,447)
Cash used in operations		175	(227)
Decrease in trade and other receivables		34	-
<i>Net cash from/(used in) operating activities</i>		<b>209</b>	<b>(227)</b>
<b>Cash flows from investing activities</b>			
Increase in investment in subsidiary		(59,528)	(55,996)
Loans repaid from subsidiary undertakings		1,592	702
Dividend income received		11,250	16,447
<i>Net cash used in investing activities</i>		<b>(46,686)</b>	<b>(38,847)</b>
<b>Cash flows from financing activities</b>			
Proceeds from long-term borrowings		45,000	-
Proceeds from issue of ordinary share capital		49,071	850
Repayment of borrowings		(23,666)	(3,306)
Interest paid		(1,535)	(1,472)
Dividends paid		(1,494)	-
<i>Net cash from/(used in) financing activities</i>		<b>67,376</b>	<b>(3,927)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>20,899</b>	<b>(43,001)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>3,090</b>	<b>46,091</b>
<b>Cash and cash equivalents at end of year</b>	<b>5</b>	<b>23,989</b>	<b>3,090</b>

# Notes to the Company Financial Statements

## 1. Auditors remuneration

Total auditors' remuneration paid to PwC and its affiliated firms was as follows:

	Year to 31 December 2017	Year to 31 December 2016
	€000	€000
Audit of Company's financial statements	6	5

## 2. Employee benefits

The Company had no employees in 2017 and 2016. The Company's directors are not employees but are remunerated for their service by another Group company. See note 27 Directors' Remuneration of the consolidated financial statements for a summary of their remuneration.

## 3. Financial assets

Investment in subsidiaries - unquoted	2017	2016
Shares at cost	€000	€000
At 01 January	189,499	135,175
Additions	60,657	54,324
At 31 December	250,156	189,499

The increase in investments in the year relates to the issue of shares. Details of the Company's subsidiary company is contained in note 11.

## 4. Trade and other receivables

	2017	2016
	€000	€000
<b>Current</b>		
Other debtors	35	30
Provision for impairment	(35)	-
Net other debtors	-	30
Withholding tax receivable	24	24
Amounts owed by group undertakings (note 11)	4,261	4,268
	4,285	4,322
<b>Non-current</b>		
Amounts owed by group undertakings (note 11)	11,253	11,214
	11,253	11,214

The fair value of trade and other receivables approximates to their carrying values. As of 31 December 2017, other debtors of €35,000 (2016: €nil) were impaired. All other receivables were fully performing, were not past due and were not impaired.

Notes to the Company Financial Statements (continued)

The carrying amounts of the Company's receivables are denominated in Euro.

**5. Cash and cash equivalents**

Cash and cash equivalents are included in the Company Statement of Financial Position and Company Statement of Cash Flows and are analysed as follows:

	2017	2016
	€000	€000
Cash at bank	23,989	3,090
<b>Cash and cash equivalents (excluding bank overdrafts)</b>	<b>23,989</b>	<b>3,090</b>

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	2017	2016
	€000	€000
Cash and cash equivalents	23,989	3,090
	<b>23,989</b>	<b>3,090</b>

**Non-cash transactions**

Applegreen plc operate a number of share based payment schemes. These schemes reward employees in subsidiary entities. This transaction represents a capital contribution to the subsidiary and therefore, is treated as an investment in the subsidiaries.

There were no other significant non-cash transactions during 2017 or 2016.

**6. Borrowings**

	2017	2016
	€000	€000
<b>Current</b>		
Bank loans	3,820	3,465
	<b>3,820</b>	<b>3,465</b>
<b>Non-current</b>		
Bank loans	60,615	39,723
	<b>60,615</b>	<b>39,723</b>
<b>Total borrowings</b>	<b>64,435</b>	<b>43,188</b>

The carrying amounts of the Company's borrowings are denominated in the following currencies:

	2017	2016
	€000	€000
Euro	55,254	32,884
UK Pound Sterling	9,181	10,304
	<b>64,435</b>	<b>43,188</b>

Financial Statements

Notes to the Company Financial Statements (continued)

6. Borrowings (continued)

Maturity profile of bank loans

	2017	2016
	€000	€000
Within one year	3,820	3,465
Between one and two years	4,203	3,805
Between two and five years	56,412	35,918
	64,435	43,188

The value of undrawn bank loans at 31 December 2017 was €20m (2016: €25m). The carrying amounts of the current and non-current borrowings equate to their fair value as the borrowings incur interest charges based on variable rates reflected in the Income Statement using the effective interest rate method. There has been limited change in credit or other risk characteristics of the Company since the debt was originally drawn down by the Company in December 2013. The fair value has been determined on the basis of discounted cash flows.

Bank overdrafts

Bank overdrafts are short term financing and are repayable on demand. At 31 December 2017, the Group had access to overdraft facilities totalling €10m and £1.7m.

Bank loans

As part of the Group refinancing that occurred during 2013, long term loan finance was obtained from Ulster Bank Ireland and Allied Irish Bank plc. Finance totalling €32m and £8.5m was obtained with all loan facilities due to mature in 2019.

In March 2015, the Company extended its banking arrangements with its senior lenders, Ulster Bank Ireland and Allied Irish Bank plc. These new arrangements extended the maturity of the Company's debt and made additional facilities available to the Company. Finance totalling €82.4m and £9.7m was obtained, with all loan facilities due to mature in March 2020.

In August 2017, the Group secured an increase to its revolving credit facilities of €20m, also due to mature in March 2020.

All facilities are on floating rate terms based on Euribor for loans denominated in Euro and Libor for loans denominated in Pound Sterling.

Company bank borrowings are stated net of unamortised issue costs of €479,000 (2016: €737,000). These issue costs were incurred in respect of the five year senior debt facility entered into in December 2013. Additional fees were incurred during 2015 when further funding was drawn down.

These costs together with the interest expense are allocated to the Income Statement over the five year term of the facility using the effective interest rate method.

Guarantees and security

As security for loans advanced by Ulster Bank Ireland and Allied Irish Bank plc, the following charges have been granted:

- (i) Debenture or equivalent over all material group subsidiaries; and
- (ii) Fixed charge on shares in all material subsidiaries.

In addition, joint and several guarantees of the obligations of the borrower by Applegreen plc and seven other group companies have been granted.

Notes to the Company Financial Statements (continued)

7. Trade and other payables

	2017	2016
	€000	€000
<b>Current</b>		
Trade payables and accruals	114	104
Amounts owed to group undertakings (note 11)	9,398	8,020
	<b>9,512</b>	<b>8,124</b>

The fair value of trade and other payables is equivalent to their carrying values. The carrying amounts of the Company's payables are denominated in Euro.

8. Movements of liabilities within cash flows arising from financing activities and net debt reconciliations

	Bank loans	Changes in liabilities arising from financing activities	Cash and cash equivalents	Net debt
	€000	€000	€000	€000
<b>At 31 December 2016</b>	(43,188)	(43,188)	20,899	(22,289)
Cash flows	(21,334)	(21,334)	3,090	(18,244)
Other non-cash movements	(258)	(258)	-	(258)
Translation adjustment	345	345	-	345
<b>At 31 December 2017</b>	<b>(64,435)</b>	<b>(64,435)</b>	<b>23,989</b>	<b>(40,446)</b>

9. Share capital

	Ordinary	
	No.	€
<b>Authorised shares of €0.01 each</b>		
At 31 December 2016	1,000,000,000	10,000,000
At 31 December 2017	1,000,000,000	10,000,000
<b>Called up, issued and fully paid shares of €0.01 each</b>		
<b>At 01 January 2016</b>	<b>79,621,053</b>	<b>796,210</b>
Allotted	850,000	8,500
<b>At 01 January 2017</b>	<b>80,471,053</b>	<b>804,710</b>
Allotted	11,087,105	110,871
<b>At 31 December 2017</b>	<b>91,558,158</b>	<b>915,581</b>

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Notes to the Company Financial Statements (continued)

9. Share capital (continued)

The holders of ordinary shares are entitled to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. Ordinary shareholders also have the right to receive notice of and attend and vote at all general meetings of the Company and they are entitled, on a poll or a show of hands, to one vote for every ordinary share they hold. Votes at general meetings may be given either personally or by proxy. Subject to the Companies Acts and any special rights or restrictions as to voting attached to any shares, on a show of hands every member who (being an individual) is present in person and every proxy and every member (being a corporation) who is present by a representative duly authorised, shall have one vote, so, that no individual shall have more than one vote for every share carrying voting rights and on a poll every member present in person or by proxy shall have one vote for every share of which they are the holder.

2017

During 2017, the Company issued 8,082,105 ordinary shares of €0.01 at an issue price of €5.80/£5.09 per share, resulting in gross proceeds of €46.3 million. Share premium of €46.2m was recorded on these shares. Directly attributable issue costs of €1.2m have been deducted from retained earnings.

3,005,000 share options were exercised during 2017. Share premium of €4m was recorded on these shares.

These funds have been used and will be used to further expand the Group.

2016

850,000 share options with an exercise price of €1.00 were exercised. Share premium of €841,500 was recorded on these shares.

10. Reserves

	Share premium	Capital Contribution	Share based payment reserve	Retained earnings	Total
	€000	€000	€000	€000	€000
At 01 January 2016	139,427	512	2,991	(5,570)	137,360
Profit for the year	-	-	-	16,817	16,817
Issue of ordinary share capital (note 9)	841	-	-	-	841
Share based payments	-	-	990	-	990
At 31 December 2016	140,268	512	3,981	11,247	156,008
Profit for the year	-	-	-	10,215	10,215
Share based payments	-	-	1,129	-	1,129
Issue of ordinary share capital (note 9)	50,196	-	-	(1,234)	48,962
Dividends	-	-	-	(1,494)	(1,494)
At 31 December 2017	190,464	512	5,110	18,734	214,820

Share-based payment reserve

This reserve represents the amounts credited to equity in relation to the share-based payment expense recognised in the Company Income Statement.

Capital contribution

The capital contribution relates to a payment made to the Group in 2015 in respect of a bonus payment to employees made by the largest shareholder. The award was treated as a short term employee benefit (once committed, the employee had no further service to earn the award) of the Appiegreen Group resulting in a charge (current year employee expense) to the Income Statement in respect of the year ended 31 December 2015 and a corresponding credit to a capital contribution in equity.

Notes to the Company Financial Statements (continued)

11. Related party disclosures

A - Transactions with directors

The Company is controlled by B&J Holdings Limited (incorporated in Malta), which owns 52.6% of the Company's shares. The Group's ultimate controlling parties are Joseph Barrett and Robert Etchingham who own 100% of the shares in B&J Holdings Limited.

B -- Other related parties

The Company conducted transactions and held balances with certain related parties during the year. Details of these related parties are disclosed below.

Related Party	Nature of Relationship
Mountpark Developments Limited	Mountpark Developments Limited is controlled by members of key management of the Group
PL Active Management Limited	PL Active Management Limited is controlled by a former Director of the group

The Company conducted transactions and held balances with fellow Group companies and other related parties during the year. Details of these related parties are disclosed below:

	Nature of Relationship	Balance Owing (to)/from 01-Jan-16 €000	Transfers to/ (from) group companies €000	Expenses paid on behalf of/ (by) group companies €000	Intra-group interest charge €000	Balance Owing (to)/from 31-Dec-16 €000
<b>Trade and other receivables</b>						
Applegreen Service Areas Limited	Subsidiary	1,229	-	-	-	1,229
Applegreen Service Areas NI Limited	Subsidiary	546	-	77	-	623
Petrogas Holdings Limited	Subsidiary	3,000	-	-	-	3,000
Petrogas Group UK Limited	Subsidiary	6,941	3,689	-	-	10,630
		11,716	3,689	77	-	15,482
<b>Trade and other payables</b>						
Petrogas Group Limited	Subsidiary	(4,997)	(1,026)	118	-	(5,907)
Petrogas Services B.V	Subsidiary	(1,622)	-	-	(48)	(1,670)
Petrogas Group UK Limited	Subsidiary	-	-	(443)	-	(443)
		(6,619)	(1,026)	(325)	(48)	(8,020)
<b>Trade and other payables</b>						
Mountpark Developments Limited	Common control	(28)	28	-	-	-
PL Active Management Limited	Common control	(70)	-	70	-	-
		(98)	28	70	-	-

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Notes to the Company Financial Statements (continued)

11. Related party disclosures (continued)

B – Other related parties (continued)

	Nature of Relationship	Balance Owing	Transfers to/	Expenses paid	Intra-group	Balance Owing
		(to)/from 01-Jan-17	(from) group companies	on behalf of/ (by) group companies	interest charge	(to)/from 31-Dec-17
		€000	€000	€000	€000	€000
<b>Trade and other receivables</b>						
Applegreen Service Areas Limited	Subsidiary	1,229	-	-	-	1,229
Applegreen Service Areas NI Limited	Subsidiary	623	-	32	-	655
Petrogas Holdings Limited	Subsidiary	3,000	-	-	-	3,000
Petrogas Group UK Limited	Subsidiary	10,630	-	-	-	10,630
		15,482	-	32	-	15,514
<b>Trade and other payables</b>						
Petrogas Group Limited	Subsidiary	(5,907)	(1,078)	(585)	-	(7,570)
Petrogas Services B.V.	Subsidiary	(1,670)	112	-	(64)	(1,622)
Petrogas Group UK Limited	Subsidiary	(443)	615	(378)	-	(206)
		(8,020)	(351)	(963)	(64)	(9,398)

During the year, Petrogas Holdings Limited paid a dividend of €11.2m to Applegreen plc.

There are no provisions against amounts receivable from group companies. The Company exercises judgement on amounts due from group companies based upon the Company's judgement related to the substance of the instrument, and specifically whether it will be repaid within 12 months.

C – Subsidiaries

The Company's subsidiary company, Petrogas Holdings Limited, is incorporated in Ireland and has its registered office at Block 17, Joyce Way, Parkwest, Dublin 12. The principal activities and the changes, where applicable, during the financial period, as required by the Companies Act 2014, are set out below:

Subsidiary	Principal activity	Country of incorporation	2017
Petrogas Holdings Limited	Holding company	Republic of Ireland	100%

12. Commitments and contingencies

There were no commitments for capital expenditure or contingent liabilities as at 31 December 2017 (2016: €nil).

Guarantees

Pursuant to the provisions of Section 357 of the Companies Act 2014, the Company has irrevocably guaranteed the liabilities of its wholly owned subsidiary undertakings in the Republic of Ireland (as listed below), for the financial year ended 31 December 2017 and, as a result, such subsidiary undertakings have been exempted from the filing provisions of Section 347 of the Companies Act 2014.

Petrogas Holdings Limited
Petrogas Group Limited
Applegreen Service Areas Limited
Petrogas Brands Limited
Applegreen BK Limited
Applegreen Cafe Limited
Petrogas International Limited
Petrogas Facilities Limited

## Notes to the Company Financial Statements (continued)

### 13. Dividends

	2017	2016
	€000	€000
Maiden final 2016 dividend of 1.25 cent per ordinary share paid 28 June 2017	1,010	-
Maiden interim 2017 dividend of 0.60 cent per ordinary share paid 12 October 2017	484	-
	1,494	-

On 28 June 2017, a final dividend for the year ended 31 December 2016 of 1.25 cent per share (total €1 million) was paid.

On 12 October 2017, an interim dividend for the year ended 31 December 2017 of 0.60 cent per share (total €0.5 million) was paid.

The Directors have recommended the payment of a final dividend of 0.80 cent per ordinary share which amounts to €0.7m. Subject to shareholder approval, this dividend will be paid on 05 July 2018 to shareholders on the register of members at 15 June 2018, the record date. These financial statements do not reflect this final dividend. There is no income tax consequence for the Company in respect of dividends proposed prior to issuance of the financial statements.

### 14. Post year end events

The Directors have proposed a dividend in respect of the 2017 financial year of 0.80 cent per ordinary share, €0.7m in total. This dividend has not been provided for in the Statement of Financial Position as there was no present obligation to pay the dividend at the year end. The final dividend is subject to approval by the Company's shareholders at the Annual General Meeting.

### 15. Approval of financial statements

The Board of Directors approved and authorised for issue the financial statements in respect of the year ended 31 December 2017.

Notes to the Consolidated Financial Statements (continued)

12. Intangible Assets (continued)

Amortisation charge

The amortisation charge has been split between administration expenses of €17,000 (2016: €23,000) and selling and distribution costs of €425,000 (2016: €249,000).

Capital expenditure commitments

The Group has commitments of €nil (2016: €150,000) for capital expenditure on assets under construction at the financial year end contracted for but for which no provision has been made.

