CRO Number - 123456

OmniPro Sample FRS 105 Company Limited

Audited Financial Statements

Year Ended 31 December 2017

Disclaimer

THESE FINANICAL STATEMENTS SHOW THE MINIMUM DISCLOSURES REQUIERD UNDER FRS 105 AND THE MICRO COMPANIES REGIME. ONCE THESE DISCLOSURES HAVE BEEN MADE THE FINANCIAL STATEMENTS ARE PRESUMED TO SHOW A TRUE AND FAIR VIEW UNDER COMPANY LAW.

These financial statements are solely illustrative and intended to be used exclusively for educational and training purposes. They provide guidance in relation to the format and contents of FRS 105 company financial statements prepared under FRS 105 and the micro companies regime as included in the Companies (Accounting) Act 2017. They do not purport to give definitive advice in any form. Despite taking every care in the preparation of this document OmniPro does not take any legal responsibility for the contents of these financial statements and the consequences that may arise due to any errors or omissions. OmniPro shall therefore not be liable for any damage or economic loss occasioned to any person acting on, or refraining from any action, as a result of or based on the material contained in this publication.

The micro companies regime is detailed in Section 15 of CAA Act 2017. CAA 2017 inserts a new Section 280D-280E to CA 2014. The CAA 2017 changes are mandatory for periods commencing on or after 1 January 2017 but Section 14 of that Act permits the small companies regime (and FRS 105) to be early adopted for all periods commencing on or after 1 January 2015. Note FRS 105/micro companies regime is optional, it does not have to be adopted. This section states that a company qualifies for the micro companies regime if it fulfils at least two of the three qualifying conditions listed below:

	Micro-Entity Co
Turnover	<=€700,000
Balance Sheet Total	<=€350,000
Employees	<=10

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

Note

Under New S.280D(4) certain entities do not qualify for the micro companies regime even if they meet the size criteria set out above and must prepare statutory financial statements on the basis of the large company provisions and are not entitled to avail of the abridgement options as a micro/small company. S.280D-280E does not apply to a holding company that prepares group financial statements or a company falling within any provision of Schedule 5 of the Act (Eg. Authorised investment firm, insurance intermediary of any other company carrying on of business by which is required to be authorised by the Central Bank) or they are a credit institution or insurance undertaking. The same applies for small groups even where they meet the thresholds if any of the entities in the group come within Schedule 5 etc. then they cannot apply the micro companies regime. In addition, this provision cannot be applied where a company is:

- an investment undertaking
- a financial holding undertaking
- a holding company that prepares consolidated financial statements
- a subsidiary that is included in the consolidated financial statements of a parent
- any company excluded from the small companies regime.
- a charity

The Companies (Accounting) Act 2017 may be cited as the Companies (Accounting) Act 2017 but the legislative references in the financial statements do not need to be updated

Companies can include additional notes on top of the minimum but where this option is availed of the company must comply with the requirements of Section 1A of FRS 102 as applicable.

Companies can include additional notes on top of the minimum but where this option is availed of the company must comply with the requirements of Section 1A of FRS 102 as applicable.

OmniPro Sample FRS 105 Company Limited

Year Ended 31 December 2017

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Year Ended 31 December 2017

Directors and Other Information

Directors[1]	Mr A Director Ms B Director
Secretary	Mr A Director
Auditors	Compliant Accountant & Co, Statutory Audit Firm, Accountants Row, Any County
Bankers	Any Big Bank PLC, Money Street, Moneysville, Any County
Solicitors	Legal Eagles & Co., Court Place, Judgestown Any County
Registered Office	Construction Place, Builders Lane, Dunblock Any County

This information is disclosed as best practice, there are no legislative requirements attaching to directors and other information disclosures

1 State nationality of directors if not Irish

Independent Auditors Report to the Members of OmniPro Sample FRS 105 Company Limited for the year ended 31 December 2017 [2]

Opinion
We have audited the financial statements of OmniPro Sample FRS 105 Limited (the 'company') for the year ended 31 December 2017 which comprise comprises of Profit and Loss Account, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable Irish law and Accounting Standards, including FRS 105 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (Generally Accepted Accounting Practice in Ireland) applicable to the Micro Entities Regime.

