CRO Number - 123456

OmniPro Sample Small Company Limited

Directors' Report & Financial Statements

Year Ended 31 December 2015

Disclaimer

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 Small company financial statements under Companies Act 2014 and FRS102 as published by the FRC. 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.

Section 350, CA 2014 sets out that a company qualifies as a small/medium company 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

	Small Co	**Medium Co**
Turnover	≤€8.8 million	≤€20 million
Balance Sheet Total	≤€4.4 million	≤€10 million
Employees	≤50	≤250

Each set of Financial Statements should be specifically tailored for each client.

- Anything highlighted with the colour red in this document signifies that this will no longer be required under Section 1A (unless required to show a true and fair view).
- Anything highlighted with the colour purple in this document signifies that either the wording will change under Section 1A or there will be a change in layout.
- 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 that it is optional/best practice and not specifically required to show a true and fair view.

OmniPro Sample Small Company Limited

Year Ended 31 December 2015

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OmniPro Sample Small Company Limited

Year Ended 31 December 2015

Directors and Other Information

Directors	Mr A Director Ms B Director Mr C Director
Secretary	Mr A Director
Auditors	Compliant Accountant & Co, Registered Auditors, Accountants Row, Any County
Bankers	Any Big Bank PLC, Money Street, Moneysville, Any County Deep Pockets Bank, Financial Services Sector, Ballycash, 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

OmniPro Sample Small Company Limited

Year Ended 31 December 2015

Directors' Report

The directors present their annual report and audited financial statements for the year ended 31st December 2015.

Companies Act 2014[1]

The Companies Act 2014 commenced on 1 June 2015 and on that date the company was converted to a private limited company by shares under Parts 1-15 of that Act.

Change in Financial Reporting Framework[2]

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[3]

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[4] **and Business Review**[5]

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. Turnover has increased by xx% on prior year allowing the firm to maintain excellent profitability levels in a challenging and rapidly changing industry.

At the end of the year the company has assets of €XXX (2014: €XXX) and liabilities of €XXX (2014:€XXX). The net assets of the company have increased by €XXX (2014: €XXX) and the directors are satisfied with the level of retained reserves at the year end.

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[1] Considered best practice – not a statutory requirement
[2] Considered best practice – not specifically required in the directors report by FRS 102
[3] The names of the persons who were directors during the financial year should be included for periods commencing on or after 1st of June 2015. Directors may be required to retire by rotation under the Co.s Constitution
[4] S.326(1)(b), CA 2014 – The directors report shall state the principal activities of the company during the year
[5] S.327(1)(a), CA 2014 – The directors report shall include a fair review of the business of the company. As required under S.327(2), CA 2014 this shall include an analysis of the development and performance of the business during the financial year and the assets and liabilities and financial position of the company at the end of the year. Under S.327(3), CA 2014 this review shall be expanded to include financial and non-financial KPIs as needed for large companies only, medium companies are exempted under S351(b), CA 2014

Directors' Report

Future Developments[6]

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

Or

The directors have indicated their intention to capitalise on industry shifts by continuing to review and focus their operations accordingly in the future.

Results and Dividends[7]

The retained profit for the financial year amounted to €XXX (2014: €XXX) and this was transferred to reserves at the year end. The directors have not declared a dividend for the year.

Or

The retained profit for the financial year amounted to €XXX (2014: €XXX). An interim dividend of €xx.xx (2014: €xx.xx) per ordinary share, amounting to €XXX (2014: € XXX) was paid on 1 June 2015. A final dividend of € XXX (2014: € XXX) per ordinary share, amounting to € XXX (2014: € XXX) was declared and authorised on 30 November 2015 and will be paid on 1 March 2016. € XXX was transferred to reserves at the year end.

Principal Risks and Uncertainties[8]

In common with all companies operating in Ireland in this sector, the company faces increasing energy and material costs. The directors are of the opinion that the company is well positioned to manage these costs.

OmniPro Sample Medium/Large Company Limited operates in a cyclical industry and is affected by factors beyond the control of the company for example level of construction activity.

OmniPro Sample Medium/Large Company Limited faces strong competition in the market and if the company fails to compete successfully market share may decline.

Director's & Secretary's interests[9]

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;

[6] S.327(5), CA 2014 – The directors report shall include an indication of likely future developments facing the company

[7] 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

[8] S.327(1)(b), CA 2014 – The directors report shall contain a description of the principal risks and uncertainties facing the company

[9] 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.

Directors' Report

Year ended 31 December 2015	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 2014	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[10]

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[11]

The company was engaged in research and development activities in the development of patents, the cost incurred in the year was €xx,xxxx.

Political donations[12]

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[13]

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.

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[10] S326(2)(a), CA 2104 – Disclosure in relation to important events after the balance sheet date are only required where deemed relevant

[11] 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

[12] 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

[13] Disclose if the company or suppliers purport to trade under the terms of the EC (Late Payment in Commercial Transactions) Regulations 2012

Directors' Report

Accounting Records[14]

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[15] and principal place of business at Construction Place, Builders Lane, Dunblock, Any County.

Statement on Relevant Audit Information[16]

In accordance with Section 330 of the Companies Act 2014:

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

Auditors

In accordance with Section 383(2) of the Companies Act 2014, the auditors, Compliant Accountant & Co., Registered Auditors / Statutory Auditors / Statutory Audit Firm, Accountants Row, Any County will continue in office.

On behalf of the board[17]

______________________	______________________
Mr A Director	Ms B Director
Director	Director

DATE: _____________

Additional information to be considered for disclosure if applicable

- S319(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

[14] 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
[15] 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
[16] S.330, CA 2014 – The statement on the provision of relevant audit information applies to financial statements for periods commencing on or after the 1st of June 2015
[17] Where there is only 1 director as a new model private LTD that director may approve the financial statements

Directors' Report

- 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

For periods commencing after the 1st of June 2015 a Directors Compliance Statement is required in accordance with S.225 of the Companies Act 2014

Under S.167 of the Companies Act 2014 the Board of Directors of a large company shall establish an audit committee to comply with the requirements of the Act or decide not to establish one.

Directors' Responsibilities Statement

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

Irish Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with Companies Act 2014 and accounting standards issued by the Financial Reporting Council [and promulgated by Chartered Accountants Ireland[18]], 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 [19]

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[20].