13. Property, plant and equipment

	Land and buildings	Plant and equipment	Fixtures, fittings and motor vehicles	Computer hardware and software	Assets under construction	Total
	€000	€000	€000	€000	€000	€000
<b>Cost</b>						
At 01 January 2016	141,596	11,927	53,428	8,079	19,920	234,950
Additions	23,459	4,725	18,587	2,999	9,126	58,896
Disposals	(1,482)	(144)	(681)	(101)	(392)	(2,800)
Reclassifications	8,897	144	444	13	(9,498)	-
Translation adjustment	(6,054)	(353)	(2,462)	(267)	(1,512)	(10,648)
At 31 December 2016	166,416	16,299	69,316	10,723	17,644	280,398
<b>Depreciation/impairment</b>						
At 01 January 2016	31,788	1,912	16,161	2,840	-	52,701
Charge for the year	2,518	754	5,920	1,698	-	10,890
Disposals	(946)	(41)	(217)	(36)	-	(1,240)
Net impairment charge	35	145	166	22	-	368
Translation adjustment	(905)	(27)	(620)	(95)	-	(1,547)
At 31 December 2016	32,490	2,743	21,510	4,429	-	61,172
<b>Net book value</b>						
31 December 2016	133,926	13,556	47,806	6,294	17,644	219,226
01 January 2016	109,808	10,015	37,267	5,239	19,920	182,249

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Notes to the Consolidated Financial Statements (continued)

13. Property, plant and equipment (continued)

	Land and Buildings	Plant and equipment	Fixtures, fittings and motor vehicles	Computer hardware and software	Assets under construction	Total
	€000	€000	€000	€000	€000	€000
<b>Cost</b>						
At 01 January 2017	166,416	16,299	69,316	10,723	17,644	280,398
Additions	30,090	14,864	19,319	2,153	9,594	76,020
Acquisitions (note 25)	19,568	2,258	963	71	-	22,860
Disposals	(919)	(448)	(8,804)	(1,913)	(733)	(12,817)
Reclassifications	7,532	297	1,064	209	(9,102)	-
Translation adjustment	(2,574)	(381)	(943)	(90)	(302)	(4,290)
At 31 December 2017	220,113	32,889	80,915	11,153	17,101	362,171
<b>Depreciation/impairment</b>						
At 01 January 2017	32,490	2,743	21,510	4,429	-	61,172
Charge for the year	2,913	1,272	7,428	2,048	-	13,661
Disposals	(866)	(404)	(8,610)	(1,890)	-	(11,770)
Translation adjustment	(218)	(26)	(166)	(36)	-	(466)
At 31 December 2017	34,319	3,585	20,142	4,551	-	62,597
<b>Net Book Value</b>						
31 December 2017	185,794	29,304	60,773	6,602	17,101	299,574
01 January 2017	133,926	13,556	47,806	6,294	17,644	219,226

Included in additions is the purchase of a 50% interest in a Dublin Port Fuel Terminal for a total consideration of €16.2m. The Group has a joint arrangement with Valero Energy (Ireland) Limited in the operation of this terminal.

Depreciation charge

The depreciation charge has been split between administration expenses of €1.4m (2016: €1.3m) and selling and distribution costs of €12.3m (2016: €9.6m).

Assets under construction

Assets under construction as at 31 December 2017 includes the following significant projects; eight service stations in the Republic of Ireland (€13.5m), one motorway service area in Northern Ireland (€0.7m) and one service station in the US (€1.1m). The remaining amounts relate to several other developments across all regions.

Capital expenditure commitments

The Group has commitments of €1.3m (2016: €3.1m) for capital expenditure on property, plant and equipment at the financial year end contracted for but for which no provision has been made.

Capitalised interest

Interest capitalised on qualifying assets during the year amounted to €198,000 using an average rate of 2.05% (2016: €266,000 using an average rate of 2.02%).

Assets pledged as security

Assets with a carrying value of €2.6m (2016: €3.1m) have been pledged as security to the Group's leasing providers. The Group was not permitted to pledge these assets as security for other borrowings or sell these assets to another entity without the prior consent of the Group's lenders.

Notes to the Consolidated Financial Statements (continued)

13. Property, plant and equipment (continued)

Assets held under finance leases

	Year ended 31 December 2017			Year ended 31 December 2016		
	Cost	NBV	Depreciation charge	Cost	NBV	Depreciation charge
	€000	€000	€000	€000	€000	€000
Land and buildings	1,783	1,506	40	1,846	1,799	26
Plant and equipment	646	498	32	758	530	43
Fixtures and fittings	3,066	1,637	311	3,919	1,977	424
Computer hardware	1,062	507	208	1,210	685	156
	<b>6,557</b>	<b>4,148</b>	<b>591</b>	<b>7,733</b>	<b>4,991</b>	<b>649</b>

The Group leases various assets under non-cancellable finance lease agreements. The lease terms are between 3 and 101 years.

14. Impairment

The Group operates a number of service station sites in Ireland, the UK and the USA. The Group considers each individual site as a cash generating unit (CGU) for the purpose of impairment assessment in accordance with IAS 36 'Impairment of assets'. Impairment assessments are conducted at this level when indicators of impairment are considered to exist. The recoverable amounts of sites that are assessed for impairment have been determined based on the higher of value-in-use methodology or fair value less costs of disposal.

There was no impairment charge recorded in 2017.

In 2016, an impairment charge of €1,510,000 was recognised in the Consolidated Income Statement within selling and distribution costs. The 2016 impairment charge relates to nine service stations in Ireland and the UK. Impairment indicators for seven sites were identified when these sites failed to meet profitability expectations and the impairment charge arises from lower forecasts for profitability in respect of these sites as a result of trading conditions. Impairment of two sites occurred as the sites were identified as assets held for sale. The recoverable amount of these service stations was €6,790,000 of which €6,475,000 represented seven sites determined on a value in use basis and €315,000 represented two sites determined on a fair value less costs of disposal basis.

Value in use

	31 December 2017		31 December 2016	
	Ireland	UK	Ireland	UK
	€000	€000	€000	€000
Value in use	-	-	3,285	3,190
Carrying value	-	-	(3,985)	(3,854)
<b>Impairment charge</b>	-	-	<b>(700)</b>	<b>(664)</b>

Significant assumptions used in the value in use assessments are summarised below:

	31 December 2017		31 December 2016	
	Ireland	UK	Ireland	UK
	Discount rate	7.61%	7.68%	8.05%
Long term growth rate	2%	2%	2%	2%
Market risk free rate	0.71%	1.19%	0.77%	0.77%

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Notes to the Consolidated Financial Statements (continued)

14. Impairment (continued)

Cash flows used in the value in use assessment are calculated based on management's best estimate of pre-tax cash flow for each individual site for 2018 and forecasted thereafter over the remaining useful life of the assets in the site using long term growth rates. Cash flows used in the value in use assessment also include capital maintenance expenditure required to maintain the site assets in their current condition.

The above assumptions are subject to sensitivity analysis and the impairment review performed is predominantly dependent upon the judgements used in arriving at the future growth rates and the discount rates used in the cash flow projections. Cash flow projections have been performed over the remaining life of each cash generating unit (maximum 50 years).

The impact on the impairment charge of applying a 10% reduction to the long term growth rate would result in an impairment charge of €1,411,000 (2016: increase the impairment charge by €160,000). The impact of a 5% increase in the discount rate would result in an impairment charge of €1,641,000 (2016: increase the impairment charge by €357,000). The impact of a 10% reduction in pre-tax cash flow would result in an impairment charge of €1,184,000 (2016: increase the impairment charge by €1,885,000).

Fair value less costs of disposal

	31 December 2017		31 December 2016	
	Ireland	UK	Ireland	UK
	€000	€000	€000	€000
Fair value less cost of disposal	-	-	315	-
Carrying value	-	-	(461)	-
Impairment charge	-	-	(146)	-

During 2016, two sites in Ireland were identified as held for sale. The recoverable amounts for these sites assessed for impairment were based on fair value less costs of disposal. The valuation was consistent with external sources of information. At 31 December 2016, one of these sites was sold and the sale of the other was completed in early 2017. An independent valuation of this site was performed by valuers to determine the fair value. An impairment charge of €146,000 was recognised in respect of these sites in 2016.

The fair value measurement of each of the two sites is categorised within level 2 of the fair value hierarchy of IFRS 13 'Fair Value Measurement' and is based on inputs, other than quoted prices, that are observable for the asset either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 2 fair values of sites are derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity to the Group's sites are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot based on market value.

Impairment reversals

Management performs a review in respect of sites that had previously been impaired for indicators of improved performance at each reporting period. Performance is deemed to have improved if positive profitability trends are present for a period of three consecutive years. There were no impairment reversals in 2017. In 2016, two sites in Ireland and one in the UK were identified as showing improved performance for which a value in use assessment was performed resulting in an impairment reversal of €1,520,000. The reversal arose following an improvement in trading conditions at these sites that is expected to be maintained. After adjusting for the impact of depreciation of €378,000, an impairment reversal of €1,142,000 was recorded in selling and distribution costs in the Consolidated Income Statement in 2016.

Impairment of goodwill

Goodwill arising on business combinations is not amortised but is reviewed for impairment on an annual basis, or more frequently if there are indications that goodwill may be impaired. Goodwill acquired in a business combination is allocated to CGUs. In this case, the seven Carsley sites that were acquired, are viewed as one CGU.

The recoverable amount of the cash generating unit is determined based on value-in-use calculations similar to the above. Cash flows used in the value in use assessment are calculated based on management's best estimate of pre-tax cash flow for the CGU for 2018 and forecasted thereafter over the remaining useful life of the assets in the site using long term growth rates. The same assumptions mentioned above are used for these calculations. At the year end, no indicators of impairment existed and therefore, no testing was required.

Notes to the Consolidated Financial Statements (continued)

15. Investment in joint venture

Company	Investment held by	Principal activity	Country of incorporation	% equity held	
				2017	2016
SuperStop Limited	SuperStop Holdings Limited	Operation of Motorway Service areas	Republic of Ireland	50	33.33

Superstop Limited was established as part of a joint consortium with Petrogas Group Limited, Tedcastles Oil Products Limited and Piense Contracting Limited. The consortium was awarded the public-private partnership contract to design, build, maintain and operate six motorway service areas by Transport Infrastructure Ireland (TII). This investment was treated as an associate in the Group financial statements.

During 2017, Petrogas Group Limited and Tedcastles Oil Products Limited purchased Piense Contracting Limited's shareholding. This investment increased the Group share to 50% and therefore is now being treated as a joint venture in the Group financial statements using the existing equity method of accounting. The Company is a private entity which is not listed on any public exchange and, therefore, there is no published quotation price for the fair value of this investment.

The following table provides summarised information on the Group's investment in the Company undertaking:

	2017	2016
	€000	€000
<b>Investment in joint venture - unquoted</b>		
At 01 January	2,135	2,135
Acquisition of long term loan notes	1,000	-
At 31 December	3,135	2,135
<b>Share of losses retained by joint venture</b>		
At 01 January	(2,135)	(2,135)
Share of loss for the year	-	-
At 31 December	(2,135)	(2,135)
<b>Net investment in joint venture</b>	<b>1,000</b>	<b>-</b>

The Group ceased to recognise its share of losses in Superstop Limited during 2012 as the Group's share of losses reached the carrying value of the Group's interest in the joint venture (including long term interests of €2.1m).

The Group's share of unrecognised losses amounts to €2.6m (2016: €3.1m).

16. Inventories

	2017	2016
	€000	€000
Raw materials and consumables	1,203	981
Finished goods	34,025	29,292
	<b>35,228</b>	<b>30,273</b>

The cost of inventories recognised as an expense and included in cost of sales amounted to €1,220m (2016: €1,011m).

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Notes to the Consolidated Financial Statements (continued)

17. Trade and other receivables

	2017	2016
	€000	€000
<b>Current</b>		
Trade receivables	9,485	4,834
Provision for impairment	(242)	(265)
Deposits received from customers	(83)	(45)
Net trade receivables	9,160	4,524
Accrued income	3,740	2,561
Prepayments	4,846	3,455
Other debtors	2,980	5,161
Withholding tax receivable	24	24
VAT receivable	11	1,355
Amounts due from related companies (note 27)	2,410	2,646
	23,171	19,726
<b>Non-current</b>		
Other debtors	422	373
	422	373

Current trade and other receivables are non-interest bearing and are generally less than 30 day credit terms. Non-current debtors relates to loans advanced to our dealer network. The fair values of non-current trade and other receivables approximates to their carrying value. The fair value has been determined on the basis of discounted cash flows.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2017	2016
	€000	€000
Euro	14,073	15,506
UK Pound Sterling	6,782	3,572
US Dollar	2,316	648
	23,171	19,726

The ageing analysis of gross trade receivables based on invoice date is as follows:

	2017	2016
	€000	€000
<b>Amounts falling due within one year:</b>		
Less than 1 month	6,641	3,743
Greater than 1 month but less than 2 months	2,007	261
Greater than 2 months but less than 3 months	200	258
3 months or greater	637	572
	9,485	4,834

Notes to the Consolidated Financial Statements (continued)

17. Trade and other receivables (continued)

As of 31 December 2017, trade receivables of €2.6m (2016: €0.8m) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables based on invoice date is as follows:

	2017	2016
	€000	€000
<b>Duration overdue</b>		
Less than 1 month	2,007	235
Greater than 1 month but less than 2 months	156	249
Greater than 2 months but less than 6 months	402	301
6 months or greater	37	41
	<b>2,602</b>	<b>826</b>

As of 31 December 2017, trade receivables of €242,000 (2016: €265,000) were impaired. These amounts have been provided in full. The individually impaired receivables mainly relate to customers that are in difficult economic situations.

	2017	2016
	€000	€000
<b>At 01 January</b>	265	221
Additional provisions	200	167
Unused amounts reversed	(223)	(123)
<b>At 31 December</b>	<b>242</b>	<b>265</b>

The ageing of these receivables based on invoice date is as follows:

	2017	2016
	€000	€000
<b>Duration overdue</b>		
Less than 1 month	-	26
Greater than 1 month but less than 2 months	44	9
Greater than 2 months but less than 6 months	98	82
6 months or greater	100	148
	<b>242</b>	<b>265</b>

18. Cash and cash equivalents

Cash and cash equivalents are included in the Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows and, are analysed as follows:

	2017	2016
	€000	€000
Cash at bank	40,815	21,002
Cash in transit	16,667	8,372
<b>Cash and cash equivalents (excluding bank overdrafts)</b>	<b>57,482</b>	<b>29,374</b>

# OmniPro Sample Small Company Section 1A FRS 102 Limited

## Directors' Report & Financial Statements

### Year Ended 31 December 2017

**Disclaimer**

**NOTE THESE FINANCIAL STATEMENTS SHOW THE MINIMUM DISCLOSURES AS REQUIRED BY THE ACT AND THE ENCOURAGED DISCLOSURES BY SECTION 1A OF FRS 102 AS APPLICABLE. EVEN MEETING THESE REQUIREMENTS, THE DIRECTORS MUST ENSURE THAT THEY STILL SHOW A TRUE AND FAIR VIEW.**

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 financial statements prepared under FRS 102 Section 1A and the small companies regime as included in the 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.

The small companies regime is detailed in Section 15 of CAA Act 2017. CAA 2017 inserts a new Section 280A-280C to CA 2014. The CAA 2017 changes are mandatory for periods commencing on or after 1 January 2017 but Section 14 of that Act permits the small companies regime (and S1A of FRS 102) to be early adopted for all periods commencing on or after 1 January 2017. Note S.1A is optional, it does not have to be applied. This section states that a company qualifies for the small companies regime if it fulfils at least two of the three qualifying conditions listed below:

- In relation to its first financial year; or
- In relation to its current financial year and the preceding financial year; or
- In relation to its current financial year and it qualified as a small/medium company in the preceding financial year; or
- In relation to the preceding financial year and it qualified as a small/medium company in the preceding financial year

	<b>Small Co</b>	<b>Small Group</b>
Turnover	≤€12 million	≤€12 million-net ≤€14.4 million-gross
Balance Sheet Total	≤€6 million	≤€6 million net ≤€7.2 million-gross
Employees	≤50	≤50

Each set of Financial Statements should be specifically tailored for each client.

## Note

Under New S.280A(4) and S.280B(5) certain entities do not qualify for the small companies regime even if they meet the size criteria set out above and must prepare statutory financial statements on the basis of the large company provisions and are not entitled to avail of the abridgement options as a small company. S.280A-280C does not apply to a company falling within any provision of Schedule 5 of the Act (Eg. Authorised investment firm, insurance intermediary of any other company carrying on of business by which is required to be authorised by the Central Bank) or they are a credit institution or insurance undertaking. The same applies for the holding company of small groups even where they meet the thresholds if any of the entities in the group come within Schedule 5 etc. then they cannot apply the small companies regime. Note for the purposes of abridged financial statements for such a small company, a holding company that prepares group financial statements cannot file small abridged financial statements under S.352 of CA 2014.

The Companies (Accounting) Act 2017 may be cited as the Companies (Accounting) Act 2017 but the legislative references in the financial statements do not need to be updated

**- Anything highlighted with the colour red in this document signifies that there is a change from full FRS 102 and under Companies Act 2014 as updated by Companies (Accounting) Act 2017.**

## Repealed Sections

Impacting on disclosures in the financial statements of small and medium companies.

- S.297 Exemption from consolidation: size of group
- S.298 Application of Section 297 in certain circumstances and cessation of
- S.350 exemption Qualification of a company as a small or medium company
- S.351 Exemption in respect of Directors' Report in the case of small and medium companies
- S.354 Abridged financial statements for a medium company

## Early Adoption

Under S.14 of the CAA 2017, S.277 of CA 2014 is updated to enable early adoption and applicator of the legislation for any financial year which commenced on or after 1<sup>st</sup> of January 2017.