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2017 and of its profit for the year then ended; and;
- have been properly prepared in accordance with FRS 105 The Financial Reporting Standard applicable in the UK and Republic of Ireland to the Micro-Entities Regime issued by the Financial Reporting Council; and
- have been prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Irish Auditing and Accounting Service Authority ("IAASA") Ethical Standard [, and the provisions available for small entities, in the circumstances set out in note [X][3] to the financial statements][4], and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs require us to report to you where:

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

[2] The IAASA have not updated or issued an equivalent to Bulletin 1(I) at the time of publication so this may be subject to change

[3] As described in paragraph A35-4 of ISA 700 (Revised June 2016), IAASA's Ethical Standard Section 6 Provisions available for audits of small entities, paragraph 6.15 requires disclosure in the auditor's report where the audit firm has taken advantage of an exemption provided in paragraphs 6.11, 6.12 or 6.13 of the Ethical Standard.

[4] Delete the words in square brackets if the relief and exemptions for audits of small entities provided by the IAASA's Ethical Standard are not utilised.

Independent Auditors Report to the Members of OmniPro Sample FRS 105 Company Limited for the year ended 31 December 2017 (continued)

Other information[5]

The other information comprises the information included in the annual report[6], other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatementof this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by Companies Act 2014

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

- we have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited[7].
- the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2014 requires us to report to you if, in our opinion:

- the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made[8]; and
- the directors were not entitled to prepare the financial statements in accordance with the micro companies regime and take advantage of the exemption from disclosing certain information required by sections 305 to 312.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement [set out on page …], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and otherwise comply with Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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[5] "Other Information" must be included in an audit report in Ireland under ISA 720 P21.however while the Directors Report and Directors responsibilities statement are not included in a FRS 105 set of financial statements, the fact that the auditor's report must still provide an opinion in respect of Companies Act 2014 implies that there is statutory other information reporting and the sentence "except to the extent otherwise explicitly stated in our report" must be included.

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

[7] 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."

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

Independent Auditors Report to the Members of OmniPro Sample FRS 105 Company Limited for the year ended 31 December 2017 (continued)

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsiblities_for_audit.pdf.

Other Matters

The financial statements have been prepared on the basis that as per Section 336(3A) of the Companies Act 2014 the company qualifies for the micro companies regime, it complies with the minimum requirements of this Act (within the meaning of Section 324(11)) in relation to its financial statements and therefore is presumed to give a true and fair view as required by subsection (3).

The purpose of our audit work and to whom we owe our responsibilities
This report is made solely to the company's members as a body in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company or the company's members as a body for our audit work, for this report, or for the opinions we have formed.[9]

Signed by:

____

Personal name of auditor **Date:** ________________________
For and on behalf of:
Compliant Accountant & Co[10]

Chartered	ACCA	CPA
Chartered Accountants & Statutory Audit Firm, Accountants Row, Any County	Chartered Certified Accounts & Statutory Auditors/Statutory Auditor, Accountants Row, Any County	Certified Public Accountants & Statutory Audit Firm, Accountants Row, Any County

[9] Paragraph included as best practice
[10] The firm name must reflect the name of the firm as it appears on the public register of the Registrar of Companies

OmniPro Sample FRS 105 Company Limited

Profit and Loss Account

For the Year ended 31 December 2017

	2017[11] **€**	**2016** **€**
Turnover	500,000	650,000
Other income	2,000	2,000
Cost of raw materials and consumables	(300,000)	(325,000)
Staff costs	(120,000)	(130,000)
Value adjustments and other amounts written off assets	(8,000)	(7,000)
Other expenses	(10,000)	(11,000)
Tax	(22,000)	(25,000)
Profit	**42,000**	**154,000**
Profit and loss reserves brought forward at 1 January [12]	155,000	1,000
Dividend declared and paid (for illustrative purposes) [13]	(x)	(x)
Dividend declared but unpaid at period end included in creditors (for illustrative purposes)	(x)	(x)
Transfer (to)/from other reserves (for illustrative purposes)	-	-
Prior year adjustment (see note x)	-	-
Purchase/redemption of own shares (if applicable)	-	-
Profit and loss reserve at 31 December	**197,000**	**155,000**

[11] The Micro companies regime requires the above format to be shown – this format cannot be adjusted. Instead of calling this the profit and loss account it can also be called an income statement

[12] Sch 3B(33) of CA 2014 as amended by CAA 2017 requires the movement on profit and loss reserves to be shown on the face of the P&L or if not shown here in the notes to the financial statements. This has been included here on the assumption that it is not shown in the notes to the financial statements. Instead of calling this the profit and loss account it can also be called an income statement

[13] Sch 3B(33) requires disclosure of the dividends that were declared and paid in the notes or on the face of the P&L. Also disclosure required separately of dividends declared in the year but unpaid at year end so included in accruals/creditors.