On behalf of the board[21]

________________________	________________________
Mr A Director	Ms B Director
Director	Director

DATE: _____________

[18] 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
[19] Include where no separate statement on going concern is made by the directors
[20] Include only- if accounts are available on the company website
[21] 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 Limited for the year ended 31 December 2015 [22]

We have audited the financial statements of OmniPro Sample Small Company Limited for the year ended 31 December 2015, which comprises of Profit and Loss Account, the Balance Sheet, Statement of Cashflows, Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council [and promulgated by Chartered Accountants Ireland[23]] (Generally Accepted Accounting Practice in Ireland), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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.[24]

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that the give a true and fair view and otherwise comply with Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [APB's] Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2015 and of its profit for the year then ended; and

- have been properly prepared in accordance with the relevant reporting framework and, in particular, with the requirements of the Companies Act 2014.

[22] The FRC have not updated Bulletin 1(I) at the time of publication so this may be subject to change
[23] Deemed best practice for firm's regulated by Chartered Accountants Ireland
[24] Paragraph included as best practice

Matters on which we are required to report by the Companies Act 2014

- 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[25].

- 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.

Matters on which we are required to report by exception

We have nothing to report in respect of our obligation under the Companies Act 2014, which require 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[26].

Signed by:

____

Personal name of auditor **Date:** ________________________

For and on behalf of:
Compliant Accountant & Co[27]

Chartered	ACCA	CPA	IIPA
Chartered Accountants & Registered Auditors/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	Incorporated Public Accountant Firm, Accountants Row, Any County

[25] 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."
[26] Sections 305 to 312 CA 2014 – Particulars of Directors remuneration and transactions not disclosed
[27] The firm name must reflect the name of the firm as it appears on the public register of the Registrar of Companies

OmniPro Sample Small Company Limited

Profit and Loss Account

For the Year ended 31 December 2015

	Notes	31-Dec 2015 €	31-Dec 2014 €
Turnover	5	6,074,690	6,236,154
Cost of sales		(2,907,124)	(3,665,856)
Gross profit		**3,167,566**	**2,570,298**
Administration expenses		(1,885,421)	(2,182,133)
Other operating income	7	220,000	230,000
Operating profit	6	**1,502,145**	**618,165**
Interest receivable and similar income	8	14,999	5,307
Interest payable and similar charges	9	(205,784)	(199,721)
Profit on ordinary activities before taxation		**1,311,360**	**423,751**
Tax on profit on ordinary activities	10	(266,994)	(119,414)
Profit for the financial year		**1,044,366**	**304,337**

Statement of Comprehensive Income[28]
For the Year ended 31 December 2015

	Notes	31-Dec 2015 €	31-Dec 2014 €
Profit for the financial year		1,044,366	304,337
Total Comprehensive Income for the year		**1,044,366**	**304,337**

[28] 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.
This is prepared in accordance with Format 1 of Schedule 3 to CA 2014. Formats 2, 3 & 4 can also be used.

OmniPro Sample Small Company Limited

Balance Sheet
For the Year ended 31 December 2015

	Notes	31-Dec 2015 €	31-Dec 2014 €
Fixed assets			
Tangible assets	**13**	2,029,024	411,885
Investment properties	**14**	1,100,725	3,490,201
Financial assets	**15**	185,640	209,200
		3,315,389	**4,111,286**
Current assets			
Stocks	**16**	699,709	392,166
Debtors	**17**	2,456,177	1,458,187
Cash at bank and in hand		356,772	147,723
		3,512,658	**1,998,076**
Creditors: amounts falling due within one year	**18**	**(2,824,570)**	**(3,366,330)**
Net current assets/(liabilities)		**688,088**	**(1,368,254)**
Total assets less current liabilities		**4,035,477**	**2,743,032**
Creditors: amounts falling due after more than one year	**19**	(2,166,210)	(2,129,125)
Provision for liabilities	**21**	(214,206)	(65,212)
Net Assets		**1,623,061**	**548,695**
Capital and reserves			
Called up share capital presented as equity	**24**	120,000	100,000
Share premium account	**25**	10,000	-
Other reserves	**25**	131,250	131,250
Profit and loss account	**25**	1,361,811	317,445
		1,623,061	**548,695**

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[29]

____
Mr A Director[30]
Director
DATE: ______________

____
Ms B Director
Director

This is prepared in accordance with Format 1 of Schedule 3 to the CA 2014, Format 2 can also be used.

[29] Section 32.9 - A company shall disclose the date when the financial statements were authorised for issue and who gave that authorisation

[30] Where there is only 1 director as a new model private LTD that director may approve the financial statements

OmniPro Sample Small Company Limited
Statement of Changes in Equity
For the Year Ended 31 December 2015

	Called up Share Capital	Share Premium Account	Other Reserves	Profit and Loss Account	Total Equity
	€	€	€	€	€
Balance at 1 January 2014	100,000	-	131,250	13,108	244,358
Profit for the year	-	-	-	304,337	304,337
Balance at 31 December 2014	**100,000**	**-**	**131,250**	**317,445**	**548,695**
Balance at 1 January 2015	**100,000**	**-**	**-**	**317,445**	**548,695**
Equity Shares Issues	20,000	10,000	-	-	30,000
Profit for the year	-	-	-	1,044,366	1,044,366
Balance at 31 December 2015	**120,000**	**10,000**	**131,250**	**1,361,811**	**1,623,061**

i) Other reserves[31]

This reserve arose on transition to FRS 102, where the entity applied the exemption in Section 35 of FRS 102 to deem a previous revaluation on property as deemed cost. The amount included in the reserve is net of deferred tax at the rate the asset is expected to be realised.

ii) Share premium

The share premium reflects the premium received on shares issued by the company. The increase arises due to the allotment of 20,000 shares above par during the year as detailed in Note 24.