**- Anything highlighted with the colour blue in this document signifies that it is encouraged to be included under Section 1A in order to show a true and fair view.**

**- Anything highlighted with the colour green in this document signifies these items are required if they exist but were not applicable in this entity but were shown for educational purposes.**

**- Anything highlighted with the colour grey in this document signifies the disclosure of those items are not specifically required**

**- Anything highlighted with the colour orange in this document signifies the disclosure of those items are not specifically required but they would represent best practice.**

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Directors <sup>1</sup>	Mr A Director Ms B Director Mr C Director
Secretary	Mr A Director
Company registration number <sup>2</sup>	123456
Auditors	Compliant Accountant & Co, Statutory Audit Firm, Accountants Row, Any County
Bankers	Any Big Bank PLC, Money Street, Moneyville, Any County  Deep Pockets Bank, Financial Services Sector, Ballycash, Any County
Solicitors	Legal Eagles & Co., Court Place, Judgestown Any County
Registered Office <sup>3</sup>	Construction Place, Builders Lane, Dunblock Any County

<sup>1</sup> Required under S.17 of CAA 2017I by inserting into S.291&295 of CA 2014 <sup>2</sup>

Required under S.17 of CAA 2017 by inserting into S.291&295 of CA 2014

<sup>3</sup> Required under S.17 of CAA 2017 Bill by inserting into S.291&295 of CA 2014

# OmniPro Sample Small Company Section 1A FRS 102 Limited

Year Ended 31 December 2017

## Directors' Report

The directors present their annual report and audited financial statements for the year ended 31<sup>st</sup> December 2017.

### Change in Financial Reporting Framework<sup>4</sup>

This is the first set of financial statements prepared by OmniPro Sample Medium/Large Company 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 company transitioned from previously extant Irish and UK GAAP to FRS 102 as at 1 January 2014.

### Directors and secretary<sup>5</sup>

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

Mr	A	Director
Mr	B	Director
Mr C		Director

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

### Principal Activities<sup>6</sup>

The principal activity of the company is the provision of construction services to both the private and commercial sectors. From their operations base and depot in Construction Place, Builders Lane, Dunblock, Any County they also sell pre-cast concrete products to private individuals and the construction industry. The company is supplied with the pre-cast concrete products by a wholly owned subsidiary company, which operates independently from a separate location.

There have been no significant changes in the company's activities during the financial year. The company has continued to improve performance in recent years.

### Results and Dividends<sup>7</sup>

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

<sup>4</sup> Considered best practice – not specifically required in the directors report by FRS 102

<sup>5</sup> The names of the persons who were directors during the financial year should be included for periods commencing on or after 1<sup>st</sup> of June 2015. Directors may be required to retire by rotation under the Co.s Constitution S.326(1)(b), CA 2014 – The directors report shall state the principal activities of the company during the year S.325, S.326 and S.327 of CA 2014 as amended by S.41, S.42 and S.43 removes the requirement for small companies to provide a business review, and their non financial KPIs, environmental and employer matters analysis and the requirement to disclose the use of financial instruments by the company (credit, price liquidator risk, management etc) as otherwise required by S.326 of CA 2014

<sup>7</sup> S.326(1)(d), CA 2014 – The directors report shall include an indication of interim dividends paid and the amount, if any, that should be paid by way of final dividend

## Results and Dividends

Or

The retained profit for the financial year amounted to €XXX (2016: €XXX). An interim dividend of €xx.xx (2016: €xx.xx) per ordinary share, amounting to €XXX (2016: € XXX) was paid on 1 June 2017. A final dividend of € XXX (2016: € XXX) per ordinary share, amounting to € XXX (2016: € XXX) was declared and authorised on 30 November 2017 and will be paid on 1 March 2017. € XXX was transferred to reserves at the year end.

## Director's & Secretary's interests<sup>89</sup>

The director's and secretary's interests, as at the year end, in the company at the beginning and end of the year were as follows;

Year ended 31 December 2017	Mr A Director €1 ordinary shares	Ms B Director €1 ordinary shares	Total
At the beginning of the year	50,000	50,000	100,000
At the end of the year	50,000	50,000	100,000
Year ended 31 December 2016	Mr A Director €1 ordinary shares	Ms B Director €1 ordinary shares	Total
At the beginning of the year	50,000	50,000	100,000
At the end of the year	50,000	50,000	100,000

## Events after the Balance Sheet date<sup>10</sup>

Post year end the company entered into a contract to purchase the trade of a related business, this will increase turnover and profits going forward.

## Research and Development<sup>11</sup>

The company was engaged in research and development activities in the development of patents, the cost incurred in the year was €xx,xxx.

<sup>8</sup> S.329 CA 2014 – Disclosure required of person's interests, who were in office at the end of the financial year, in shares and debentures of the company and any group undertaking of that company. References to director's and secretaries interests including shadow and de-factor directors as required under S.329(4), CA 2014.

<sup>9</sup> S.352 of CA 2014 as amended by S.52 CAA 2017 removes the requirement for directors to include a note detailing the interests of the secretary and directors in the abridged financial statements

<sup>10</sup> S326(2)(a), CA 2104 – Disclosure in relation to important events after the balance sheet date are only required where deemed relevant

<sup>11</sup> Disclosure in relation to Research and Development Activity is only required if there have been any activities in this area in accordance with S.326(2)(b) of the Companies Act 2014

### **Political donations<sup>12</sup>**

The company made the following disclosable political donations in the current year:

- |           |   |         |
|-----------|---|---------|
| • Party A | - | €xx,xxx |
| • Party B | - | €xx,xxx |
| • Party C | - | €xx,xxx |

### **Payment of Creditors<sup>13</sup>**

The directors acknowledge their responsibility for ensuring compliance with the provisions of the European Communities (Late Payment in Commercial Transactions) Regulations 2012. It is the company's policy to agree payment terms with all suppliers and to adhere to those payment terms.

### **Accounting Records<sup>14</sup>**

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

In order to secure compliance with the requirements of the act, a full time management accountant is employed. The accounting records of the company are kept at the registered office<sup>15</sup> and principal place of business at Construction Place, Builders Lane, Dunblock, Any County.

### **Statement on Relevant Audit Information<sup>16</sup>**

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.

### **Small companies exemptions**

The entity has availed of the small companies exemption contained in the Companies Act 2014 with regard to the requirements for exclusion of certain information in the directors report<sup>17</sup>.

<sup>12</sup> S.326(2)(d), CA 2014 – Disclose political donations made during the year as required under the Electoral Act 1997, disclosure is only required if political donations are in excess of €200 in the year under Section 17, Electoral (Amendment) (Political Funding) Act 2012

<sup>13</sup> Disclose if the company or suppliers purport to trade under the terms of the EC (Late Payment in Commercial Transactions) Regulations 2012

<sup>14</sup> S.326(1)(c), CA 2014 – The directors report is required to include a statement of measures taken by the directors to secure compliance with S.281 to 285 of the Companies Act 2014 for the keeping of accounting records and the location of those records

<sup>15</sup> S283(1), CA 2014 – A company's accounting records shall be kept at its registered office or at such other place as the directors think fit

<sup>16</sup> S.330, CA 2014 – The statement on the provision of relevant audit information applies to financial statements for periods commencing on or after the 1<sup>st</sup> of June 2015

<sup>17</sup> S.324 of CA 14 as amended by S.40 CAA 2017 - Note this is not specifically required however included as best practice.

## Auditors

In accordance with Section 383(2) of the Companies Act 2014, the auditors, Compliant Accountant & Co., Registered Auditors / Statutory Auditors / Statutory Audit Firm, Accountants Row, Any County will continue in office.

On behalf of the board<sup>18</sup>

\_\_\_\_\_  
Mr A Director  
Director

\_\_\_\_\_  
Ms B Director  
Director

**DATE:** \_\_\_\_\_

Additional information to be considered for disclosure if applicable

- S.319(1), CA 2014 – Financial assistance for the purchase of own shares
- S.326(2)(c), CA 2014 – An indication of the existence of branches of the company outside the state and the country in which they are located.
- S.328, CA 2014 – Acquisition or disposal of own shares during the period. S.44 of CAA 2017 includes an additional requirement to disclose the reason for the acquisition and a disclosure of % of called up share capital held at the beginning and end of the year
- S.329(1) CA 2014 – Directors or secretaries interests in debentures at the start of the period during the period or in the preceding period

<sup>18</sup> Where there is only 1 director as a new model private LTD that director may approve the financial statements

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 [and promulgated by Chartered Accountants Ireland<sup>19</sup>], 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 company as to the financial year end and of the profit or loss of the company 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<sup>20</sup>

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions<sup>21</sup>.

On behalf of the board<sup>22</sup>

\_\_\_\_\_  
Mr A Director  
Director

\_\_\_\_\_  
Ms B Director  
Director

**DATE:** \_\_\_\_\_

<sup>19</sup> Deemed best practice for firm's regulated by Chartered Accountants Ireland  
This statement is based on the illustrative Director's Responsibilities Statement in FRC Bulletin 1(i) and is updated for new terminology as noted in the Companies Act 2014 Bulletin 1 (1) has been withdrawn and no guidance for Irish auditors the equivalent of Bulletin 1(1) is in issue at the time of publication.

<sup>20</sup> Include where no separate statement on going concern is made by the directors

<sup>21</sup> Include only- if accounts are available on the company website

<sup>22</sup> Where there is only 1 director as a new model private LTD that director may approve the financial statements

## **Independent Auditors Report to the Members of OmniPro Sample Small Company Section 1A FRS 102 Limited for the year ended 31 December 2017 <sup>23</sup>**

### **Opinion**

We have audited the financial statements of OmniPro Sample Small Company Section 1A FRS 102 (the 'company') for the year ended 31 December 2017 which Profit and Loss Account, the Balance Sheet, Statement of Changes in Equity<sup>24</sup> and notes to the financial statements, including a summary of significant accounting policies set out in note 1<sup>25</sup>. The financial reporting framework that has been applied in their preparation is applicable Irish law and Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* [, applying Section 1A of the Standard]<sup>26</sup>.

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2017 and of its 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* [, applying Section 1A of the Standard]<sup>26</sup>; 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Irish Auditing and Accounting Supervisory Authority ("IAASA") Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 24<sup>27</sup> to the financial statements]<sup>28</sup>, 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 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.

<sup>23</sup> We have included the auditors report under the new auditing standards. This is only applicable for periods beginning on or after 15 June 2016. The IAASA have not updated or issued an equivalent to Bulletin 1(1) at the time of publication so this may be subject to change

<sup>24</sup> The terms used to describe the primary financial statements should be the same specific names as those used by the directors as required by ISA 700.

<sup>25</sup> ISA 700 requires a cross reference to the notes to the accounts and specifically significant accounting policies <sup>26</sup> It is not a requirement to refer to Section 1A, but firms may choose to do so.

<sup>27</sup> As described in paragraph A35-4 of ISA 700 (Revised June 2016), IAASA's Ethical Standard Section 6 Provisions available for audits of small entities, paragraph 6.15 requires disclosure in the auditor's report where the audit firm has taken advantage of an exemption provided in paragraphs 6.11, 6.12 or 6.13 of the Ethical Standard. <sup>28</sup> Delete the words in square brackets if the relief and exemptions for audits of small entities provided by the IAASA's Ethical Standard are not utilised.

## **Independent Auditors Report to the Members of OmniPro Sample Small Company Section 1A FRS 102 Limited for the year ended 31 December 2017**

### **Other information<sup>29</sup>**

The other information comprises the information included in the annual report<sup>30</sup>, 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.

### **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 audited<sup>31</sup>;
- the financial statements are in agreement with the accounting records;
- the information given in the Director's Report is consistent with the financial statements; and
- the Director's Report has been prepared in accordance with the Companies Act 2014.

### **Matters on which we are required to report by exception**

Based on the knowledge and understanding of the 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 made. We have nothing to report in this regard.

### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement on page 9, 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.

<sup>29</sup> "Other Information" must be included in an audit report in Ireland under ISA 720 P21.

<sup>30</sup> The term used to describe the annual report should be the same as that used by the directors.

<sup>31</sup> 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."

## Independent Auditors Report to the Members of OmniPro Sample Small Company Section 1A FRS 102 Limited for the year ended 31 December 2017

### 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](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our audit report.

### 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.<sup>32</sup>

Signed by:

\_\_\_\_\_  
**Personal name of auditor**  
 For and on behalf of:  
 Compliant Accountant & Co<sup>33</sup>

**Date:** \_\_\_\_\_

Chartered	ACCA	CPA
<b>Chartered Accountants &amp; Statutory Audit Firm,</b> Accountants Row, Any County	<b>Chartered Certified Accounts &amp; Statutory Auditors/Statutory Auditor,</b> Accountants Row, Any County	<b>Certified Public Accountants &amp; Statutory Audit Firm,</b> Accountants Row, Any County

<sup>32</sup> Paragraph included as best practice

<sup>33</sup> The firm name must reflect the name of the firm as it appears on the public register of auditors as currently maintained by the Companies Registration Office which will be maintained by IAASA under the Statutory Audits Bill 2017

## OmniPro Sample Small Company Section 1A FRS 102 Limited Profit and Loss Account<sup>34</sup>

**For the Year ended 31 December 2017**

	Notes	31-Dec 2017 €	31-Dec 2016 €
Turnover		6,074,690	6,236,154
Cost of sales		(2,907,124)	(3,665,856)
<b>Gross profit</b>		<b>3,167,566</b>	<b>2,570,298</b>
Administration expenses		(1,885,421)	(2,182,133)
Other operating income		220,000	230,000
<b>Operating profit</b>	<b>2</b>	<b>1,502,145</b>	<b>618,165</b>
Interest receivable and similar income		14,999	5,307
Interest payable and similar expenses	<b>3</b>	(205,784)	(199,721)
		<b>1,311,360</b>	<b>423,751</b>
<b>Profit before taxation</b>		<b>(266,994)</b>	<b>(119,414)</b>
Tax on profit <sup>35</sup>		<b>1,044,366</b>	<b>304,337</b>
<b>Profit for the financial year</b>			

### Statement of Comprehensive Income<sup>36</sup> For the Year ended 31 December 2017

	Notes	31-Dec 2017 €	31-Dec 2016 €
Profit for the financial year		1,044,366	304,337
<b>Total Comprehensive Income for the year</b>		<b>1,044,366</b>	<b>304,337</b>

<sup>34</sup> This is prepared in accordance with Format 1 of Schedule 3A to the CAA 2017. Formats 2 can also be used. In addition the company can apply the layout of IFRS. Not for profit entities can use the title income and expenditure account and the related formats.

<sup>35</sup> Sch 3A requires the movement on profit and loss reserves to be shown on the face of the P&L, balance sheet or in the notes. Note if a statement of changes in equity is chosen it can be shown there. We have shown it in the notes. This is required to be submitted in the abridged financial statements

<sup>36</sup> A two statement approach has been adopted in accordance with Section 5 (FRS 102). The Statement of Comprehensive Income (SOCi) is included here for illustration purposes only as there are no movements in the example that require a SOCi. Should a SOCi be required it should be shown on a separate page Section 1A.9 of FRS 102 encourages entities to present the total statement of comprehensive income in order to show a true and fair view.

This is prepared in accordance with Format 1 of Schedule 3A to CA 2014 as inserted by CAA 2017. Format 2 can also be used.

**OmniPro Sample Small Company Section 1A FRS 102  
Limited Balance Sheet<sup>37</sup>  
For the Year ended 31 December 2017**

	Notes	31-Dec 2017 €	31-Dec 2016 €
<b>Fixed assets</b>			
Tangible assets	6	2,029,024	411,885
Investment properties	7	1,100,725	3,490,201
Financial assets	8	185,640	209,200
		<b>3,315,389</b>	<b>4,111,286</b>
<b>Current assets</b>			
Stocks	9	699,709	392,166
Debtors	10	2,456,177	1,458,187
Cash at bank and in hand		356,772	147,723
		<b>3,512,658</b>	<b>1,998,076</b>
<b>Creditors: amounts falling due within one year Net current assets/(liabilities)</b>	11	<b><u>(2,824,570)</u></b>	<b><u>(3,366,330)</u></b>
		<b>688,088</b>	<b>(1,368,254)</b>
		<b>4,035,477</b>	<b>2,743,032</b>
<b>Total assets less current liabilities</b>			
<b>Creditors: amounts falling due after more than one year</b>	12	(2,166,210)	(2,129,125)
<b>Provision for liabilities</b>	13	(214,206)	(65,212)
<b>Net Assets</b>		<b>1,623,061</b>	<b>548,695</b>
<b>Capital and reserves</b>			
Called up share capital presented as equity		120,000	100,000
Share premium account		10,000	-
Other reserves		126,000	128,625
Profit and loss account	22	1,364,436	320,070
		<b>1,623,061</b>	<b>548,695</b>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with Financial Reporting Statement 102 'The Financial Statement Reporting Standard applicable in the UK and Republic of Ireland'. The financial statements were approved by the Board of Directors on (Insert date) and authorised for issue on (insert date). They were signed on its behalf by<sup>38</sup>

\_\_\_\_\_  
Mr A Director<sup>39</sup>  
Director  
**DATE:** \_\_\_\_\_

\_\_\_\_\_  
Ms B Director  
Director

<sup>37</sup> This is prepared in accordance with Format 1 of Schedule 3A to the CAA 2017, Formats 2 can also be used. In addition the company can apply the layout of IFRS as long as it provides all the required detail as required by Co Law.