OmniPro Sample FRS 105 Company Limited

Balance Sheet
At 31 December 2017

	31-Dec 2017 €	31-Dec 2017 €	31-Dec 2016 €	31-Dec 2016 €
Called up share capital not paid			-	-
Fixed assets [14]		100,000		80,000
		100,000		80,000
Current assets[15]	165,000		100,000	
Prepayments and accrued income	6,000		10,000	
Creditors: amounts falling due within one year[16]	(25,000)		(50,000)	
Net current assets		146,000		60,000
Total assets less current liabilities		246,000		140,000
Creditors: amounts falling due after more than one year[17]		(10,000)		(20,000)
Provision for liabilities		(4,000)		(5,000)
Accruals and deferred income		(7,000)		(2,000)
		225,000		**113,000**
Capital and reserves		**225,000**		**113,000**

[18]

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the micro companies regime and in accordance with Financial Reporting Statement 105 'The Financial Statement Reporting Standard applicable to Micro Entities Regime'. The financial statements were approved by the Board of Directors on (Insert date) and authorised for issue on (insert date). They were signed on its behalf by[19]

Mr A Director
Director
Date:

Ms B Director
Director [20]

[14] This should include tangible and intangible fixed assets, investment property and financial assets.
[15] This should include bank and cash, stock, trade debtors, other debtors, loans, amounts owed by related companies and taxes receivable.
[16] This should include loans, debentures, trade creditors, amounts owed to group companies, other creditors including taxes etc. etc.
[17] This should include loans, debentures, trade creditors, amounts owed to group companies, other creditors including taxes etc. etc.
[18] Section 3.9 of FRS 105 requires the notes to be included on the foot of the balance sheet. However, based on financial statements prepared by certain Accountancy bodies they are showing the notes separate from the balance sheet and not at the foot of the balance sheet. These pro-forma financial statements have taken the approach to show the notes separate from the balance sheet (and not at the foot of the balance sheet) in order to conform with the Accountancy Bodies interpretation albeit it is not in compliance with Section 3.9 of FRS 105.
[19] S.40 of CAA 2017 amends S.324 to require a statement on the balance sheet stating that the accounts have been prepared under the micro companies regime.
[20] Where there is only 1 director as a new model private LTD that director may approve the financial statements

OmniPro Sample FRS 105 Company Limited

Year Ended 31 December 2017

Notes to the Financial Statements

1. ACCOUNTING POLICIES[21]

The company's' registered office is Construction Place, Builders Lane, Dunblock, Any City. The company is a limited liability company incorporated in the Republic of Ireland and its company registration number is XXX[22].[23]

The significant accounting policies adopted by the Company and applied consistently[24] are as follows:

(a) Basis of preparation

The Financial Statements are prepared on the going concern basis[25], under the historical cost convention and comply with the financial reporting standards of the Financial Reporting Council [and promulgated by Chartered Accountants Ireland[26]] including 'The Financial Reporting Standard applicable to the Micro-Entities Regime – 'FRS 105', the Companies Act 2014 **OR** other than where the true and fair view override has been invoked as detailed below.

True and fair view override[27]

The company has adopted the layout in line with XX. This is a departure from the requirements of company law. As a result a true and fair overview has been invoked etc. etc.

(b) Consolidation[28]

The company and its subsidiaries combined meet the size exemption criteria for a group and the company is therefore exempt from the requirement to prepare consolidated financial statements by virtue of meeting the requirements in Section 293(1A) of the Companies Act 2014. Consequently, these financial statements deal with the results of the company as a single entity.

(c) Currency

(i) *Functional currency*
Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in euro, which is the company's functional and presentation currency and is denoted by the symbol "**€**"[29].