[31] Section 6 FRS 102 requires a narrative for how the reserves originally arose and what the movements on the reserves related to during the years

OmniPro Sample Small Company Limited

Statement of Cashflows
For the Year ended 31 December 2015

	Notes	31-Dec 2015 €	31-Dec 2014 €
Cash flows from operating activities			
Cash generated from operations	**30**	440,343	502,225
Taxation refunded/(paid)		129,719	(88,388)
Net cash generated from operating activities		**570,062**	**413,837**
Cash flows from investing activities			
Payments to acquire Tangible Fixed Assets		(1,568,437)	(198,421)
Cash received on disposal of Investment Property		2,539,476	-
Payments to acquire government bond		(150,000)	-
Cash received on disposal of investments		173,560	-
Payments to acquire intangible assets		-	-
Net cash generated from/(used in) investing activities		**994,599**	**(198,421)**
Cash flows from financing activities			
Interest paid		(197,784)	(199,721)
Preference dividends paid		(8,000)	-
Proceeds received from issue of ordinary shares		30,000	-
Proceeds received from issue of preference shares		100,000	-
Repayment of capital element of finance leases		(57,335)	(3,725)
Movement on loans		(1,222,493)	104,112
Net cash used in financing activities		**(1,355,612)**	**(99,334)**
Net increase in cash and cash equivalents	**31**	**209,049**	**116,082**
Cash and cash equivalents at beginning of year		147,723	31,641
Cash and cash equivalents at end of year		**356,772**	**147,723**

Accounting Policies

1. ACCOUNTING POLICIES

OmniPro Sample Small Company Limited is primarily engaged in 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.

The company is a limited liability company incorporated in Ireland.

This is the first set of financial statements prepared by OmniPro Sample Small 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.

The significant accounting policies[32] adopted by the Company and applied consistently[33] in the preparation of these financial statements are as follows:

(a) Basis of preparation

The Financial Statements are prepared on the going concern basis[34], 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[35]] and the Companies Act 2014.

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

(b) Consolidation[36]

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 Section 297 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.

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.

[32] Changes in accounting policies must be identified and recorded in accordance with FRS 102, section 10
[33] Para 13, Sch III, CA 2014 – Accounting policies shall be applied consistently from one period to another
[34] Para 12, Sch III, CA 2014 – A company is deemed to be carrying on business as going concern
[35] Deemed best practice for firm’s regulated by Chartered Accountants Ireland
[36] Applicable to Group companies who do not meet the size criteria to prepare consolidated financial statements

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 received where the Company has yet to comply with all attached conditions are recognised as a liability (and included in deferred income within Creditors and accruals) and released to income when all attached conditions have been complied with.

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

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

(i) *Current tax*
Current tax is calculated on the profits 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 [37](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.

[37] 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 reverses, 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 to 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 receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. All movements in the level of provision required are recognised in the profit and loss.

Accounting Policies

(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 and cash equivalents

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

(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.

(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.

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 [38]

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.

(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.

Para 18, Sch III, CA 2014 – 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
[38] This policy relates to a defined contribution scheme, an expanded policy would be required for a defined benefit scheme

(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.

(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.

2. TRANSITION TO FRS 102

Prior to 1 January 2014 the company prepared its financial statements under previously extant Irish GAAP. From 1 January 2014, the company has elected to present its annual financial statements in accordance with FRS 102 and the Companies Act 2014.

The comparative figures in respect of the 2014 financial statements have been restated to reflect the company's adoption of FRS 102 from the date of transition at 1 January 2014.

Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 December 2014 and the total equity as at 1 January 2014 and 31 December 2014 between Irish GAAP as previously reported and FRS 102.

In preparing this financial information, the company has applied certain exceptions and exemptions from full retrospective application of FRS 102 as noted below.

Exceptions
Derecognition of financial assets and liabilities
In accordance with FRS 102, as a first-time adopter, the company did not retrospectively recognise financial assets and liabilities previously derecognised under Irish GAAP before the date of transition.

Accounting estimates
In accordance with FRS 102, as a first-time adopter, the company did not revise estimates on transition to reflect new information subsequent to the original estimates.

Exemptions
Business combinations
The company has elected not to apply Section 19 of FRS 102 retrospectively to business combinations effected before 1 January 2014.

Rent free period for operating leases
Under previous Irish GAAP operating lease incentives such as rent free periods, were spread over the shorter of the lease period or the period to when the rental was set to a fair market rent. FRS 102 requires that such incentives to be spread over the lease period. The company has taken advantage of the exemption for existing leases at the transition date to continue to recognise these lease incentives on the same basis as previous Irish GAAP. Accordingly the FRS 102 accounting policy has been applied to new operating leases entered into since 1 January 2014.

Revaluation as deemed cost
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.

3. FRS 102 PRINCIPLE ADJUSTMENTS

The reconciliation of the profit and loss prepared in accordance with Irish GAAP and in accordance with FRS 102 for the year ended 31 December 2014 and the reconciliation of the amount of total equity at 31 December 2014, before and after the application FRS 102, is as follows:

OmniPro Sample Small Company Limited

Year Ended 31 December 2015
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	Profit for the year ended 31-Dec 2014 €	Total equity as at 01-Jan 2014 €	Total equity as at 31-Dec 2014 €
As reported under Irish GAAP	**362,818**	**487,000**	**849,818**
Impact of:			
- Holiday pay accrual (a)	(12,000)	(62,000)	(74,000)
- Rent free period for operating leases (c)	(32,000)	-	(32,000)
- Depreciation on spare parts transferred to PPE (e)	(8,000)	-	(8,000)
- Derecognition of sales on unusual credit terms (f)	-	(11,305)	(11,305)
- Finance income earned on sales on unusual credit terms (f)	5,307	-	5,307
- Derecognition of borrowing costs on transition (g)	-	(60,000)	(60,000)
- Reversal of depreciation on borrowing costs derecognised on transition (g)	15,000	-	15,000
Deferred tax impact of:			0
- Holiday pay accrual (i)	1,500	7,750	9,250
- Rent free period for operating leases (i)	4,000	-	4,000
- Revaluation of investment property (i)	(33,000)	(24,750)	(57,750)
- Revaluation of freehold premises (h)	375	(18,750)	(18,375)
- Spare parts transferred to PPE (i)	1,000	-	1,000
- Sales on unusual credit terms (i)	(663)	1,413	750
	304,337	**319,358**	**623,695**
- Correction of material error (b)	-	(75,000)	(75,000)
As reported under FRS 102	**304,337**	**244,358**	**548,695**

(a) Holiday pay accrual

Irish GAAP

Under Irish GAAP provisions for holiday pay accruals were not recognised and holiday pay was charged to the Profit and Loss account as it was paid.

FRS 102

FRS 102 requires short-term employee benefits to be charged to the profit and loss account as the employee service is received.