<sup>38</sup> P32.9 FRS 102 – A company shall disclose the date when the financial statements were authorised for issue and who gave that authorisation. S.40 of CAA 2017 amends S.324 to require a statement on the balance sheet stating that the accounts have been prepared under the small companies regime.

<sup>39</sup> Where there is only 1 director as a new model private LTD that director may approve the financial statements

40	Called up Share Capital	Share Premium Account	Other Reserves	Profit and Loss Account	Total Equity
	€	€	€	€	€
Balance at 1 January 2016	100,000	-	131,250	13,108	244,358
Profit for the year	-	-	-	304,337	304,337
Transfers	-	-	(2,625)	2,625	-
<b>Balance at 31 December 2016 and at 1 January 2017</b>	<b>100,000</b>	<b>-</b>	<b>128,625</b>	<b>320,070</b>	<b>548,695</b>
Equity Shares Issues	20,000	10,000	-	-	30,000
Profit for the year	-	-	-	1,044,366	1,044,366
Transfers	-	-	(2,625)	2,625	-
Dividends on ordinary shares paid and declared (€XX per ordinary share) <sup>41</sup>	-	-	-	-	-
Dividends on ordinary shares declared but unpaid in year (€XX per ordinary share) <sup>42</sup>	-	-	-	-	-
<b>Balance at 31 December 2017</b>	<b>120,000</b>	<b>10,000</b>	<b>126,000</b>	<b>1,364,436</b>	<b>1,623,061</b>

<sup>40</sup> Section 1A.9 of FRS 102 encourages a small entity to present a statement of changes in equity or a statement of income and retained earnings where there are transactions with equity holders so as to meet the requirement to show the true and fair view. Appendix D of Section 1A of FRS 102 also encourages this. Given that this entity issued shares in the year and as there are substantial transition adjustments it has been assumed that the statement of changes in equity was required in order to show a true and fair view. If there was no or minimal transition adjustments and no other transactions with the equity holders occurred, then this may not be required. After transition for simpler entities where there are only dividends and prior year restatements going through equity, the statement of income and changes in retained earnings may suffice. Note Sch 3A(48) of CA 2014 requires movement on the profit and loss reserves to be disclosed. Therefore where this SOCE is not presented the movement on P&L reserves must be presented in the notes, on the balance sheet or on the face of the P&L. Sch 3A(49) requires movement on revaluation reserves to be shown and Sch3A(46) requires the movement on any fair value reserve to be shown so the same comment applies as stated above. In order to cover off these requirements it would make sense to include a SOCE. Sch 3A(5) also requires movement for comparatives for each year.

<sup>41</sup> Para 48(b) of Sch 3A, CA 2014 as inserted by CAA 2017 – disclosure of dividend declared and paid in year and any dividend declared but accrued at year end. This can be disclosed in a separate note if preferred. This is encouraged by Section 1a Appendix D

<sup>42</sup> Para 48(b) of Sch 3A, CA 2014 as inserted by CAA 2017 – disclosure of dividend declared and paid in year and any dividend declared but accrued at year end. This can be disclosed in a separate note if preferred. This is encouraged by Section 1a Appendix D

## 1. ACCOUNTING POLICIES<sup>43</sup>

OmniPro Sample Small FRS 102 Company Limited is primarily engaged in the provision of construction services to both the private and commercial sectors. The company's registered office is Construction Place, Builders Lane, Dunblock, Any City. The company is a limited liability company incorporated in the Republic of Ireland and its company registration number is XXX<sup>44, 45</sup>.

The significant accounting policies<sup>46</sup> adopted by the Company and applied consistently<sup>47</sup> are as follows:

### (a) Basis of preparation

The Financial Statements are prepared on the going concern basis<sup>48</sup>, under the historical cost convention, [as modified by the revaluation of certain tangible fixed assets] and comply with the financial reporting standards of the Financial Reporting Council [and promulgated by Chartered Accountants Ireland<sup>49</sup>] including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102")<sup>50</sup> as adapted by Section 1A of FRS 102 and the Companies Act 2014.

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

### (b) Consolidation<sup>51</sup>

The company and its subsidiaries combined meet the size exemption criteria for a group and the company is therefore exempt from the requirement to prepare consolidated financial statements by virtue of meeting the requirements in Section 293(1A) of the Companies Act 2014. Consequently, these financial statements deal with the results of the company as a single entity.

### (c) 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.

<sup>43</sup> Section 321 CA 2014 requires the accounting policies to be disclosed.

<sup>44</sup> S.17 of CAA 2017 amends S.291-S.295 of CA 2014 and requires the disclosure of the registered office in addition to Section 1A requiring such disclosure. These also requires disclosure of the legal form and the principal place of business and registered office.

<sup>45</sup> If the company is a public benefit entity then section 1AD.1(c) appendix D of Section 1A encourages this fact to be disclosed.

<sup>46</sup> Changes in accounting policies must be identified and recorded in accordance with FRS 102, section 10. S.321 of CA 2014 as amended by S.37 CAA 2017 requires details of change in accounting policy to be shown in the accounting policies section detailing reason for change and the effect on current and prior years. If a true and fair overview is invoked this must be disclosed under Sch 3A(19) of CA 2014

<sup>47</sup> Para 13, Sch IIIA, CA 2014 – Accounting policies shall be applied consistently from one period to another

<sup>48</sup> Para 12, Sch IIIA, CA 2014 – A company is deemed to be carrying on business as going concern. Appendix D of Section 1A of FRS 102 encourages this to be disclosed in order to show a true and fair view also.

Where the entity has made a decision to wind up the entity that is required to be disclosed, there is no choice.

Where there is uncertainties about going concern CA 2014 requires this to be disclosed. Appendix D of Section 1A of FRS 102 also encourages this in order to show a true and fair view.

<sup>49</sup> Deemed best practice for firm's regulated by Chartered Accountants Ireland

<sup>50</sup> Appendix 1AD.1 of FRS 102 encourages a statement of compliance to be included in the notes to the financial statements in order to show a true and fair view also.

Where the entity has made a decision to wind up the entity that is required to be disclosed, there is no choice.

Where there is uncertainties about going concern CA 2014 requires this to be disclosed. Appendix D of Section 1A of FRS 102 also encourages this in order to show a true and fair view.

<sup>51</sup> Applicable to Group companies who do not meet the size criteria to prepare consolidated financial statements

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 profit and loss account within 'finance (expense)/income'. All other foreign exchange gains and losses are presented in the profit and loss account within 'Other operating (losses)/gains'.

**(d) 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 dispatch of the goods, the amount of turnover 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.

Turnover from the provision of services is recognised in the accounting period in which the services are rendered and the outcome of the contract can be estimated reliably. The company uses the percentage of completion method based on the actual service performed as a percentage of the total services to be provided.

**(e) Interest income**

Interest income is recognised using the effective interest method.

**(f) Dividend income**

Dividend income from subsidiaries is recognised when the Company's right to receive payment has been established.

**(g) Dividend distribution**

Dividend distribution to the company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the company's shareholders.

**(h) Government grants**

Government grants are recognised at their fair value in profit or loss where there is a reasonable assurance that the grant will be received and the Company has complied with all attached conditions.

Capital Grants are initially recognised as deferred income on the balance sheet and credited to the profit and loss account by instalments on a basis consistent with the depreciation policy of the relevant asset, as adjusted for any impairment.

Revenue Grants are credited to income so as to match them with the expenditure to which they relate. Government grants received are included in 'other income' in profit or loss.

## (i) Taxation

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 of 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 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 is recognised in the profit and loss account or other comprehensive income depending on where the revaluation was initially posted.

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.

## (j) Tangible fixed assets

### (i) *Cost*

Tangible fixed assets are recorded at historical cost or deemed cost, less accumulated depreciation and impairment losses. Cost includes prime cost, overheads and interest incurred in financing the construction of tangible fixed assets. Capitalisation of interest ceases when the asset is brought into use.

Freehold premises are stated at cost <sup>52</sup>(or deemed cost for freehold premises held at valuation at the date of transition to FRS 102) less accumulated depreciation and accumulated impairment losses

The company previously adopted a policy of revaluing freehold premises and they were stated at their revalued amount less any subsequent depreciation and accumulated impairment losses. The company has adopted the transition exemption under FRS 102 paragraph 35.10(d) and has elected to use the previous revaluation as deemed cost.

The difference between depreciation based on the deemed cost charged in the profit and loss account and the asset's original cost is transferred from revaluation reserve to retained earnings.

Equipment and fixtures and fittings are stated at cost less accumulated depreciation and accumulated impairment losses.

<sup>52</sup> Para 20, Sch III, CA 2014 – Fixed assets shall be recorded at its purchase price or production cost

(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.

The estimated useful economic lives assigned to Tangible fixed assets are as follows:

Freehold Premises	2% straight line on cost
Motor vehicles	25% straight line on cost
Office Equipment, fixtures & fittings	12½% straight line on cost
Computer equipment	25%/33⅓% straight line on cost
Spare parts	25% 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.

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, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

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.

(k) **Investment properties**

The company owns a number of freehold office buildings that are held to earn long term rental income and for capital appreciation. Investment properties are initially recognised at cost. Investment properties whose fair value can be measured reliably are measured at fair value. Changes in fair value are recognised in the profit and loss account.

(l) **Investments in subsidiary undertakings**

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

**(m) Leases**

*(i) Finance leases*

Leases in which substantially all the risks and rewards of ownership are transferred by the lessor are classified as finance leases.

Tangible fixed assets acquired under finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments and are depreciated over the shorter of the lease term and their useful lives. The capital element of the lease obligation is recorded as a liability and the interest element of the finance lease rentals is charged to the profit and loss account on an annuity basis.

Each lease payment is apportioned between the liability and finance charges using the effective interest method.

*(ii) Operating leases*

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

*(iii) Lease incentives*

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of future minimum lease payments.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

**(n) Stocks**

Stocks comprise consumable items and 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.

**(o) Trade and other debtors**

Trade and other debtors including amounts owed from group companies 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 debtors 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 the provision required are recognised in the profit and loss.

**(p) Other financial assets**

Other financial assets include investments which are not investments in subsidiaries, associates or joint ventures. Investments are initially measured at fair value which usually equates to the transaction price and subsequently at fair value where investments are listed on an active market or where non listed investments can be reliably measured. Movements in fair value are measured in the profit and loss.

When fair value cannot be measured reliably or can no longer be measured reliably, investments are measured at cost less impairment.

**(q) Preference share capital**

Redeemable preference shares have been classified as liabilities in the balance sheet. The preference dividend is charged in arriving at the interest cost in the profit and loss account. (*including the following where applicable*) However, no dividends will be paid on the cumulative preference shares until the company has positive profit and loss reserves.

**(r) Cash at bank and on hand**

Cash and at bank and on hand include cash on hand, demand deposits and other term highly liquid investments regardless of maturity. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

**(s) 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 payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

As permitted by the amendment made to FRS 102 Section 11 for small entities by the FRC on 8 May 2017 amounts due from directors and shareholders of the entity are stated initially at the transaction price and subsequently at transaction price less repayments. The amortised cost model is not used.<sup>53</sup>

**(t) 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 finance costs.

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.

**(u) 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.

<sup>53</sup> Small entities as an exemption to para 11.13 of FRS 102 may measure a basic financial liability that is a loan from a director who is a natural person **and** a shareholder in the entity or a connected person initially at transaction price (i.e. The same way it was accounted for under old Irish GAAP/FRSSE.) The amendment was made by the FRC as a transitional measure on 8 May 2017 and it is effective immediately. If in the prior year (i.e. if accounts prepared under frs102 in prior period) the present value technique was used and the client now wants to revert back to the transaction price policy, a prior year adjustment is required in line with a change in accounting policy detailed in Section 10.13 of FRS 102. Note this exemption does not apply to inter companies.

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.

#### **(v) 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.

#### **(w) Employee Benefits<sup>54</sup>**

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. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### **(x) Dividend distribution**

Dividend distribution to equity shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the equity shareholders. These amounts are recognised in the statement of changes in equity.

#### **(y) Share capital**

Ordinary shares are classified as equity. 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.

Para 19, Sch 3A CA 2014 as amended by CAA 2017– If there are special reasons for departing from any of the stated accounting policies the company shall note the reasons for departure and the effect on the balance sheet and profit and loss in that year

<sup>54</sup> This policy relates to a defined contribution scheme, an expanded policy would be required for a defined benefit scheme

**(z) Related party transactions**

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

**(aa) Goodwill**

Goodwill represents the excess of consideration paid for the acquisition of shares in associates and joint ventures 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 on acquired businesses are up to XX years. 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. Impairments of goodwill are not reversed.

**(bb) Other Intangible Assets**

Acquired intangible assets are capitalised at cost and are amortised using the straight-line basis over their useful lives up to a maximum of XX years.

Intangible assets acquired as part of a business acquisition are capitalised separately from goodwill if the fair value can be measured reliably. Internally generated intangible assets are only recognised where they have a readily ascertainable market value.

Intangible assets are reviewed for impairment at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

**(cc) Cash flow statement exemption**

The company has availed of the exemption contained in Section 1A of FRS 102 and as a result have elected not to prepare a cash flow statement.

**(dd) Prior period adjustment – Change in accounting policy<sup>55</sup>**

**DISCLOSE CHANGE IN ACCOUNTING POLICY**

**(ee) Exceptional item <sup>56</sup>**

Exceptional items are those that the Directors' view are required to be separately disclosed by virtue of their size or incidence to enable a full understanding of the Company's financial performance. The Company believe that this presentation provides a more informative analysis as it highlights one off items. Such items may include restructuring, impairment of assets, profit or loss on disposal or termination of operations, litigation settlements, legislative changes and profit or loss on disposal of investments. The company has adopted an income statement format that seeks to highlight significant items within the company results for the year.

**(ff) Change in accounting estimate<sup>57</sup> DISCLOSE AS REQUIRED**

Para 19, Sch 3A, CA 2014 as amended by CAA 2017 – If there are special reasons for departing from any of the stated accounting policies the company shall note the reasons for departure and the effect on the balance sheet and profit and loss in that year

<sup>55</sup> S.321 of CA 2014 as amended by S.37 of CAA 2017 requires details of a change in accounting policy to be included in the accounting policy section of the financial statements detailing the reason for the change for it and the impact of the change on the current and prior years.

Para 19, Sch 3A, CA 2014 as amended by CAA 2017 – If there are special reasons for departing from any of the stated accounting policies the company shall note the reasons for departure and the effect on the balance sheet and profit and loss in that year

<sup>56</sup> Exceptional item. Sch 3A requires disclosure of all exceptional items in the notes to the financial statements.

<sup>57</sup> Sch 3A(19) requires disclosure change in accounting estimate/measurement basis to be disclosed, the reason for the change, and its effect on the balance sheet and P&L of the company to be stated in a note

## 2. OPERATING PROFIT

Operating profit is stated after charging:	2017	2016
	€	€
Depreciation	149,999	170,037
Impairment/reversal of impairment on financial assets <sup>58</sup>	XXX	XXXX
Impairment/reversal of impairment on tangible fixed assets/intangibles assets <sup>59</sup>	XXX	XXXX
Movement on fair value of derivatives <sup>60</sup>	XXX	XXX
Movement in fair value of listed investments/investments where less than significant influence is held <sup>61</sup>	XXX	XXX
Movement in fair value of investment properties/biological assets <sup>62</sup>		
Movement in fair value of investment in associate/JV <sup>63</sup>	XXX	XXX
Impairment/reversal of impairment on tangible fixed assets/intangibles assets <sup>64</sup>	XXX	XXXX

### Note 1: Other Operating Income

Not required for small entities under Sch 3(A) as set out in CAA 2017

### Note 2: Interest Receivable and Similar Income

Not required for small entities under Sch 3(A) as set out in CAA 2017. However, if interest is earned on group loans this does need to be disclosed as Schedule 3A para 69 requires this.

<sup>58</sup> Sch 3A(23), CA 2014 as amended by CAA 2017 – The company is required to disclose details of impairments and reversal of impairments on financial assets

<sup>59</sup> Sch 3A(23), CA 2014 as amended by CAA 2017 – The company is required to disclose details of impairments and reversal of impairments all types of fixed assets

<sup>60</sup> Sch 3A(46), CA 2014 as amended by CAA 2017 – The company is required to disclose details of movement in fair value of derivatives or other financial instruments held at fair value.

<sup>61</sup> Sch 3A(46), CA 2014 as amended by CAA 2017 – The company is required to disclose details of movement in fair value of listed investments and shares which provide less than a significant influence and which can be fair valued

<sup>62</sup> Sch 3A(46), CA 2014 as amended by CAA 2017 – The company is required to disclose details of movement in fair value of investment property/biological assets

<sup>63</sup> Sch 3A(46), CA 2014 as amended by CAA 2017 – The company is required to disclose details of movement in fair value of investments in fixed assets held at fair value through P&L

<sup>64</sup> Sch 3A(23), CA 2014 as amended by CAA 2017 – The company is required to disclose details of impairments on goodwill

### 3. INTEREST PAYABLE AND SIMILAR EXPENSES<sup>65</sup>

	2017	2016
	€	€
Interest <sup>66</sup>	197,794	199,721
Interest charged on group loans <sup>67</sup>	5,400	500
Preference share dividend <sup>68</sup>	8,000	-
	<u>205,784</u>	<u>199,721</u>

#### Note: Taxation Note

Not required for small entities under Sch 3(A) as set out in CAA 2017

### 4. EMPLOYEES

The average monthly number of employees for the year was 14 (2016: 14)<sup>69</sup>

### 5. DIRECTORS REMUNERATION AND TRANSACTIONS

	2017	2016
	€	€
<b>Remuneration<sup>70</sup></b>		
Salary	182,000	185,600
Retirement Benefits – defined contribution scheme	30,000	30,000
	<u>212,000</u>	<u>225,600</u>

<sup>65</sup> Sch 3A, CA 2014 – Required to disclose separately interest and similar expenses. You can just disclose the interest charged on group loans and preference dividend in the note. There is no requirement to have a separate interest note.