(ii) *Transactions and balances*
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions or the contract rate.

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[21] S.321 of CA 2014 requires an entity to disclose the accounting policies adopted for items included in the balance sheet and P&L
[22] S. S.291-S.295 of CA 2014 requires the disclosure of the registered office These also requires disclosure of the legal form and the principal place of business.

[24] Sch 3B, CA 2014 – Accounting policies shall be applied consistently from one period to another
[25] Para 12, Sch 3B, CA 2014 – A company is deemed to be carrying on business as going concern. Where the entity has made a decision to wind up the entity that is required to be disclosed, there is no choice.
[26] Deemed best practice for firm's regulated by Chartered Accountants Ireland
[27] Sch 3B(19) requires disclosure of the fact that a true and fair view override was invoked where the requirements of company law has not been followed. The reason for the override should be disclosed and the impact it would have on the P&L and balance sheet if the requirements of company law had been followed.
[28] Applicable to Group companies who do not meet the size criteria to prepare consolidated financial statements
[29] S3.13 of FRS 105 requires disclosure of the presentational currency and any level of rounding

At each period end foreign currency monetary items are translated using the closing rate or the contract rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

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

(d) Turnover

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

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest or the cash price for the goods or services where material and recognised as other income on a straight line basis over the terms of the agreement.

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

Turnover from the provision of services is recognised in the accounting period in which the services are rendered and the outcome of the contract can be estimated reliably. The company uses the percentage of completion method based on the actual service performed as a percentage of the total services to be provided.

(e) Interest income

Interest income is recognised on a receivable basis.

(f) Dividend income

Dividend income from subsidiaries is recognised when the Company's right to receive payment has been established.

(g) Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the company's shareholders.

Dividend distributions to holders of shares classified as liabilities is recognised as a liability in the Company's financial statements as they become due with the corresponding debit recognised in 'other expenses'

(h) Government grants

Government grants are recognised at their fair value in profit or loss where there is a reasonable assurance that the grant will be received and the Company has complied with all attached conditions.

Notes to the Financial Statements

Capital Grants are initially recognised as deferred income on the balance sheet and credited to the profit and loss account by instalments on a basis consistent with the depreciation policy of the relevant asset, as adjusted for any impairment.

Revenue Grants are credited to income so as to match them with the expenditure to which they relate. Government grants received are included in 'other income' in profit or loss.

(i) Taxation

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

Current taxation assets and liabilities are not discounted.
Deferred tax is not recognised.

(j) Tangible fixed assets including investment property

(i) Cost

Tangible fixed assets including investment properties are recorded at historical cost, less accumulated depreciation and impairment losses. Cost includes prime cost and overheads incurred in financing the construction of tangible fixed assets. In accordance with Section 20 of FRS 105 interest costs are not capitalised.

(ii) Depreciation

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

The estimated useful economic lives assigned to tangible fixed assets are as follows:

Freehold Premises	2% straight line on cost
Motor vehicles	25% straight line on cost
Office Equipment, fixtures & fittings	12½% straight line on cost
Computer equipment	25%/33⅓% straight line on cost
Spare parts	25% straight line on cost
Investment property	2% straight line cost

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

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

Land is not depreciated

(iii) Impairment

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

Notes to the Financial Statements

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

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

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

(k) Investments in subsidiary undertakings

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

(l) Leases

(i) Finance leases

Leases in which substantially all the risks and rewards of ownership are transferred by the lessor are classified as finance leases.

Tangible fixed assets acquired under finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments and are depreciated over the shorter of the lease term and their useful lives. The capital element of the lease obligation is recorded as a liability and the interest element of the finance lease rentals is charged to the profit and loss account on an annuity basis based in the interest rate implicit in the lease or the leasee's incremental interest rate where the implicit rate cannot be determined.

Each lease payment is apportioned between the liability and finance charges using the interest rate implicit in the lease or the leasee's incremental interest rate where the implicit rate cannot be determined.