Impact

This has resulted in the company recognising a liability for holiday pay of €62,000 on transition to FRS 102. In the year to 31 December 2014 an additional charge of €12,000 was recognised in the profit and loss account and the liability at 31 December 2014 was €74,000.

(b) Prior year adjustment – material error

Irish GAAP
The company had incorrectly capitalised expenditure incurred on the development of the company brand name during the 2013 year.

FRS 102
The prior year adjustment is due to the company incorrectly capitalising expenditure incurred on the internal development of the company brand name. The financial statements have been restated to correct this error.

Impact
The prior year adjustment resulted in the derecognition of intangible assets of €75,000 at 31 December 2013 (and 2014 with a corresponding decrease in profit and loss reserves brought forward). There was no tax effect as a result of this adjustment.

(c) Rent free period for operating leases

Irish GAAP
Under Irish GAAP operating lease incentives, such as rent free periods were spread over the shorter of the lease period or the period to when the rental was set to a fair market rent.

FRS 102
FRS 102 requires that such incentives to be spread over the lease period. The company has taken advantage of the exemption for existing leases at the transition date to continue to recognise these lease incentives on the same basis as previous Irish GAAP. Accordingly the FRS 102 accounting policy has been applied to new operating leases entered into since 1 January 2014.

Impact
This has resulted in an increased operating lease charge of €32,000 for the year 31 December 2014 with a corresponding increase in the accrued lease liability at 31 December 2014.

(d) Previous revaluation of tangible assets treated as deemed cost

Under previous Irish GAAP the company had a policy of revaluing freehold premises. On transition to FRS 102 the company has elected to use the previous revaluation of certain premises at 31 December 2013 as the deemed cost for that asset. As a result, the carrying amount previously included in the revaluation reserve has been transferred to other reserves. There is no effect on the balance sheet on transition other than on deferred tax and the aforementioned reclassification.

(e) Spare parts carried as stock

Irish GAAP
Under previous Irish GAAP the company had a significant value of spare parts carried as stock within Current Assets.

FRS 102
FRS 102 requires these spare parts to be carried as part of Tangible fixed assets.

Impact
This has resulted in an increase in Tangible fixed assets of €80,000 on transition to FRS 102 with a corresponding increase in related depreciation for 2014 of €8,000 retrospectively.

(f) Sales on unusual credit terms

Irish GAAP
Under previous Irish GAAP the company sold goods worth €52,000 with unusual credit terms before the date of transition. The credit provided is for a period up to 31 December 2016. The normal cash price for these goods would be €36,000.

FRS 102
FRS 102 requires the company to recognise this sale as a financing transaction with an associated interest element on the transaction

Impact
This has resulted in a decrease in debtors of €11,305 on transition to FRS 102 with deemed income earned in 2014 of €5,307.

(g) Capitalisation of borrowing costs
Irish GAAP
Under previous Irish GAAP the company adopted a policy of capitalising qualifying borrowing costs. On transition to FS 102, the company elects to expense all borrowing costs going forward.

FRS 102
FRS 102 requires the company to expense borrowing costs going forward.

Impact
This has resulted in a reduction of Tangible fixed assets of €60,000 on transition to FRS 102 and a resulting decrease in depreciation charged in 2014 of €15,000.

(h) Investment Property carried at fair value
Irish GAAP
Under old GAAP investment property was carried at open market value with movements in value recognised in the STRGL revaluation reserve unless there was a downward revaluation which was considered permeant, in which case it was recognised in the profit and loss. Deferred tax was not required to be recognised on the revaluation unless there was a binding agreement to sell.

FRS102
FRS 102 requires movement on investment property to be recognised in the profit and loss where it can be reliably measured without cost or effort. Section 29 requires deferred tax to be recognised on the uplift at the sales tax rate. On transition an adjustment was made to be recognised deferred tax of €24,750 on the uplift. A further €33,000 was recognised in 2014 for the deferred tax uplift at 33%. An adjustment was also required to reclassify the movement in 2014 from the revaluation reserve to the profit and loss account. A reclassification was also required at the date of transition to reclassify the €75,000 uplift from the revaluation reserve to profit and loss reserves.

(i) Deferred taxation
The company has accounted for deferred taxation on transition as follows:

(i) Holiday pay accrual - Deferred tax of €7,750 has been recognised at 12.5% on the liability recognised on transition at 1 January 2014. In the year ended 31 December 2014 the company has recognised a credit of €1,500 in the profit and loss account to reflect the additional deferred tax asset as a result of the increase of the holiday pay accrual.

(ii) Rent free period for operating leases – In the year ended 31 December 2014 the company has recognised a credit of €4,000 in the profit and loss account in respect of the deferred tax on the increased operating lease charge.

(iii) Revaluation of freehold premises – Under previous Irish GAAP the company was not required to provide for taxation on revaluations. Under FRS 102 deferred taxation is provided on the temporary difference arising from the revaluation at the tax rate the asset is expected to be realised. A deferred tax charge of €18,750 arose on transition to FRS 102 and was set against other reserves. The €375 of this deferred tax in 2014 represents the deferred tax impact of deprecation charged on the uplift in that year.

(iv) Transfer of spare parts to Tangible fixed assets – Under previous GAAP the company carried spare parts as part of stock, on transition to FRS 102 these spare parts are now carried within Tangible fixed assets. A deferred tax asset of €1,000 has been recognised for the tax deduction not allowed in the comparative year at 12.5% (which will be allowed in the future).

(v) Sale with unusual credit terms – Under previous GAAP the company recognised finance income upfront on the sale of products with extended credit terms. On transition to FRS 102 this finance income must be removed and apportioned when earned by the company. A deferred tax asset of €1,413 was recognised for the reduction in income on transition to FRS 102 at 12.5% which will be released as the finance income credited to the profit and loss. €663 of this asset was released in the 2014 year to set off against the finance income released.

(vi) Revaluation of investment property – A deferred tax liability of €24,750 was recognised on transition for the uplift in value. The deferred tax rate used was the sales tax rate of 33%. A further €33,000 was recognised in the year 2014 to reflect deferred tax on the further uplift booked in 2014.

(j) Statement of cash flows

Irish GAAP

Under Irish GAAP, cash flows were presented separately for operating activities, returns on investment and servicing of finance, taxation, capital expenditure and financial investment, acquisitions and disposals, equity dividends paid and financing.