<sup>66</sup> If the company capitalises interest into assets, the total interest cost for the year should be shown with the amount capitalised shown as a deduction in arriving at the net amount on the face of the Profit and Loss a/c

<sup>67</sup> Sch 3A requires disclosure separately of interest on group loans and dividend paid split dividend charged but accrued at year end vs dividend declared and paid in year. Note there is no specific requirement to include the interest payable note here, one could just disclose the interest charged on group loans in note 3 above

<sup>68</sup> Sch 3A requires disclosure separately of interest on group loans and dividend paid split dividend charged but accrued at year end vs dividend declared and paid in year. Note there is no specific requirement to include the interest payable note here, one could just disclose the preference dividend in note 3 above

<sup>69</sup> S.317(1a), CA 2014 as amended by CAA 2017 – The company is required to disclose details of the average number of people employed in the financial year only based on the average monthly number of employees.

<sup>70</sup> As required by Section 305 of CA 2014, S305, 305A require disclosure of remuneration payable to the directors/ de facto directors and shadow directors and connected parties as defined in S.220 CA 2014 including share options exercised. S.305A also requires disclosure of the aggregate amounts including benefits in kind paid or payable to third parties for making require available the services of any person as a director to the company, its subsidiaries or to its holding company or any other person to include the split by each of these four parties. The services also includes services in connection with the management of the company's affairs. A third party is defined as any person other than: a) the director and connected persons; b) a body corporate controlled by that director; or c) the company and any of its subsidiary undertakings. Connected parties are defined by S 220 CA 14 as being connected if they are a) that director's spouse, civil partner, parent, brother, sister or child; b) a person acting in his or her capacity as the trustee of any trust, the principal beneficiaries of which are that director, the spouse (or civil partner) or any children of that director or any body corporate which that director controls; c) or in partnership with that director.

<b>Directors' Loans</b> <sup>7172</sup>	Directors A	Director B
Opening Balance	4,332	100,000
Repayments to	9,301	-
directors Advances from	1,000	-
directors <b>Closing</b>	<b>12,633</b>	<b>100,000</b>
<b>% of net assets</b>	<b>X%</b>	<b>X%</b>

The loan is interest free and is repayable on demand<sup>73</sup>. The amount written off during the year was €XXX (2016: €xxx)<sup>74</sup>. A provision of €XX (2016: €XX) was provided against this loan at year end.

During the year the company paid €XXX (€XXX) for rental of the directors premises<sup>75</sup>.

During the year the company provided construction services to a company called Related Company Limited. Ms B Director who is a director of the company is also a director and 100% shareholder of Related Company Limited. The cost of the services was €XXXX (2016: €XXX).

<sup>71</sup> S.307-308 CA 2014 requires disclosure of amounts owed from directors inc connected persons to the company giving movement in the year by director to also include an provision made against these loans. Disclosure required under S.307(8) CA 2014 of the % the loans represents of the net assets at the beginning and end of each year. In addition where loan amount increased over 10% of the net of assets of the Co. in the year this % should also be stated.

<sup>72</sup> Small entities as an exemption to para 11.13 of FRS 102 may measure a basic financial liability that is a loan from a director who is a natural person **and** a shareholder in the entity or a connected person initially at transaction price. (i.e. The same way it was accounted for under old Irish GAAP/FRSSE.) The amendment was made by the FRC as a transitional measure on 8 May 2017 and it is effective immediately. If in the prior year (i.e. if accounts prepared under frs102 in prior period) the present value technique was used and the client now wants to revert back to the transaction price policy, a prior year adjustment is required in line with a change in accounting policy detailed in Section 10.13 of FRS 102. Note exemption this does not apply to inter companies. This is not applicable here as it is an amount due to the company by the director and this is not within the remit of the exemption.

<sup>73</sup> CA 14 S.307(3)(g) & (h) require an indication of the interest rate and the arrangements' other main conditions. <sup>74</sup> CA 14 S.307 as amended by S.29 CAA 2017 require details of amounts written off to be disclosed. The maximum balance in the year does not need to be disclosed.

<sup>75</sup> CA 14 S 309 (1) requires that subject to *section 310 (section 10 relates to credit institutions)*, the entity financial statements of a company shall disclose, both for the current and the preceding financial year, in the notes to the statements the particulars specified in *subsection (3)* of any other arrangement or transaction not dealt with by *section 305, 307 or 308* entered into by the company in which a person, who at any time during the financial year was a director, a director of its holding undertaking or a person connected with such a director, had, directly or indirectly, a material interest. This can be included in this note or the related party note. It also deals with loans provided by the directors or connected persons to the company. Where the company is a credit institution refer to S.310-S.312 for further disclosures.

## 6. TANGIBLE FIXED ASSETS<sup>76</sup>

	Freehold Premises	Motor Vehicles	Fixtures & Fittings	Computer Equipment	Total
	€	€	€	€	€
<b>Costs</b>					
At beginning of year	507,473	149,039	310,978	157,523	1,125,013
Additions in year	1,519,000	165,000	99,733	34,704	1,818,437
Disposals in year	-	(93,359)	-	-	(93,359)
<b>At end of year</b>	<b>2,026,473</b>	<b>220,680</b>	<b>410,711</b>	<b>192,227</b>	<b>2,850,091</b>
<b>Depreciation</b>					
At beginning of year	187,723	111,836	278,802	134,767	713,128
Charge for Year	37,543	26,799	29,015	56,642	149,999
On disposals	-	(42,060)	-	-	(42,060)
<b>At end of year</b>	<b>225,266</b>	<b>96,575</b>	<b>307,817</b>	<b>191,409</b>	<b>821,067</b>
<b>Net book value</b>					
<b>At 31 December 2017</b>	<b>1,801,207</b>	<b>124,105</b>	<b>102,894</b>	<b>818</b>	<b>2,029,024</b>
<b>At 31 December 2016</b>	<b>319,750</b>	<b>37,203</b>	<b>32,176</b>	<b>22,756</b>	<b>411,885</b>

Included in freehold land and buildings is €XX (2016: €XX) in relation to land.

**Include the below if the revaluation option on fixed assets is chosen (not applicable here).**

[The land and buildings of the company were revalued to an open market value basis reflecting existing use [or state alternate basis if appropriate] on X December 201X by XYZ Auctioneers and valuers (MIAVI). The valuation was carried out in accordance with the SCS Appraisal and Valuation Manual.

These valuations have been incorporated into the financial statements and the resulting revaluation adjustments have been taken to the revaluation reserve. The revaluations during the year ended 31 December 2017 resulted in a revaluation surplus of €xx,xxx].<sup>77</sup>

The historical cost, accumulated depreciation and net book value of the freehold premises is as follows. The depreciation charge on the historical cost basis is €XXXX<sup>78</sup>:

	2017	2016
	€	€
Original cost	XXX	XXX
Accumulated depreciation	(XXX)	(XXX)
<b>Net book amount</b>	<b>XXX</b>	<b>XXX</b>

<sup>76</sup>Sch 3A, CA 2014 as amended by CAA 2017 – Requires the presentation of cost, accumulated depreciation and net book value. Note the prior year movement is no longer required

<sup>77</sup> Details of the historical cost of the asset and accumulated depreciation must be disclosed on revalued assets

<sup>78</sup> Details of the historical cost of the asset and accumulated depreciation must be disclosed on revalued assets as well as the additional amount recognised in the revaluation reserve.

**Include the below if the option to capitalise borrowing costs is chosen (not applicable here included for illustrative purposes only).**

The company capitalised €XXX (2016: €XXXX) in borrowing costs during the year<sup>79</sup>.

**7. INVESTMENT PROPERTIES**

	2017	2016
	€	€
Investment property at fair value at 1 January	3,490,201	3,390,201
Additions	-	-
Uplift in fair value recognised in the profit and loss (see note i) below)	150,000	100,000
Transfer to Tangible fixed assets (*for illustrative purposes only)	-	-
Transfer from Tangible fixed assets (*for illustrative purposes only)	-	-
Transfer from Stocks (*for illustrative purposes only)	-	-
Disposal	(2,539,476)	-
Investment property at fair value at 31 December	1,100,725	3,490,201

- (i) The land and buildings of the company were valued by [state name], [state qualification] to open market value reflecting existing use [or state alternate basis if appropriate] on [state date] 20XX. The valuation was carried out in accordance with the SCS Appraisal and Valuation Manual. {If the valuer is an officer or employee of the company or a group company this fact must be stated}. The critical assumptions made relating to the valuations are set out below:

	2017	2016
Yields	4%	4%
Inflation rate	2%	2%

**Note 1:** Schedule 3A as inserted CAA 2017 does not require the historical cost of investment property to be disclosed.

<sup>79</sup> Required by Sch 3A(29)(3).

## 8. FINANCIAL ASSETS<sup>80</sup>

	2017	2016
	€	€
<b>Cost</b> <sup>81</sup>		
Shares in subsidiary undertakings	254	254
Other investments	185,386	208,946
	<b>185,640</b>	<b>209,200</b>
<b>Impairments</b> <sup>82</sup>		
At beginning of period	XX	XX
Additions/reversals	XX	XX
At end of period	XX	XX
<b>Carrying amount</b>	<b>185,640</b>	<b>209,200</b>

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

### Other Investments

	2017	2016
	€	€
Cost		
At the beginning of the	208,946	208,946
year Purchased during the	150,000	-
year Disposed of during	(173,560)	-
the year At the end of the	185,386	208,946
year		

The company purchased €150,000 of government bonds during the year. This represents the fair value at 31 December 2017 (2016: €nil). These mature on 1 January 2020.

The other investment relates to an investment made by the company in an unlisted entity where less than a significant influence is held. The fair value of this investment cannot be reliably measured in line with the hierarchy in Section 11 of FRS 102, as a result it is held at cost. The cost of the investment at the year ended 31 December 2017 was €185,336 (2016: €208,946).

The directors are satisfied that no impairment is required.

<sup>80</sup> S.314 of CA 2014 as updated by S.31 of CAA 2017 reduces the disclosure requirements where a company owns 20% or more of any class of share capital in another company. Small companies are not required to disclose the name, percent of shares held, registered office, net assets or profit/loss of these investments. Note if there is interests in participating interest, this would be shown separately here also.

<sup>81</sup> Sch 3A(45) of CA 2014 requires disclosure of impairments and reversals of impairment in period

<sup>82</sup> Sch 3A(45) of CA 2014 requires disclosure of impairments and reversals of impairment in period

## 9. STOCKS

	2017	2016
	€	€
Raw material	33,724	42,108
Work in progress	71,769	84,968
Finished goods	594,216	265,090
	<b>699,709</b>	<b>392,166</b>

## 10. DEBTORS

	2017	2016
	€	€
Trade debtors	432,789	1,077,815
Other debtors	279,008	57,864
Amounts due from group companies	1,571,862	191,852
Prepayments	29,795	12,710
Accrued income	-	-
Directors Loans (see note X)	112,633	104,332
VAT recoverable	30,090	13,614
	<b>2,456,177</b>	<b>1,458,187</b>

## 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR<sup>83</sup>

	2017	2016
	€	€
Trade creditors	969,675	887,073
Corporation tax due <sup>84</sup>	410,031	64,812
Other taxation and social security	25,665	26,245
Other creditors and accruals	267,051	284,139
Amounts owed to credit institutions (see note 14)	1,066,950	2,064,128
Finance Lease <sup>85</sup>	85,198	39,933
	<b>2,824,570</b>	<b>3,366,330</b>

<sup>83</sup> Sch 3A(4)(7) of CA 2014 requires where an asset or liability relates to more than one of the items listed in either of the balance sheet formats, then its relationship to other items shall be disclosed under the item where it is shown or in the notes to the financial statements. In this instance for example finance leases have been shown separately under creditors within one year and creditors greater than one year. The same point applies for bank loan, grants etc.

<sup>84</sup> Sch 3A of CA 2014 as inserted by CAA 2017 does not require taxation to be split out. Technically the tax figure can be shown as one amount

<sup>85</sup> Formats of Sch 3A does not specifically require this to be shown separately, it can be included in other creditors. However Sch 3A(50) requires liabilities to be stated/disclosed where they are secured on assets which is the case for finance leases. Hence it can be disclosed in this note separately and if not then it should be disclosed in a narrative somewhere in the accounts.

## 12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR<sup>86</sup>

	2017	2016
	€	€
Amounts owed to credit institutions (see note 14)	1,903,810	2,129,125
Finance Lease <sup>87</sup>	147,400	-
8% Redeemable Shares presented as a liability <sup>88</sup>	100,000	-
Amounts due from parent company (see (i)	-	-
below) Share Appreciation Rights <sup>89</sup>	<u>15,000</u>	<u>-</u>
	<b>2,166,210</b>	<b>2,129,125</b>

- (i) The company received loans totalling €XXXX at non market rates from its parent company in 2015 which are interest free and repayable on 31 December 2021. Section 11 requires that all Financial Assets and Liabilities are initially recognised at their fair value. The Company estimates the fair value of interest free loan issued by calculating the present value of all future cash payments discounted using the prevailing rates of interest for a similar instrument. Upon initial recognition, the Company recognised the loan for €XXXX. The difference between the nominal amount of the loan and the initial fair value was €XXX which had reduced to €XXX at 1 January 2016. In accordance with Section 11 of FRS 102 the substance of this agreement is akin to a capital contribution from its parent company and therefore recognised in equity. The movement on the loan in the year of €XXXX (2016: €Nil) represented the unwinding of the discount for the year. The reason for no interest charge in 2016 was due to the fact that the company availed of the exemption in Section 35.10 to only recognise the transition adjustment at the start of the current year.

### Note 1: Finance Lease Contracts – Maturity

Not required for small entities preparing financial statements under S1A of FRS102 and are not required under Sch 3(A). Total only required to be disclosed.

### Note 2: Provision for Liabilities

Not required for small entities preparing financial statements under S1A of FRS102 and are not required under Sch 3(A)

### Note 3: Financial Instruments

Not required for small entities preparing financial statements under S1A of FRS102 and are not required under Sch 3(A)

<sup>86</sup> Sch 3A(4)(7) of CA 2014 requires where an asset or liability relates to more than one of the items listed in either of the balance sheet formats, then its relationship to other items shall be disclosed under the item where it is shown or in the notes to the financial statements. In this instance for example finance leases have been shown separately under creditors within one year and creditors greater than one year. The same point applies for bank loan, grants etc.

<sup>87</sup> Formats of Sch 3A does not specifically require this to be shown separately, it can be included in other creditors. However Sch 3A(50) requires liabilities to be stated/disclosed where they are secured on assets which is the case for finance leases. Hence it can be disclosed in this note separately and if not then it should be disclosed in a narrative somewhere in the accounts.

<sup>88</sup> Even if these were convertible into shares there would be no need to disclose the details and conditions. Called up share capital presented as a liability is specifically required to be disclosed separately under Formats of Sch 3A.

<sup>89</sup> Not required to be stated as to what it is, can call it other creditors.

### 13. PROVISION FOR LIABILITIES<sup>90</sup>

Deferred taxation	116,706	65,212
Retirement benefit obligations	-	-
Other provisions for liabilities	97,500	-
	<u>214,206</u>	<u>65,212</u>

### 14. DETAILS OF BORROWINGS WITH SECURITIES HELD <sup>91</sup>

	2017	2016
	€	€
<u>Repayable other than by installments after 5 years from period end where security is held or not</u>		
Bank Overdrafts etc etc.	-	-
8% Redeemable Shares presented as a liability	XX	XX
<u>Repayable by instalments</u>		
Finance lease	-	-
Term Loan	-	-
	<u>-</u>	<u>-</u>

The bank facilities<sup>92</sup> are secured by a debenture incorporating fixed and floating charges over the assets of the company and personal guarantees from the Directors.

### Share Capital

S.318 of CA2014 as updated by S.34 CAA 2017 exempts small companies from disclosing authorised, allotted and called up share capital.

<sup>90</sup> Balance sheet Formats Sch 3A, CA 2014 as inserted by CAA 2017 requires the provision for liabilities figure to be split out by taxation including deferred taxation, retirement benefit obligations and other provisions for liabilities. If there is no deferred tax or retirement benefits then this note is not required to be disclosed.

<sup>91</sup> Para 50 of Sch 3A, CA 2014 as inserted by CAA 2017 – disclose details of any amounts included as a liability where security is provided to the provider of the finance, company assets pledged as security etc. Where the security is pledged in a personal capacity by the company directors this should be disclosed in the related party note. Note there is only a requirement to state the amounts and to state separately those amounts between amounts owed other than by instalments after 5 years and other amounts. In addition Section 1AC.27 of FRS 102 requires the total figure to be disclosed of amounts which are included in creditors and repayable by instalments (Co. Law only requires this to be disclosed where security is held).