(ii) Operating leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(iii) Lease incentives

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of future minimum lease payments.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

Notes to the Financial Statements

(m) Stocks

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

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

(n) Trade and other debtors

Trade and other debtors including amounts owed from group companies are recognised initially at transaction price (including transaction costs). For trade debtors where the payment is beyond normal credit terms it is held at the present value of all future payments using the imputed rate of interest or the cash price for the goods or services where material. Where loans are advanced it is carried at the transaction price (including transaction costs where material) regardless of whether a financing arrangement exists. Subsequently all trade and other debtors are measured at transaction price plus transaction costs not yet recognised, plus any unwinding of the discount on transactions initially recognised at present value/cash value, less repayments, plus advances and less any provision for impairment. Transaction costs including any amounts deferred on sales where receipt is deferred beyond normal credit terms are released to the profit and loss on a straight line basis over the length of the contract. A provision for impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the estimated future cash flows. All movements in the level of the provision required are recognised in the profit and loss.

(o) Other financial assets

Other financial assets include investments in subsidiaries, associates, joint ventures, listed, ordinary or preference shares. These investments at carried at cost less impairment.

Derivatives are carried at the transaction cost if applicable less impairment and recognised in the profit and loss on a straight line basis over the derivatives life.

(p) Preference share capital

Redeemable preference shares which meet the definition of a liability in Section 17 of FRS 105 have been classified as liabilities in the balance sheet. The preference dividend is charged in arriving at the interest expense in the profit and loss account. (*including the following where applicable)* However, no dividends will be paid on the cumulative preference shares until the company has positive profit and loss reserves.

(q) Research and development expenditure

Research and development expenses are expensed as incurred

(r) Cash at bank and on hand

Cash and at bank and on hand include cash on hand, demand deposits and other term highly liquid investments regardless of maturity. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(s) Creditors and accruals

Creditors and accruals are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Creditors and accruals including amounts owed to group companies are recognised initially at transaction price (including transaction costs). For trade creditors where the payment is beyond normal credit terms it is held at the present value of all future payments using the imputed rate of interest or the cash price for the goods or services where material. Where loans are advanced it is carried at the transaction price (including transactions cost where material) regardless of whether a financing arrangement exists. Subsequently these are measured at transaction price less transaction costs not yet recognised, plus any unwinding of the discount on transactions initially recognised at present value/cash value, less repayments, plus advances. Transaction costs including any amounts deferred on purchases where payment is deferred beyond normal credit terms are released to the profit and loss on a straight line basis over the length of the contract.

(t) Borrowings

Borrowings are recognised initially at the transaction price (including transaction costs). Interest is recognised as per the contract on an accruals basis. Transaction costs are written off to the profit and loss over the life of the loan on straight line basis where material

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

(u) Provisions

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

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

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

(v) Contingencies

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

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

Notes to the Financial Statements

(w) Employee Benefits [30]

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

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

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

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

For defined contribution plans, the company pays contributions to privately administered pension plans on a contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(x) Dividend distribution

Dividend distribution to equity shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the equity shareholders. These amounts are recognised in profit and loss reserves.

(y) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(z) Goodwill

Goodwill represents the excess of consideration paid for the acquisition of trade assets and liabilities over the fair value of the identifiable assets acquired and liabilities assumed. Goodwill is amortised to the profit and loss account on a straight line basis over its estimated useful life. The estimated useful lives of goodwill is X years. Useful life is determined by reference to the period over which the values of the underlying businesses are expected to exceed the values of their identifiable net assets. Where a useful life cannot be determined with reasonable accuracy a default life of 10 years is utilised.

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

[30] This policy relates to a defined contribution scheme, an expanded policy would be required for a defined benefit scheme

Notes to the Financial Statements

(aa) Other Intangible Assets

Acquired intangible assets are capitalised at cost and are amortised using the straight-line basis over their useful lives up to a maximum of XX years. Where a useful life cannot be determined with reasonable accuracy a default life of 10 years is utilised.

Intangible assets are reviewed for impairment at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

(bb) Biological assets – Forestry

The acquisition of land for forest projects is originally recorded at cost in accordance with Section 12 of FRS 105. Biological assets are measured at the lower of cost and estimated selling price less costs to complete and sell.

Depletion represents the costs of forests clearfelled during the year, calculated as the proportion that the area harvested bears to the total area of similar forests. The depletion amount is charged to the profit and loss account and is based on cost.