FRS 102

Under FRS 102, cash flows are required to be shown separately for three categories only, namely, operating, investing and financing. Additionally the cash flow statement reconciles to cash and cash equivalents whereas under previous Irish GAAP the cash flow statement reconciled to cash. Cash and cash equivalents are defined in FRS 102 as “cash on hand and demand deposits and short term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value” whereas cash is defined in FRS 1 as “cash in hand and deposits repayable on demand with any qualifying institution, less overdrafts from any qualifying institution repayable on demand”.

Impact

Cash flows from taxation and returns on investments and servicing of finance shown under Irish GAAP are included as operating activities under FRS 102.

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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

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

(a) Establishing useful economic lives for depreciation purposes of tangible fixed assets

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

(b) Inventory provisioning

The company is involved in the construction industry and are engaged in a number of long term contracts at the year end. As a result it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the stage of completion, the estimated realisable value and the estimated costs to completion. The level of provision required is reviewed on an on-going basis and has been disclosed in note 16.

(c) Providing for doubtful debts

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

(d) Valuation of investment properties

The company revalue its investment property to fair value based on advice from independent expert valuers. See note 14 for details of this valuation.

5. TURNOVER[39]

All turnover derives from activities in the Republic of Ireland. The analysis of turnover by activity is as follows[40]:

	2015	2014
	€	€
Construction	4,689,227	4,938,596
Pre-cast Concrete Retail	1,385,463	1,297,558
	6,074,690	**6,236,154**

[39] Para 65(1) & (2), Sch III, CA 2014 – Where the company has carried on the business of 2 or more classes, or supplied 2 or more markets, which differ substantially from the other, the company shall state the amount of turnover attributable to that class/market

[40] Para 65(6), Sch III, CA 2014 – Where in the opinion of the directors, the disclosure of separate information as required would be seriously prejudicial to the interests of the company, that information need not be disclosed. The fact that the information has not been disclosed must be stated

Notes to the Financial Statements

6. OPERATING PROFIT

Operating profit is stated after charging:

	2015	2014
	€	€
Depreciation	149,999	170,037
Impairment of assets/goodwill	-	-
Stock used in the period recognised as an expense in cost of sales	XX	XX
Research and development expenditure	XX	XX
Loss of disposal of fixed assets	51,299	-
Rentals under operating leases	-	-
Government grants amortised	-	-
Movement on stock provision	4,000	-
Revenue grants	-	-
Foreign exchange gain/loss	-	-

7. OTHER OPERATING INCOME

	2015	2014
	€	€
Rent received	70,000	130,000
Fair value gain on movement on fair value of investment properties	150,000	100,000
	220,000	230,000

8. INTEREST RECEIVABLE AND SIMILAR INCOME

Interest and income earned on assets held at amortised cost:		
Interest on Government bond	9,000	-
Interest income on other financial assets	5,999	5,307
	14,999	5,307

9. INTEREST PAYABLE AND SIMILAR CHARGES[41]

	2015	2014
	€	€
Interest charged on financial liabilities carried at amortised cost:		-
On bank loans, overdrafts and other loans wholly repayable within five years[42]	192,384	199,221
Finance lease interest	5,400	500
Preference share dividend	8,000	-
	205,784	**199,721**

10. TAXATION

	2015	2014
	€	€
(a) Tax expense in profit and loss:		
Current tax expense:		
Irish corporation tax on profits for the year	215,500	99,722
Adjustments in respect of prior periods	-	-
	215,500	99,722
Deferred tax expense:		
Origination and reversal of temporary difference	51,494	19,692
	266,994	**119,414**

(b) Reconciliation of tax charge

The tax assessed for the period is higher than the standard rate of corporation tax in Ireland for the year end 31 December 2015 of 12.5% (2014: 12.5%). The differences are explained below.

	2015	2014
	€	€
Profit on ordinary activities before tax	**1,311,360**	**423,751**
Tax calculated at Irish tax rates of 12.5% (2014: 12.5%)	163,920	52,969
Effects of:		
Non deductible expenses	30,484	8,810
Income taxed at higher rates	19,750	16,250
Deferred tax recognised at higher rate	30,750	20,500
Corporation tax surcharge	22,090	20,885
Tax charge for year	**266,994**	**119,414**

[41] Para 63, Sch III, CA 2014 – Required to disclose separately interest and similar charges. 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

[42] 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

11. EMPLOYEES

The average monthly number of employees was: [43/44]

	2015	2014
Administration	4	4
Distribution	2	2
Construction	8	8
	14	**14**

	2015	**2014**
Operating costs	**€**	**€**
Staff costs: [45]		
- Wages and salaries	550,567	725,805
- Social welfare costs	61,133	76,189
- Retirement Benefits – defined contribution plans	46,746	43,289
Net staff costs included in operating costs	**658,446**	**845,283**

12. DIRECTORS REMUNERATION AND TRANSACTIONS[46]

	2015	**2014**
	€	**€**
Remuneration[47]		
Salary	182,000	185,600
Retirement Benefits	30,000	30,000
	212,000	**225,600**

Directors' Loans[48]	Directors A	Director B
Opening Balance	4,332	100,000
Repayments to directors	9,301	-
Advances from directors	1,000	-
Closing balance	**12,633**	**100,000**

[43] S.317(1), CA 2014 – The company is required to disclose details of the average number of people employed in the financial year and the separately distinguish the category within which they were employed

[44] S317(5), CA 2014 – The average number of persons employed by the company shall be determined by dividing the relevant annual number by the number of months in the financial year

[45] S.317(2), CA 2014 – The company shall separately identify employment costs of all staff employed, expanded to include details of amounts capitalised into assets and treated as a revenue cost in the financial year

[46] As required by Section 305 to 312 of AC 2014

[47] As required by Section 305 of CA 2014, S305, require disclosure of remuneration payable to the directors and connected parties as defined in S.220 CA 2014 including share options exercised

[48] 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.

% of net assets	**X%**	**X%**

The loan is interest free and is repayable on demand. (The maximum amount outstanding to directors during the year was €112,633.[49]). A provision of €XX (2014: €XX) was provided against this loan at year end.

During the year the company paid €XXX (€XXX) for rental of the directors premises[50].