<sup>92</sup> Company assets pledged as security should be disclosed here, where the security is pledged in a personal capacity by the company directors this should be disclosed in the related party note

## OmniPro Sample Small Company FRS 102 Section 1A Limited

### Year Ended 31 December 2017 Notes to the Financial Statements

#### 15. CONTINGENCIES<sup>93</sup>

A legal action is pending against the company for alleged unfair dismissal. The directors under advisement from their legal team expect that the claim will be successfully defended. Should the company be unsuccessful in the action the maximum estimated settlement is not expected to exceed €10,000.

It is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for.

The company has entered into a guarantee for the benefit of its subsidiary/holding company/sister company/joint venture/associate. The total amount of this guarantee was €XX<sup>94</sup>.

#### 16. CAPITAL COMMITMENTS<sup>95</sup>

There were no capital commitments at the year ended 31 December 2017.

#### 17. COMMITMENTS<sup>96</sup>

i) At 31 December 2017, the company had commitments under non-cancellable operating leases of€XXX (2016: €XXX).

ii) An amount of €XX (2016:€XX) was included in accruals with regard to pension contributions payable to the pension scheme. A further €XX was included in accruals for future payments required to fund a deficit which the company has committed to<sup>97</sup>.

iii) An amount of €XX (2016:€XX) was included in accruals with regard to pension contributions payable to the pension scheme for past directors of the company<sup>98</sup>.

iii) The company has entered into a guarantee for the benefit of its subsidiary/holding company/sister company. The total amount of this guarantee was €XX<sup>99</sup>.

<sup>93</sup> Para 51 of Sch 3A, CA 2014 as inserted by CAA 2017 – particulars and total amount of commitments should be provided including guarantees and contingencies which have not been provided in the balance sheet  
For retirement benefits recognised on the balance sheet provide details of significant assumptions underlying the valuation methodology

<sup>94</sup> Sch 3A(51)(7) requires disclosure of guarantees/commitments/contingencies to be disclosed separately where they are for the benefit of the sub, parent sister companies or companies with which the company has a participating interest.

<sup>95</sup> Para 51 of Sch 3A, CA 2014 as inserted by CAA 2017 – particulars and total amount of commitments should be provided including guarantees and contingencies which have not been provided in the balance sheet  
For retirement benefits recognised on the balance sheet provide details of significant assumptions underlying the valuation methodology

<sup>96</sup> Para 51 of Sch 3A, CA 2014 as inserted by CAA 2017 – particulars and total amount of commitments should be provided including guarantees and contingencies which have not been provided in the balance sheet  
For retirement benefits recognised on the balance sheet provide details of significant assumptions underlying the valuation methodology

<sup>97</sup> Para 51, Sch 3A, CA 2014

<sup>98</sup> Para 51, Sch 3A(6), CA 2014 requires commitment to pension for past directors to be disclosed separately

<sup>99</sup> Sch 3B(35)(6) as inserted by CAA 2017 requires disclosure of guarantees/commitments/contingencies to be disclosed separately where they are for the benefit of the sub, parent sister companies or companies with which the company has a participating interest.

## OmniPro Sample Small Company FRS 102 Section 1A Limited

### Year Ended 31 December 2017 Notes to the Financial Statements

iv) An amount of €XX (2016:€XX) was included in creditors with regard to finance leases where security is held by the provider of those leases. €XXX of this liability is included within creditors: amounts falling due within one year and €XX included within creditors: amounts falling due after more than one year<sup>100</sup>.

#### 18. RELATED PARTY TRANSACTIONS<sup>101/102/103</sup>

The company regards OmniPro plc, a company incorporated in Ireland, as the ultimate parent company.

The following transactions were carried out with related parties (**AS THIS IS DISCLOSED HERE WE ARE ASSUMING IT IS MATERIAL AND NOT CONCLUDED AT MARKET TERMS AND IT IS NOT WITH A 100% GROUP COMPANY**):

	2017	2016
	€	€
<b>Other related parties</b>		
<b>Sales of goods and services</b>		
OmniPro plc		119,632
<b>Other related parties</b>		
<b>Purchase of goods and services</b>		
OmniPro plc		15,987
<b>Year end balances arising from sale/purchase of goods/services</b>		
<b>Receivable from related parties</b>		
OmniPro plc	1,571,862	191,852

<sup>100</sup> Sch 3A(4)(7) of CA 2014 requires where an asset or liability relates to more than one of the items listed in either of the balance sheet formats, then its relationship to other items shall be disclosed under the item where it is shown or in the notes to the financial statements. In this instance for example finance leases have been shown separately under creditors within one year and creditors greater than one year. The same point applies for bank loan, grants etc.

<sup>101</sup> Para 55, Sch 3A, CA 2014 as amended by CAA 2017- Financial statements should disclose transactions with related parties which are material and which have not been concluded under normal market conditions, disclosures should include:

- the names of the transacting related parties;
- a description of the relationship between the parties;
- a description of the transactions;
- the amounts involved;
- any other elements of the transactions necessary for an understanding of the financial statements;
- the amounts due to or from related parties at the balance sheet date and the provisions for doubtful debts due from such parties at that date; and
- amounts written off in the period in respect of debts due to or from related parties.

Note the requirements of relationship with directors and connected persons still apply in S.305-312 of CA 2014. <sup>102</sup>

Para 55(2), Sch 3A inserted by CAA 2017, CA 2014 as inserted by CAA 2017 – The provision of particulars and other information about individual transactions may be aggregated according to their nature, except where separate information is required for an understanding of the effects of related party transactions on the financial position of the company

<sup>103</sup> Para 55(3), Sch 3, CA 2014 – Disclosure of related party transactions is not required between group members here any party to the transactions is a wholly owned subsidiary or wholly owned within a group

## OmniPro Sample Small Company FRS 102 Section 1A Limited

### Year Ended 31 December 2017 Notes to the Financial Statements

During the year the company provided construction services to a company called Related Company Limited. Ms B Director who is a director of the company is also a director of Related Company Limited. The cost of the services was €185,000 and was provided at arms' length prices s<sup>104</sup>.

Related Company Limited has a balance due to the company of €30,500 at the year-end and is included in trade debtors. **AS THIS IS DISCLOSED HERE WE ARE ASSUMING IT IS MATERIAL AND NOT CONCLUDED AT MARKET TERMS**

#### 19. HOLDING OF OWN SHARES/HOLDING COMPANY SHARES

The company holds the following class of its own shares<sup>105</sup>:

	2017	2017	2016	2016
<b>A Ordinary shares of €1 each</b>	€	Number	Number	€
At 1 January (consideration paid of €XXX) Cancellations	XX (XX)	XXX (XX)	XXXX (XXXXX)	XX (XX)
Redemptions from members	<u>XX</u>	<u>XXXXX</u>	<u>XXXXX</u>	<u>XX</u>
Closing balance	<u>XXX</u>	<u>XXXXX</u>	<u>XXXXX</u>	<u>XXX</u>
% of own shares held		X%	X%	

The amount of profits available for distribution which are restricted as a result is €XXX (2016:€XX).

The reason for the acquisition/redemption of shares in the year was due to the buyback of shares from its former shareholder and director in order to allow him to retire etc. etc.

The company holds the following class of its parent company shares<sup>106</sup>:

	2017	2016
<b>A Ordinary shares of €1 each</b>	Number	Number
At 1 January	XXX	XXXX
Acquisitions	(XX)	(XXXXX)
Disposals	<u>XXXXX</u>	<u>XXXXX</u>
Closing balance	<u>XXXXX</u>	<u>XXXXX</u>

The amount of profits available for distribution which are restricted as a result is €XXX (2016:€XX).

<sup>104</sup> S.1A still requires disclosure of transactions with directors and connected parties under Sections 305-306(directors remuneration etc.), S.307-308 (loans, quasi loans, credit transactions and guarantees entered into for the benefit of directors) and S.309 (other arrangements where material arrangements entered into with directors) of CA 2014. These must be disclosed regardless of whether they are concluded under normal market conditions or not. CA 14 S 309 (1) requires that subject to *section 310 (section 10 relates to credit institutions)*, the entity financial statements of a company shall disclose, both for the current and the preceding financial year, in the notes to the statements the particulars specified in *subsection (3)* of any other arrangement or transaction not dealt with by *section 305, 307 or 308* entered into by the company in which a person, who at any time during the financial year was a director, a director of its holding undertaking or a person connected with such a director, had, directly or indirectly, a material interest. This can be included in this note or the related party note. It also deals with loans provided by the directors or connected persons to the company. In these financial statements some of the disclosures have been included in the directors remuneration and transactions section.

Where the company is a credit institution refer to S.310-S.312 for further disclosures.

<sup>105</sup> S.320(4) and S.328 of CA 2014 requires disclosure of the details of owns shares by class held including movement in the year, a disclosure of the restrictions on profits as a result of this and the reason for acquisition of own shares in the year and the % of called up share capital held at beginning and end of each year.

<sup>106</sup> S.320(4) of CA 2014 requires disclosure of the details of shares of its holding company held by class including movement in the year, a disclosure of the restrictions on profits as a result of this and the reason for acquisition of own shares in the year

## OmniPro Sample Small Company FRS 102 Section 1A Limited

### Year Ended 31 December 2017 Notes to the Financial Statements

#### 20. POST BALANCE SHEET EVENTS<sup>107</sup>

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

Or

Subsequent to year end the company announced a plan to restructure the company's operation. As a result a number of staff are due to be made redundant at a cost of €XXX.

On 31 January 2018 the company declared a final dividend of €xxx for the year ended 31 December 2017.

#### 21. ULTIMATE CONTROLLING PARTY

The company is a wholly owned subsidiary of OmniPro Holdings Limited a company incorporated in Ireland with a registered office address at XXX<sup>108</sup>.

#### 22. Movement on profit and loss reserves<sup>109</sup>

**INCLUDED FOR ILLUSTRATIVE PURPOSES – MUST BE IN NOTES IF NOT ON FACE OF PROFIT AND LOSS. NOTE REQUIRED IN ABRIDGED ACCOUNTS IN ANY EVENT. IF THERE WAS A REVALUATION RESERVE OR A FAIR VALUE RESERVE IN EXISTENCE THEN THE MOVEMENT ON THESE RESERVES WOULD ALSO HAVE TO BE SHOWN. THIS COULD ALL BE DEALT WITH IN THE STATEMENT OF CHANGES IN EQUITY WHICH COULD BE PRESENTED AS A SEPARATE PRIMARY STATEMENT OR IN THE NOTES**

	2017	2016
	€	€
Profit and loss reserves brought forward at 1 January <sup>110</sup>	XXXX	XXXXX
Profit for the financial year	XXXX	XXXX
Dividend declared and paid (€XX per ordinary share) (for illustrative purposes) <sup>111</sup>	(x)	(x)
Dividends on ordinary shares declared but unpaid in year (€XX per ordinary share) <sup>112</sup>	(x)	(x)
Transfer (to)/from other reserves (for illustrative purposes)	-	-
Purchase/redemption of own shares (if applicable) Profit and loss reserve at 31 December	-	-
	<u>XXXXX</u>	<u>XXXXX</u>

<sup>107</sup> Sch 3A(56), CA 2014 as inserted by CAA 2017 – Disclosure of post balance sheet events required

<sup>108</sup> When the reporting entity is controlled by another party, there should be disclosure of the related party relationship and the name of that party and, if different, that of the ultimate controlling party. If the controlling party or ultimate controlling party of the reporting entity is not known, that fact should be disclosed.

Required by Sch 3A(58) of CA 2014 as inserted by CAA 2017. Need to disclose registered office address and where consol accounts can be obtained from is applicable

<sup>109</sup> Sch 3A(48) requires the movement on profit and loss reserves to be shown on the face of the P&L, balance sheet or in the notes. Note if a statement of changes in equity is chosen it can be shown there. Sch3A(49) requires the movement on the revaluation reserve to be shown (with deferred tax impact to be shown on a separate line) where applicable. Likewise Sch3A(46) requires the movement on the fair value reserve to be shown. Section 1A encourages movement on reserves to be disclosed in order to show a true and fair view

<sup>110</sup> Sch 3B of CA 2014 as amended by CAA 2017 requires the movement on profit and loss reserves to be shown on the face of the P&L.

This can also be called an income statement

<sup>111</sup> Sch 3B(48) requires disclosure of the dividend per share and what shares were declared and paid or declared but not paid in the year in the notes.

<sup>112</sup> Para 48(b) of Sch 3A, CA 2014 as inserted by CAA 2017 – disclosure of dividend declared and paid in year and any dividend declared but accrued at year end.

### 23. Movement on Revaluation Reserve<sup>113</sup>

	2017	2016
	€	€
At 1 January	128,625	131,250
Revaluation uplift/impairment	XXX	-
recognised Deferred tax on revaluation	(x)	(x)
movements Transfer from profit and loss	(2,625)	(2,625)
reserve At 31 December	<u>126,000</u>	<u>128,625</u>

### 24. Provisions available for Small entities<sup>114</sup>

In common with many other businesses of our size and nature, we use our auditors to prepare and submit tax returns to the revenue and assist with the preparation of the financial statements.

### 25. APPROVAL OF THE FINANCIAL STATEMENTS

The directors approved the financial statements on \_\_\_\_\_.

Additional information to be considered for disclosure if

- Exceptional item disclosures – nature, amount and effect of these (Sch 3A(53))
- applicable financial instruments measured under Section 11 and 12 disclose for each instrument (Sch 3A(46)):
  - o Significant assumptions underlying valuation models and techniques where fair value determined otherwise than by the market price in an active market
  - o The fair value movement recognised in the financial statements
  - o The amount credit or debited to a fair value reserve
  - o For derivative financial instruments (e.g. foreign exchange contracts, interest swaps) detail extent and nature of the instruments inc. significant terms and conditions that affect amount, timing and certainty of cash flows
  - o A table showing movement in the fair value reserve during the period
  - o Movement on fair value of financial instruments/derivatives
- Disclosure of adjustments to the prior year due to reclassification – change in presentation to prior period (Sch 3A(5))
- Disclosure of prior period errors – change in presentation to prior period (Sch 3A(5))
- Disclosure of the fact that a true and fair view override was invoked where the requirements of company law/accounting principles has not been followed. The reason for the override should be disclosed and the impact it would have on the P&L and balance sheet if the requirements of company law had been followed Sch 3A(19).
- Particulars of retirement commitment benefits included in the balance sheet and significant assumptions in the valuations (e.g. defined benefit scheme) – Sch 3A(35).
- Dividends paid/declared (Sch 3A(48)) split by amounts included in accruals at period end
- Movements in revaluation reserve inc relating to tax and related transfer including historical cost profit note (Sch3A(49))
- Investment properties and biological asset movements including disclosure of valuation method and amount recognised in P&L

<sup>113</sup> Sch 3A(49) requires movement on revaluation reserves to be shown and Sch3A(46) requires the movement on any fair value reserve to be shown so the same comment applies as stated above. If a statement of changes in equity is shown then there is no need for this note

<sup>114</sup> Where these provision have been utilised this fact must be disclosed in the notes to the accounts under the ES PASE rules.

### Other disclosure requirement examples

1) Exceptional item - impairment charge	2017	2016
	€	€
Restructuring costs (see (i) below)	8,000	-
Impairment of tangible fixed assets	8,000	-
Amortisation of deferred grants arising on impairment of related assets	(500)	-
	<u>7,500</u>	<u>-</u>

(i) During the year the company announced a formal plan to restructure the operations and as a result announced a plan to let employees go. This amount represents the expected cost of redundancy as a result of this decision.

(ii) The directors have reviewed the carrying value of tangible fixed assets, net of associated deferred grants, at the year end in accordance with Section 27 "Impairment of Assets". As a result, a net impairment loss of €8,000 (2016: €Nil) has been charged to the profit and loss account for the year. The impairment of €8,000 represents an impairment of tangible fixed assets net of a release of related deferred grants of €500. The impairment losses have been allocated to fixed assets categories on a pro-rata basis relative to their pre-impairment carrying values. The impairment loss arose as a result of the material change in the market in which the company operates. Deferred tax has been recognised as a result of this adjustment.

The company's activities were considered, due to their nature, to form one income-generating unit for the purposes of the impairment review. A pre-tax discount rate of 6%, representing the estimated market rate of return on an investment with equal risk, was applied to the expected future cash flows in the value in use calculation. Value in use was considered to exceed estimated net realisable value. Cash flows have been projected over five years based on management forecasts and budgets. After that a steady growth rate of 1% has been assumed.

iii) The exceptional item arose as a result of a settlement reached in respect of litigation initiated against the company upon termination of a licence agreement prior to the year end. This amount which includes provision for all legal and other costs relating to the matter which will be borne by the company is also included within accruals and other liabilities in note XX of the financial statements.

## OmniPro Sample FRS 105 Company Limited

### Audited Financial Statements

### Year Ended 31 December 2017

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#### **Disclaimer**

**THESE FINANCIAL STATEMENTS SHOW THE MINIMUM DISCLOSURES REQUIRED UNDER FRS 105 AND THE MICRO COMPANIES REGIME. ONCE THESE DISCLOSURES HAVE BEEN MADE THE FINANCIAL STATEMENTS ARE PRESUMED TO SHOW A TRUE AND FAIR VIEW UNDER COMPANY LAW.**

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 105 company financial statements prepared under FRS 105 and the micro companies regime as included in the 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.