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 (2014: €XXX).

13. TANGIBLE FIXED ASSETS[51]

	Freehold Premises	**Motor Vehicles**	**Fixtures & Fittings**	**Computer Equipment**	**Total**
	€	**€**	**€**	**€**	**€**
Costs					
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)
At end of year	**2,026,473**	**220,680**	**410,711**	**192,227**	**2,850,091**
Depreciation					
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)
At end of year	**225,266**	**96,575**	**307,817**	**191,409**	**821,067**
Net book value					
At 31 December 2015	**1,801,207**	**124,105**	**102,894**	**818**	**2,029,024**
At 31 December 2014	**319,750**	**37,203**	**32,176**	**22,756**	**411,885**

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[49] Disclosure of maximum amount only required if debit balance at the year end S.307(3)(f) CA 2014. It is shown here for example purposes only. If at any time the amount exceeds 10% of net assets the aggregate amount and the percentage shall be stated S.307(10).

[50] 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.

[51] Para 48, Sch III, CA 2014 – Requires the presentation of cost, accumulated depreciation and net book value

In respect of prior year[52]	Freehold Premises	Motor Vehicles	Fixtures & Fittings	Computer Equipment	Total
	€	€	€	€	€
Costs					
At beginning of year	462,921	106,381	264,991	121,456	659,261
Additions in year	44,552	42,658	45,987	65,224	198,421
At end of year	**507,473**	**149,039**	**310,978**	**157,523**	**1,125,013**
Depreciation					
At beginning of year	144,144	72,379	216,357	110,211	543,091
Charge for Year	43,579	39,457	62,445	24,556	170,037
At end of year	**187,723**	**111,836**	**278,802**	**134,767**	**713,128**
Net book value					
At 31 December 2014	**319,750**	**37,203**	**32,176**	**22,756**	**411,885**
At 31 December 2013	**322,289**	**34,002**	**61,634**	**11,245**	**329,170**

The following assets were held under finance lease:

	2015	2014
	€	€
Net Book Value	91,884	129,389
Depreciation Charge for the Year	34,015	11,317

Include the below if the revaluation option on fixed assets is chosen (not applicable here).
[The land and buildings of the company were revalued by [state name], [state qualification] to an open market value basis 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}.

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 2015 resulted in a revaluation surplus of €xx,xxx].[53]
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[54]:

	2015	2014
	€	€
Original cost	XXX	XXX
Accumulated depreciation	(XXX)	(XXX)
Net book amount	XXX	XXX

[52] Para 5, Sch III, CA 2014 – In respect of every item shown in the balance sheet, profit and loss account, or notes thereto, the corresponding amount for the financial year immediately preceding must be shown
[53] Details of the historical cost of the asset and accumulated depreciation must be disclosed on revalued assets
[54] 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.

Notes to the Financial Statements

Include the below if the option is capitalise borrowing costs is chosen (not applicable here included for illustrative purposes only).

The company capitalised €XXX (2014: €XXXX) in borrowing costs during the year.

14. INVESTMENT PROPERTIES

	2015	2014
	€	€
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:

	2015	2014
Yields	4%	4%
Inflation rate	2%	2%

The historical cost of the investment property is as follows:

At 31 December 2015	€850,725
At 31 December 2014	€3,315,201

15. FINANCIAL ASSETS

	2015	**2014**
Cost:	**€**	**€**
Shares in subsidiary undertakings	254	254
Other investments	185,386	208,946
	185,640	**209,200**
Impairment:		
At beginning of period	XXX	XXX
Additions/reversals	XXX	XXX
At end of period	**XXX**	**XXXX**
Carrying amount	**185,640**	**209,200**

Subsidiary[55] undertakings[56]

Company Name	***Country of Incorporation***[57]	***Details of investment***[58]	**Proportion held by company**	**Registered Office** [59]	**Principle Activity**
Precast Concrete Ltd	Ireland	254 €1 ordinary shares	100%	Any Address	Manufacture of pre-cast concrete products

The capital and reserves and profit of the subsidiary was as follows: [60]

	2015	**2014**
	€	**€**
Profit	212,387	172,834
Capital and reserves	854,346	641,959

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

	2015	**2014**
Cost	**€**	**€**
At the beginning of the year	208,946	208,946
Purchased during the year	150,000	-
Disposed of during the year	(173,560)	-
At the end of the year	185,386	208,946

The company purchased €150,000 of government bonds during the year. This represents the fair value at 31 December 2015 (2014: €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 2015 was €185,336 (2014:€208,946).

The directors are satisfied that no impairment is required.

[55] S.7(2), CA 2014 – The definition of a subsidiary is set out under Section 2 of the Companies Act 2014
[56] S.314(1), CA 2014 – Disclose is required of interests in subsidiaries and undertakings of substantial interest (>20% of any class of equity shares)
[57] If the company is unincorporated, the address of the principal place of business must be included
[58] S.314(1)(ii) CA 2014 – The identity of each class of share held by the company in each subsidiary of undertaking of substantial interest and the proportion of the nominal value held must be disclosed
[59] S.314(1)(i) CA 2014 – The name and address of the registered office must be included, if there is no registered office the company must disclose the principal place of business
[60] S.314(1)(iii), CA 2014 – The notes must disclose the aggregate amount of the net assets and profit/loss of the subsidiary or undertaking of substantial interest

16. STOCKS

	2015	2014
	€	€
Raw material	33,724	42,108
Work in progress	71,769	84,968
Finished goods	594,216	265,090
	699,709	**392,166**

The net replacement cost of stocks is not expected to be materially different from that shown above.

Stocks are stated after provisions for impairment of €32,000 (2014: €28,000). [61]

17. DEBTORS

	2015	2014
	€	€
Trade debtors	432,789	1,077,815
Other debtors	279,008	57,864
Amounts due from group companies (see (i) below)	1,571,862	191,852
Prepayments	29,795	12,710
Directors Loans (see (i) below)	112,633	104,332
VAT recoverable	30,090	13,614
	2,456,177	**1,458,187**

The fair values of Debtors and Prepayments approximate to their carrying amounts. Trade debtors are stated after provisions for impairments of €105,000 (2014: €113,000).

(i) Amounts owed by group companies and directors are unsecured, interest free and are repayable on demand.