The micro companies regime is detailed in Section 15 of CAA Act 2017. CAA 2017 inserts a new Section 280D-280E to CA 2014. The CAA 2017 changes are mandatory for periods commencing on or after 1 January 2017 but Section 14 of that Act permits the small companies regime (and FRS 105) to be early adopted for all periods commencing on or after 1 January 2015. Note FRS 105/micro companies regime is optional, it does not have to be adopted. This section states that a company qualifies for the micro companies regime if it fulfils at least two of the three qualifying conditions listed below:

	<b>Micro-Entity Co</b>
Turnover	<=€700,000
Balance Sheet Total	<=€350,000
Employees	<=10

Each set of Financial Statements should be specifically tailored for each client.

#### **Note**

Under New S.280D(4) certain entities do not qualify for the micro companies regime even if they meet the size criteria set out above and must prepare statutory financial statements on the basis of the large company provisions and are not entitled to avail of the abridgement options as a

micro/small company. S.280D-280E does not apply to a holding company that prepares group financial statements or a company falling within any provision of Schedule 5 of the Act (Eg. Authorised investment firm, insurance intermediary of any other company carrying on of business by which is required to be authorised by the Central Bank) or they are a credit institution or insurance undertaking. The same applies for small groups even where they meet the thresholds if any of the entities in the group come within Schedule 5 etc. then they cannot apply the micro companies regime. In addition, this provision cannot be applied where a company is:

- an investment undertaking
- a financial holding undertaking
- a holding company that prepares consolidated financial statements
- a subsidiary that is included in the consolidated financial statements of a parent
- any company excluded from the small companies regime.
- a charity

The Companies (Accounting) Act 2017 may be cited as the Companies (Accounting) Act 2017 but the legislative references in the financial statements do not need to be updated

Companies can include additional notes on top of the minimum but where this option is availed of the company must comply with the requirements of Section 1A of FRS 102 as applicable.

Companies can include additional notes on top of the minimum but where this option is availed of the company must comply with the requirements of Section 1A of FRS 102 as applicable.

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## OmniPro Sample FRS 105 Company Limited

Year Ended 31 December 2017

### Directors and Other Information

Directors <sup>1</sup>	Mr A Director Ms B Director
Secretary	Mr A Director
Auditors	Compliant Accountant & Co, Statutory Audit Firm, Accountants Row, Any County
Bankers	Any Big Bank PLC, Money Street, Moneysville, Any County
Solicitors	Legal Eagles & Co., Court Place, Judgestown Any County
Registered Office	Construction Place, Builders Lane, Dunblock Any County

This information is disclosed as best practice, there are no legislative requirements attaching to directors and other information disclosures

<sup>1</sup> State nationality of directors if not Irish

## Independent Auditors Report to the Members of OmniPro Sample FRS 105 Company Limited for the year ended 31 December 2017 <sup>2</sup>

### Opinion

We have audited the financial statements of OmniPro Sample FRS 105 Limited (the 'company') for the year ended 31 December 2017 which comprises of Profit and Loss Account, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable Irish law and Accounting Standards, including FRS 105 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (Generally Accepted Accounting Practice in Ireland) applicable to the Micro Entities Regime.

In our opinion, the financial statements:

- are presumed to give a true and fair view of the assets, liabilities and financial position of the company in accordance with Section 324 of Companies Act 2014 as at 31 December 2017 and of its profit for the year then ended; and;
- have been properly prepared in accordance with FRS 105 The Financial Reporting Standard applicable in the UK and Republic of Ireland to the Micro-Entities Regime issued by the Financial Reporting Council; 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Irish Auditing and Accounting Supervisory Authority ("IAASA") Ethical Standard [ , and the provisions available for small entities, in the circumstances set out in note [X]<sup>3</sup> to the financial statements]<sup>4</sup>, 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 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 Matters

The financial statements have been prepared on the basis that as per Section 336(3A) of the Companies Act 2014 the company qualifies for the micro companies regime, it complies with the minimum requirements of this Act (within the meaning of Section 324(11)) in relation to its financial statements and therefore is presumed to give a true and fair view as required by subsection (3).

<sup>2</sup> The IAASA have not updated or issued an equivalent to Bulletin 1(I) at the time of publication so this may be subject to change

<sup>3</sup> As described in paragraph A35-4 of ISA 700 (Revised June 2016), IAASA's Ethical Standard Section 6 Provisions available for audits of small entities, paragraph 6.15 requires disclosure in the auditor's report where the audit firm has taken advantage of an exemption provided in paragraphs 6.11, 6.12 or 6.13 of the Ethical Standard.

<sup>4</sup> Delete the words in square brackets if the relief and exemptions for audits of small entities provided by the IAASA's Ethical Standard are not utilised.

## Independent Auditors Report to the Members of OmniPro Sample FRS 105 Company Limited for the year ended 31 December 2017 (continued)

### Other information<sup>5</sup>

The other information comprises the information included in the annual report<sup>6</sup>, 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.

### Opinions on other matters prescribed by Companies Act 2014

In our opinion, based on the work performed and the explanation of the audit procedures considered 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 audited<sup>7</sup>.
- the financial statements are in agreement with the accounting records.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2014 requires us to report to you if, in our opinion:

- the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made<sup>8</sup>; and
- the directors were not entitled to prepare the financial statements in accordance with the micro companies regime and take advantage of the exemption from disclosing certain information required by sections 305 to 312.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement [set out on page ...]<sup>9</sup>, the directors are responsible for the preparation of the financial statements and for being satisfied that they comply with *FRS 105 The Financial Reporting Standard applicable to the Micro-entities Regime*<sup>10</sup>, and the legal requirements applicable to micro company financial statements, and are thereby presumed, in law, to give a true and fair view. The financial statements are presumed, in law, to give a true and fair view without any consideration of any other circumstances, factors, accounting principles or disclosures. The directors' are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

<sup>5</sup> "Other Information" must be included in an audit report in Ireland under ISA 720 P21. However while the Directors Report and Directors responsibilities statement are not included in a FRS 105 set of financial statements, the fact that the auditor's report must still provide an opinion in respect of Companies Act 2014 implies that there is statutory other information reporting and the sentence "except to the extent otherwise explicitly stated in our report" has been included.

<sup>6</sup> The term used to describe the annual report should be the same as that used by the directors.

<sup>7</sup> 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."

<sup>8</sup> 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

<sup>9</sup> Include only if opting to present a Directors Responsibilities Statement in a set of FRS 105 financial statements.

<sup>10</sup> Not specifically required to reference FRS 105 here as mentioned previously and therefore implied otherwise.

## Independent Auditors Report to the Members of OmniPro Sample FRS 105 Company Limited for the year ended 31 December 2017 (continued)

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 (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](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.<sup>11</sup>

Or

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

### 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.<sup>12</sup>

Signed by:

\_\_\_\_\_  
**Personal name of auditor**

**Date:** \_\_\_\_\_

For and on behalf of:

Compliant Accountant & Co<sup>13</sup>

Chartered	ACCA	CPA
Chartered Accountants & Statutory Audit Firm, Accountants Row, Any County	Chartered Certified Accounts & Statutory Auditors/Statutory Auditor, Accountants Row, Any County	Certified Public Accountants & Statutory Audit Firm, Accountants Row, Any County

<sup>11</sup> This option is included to illustrate the amendments required to the Auditors Responsibilities to reflect the implication that FRS 105 is deemed a compliance framework and not a fair presentation financial reporting framework..

<sup>12</sup> Paragraph included as best practice

<sup>13</sup> The firm name must reflect the name of the firm as it appears on the public register of the Registrar of Companies

## APPENDIX TO THE INDEPENDENT AUDITOR'S REPORT

### *Further information regarding the scope of our responsibilities as auditor*

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by [management] [*insert specific term, e.g. trustees, directors*].
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Company's ability to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as going concerns.
- ~~• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.<sup>14</sup>~~

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

<sup>14</sup> This last paragraph is to be removed when presenting the auditors responsibilities in the context of an FRS 105 set of financial statements as FRS 105 is deemed to be a compliance framework and not a fair presentation framework.

	<b>2017<sup>15</sup></b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Turnover	500,000	650,000
Other income	2,000	2,000
Cost of raw materials and consumables	(300,000)	(325,000)
Staff costs	(120,000)	(130,000)
Value adjustments and other amounts written off assets	(8,000)	(7,000)
Other expenses	(10,000)	(11,000)
Tax	<u>(22,000)</u>	<u>(25,000)</u>
<b>Profit</b>	<b>42,000</b>	<b>154,000</b>
Profit and loss reserves brought forward at 1 January <sup>16</sup>	155,000	1,000
Dividend declared and paid (for illustrative purposes) <sup>17</sup>	(x)	(x)
Dividend declared but unpaid at period end included in creditors (for illustrative purposes)	(x)	(x)
Transfer (to)/from other reserves (for illustrative purposes)	-	-
Prior year adjustment (see note x)	-	-
Purchase/redemption of own shares (if applicable)	-	-
Profit and loss reserve at 31 December	<u><b>197,000</b></u>	<u><b>155,000</b></u>

<sup>15</sup> The Micro companies regime requires the above format to be shown – this format cannot be adjusted. Instead of calling this the profit and loss account it can also be called an income statement

<sup>16</sup> Sch 3B(33) of CA 2014 as amended by CAA 2017 requires the movement on profit and loss reserves to be shown on the face of the P&L or if not shown here in the notes to the financial statements. This has been included here on the assumption that it is not shown in the notes to the financial statements.

Instead of calling this the profit and loss account it can also be called an income statement

<sup>17</sup> Sch 3B(33) requires disclosure of the dividends that were declared and paid in the notes or on the face of the P&L. Also disclosure required separately of dividends declared in the year but unpaid at year end so included in accruals/creditors.

	<b>31-Dec 2017 €</b>	<b>31-Dec 2017 €</b>	<b>31-Dec 2016 €</b>	<b>31-Dec 2016 €</b>
Called up share capital not paid			-	-
Fixed assets <sup>18</sup>		100,000 <u>100,000</u>		80,000 <u>80,000</u>
Current assets <sup>19</sup>	165,000		100,000	
Prepayments and accrued income	6,000		10,000	
Creditors: amounts falling due within one year <sup>20</sup>	<u>(25,000)</u>		<u>(50,000)</u>	
Net current assets		146,000		60,000
Total assets less current liabilities		246,000		140,000
Creditors: amounts falling due after more than one year <sup>21</sup>		(10,000)		(20,000)
Provision for liabilities		(4,000)		(5,000)
Accruals and deferred income		(7,000)		(2,000)
		<u><b>225,000</b></u>		<u><b>113,000</b></u>
Capital and reserves		<u><b>225,000</b></u>		<u><b>113,000</b></u>

22

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the micro companies regime and in accordance with Financial Reporting Statement 105 'The Financial Statement Reporting Standard applicable to Micro Entities Regime'. The financial statements were approved by the Board of Directors on (Insert date) and authorised for issue on (insert date). They were signed on its behalf by<sup>23</sup>

Mr A Director  
 Director  
**Date:**

Ms B Director  
 Director <sup>24</sup>

<sup>18</sup> This should include tangible and intangible fixed assets, investment property and financial assets.

<sup>19</sup> This should include bank and cash, stock, trade debtors, other debtors, loans, amounts owed by related companies and taxes receivable.

<sup>20</sup> This should include loans, debentures, trade creditors, amounts owed to group companies, other creditors including taxes etc. etc.

<sup>21</sup> This should include loans, debentures, trade creditors, amounts owed to group companies, other creditors including taxes etc. etc.

<sup>22</sup> Section 3.9 of FRS 105 requires the notes to be included on the foot of the balance sheet. However, based on financial statements prepared by certain Accountancy bodies they are showing the notes separate from the balance sheet and not at the foot of the balance sheet. These pro-forma financial statements have taken the approach to show the notes separate from the balance sheet (and not at the foot of the balance sheet) in order to conform with the Accountancy Bodies interpretation albeit it is not in compliance with Section 3.9 of FRS 105.

<sup>23</sup> S.40 of CAA 2017 amends S.324 to require a statement on the balance sheet stating that the accounts have been prepared under the micro companies regime.

<sup>24</sup> Where there is only 1 director as a new model private LTD that director may approve the financial statements

## 1. ACCOUNTING POLICIES<sup>25</sup>

The company's registered office is Construction Place, Builders Lane, Dunblock, Any City. The company is a limited liability company incorporated in the Republic of Ireland and its company registration number is XXX<sup>26, 27</sup>

The significant accounting policies adopted by the Company and applied consistently<sup>28</sup> are as follows:

### (a) Basis of preparation

The Financial Statements are prepared on the going concern basis<sup>29</sup>, under the historical cost convention and comply with the financial reporting standards of the Financial Reporting Council [and promulgated by Chartered Accountants Ireland<sup>30</sup>] including 'The Financial Reporting Standard applicable to the Micro-Entities Regime – 'FRS 105', the Companies Act 2014 **OR** other than where the true and fair view override has been invoked as detailed below.

### True and fair view override<sup>31</sup>

The company has adopted the layout in line with XX. This is a departure from the requirements of company law. As a result a true and fair overview has been invoked etc. etc.

### (b) Consolidation<sup>32</sup>

The company and its subsidiaries combined meet the size exemption criteria for a group and the company is therefore exempt from the requirement to prepare consolidated financial statements by virtue of meeting the requirements in Section 293(1A) of the Companies Act 2014. Consequently, these financial statements deal with the results of the company as a single entity.

### (c) Currency

#### (i) Functional 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 "€"<sup>33</sup>.

#### (ii) Transactions and balances

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

<sup>25</sup> S.321 of CA 2014 requires an entity to disclose the accounting policies adopted for items included in the balance sheet and P&L

<sup>26</sup> S. S.291-S.295 of CA 2014 requires the disclosure of the registered office These also requires disclosure of the legal form and the principal place of business.

<sup>28</sup> Sch 3B, CA 2014 – Accounting policies shall be applied consistently from one period to another

<sup>29</sup> Para 12, Sch 3B, CA 2014 – A company is deemed to be carrying on business as going concern. Where the entity has made a decision to wind up the entity that is required to be disclosed, there is no choice.

<sup>30</sup> Deemed best practice for firm's regulated by Chartered Accountants Ireland

<sup>31</sup> Sch 3B(19) requires disclosure of the fact that a true and fair view override was invoked where the requirements of company law has not been followed. The reason for the override should be disclosed and the impact it would have on the P&L and balance sheet if the requirements of company law had been followed.

<sup>32</sup> Applicable to Group companies who do not meet the size criteria to prepare consolidated financial statements <sup>33</sup> S3.13 of FRS 105 requires disclosure of the presentational currency and any level of rounding

At each period end foreign currency monetary items are translated using the closing rate or the contract rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

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

**(d) 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 or the cash price for the goods or services where material and recognised as other income on a straight line basis over the terms of the agreement.

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 dispatch of the goods, the amount of turnover 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.

Turnover from the provision of services is recognised in the accounting period in which the services are rendered and the outcome of the contract can be estimated reliably. The company uses the percentage of completion method based on the actual service performed as a percentage of the total services to be provided.

**(e) Interest income**

Interest income is recognised on a receivable basis.

**(f) Dividend income**

Dividend income from subsidiaries is recognised when the Company's right to receive payment has been established.

**(g) Dividend distribution**

Dividend distribution to the company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the company's shareholders.

Dividend distributions to holders of shares classified as liabilities is recognised as a liability in the Company's financial statements as they become due with the corresponding debit recognised in 'other expenses'

**(h) Government grants**

Government grants are recognised at their fair value in profit or loss where there is a reasonable assurance that the grant will be received and the Company has complied with all attached conditions.

Capital Grants are initially recognised as deferred income on the balance sheet and credited to the profit and loss account by instalments on a basis consistent with the depreciation policy of the relevant asset, as adjusted for any impairment.

Revenue Grants are credited to income so as to match them with the expenditure to which they relate. Government grants received are included in 'other income' in profit or loss.

#### **(i) Taxation**

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

Current taxation assets and liabilities are not discounted.  
Deferred tax is not recognised.

#### **(j) Tangible fixed assets including investment property**

##### *(i) Cost*

Tangible fixed assets including investment properties are recorded at historical cost, less accumulated depreciation and impairment losses. Cost includes prime cost and overheads incurred in financing the construction of tangible fixed assets. In accordance with Section 20 of FRS 105 interest costs are not capitalised.

##### *(ii) Depreciation*

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

The estimated useful economic lives assigned to tangible fixed assets are as follows:

Freehold Premises	2% straight line on cost
Motor vehicles	25% straight line on cost
Office Equipment, fixtures & fittings	12½% straight line on cost
Computer equipment	25%/33⅓% straight line on cost
Spare parts	25% straight line on cost
Investment property	2% straight line 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.

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.

Land is not depreciated

##### *(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.

#### **(k) Investments in subsidiary undertakings**

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

#### **(l) Leases**

##### *(i) Finance leases*

Leases in which substantially all the risks and rewards of ownership are transferred by the lessor are classified as finance leases.