[61] If there is a material difference between the balance sheet amount of stock and its replacement cost, the latter amount should be disclosed

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	€	€
Trade creditors	969,675	887,073
Corporation tax due	410,031	64,812
Other taxation and social security (See (i) below) [62]	25,665	26,245
Other creditors and accruals	267,051	284,139
Bank Loans (see note 23)	1,066,950	2,064,128
Finance Lease (see note 20)	85,198	39,933
	2,824,570	**3,366,330**

(i) Other taxation and social security is made up as follows:

	2015	2014
	€	€
Value added tax	969,675	887,073
Relevant contracts tax	XX	XX
PAYE/PRSI	410,031	64,812
Dividend withholding tax	XX	XX
	25,665	**26,245**

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015	2014
	€	€
Bank Loans (see note 23)	1,903,810	2,129,125
Finance Lease (see note 20)	147,400	-
8% Redeemable Shares (see note 24)	100,000	-
Share Appreciation Rights	15,000	-
	2,166,210	**2,129,125**

20. FINANCE LEASE CONTRACTS – MATURITY

	2015	2014
Future minimum payments under finance lease agreements are as follows:	€	€
In one year or less	54,000	40,333
In more than one year, but not more than five years	193,198	-
In greater than 5 years	-	-
Total gross payments	**247,198**	**40,333**
Less finance lease charges included above	(14,600)	(400)
	232,598	**39,933**

[62] Sch 3 CA 2014 – requirement to split taxes out by type

21. PROVISION FOR LIABILITIES

	Warranty Provision (see note (i))	**Deferred tax** (See note (ii))	**Total**
	€	**€**	**€**
At 1 January 2014	-	45,520	45,250
Utilised during the year	-	-	-
Charged in the year	-	19,692	19,692
At 31 December 2014	-	65,212	65,212
	€	**€**	**€**
At 1 January 2015	-	65,212	65,212
Utilised during the year	-	-	-
Charged in the year	97,500	51,494	148,994
At 31 December 2015	97,500	116,706	214,206

(i) **Warranty provision**

A provision is recognised on warranty claims on certain products sold during the year. The warranty given by the company is for 3 years and the premium is based on the company's best estimate (using previous years' warranty claim details) and as such the amount included in the financial statements is expected to be fully utilised with 24 months of the year end. (€32,500 expected to be utilised in 2016 and €65,000 in 2017).

(ii) **Deferred tax**

The deductible and taxable temporary differences at the year end dates in respect of which deferred tax has been recognised are analysed as follows:

	2015	**2014**
	€	**€**
Deferred tax liabilities/(assets) (deductible temporary differences)		
Accelerated capital allowance	20,856	22,462
Revaluation on investment property	107,250	57,750
Provisions	(11,400)	(15,000)
	116,706	65,212

Movement in deferred tax assets and liabilities, during the year, were as follows:

	Accelerated Capital allowances	**Provisions**	**Revaluation on investment property**	**Total**
	€	**€**	**€**	**€**
2015				
At 1 January 2015	22,462	(15,000)	57,750	65,212
Recognised in profit and loss	(1,606)	3,600	49,500	51,494
Recognised in other comprehensive income (for illustrative purposes)	-	-	-	-
Disposals	-	-	-	-
At 31 December 2015	20,856	(11,400)	107,250	116,706

	Accelerated Capital allowances	**Provisions**	**Revaluation on investment property**	**Total**
	€	**€**	**€**	**€**
2014				
At 1 January 2014	29,933	(9,163)	24,750	45,520
Recognised in profit and loss	(7,471)	(5,837)	33,000	19,692
Acquisitions	-	-	-	-
Recognised in other comprehensive income	-	-	-	-
Disposals	-	-	-	-
Foreign exchange and other	-	-	-	-
At 31 December 2014	22,462	(15,000)	57,750	65,212

i. The net deferred tax liability expected to reverse in the 2016 year is €XXXX. The reversal relates to the timing difference on tangible fixed assets and capital allowances through depreciation and amortisation.

ii. The unused tax losses at year end are detailed above. There are no unused tax credits. There is no expiration date with regard to these losses (for illustrative purposes).

Notes to the Financial Statements

22. FINANCIAL INSTRUMENTS

	Note	2015 €	2014 €
Financial assets that are equity instruments measured at cost less impairment			
Investments in unlisted shares	**15**	185,340	208,946
Financial assets that are debt instruments measured at amortised cost			
Amounts due from group companies	**17**	1,571,862	191,852
Director loans	**17**	112,633	104,332
Trade and other debtors	**17**	711,797	1,135,679
Cash and short term deposits		356,772	147,723
Investment in Government bonds		100,000	-
Financial liabilities measured at amortised cost			
Trade creditors	**18**	969,675	887,073
Finance leases	**20**	232,598	-
Bank loans	**18 & 19**	2,970,760	4,193,253
Accruals for goods and services	**18**	10,000	15,000
8% redeemable preference shares	**18**	100,000	-

23. BORROWINGS[63]/[64]/[65]

	Within 1 year €	Between 1 & 2 years €	Between 2 & 5 years €	After 5 years €	Total €
Repayable other than by installments					
Bank Overdrafts	-	-	-	-	-
Repayable by installments					
Term loan (variable rate)	-	-	-	-	2,970,860

The bank facilities[66] are secured by a debenture incorporating fixed and floating charges over the assets of the company and personal guarantees from the Directors.

The facilities expiring within one year are annual facilities subject to review at various dates during 2015/2016.

[63] Para 58(1)(a), Sch III, CA 2014 – Details of debts repayable otherwise than by way of instalment
[64] Para 58(1)(b), Sch III, CA 2014 – Details of debts repayable by way of installment
[65] Para 58(3), Sch III, CA 2014 – If the number of debts would result in a note of excessive length, it will be sufficient to give a general indication of the terms of payment/repayment and the rates applicable interest
[66] 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

24. SHARE CAPITAL

	2015	2014
	€	€
Authorised Equity		
1,000,000 ordinary shares of €1 each	1,000,000	1,000,000
100,000 8% redeemable preference shares of €1 each	100,000	-
	1,100,000	1,000,000
Alloted, called up and fully paid– presented as equity		
120,000 ordinary shares of €1each (see (i) below)	120,000	100,000
Alloted, called up and fully paid– presented as liabilities		
100,000 8% redeemable preference shares of €1each (see (ii) below)	100,000	-

(i) On 1 April a further 20,000 ordinary shares were issued at €1.50 each. A premium of €10,000 was recognised on the issue of these shares.

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

- to payment of a fixed dividend of an amount equivalent to 8% of the nominal value of such shares held; the shares are mandatorily redeemable on 31 December 2018 at par.
- on a winding up of the company or on a redemption thereof or repayment of capital thereon to a return of capital paid up or deemed paid up on each such share and otherwise shall not be entitled to participate further in the assets or profits of the company
- the preference shares carry no right to vote at general meetings of the company.

25. CONTINGENCIES

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.

26. CAPITAL COMMITMENTS

There were no capital commitments at the year ended 31 December 2015.

27. COMMITMENTS

At 31 December 2015, the company had the following commitments under non-cancellable operating leases that expire as follows:

	2015	2014
	€	€
Within one year	145,000	145,000
Within two to five years	100,000	100,000
Greater than five years	-	-

28. DIRECTORS' SECRETARY'S INTERESTS

The director's interests in the company at the beginning and end of the year were as follows;

	Mr A Director €1 ordinary shares	Ms B Director €1 ordinary shares	Total
At the beginning of the year	50,000	60,000	100,000
At the end of the year	60,000	60,000	120,000

29. RETIREMENT BENEFITS INFORMATION[67]

	2015	2014
	€	€
Retirement Benefit costs	46,746	43,289

The company operates an externally funded defined contribution scheme that covers substantially all the employees of the company. The assets of the scheme are vested in independent trustees for the sole benefit of these employees.

[Provide an explanation of any material variation in the pension charge from that of the previous period. Provide also any commitment by the company to make additional contributions for a limited number of years – for example, the pension charge for the year 2015 included €(AMOUNT) in respect of past service liabilities that are being written off over ten years being the average remaining service les of the current employees.] Contributions outstanding at year end amounted to €1,000 (2014: €500).[68] [69]

30. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015	2014
	€	€
Profit after taxation	1,044,366	304,337
Addback/Deduct		
Tax expense	266,994	119,414
Interest receivable and similar income	(14,999)	(5,307)
Interest cost	205,784	199,721
Operating Profit	**1,502,145**	**618,165**
Adjustment for		
Depreciation	149,999	170,037
Movement in fair value of investment properties	(150,000)	(100,000)
Notional interest on financial assets carried at amortised cost	5,999	5,307
Loss on disposal of tangible fixed assets	51,299	-
Changes in working capital		
(Increase)/decrease in Stocks	(307,543)	61,023
Increase in debtors and prepayments	(988,990)	(623,857)
Increase in creditors and accruals	177,434	376,857
Cash generated from operations	**440,343**	**502,225**

[67] Note is applicable to defined contribution schemes only, defined benefit schemes require further detailed disclosures.
[68] Section 28 FRS 102 requires the nature of the scheme, contributions paid during the year and the amount outstanding at year end disclosed.
[69] Note is applicable to defined contribution schemes only, defined benefit schemes require further detailed disclosures.

31. ANALYSIS OF CASH & CASH EQUIVALENT AND NET DEBT[70]

	At 31 Dec 2014	Cash flow	Other non-cash items	At 31 Dec 2015
	€	€	€	€
Cash in hand	147,723	209,049	-	356,772
Bank Overdraft	-	-	-	-
	147,723	209,049	-	356,772
Loss due within one year	(2,064,128)	997,178	-	(1,066,980)
Loss due after one year	(2,129,125)	225,315	-	(1,903,810)
Finance leases	(39,933)	(57,335)	(250,000)	(232,598)
Total	**(4,193,253)**	**1,488,877**	**(250,000)**	**(3,203,358)**

(i) The non-cash item refers to assets purchased on finance lease which did not result in an out flow of cash.

[70] Net debt rec is not specifically required under FRS 102. The analysis of cash and cash equivalents is only required where the cash movements cannot be seen from reviewing the balance sheet.

32. RELATED PARTY TRANSACTIONS[71]/[72]/[73]

The company regards OmniPro plc, a company incorporated in Ireland, as the ultimate parent company.

The following transactions were carried out with related parties:

	2015	2014
	€	€
Other related parties		
Sales of goods and services		
OmniPro plc		119,632
Other related parties		
Purchase of goods and services		
OmniPro plc		15,987
Year end balances arising from sale/purchase of goods/services		
Receivable from related parties		
OmniPro plc	1,571,862	191,852

Key management includes the Board of Directors (executive and non-executive), all members of the Company Management and the Company Secretary. The compensation paid or payable to key management for employee services is shown below:

	2015	2014
	€	€
Key management compensation		
Salaries and other short-term employee benefits	268,000	257,000
Post-employment benefits	19,000	12,000
	287,000	**269,000**

No provision has been made in 2015 and 2014 for the loans made to key management personnel.

[71] Para 67(1), Sch III, CA 2014 - Financial statements should disclose transactions with related parties which are material and which have not been concluded under normal market conditions, disclosures should include:
a) the names of the transacting related parties;
b) a description of the relationship between the parties;
c) a description of the transactions;
d) the amounts involved;
e) any other elements of the transactions necessary for an understanding of the financial statements;
f) 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
g) amounts written off in the period in respect of debts due to or from related parties.

[72] Para 67(2), Sch III, CA 2014 – The provision of particulars and other information about individual transactions may be aggregated according to their nature, except where separate information is required is necessary for an understanding of the effects of related party transactions on the financial position of the company

[73] Para 67(3), Sch III, CA 2014 – Disclosure of related party transactions is not required between group members where any party to the transactions is a wholly owned subsidiary

33. POST BALANCE SHEET EVENTS

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 companys operation. As a result a number of staff are due to be made redundant at a cost of €XXX.

On 31 January 2016 the company declared a final dividend of €xxx for the year ended 31 December 2015.

34. ULTIMATE CONTROLLING PARTY

The company is a wholly owned subsidiary of OmniPro Holdings Limited a company incorporated in Ireland[74].

35. Provisions available for Small entities[75]

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.

36. APPROVAL OF THE FINANCIAL STATEMENTS

The directors approved the financial statements on ________________________________.

[74] 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.

[75] Where these provision have been utilised this fact must be disclosed in the notes to the accounts under the ES PASE rules.