Tangible fixed assets acquired under finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments and are depreciated over the shorter of the lease term and their useful lives. The capital element of the lease obligation is recorded as a liability and the interest element of the finance lease rentals is charged to the profit and loss account on an annuity basis based in the interest rate implicit in the lease or the lessee's incremental interest rate where the implicit rate cannot be determined.

Each lease payment is apportioned between the liability and finance charges using the interest rate implicit in the lease or the lessee's incremental interest rate where the implicit rate cannot be determined.

##### *(ii) Operating leases*

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

##### *(iii) Lease incentives*

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of future minimum lease payments.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

**(m) Stocks**

Stocks comprise consumable items and 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.

**(n) Trade and other debtors**

Trade and other debtors including amounts owed from group companies are recognised initially at transaction price (including transaction costs). For trade debtors where the payment is beyond normal credit terms it is held at the present value of all future payments using the imputed rate of interest or the cash price for the goods or services where material. Where loans are advanced it is carried at the transaction price (including transaction costs where material) regardless of whether a financing arrangement exists. Subsequently all trade and other debtors are measured at transaction price plus transaction costs not yet recognised, plus any unwinding of the discount on transactions initially recognised at present value/cash value, less repayments, plus advances and less any provision for impairment. Transaction costs including any amounts deferred on sales where receipt is deferred beyond normal credit terms are released to the profit and loss on a straight line basis over the length of the contract. A provision for impairment of trade debtors 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 estimated future cash flows. All movements in the level of the provision required are recognised in the profit and loss.

**(o) Other financial assets**

Other financial assets include investments in subsidiaries, associates, joint ventures, listed, ordinary or preference shares. These investments are carried at cost less impairment.

Derivatives are carried at the transaction cost if applicable less impairment and recognised in the profit and loss on a straight line basis over the derivatives life.

**(p) Preference share capital**

Redeemable preference shares which meet the definition of a liability in Section 17 of FRS 105 have been classified as liabilities in the balance sheet. The preference dividend is charged in arriving at the interest expense in the profit and loss account. (*including the following where applicable*) However, no dividends will be paid on the cumulative preference shares until the company has positive profit and loss reserves.

**(q) Research and development expenditure**

Research and development expenses are expensed as incurred

**(r) Cash at bank and on hand**

Cash and at bank and on hand include cash on hand, demand deposits and other term highly liquid investments regardless of maturity. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

### **(s) 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.

Creditors and accruals including amounts owed to group companies are recognised initially at transaction price (including transaction costs). For trade creditors where the payment is beyond normal credit terms it is held at the present value of all future payments using the imputed rate of interest or the cash price for the goods or services where material. Where loans are advanced it is carried at the transaction price (including transactions cost where material) regardless of whether a financing arrangement exists. Subsequently these are measured at transaction price less transaction costs not yet recognised, plus any unwinding of the discount on transactions initially recognised at present value/cash value, less repayments, plus advances. Transaction costs including any amounts deferred on purchases where payment is deferred beyond normal credit terms are released to the profit and loss on a straight line basis over the length of the contract.

### **(t) Borrowings**

Borrowings are recognised initially at the transaction price (including transaction costs). Interest is recognised as per the contract on an accruals basis. Transaction costs are written off to the profit and loss over the life of the loan on straight line basis where material

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.

### **(u) 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.

### **(v) 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.

**(w) Employee Benefits** <sup>34</sup>

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. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**(x) Dividend distribution**

Dividend distribution to equity shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the equity shareholders. These amounts are recognised in profit and loss reserves.

**(y) Share capital**

Ordinary shares are classified as equity. 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.

**(z) Goodwill**

Goodwill represents the excess of consideration paid for the acquisition of trade assets and liabilities over the fair value of the identifiable assets acquired and liabilities assumed. 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 X years. 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. Where a useful life cannot be determined with reasonable accuracy a default life of 10 years is utilised.

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

<sup>34</sup> This policy relates to a defined contribution scheme, an expanded policy would be required for a defined benefit scheme

**(aa) Other Intangible Assets**

Acquired intangible assets are capitalised at cost and are amortised using the straight-line basis over their useful lives up to a maximum of XX years. Where a useful life cannot be determined with reasonable accuracy a default life of 10 years is utilised.

Intangible assets are reviewed for impairment at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

**(bb) Biological assets – Forestry**

The acquisition of land for forest projects is originally recorded at cost in accordance with Section 12 of FRS 105. Biological assets are measured at the lower of cost and estimated selling price less costs to complete and sell.

Depletion represents the costs of forests clearfelled during the year, calculated as the proportion that the area harvested bears to the total area of similar forests. The depletion amount is charged to the profit and loss account and is based on cost.

**(cc) Biological assets**

Livestock are measured at the lower of cost and net realisable value. The purchase price of livestock bought in is measured at the purchase price plus directly attributable purchase costs. Own reared stock is measured at cost based on the selling price of the livestock less an appropriate margin based on industry norms to bring the value back to the estimated cost price.

**(dd) Prior period adjustment – Change in accounting policy<sup>35</sup>**

**DISCLOSE CHANGE IN ACCOUNTING POLICY**

<sup>35</sup> S.321 of CA 2014 as amended by S.37 of CAA 2017 requires details of a change in accounting policy to be included in the accounting policy section of the financial statements detailing the reason for the change for it and the impact of the change on the current and prior years.

## 2. Directors benefits; advances/loans, credits and guarantees

Details of loans entered into for the benefit of the directors are<sup>36</sup>:

	Mr A Director	Ms B Director
Opening balance	14,000	18,000
Advances to directors	(4,000)	(14,600)
Written off in period	(XXXX)	(XXXX)
Provided for	(XXXX)	(XXXX)
Repayments from directors	<u>10,000</u>	<u>10,600</u>
Closing balance	<u>20,000</u>	<u>14,000</u>
Loans as a percent of net assets	X%	X%

The interest rate applied to these loans was 5% per annum on a compound interest basis and is repayable on XXX. The loan is unsecured.

During the year, the Company provided a guarantee to ABC Bank to guarantee a €10,000 loan entered into by Mr A, personally. The guarantee can be called on in the event of default by Mr A. There were no costs incurred in providing this guarantee.

## 3. Guarantees, contingencies and other financial commitments<sup>37</sup>

- a) The company has pledged the building that it owns as security on loans taken out with the bank. The total value of these loans on the balance sheet at year end for which security is held was €XX (2016:€XX).<sup>38</sup>

<sup>36</sup> S.307 of CA 2014 requires disclosure of balances owed from directors (debit balances)/guarantees given/credit transactions entered into for benefit of directors at any time in the year, shadow director or de factor directors and their connected parties (see definition of connected parties below). This should detail the:

- name of the person
- value of the arrangement at beginning and end of each year
- advances
- repayments
- provision for bad debts
- an indication of the interest rate
- amounts written off in the year
- Any other main conditions

Connected parties are defined by S 220 CA 14 as being connected if they are

- (i) that director's spouse, civil partner, parent, brother, sister or child;
- (ii) a person acting in his or her capacity as the trustee of any trust, the principal beneficiaries of which are that director, the spouse (or civil partner) or any children of that director or any body corporate which that director controls; or
- (iii) in partnership with that director.

- 307(8) CA 2014 requires disclosure of the % of net assets the loan represents at the year end and at start of current period

<sup>37</sup> Sch 3B(35) requires this disclosure.

<sup>38</sup> Sch 3B(34) requires disclosure of total amount of debts included in creditors where security is held and the details of the security held.

- b) The company had capital commitments of €30,000 at the year ended 31 December 2017 (2016:€nil) in relation to the purchase of equipment<sup>39</sup>. This commitment has been secured by a fixed and floating charge on the stock.
- c) An amount of €XX (2016: €XX) was included in accruals with regard to pension contributions withheld which is due for payment after year end to the defined contribution scheme. A further €XX was included in accruals for future payments required to fund a deficit which the company has committed to.

**OR**

The company operates a defined benefit scheme. The liability recognised on the balance sheet at year end was €XXX (2016: €XXX)<sup>40</sup>.

- d) At 31 December 2017, the company had the commitments under non-cancellable operating leases totalling €XXX (2016: €XXXX).
- e) The company has entered into a guarantee for the benefit of its subsidiary/holding company/sister company. The total amount of this guarantee was €XX<sup>41</sup>.
- f) A legal action is pending against the company for alleged unfair dismissal by an employee. The directors under advisement from their legal team expect that the claim will be successfully defended. As a result no provision has been made in the financial statements for a possible settlement on the basis that the employee is unlikely to succeed.
- g) At the year end, the company had forward foreign exchange contrasts in place totalling €2,000 (2016: €nil) for the sale of British pounds.
- h) Dividends of €XX were declared in the year (2016: €Nil) but were not paid and instead included in accruals at year end<sup>42</sup>.
- i) Included in creditors is an amount of €XX (2016: €XX) which relates to amounts payable on finance leases entered into which are secured on the related asset to which the finance lease relates. €XXX of this liability is included within creditors: amounts falling due within one year and €XX included within creditors: amounts falling due after more than one year<sup>43</sup>.

<sup>39</sup> Sch 3B(35)(2) requires disclosure of commitments at year end of any nature including guarantees, contingencies or commitments.

<sup>40</sup> Sch 3B(35)(5) requires disclosure of retirement benefit commitments recognised on the balance sheet.

<sup>41</sup> Sch 3B(35)(6) requires disclosure of guarantees/commitments/contingencies to be disclosed separately where they are for the benefit of the sub, parent sister companies or companies with which the company has a participating interest. .

<sup>42</sup> Sch3B(33)(b) requires this disclosure

<sup>43</sup> Sch 3A(4)(7) of CA 2014 requires where an asset or liability relates to more than one of the items listed in either of the balance sheet formats, then its relationship to other items shall be disclosed under the item where it is shown or in the notes to the financial statements. In this instance for example finance leases have been shown separately under creditors within one year and creditors greater than one year. The same point applies for bank loan, grants etc.

- j) The company entered into a sale and lease back arrangement with the bank and is committed to leasing back the property on an annual basis for £XXX for X years.
- k) There is a potential contingent asset/liability in the future in relation to profit commission agreements entered into with various product producers. However in the opinion of the directors it is not practicable to provide an estimate of the financial effect of this contingent asset/liability as it is based on future loss ratios in relation to unsettled claims.
- l) It is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for.
- m) The company is currently pursuing a compensation claim due to the losses sustained as a result of restrictions placed on the company's assets by a competitor. The claim arose as a result of the loss of earnings due to restrictions imposed on the usage of these assets. The company won a case in the High Court and were awarded damages of CUXXXX and costs. The defendants have appealed the matter to the Supreme Court and the company awaits a date for the hearing of the claim. The company's legal advisors are confident that the award of damages and costs to the company will not be overturned.
- n) The following items were included in a number of categories within the balance sheet as detailed below<sup>44</sup>:

	2017	2016
	€	€
Bank loan included within creditors: amounts falling due within one year	XXX	XXX
Bank loan included within creditors: amounts falling due after more than one year	XXX	XXX
Finance leases included within creditors: amounts falling due within one year	XXX	XXX
Finance leases included within creditors: amounts falling due after more than one year	XXX	XXX
Government grants included within creditors: amounts falling due within one year	XXX	XXX
Government grants included within creditors: amounts falling due after more than one year	<u>XXX</u>	<u>XXX</u> -

<sup>44</sup> Sch 3A(4)(7) of CA 2014 requires where an asset or liability relates to more than one of the items listed in either of the balance sheet formats, then its relationship to other items shall be disclosed under the item where it is shown or in the notes to the financial statements. In this instance for example finance leases have been shown separately under creditors within one year and creditors greater than one year. The same point applies for bank loan, grants etc.

#### 4. Goodwill amortisation<sup>45</sup>

Goodwill is written off over its useful economic life as it reflects the usage of the assets. OR Goodwill is written off over a period of 10 years which is the default life as the useful life cannot be determined with sufficient reliability.

#### 5. Prior year adjustment – change in classification/presentation/material error etc.<sup>46</sup>

In the prior years the company accounted for etc. etc. This is considered a material error and as a result a prior year adjustment is required.

#### 6. Impairment of financial assets, tangible, intangible fixed assets<sup>47</sup>

An impairment of €XXX (2016: €nil) was recognised in the profit and loss account on financial assets included within the fixed assets section in the balance sheet.

An impairment of €XXX (2016: €nil) was recognised in the profit and loss account on tangible fixed assets included within the fixed assets section in the balance sheet.

A previous impairment of €XXX was reversed to the profit and loss account in the current year (2016:€XX) on financial assets/tangible fixed assets included within the fixed assets section in the balance sheet.

#### 7. Holding of own shares/holding company shares

The company holds the following class of its own shares<sup>48</sup>:

	2017	2017	2016	2016
<b>A Ordinary shares of €1 each</b>	<b>€</b>	<b>Number</b>	<b>Number</b>	<b>€</b>
At 1 January (consideration paid of €XXX)	XX	XXX	XXXX	XX
Cancellations	(XX)	(XX)	(XXXXX)	(XX)
Redemptions from members	<u>XX</u>	<u>XXXXX</u>	<u>XXXXX</u>	<u>XX</u>
Closing balance	<u>XXX</u>	<u>XXXXX</u>	<u>XXXXX</u>	<u>XXX</u>
% of own shares held		X%	X%	

The amount of profits available for distribution which are restricted as a result is €XXX (2016:€XX).

<sup>45</sup> Sch 3B(25)(4) requires disclosure of the write off period for goodwill and the reason for its selection.

<sup>46</sup> Sch 3B(5) requires disclosure where there has been a change in the prior year comparatives including the details for the adjustment and the reasons for it. Note the P&L and balance sheet should say restated here also. Section 8.10 and 8.16 of FRS 105 requires material errors and change in accounting policies to be applied retrospectively which will adjust the comparative figures and as a result Sch 3B(5) requires the aforementioned disclosures where this arises.

<sup>47</sup> Sch 3B(23) requires disclosure of impairments and reversal of impairments on financial assets, tangible and intangible assets. Note reversal of impairments of goodwill is not permitted so this reversal of same is not applicable

<sup>48</sup> S.320(4) and S.328 of CA 2014 requires disclosure of the details of owns shares by class held including movement in the year, a disclosure of the restrictions on profits as a result of this and the reason for acquisition of own shares in the year and the % of called up share capital held at beginning and end of each year.

The reason for the acquisition/redemption of shares in the year was due to the buyback of shares from its former shareholder and director in order to allow him to retire etc. etc.

The company holds the following class of its parent company shares<sup>49</sup>:

<b>A Ordinary shares of €1 each</b>	<b>2017 Number</b>	<b>2016 Number</b>
At 1 January	XXX	XXXX
Acquisitions	(XX)	(XXXXX)
Disposals	<u>XXXXX</u>	<u>XXXXX</u>
Closing balance	<u>XXXXX</u>	<u>XXXXX</u>

The amount of profits available for distribution which are restricted as a result is €XXX (2016:€XX).

**8. Movement on profit and loss reserves<sup>50</sup> – INCLUDED FOR ILLUSTRATIVE PURPOSES – MUST BE IN NOTES IF NOT ON FACE OF PROFIT AND LOSS. NOTE REQUIRED IN ABRIDGED ACCOUNTS IN ANY EVENT**

	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Profit and loss reserves brought forward at 1 January <sup>51</sup>	155,000	1,000
Profit for the financial year	42,000	154,000
Dividend declared and paid (for illustrative purposes) <sup>52</sup>	(x)	(x)
Dividend declared but unpaid at period end included in creditors (for illustrative purposes) <sup>53</sup>	(x)	(x)
Transfer (to)/from other reserves (for illustrative purposes)	-	-
Prior year adjustment (see note x)	-	-
Purchase/redemption of own shares (if applicable)	-	-
Profit and loss reserve at 31 December	<u><b>197,000</b></u>	<u><b>155,000</b></u>

<sup>49</sup> S.320(4) of CA 2014 requires disclosure of the details of shares of its holding company held by class including movement in the year, a disclosure of the restrictions on profits as a result of this and the reason for acquisition of own shares in the year

<sup>50</sup> Sch 3B(33) requires disclosure of change in P&L reserves and any transfers and dividend to show the balance at the start and end of each year. If not shown in P&L then must be disclosed in the notes. Required to be disclosed in abridged financial statements.

<sup>51</sup> Sch 3B of CA 2014 as amended by CAA 2017 requires the movement on profit and loss reserves to be shown on the face of the P&L.

This can also be called an income statement

<sup>52</sup> Sch 3B(33) requires disclosure of the dividend per share and any dividends which were declared and paid in the year to be shown separately from dividend declared but not paid at year end in the notes.

<sup>53</sup> Sch 3B(33) requires disclosure of the dividend per share and any dividends which were declared and paid in the year to be shown separately from dividend declared but not paid at year end in the notes.

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## **9. Change in accounting estimate<sup>54</sup>**

**Detail as required**

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## **10. IAASA Ethical Standard - Provisions available for Small entities<sup>55</sup>**

In common with many other businesses of our size and nature, we use our auditors to prepare and submit tax returns to the revenue and assist with the preparation of the financial statements.

<sup>54</sup> Sch 3B(19) requires disclosure change in accounting estimate/measurement basis to be disclosed, the reason for the change, and its effect on the balance sheet and P&L of the company to be stated in a note

<sup>55</sup> Where these provisions have been utilised this fact must be disclosed in the notes to the accounts under the ES PASE rules.