(cc) Biological assets

Livestock are measured at the lower of cost and net realisable value. The purchase price of livestock bought in is measured at the purchase price plus directly attributable purchase costs. Own reared stock is measured at cost based on the selling price of the livestock less an appropriate margin based on industry norms to bring the value back to the estimated cost price.

(dd) Prior period adjustment – Change in accounting policy[31]

DISCLOSE CHANGE IN ACCOUNTING POLICY

[31] S.321 of CA 2014 as amended by S.37 of CAA 2017 requires details of a change in accounting policy to be included in the accounting policy section of the financial statements detailing the reason for the change for it and the impact of the change on the current and prior years.

2. Directors benefits; advances/loans, credits and guarantees

Details of loans entered into for the benefit of the directors are[32]:

	Mr A Director	Ms B Director
Opening balance	14,000	18,000
Advances to directors	(4,000)	(14,600)
Written off in period	(XXXX)	(XXXX)
Provided for	(XXXX)	(XXXX)
Repayments from directors	10,000	10,600
Closing balance	20,000	14,000
Loans as a percent of net assets	X%	X%

The interest rate applied to these loans was 5% per annum on a compound interest basis and is repayable on XXX. The loan is unsecured.

During the year, the Company provided a guarantee to ABC Bank to guarantee a €10,000 loan entered into by Mr A, personally. The guarantee can be called on in the event of default by Mr A. There were no costs incurred in providing this guarantee.

3. Guarantees, contingencies and other financial commitments[33]

a) The company has pledged the building that it owns as security on loans taken out with the bank. The total value of these loans on the balance sheet at year end for which security is held was €XX (2016:€XX).[34]

[32] S.307 of CA 2014 requires disclosure of balances owed from directors (debit balances)/guarantees given/credit transactions entered into for benefit of directors at any time in the year, shadow director or de factor directors and their connected parties (see definition of connected parties below). This should detail the:
- name of the person
- value of the arrangement at beginning and end of each year
- advances
- repayments
- provision for bad debts
- an indication of the interest rate
- amounts written off in the year
- Any other main conditions

Connected parties are defined by S 220 CA 14 as being connected if they are
(i) that director's spouse, civil partner, parent, brother, sister or child;
(ii) a person acting in his or her capacity as the trustee of any trust, the principal beneficiaries of which are that director, the spouse (or civil partner) or any children of that director or any body corporate which that director controls; or
(iii) in partnership with that director.

S.307(8) CA 2014 requires disclosure of the % of net assets the loan represents at the year end and at start of current period

[33] Sch 3B(35) requires this disclosure.

[34] Sch 3B(34) requires disclosure of total amount of debts included in creditors where security is held and the details of the security held.

b) The company had capital commitments of €30,000 at the year ended 31 December 2017 (2016:€nil) in relation to the purchase of equipment[35]. This commitment has been secured by a fixed and floating charge on the stock.

c) An amount of €XX (2016: €XX) was included in accruals with regard to pension contributions withheld which is due for payment after year end to the defined contribution scheme. A further €XX was included in accruals for future payments required to fund a deficit which the company has committed to.

OR

The company operates a defined benefit scheme. The liability recognised on the balance sheet at year end was €XXX (2016: €XXX)[36].

d) At 31 December 2017, the company had the commitments under non-cancellable operating leases totalling €XXX (2016: €XXXX).

e) The company has entered into a guarantee for the benefit of its subsidiary/holding company/sister company. The total amount of this guarantee was €XX[37].

f) A legal action is pending against the company for alleged unfair dismissal by an employee. The directors under advisement from their legal team expect that the claim will be successfully defended. As a result no provision has been made in the financial statements for a possible settlement on the basis that the employee is unlikely to succeed.

g) At the year end, the company had forward foreign exchange contrasts in place totalling €2,000 (2016: €nil) for the sale of British pounds.

h) Dividends of €XX were declared in the year (2016: €Nil) but were not paid and instead included in accruals at year end[38].

i) Included in creditors is an amount of €XX (2016: €XX) which relates to amounts payable on finance leases entered into which are secured on the related asset to which the finance lease relates. €XXX of this liability is included within creditors: amounts falling due within one year and €XX included within creditors: amounts falling due after more than one year[39].

[35] Sch 3B(35)(2) requires disclosure of commitments at year end of any nature including guarantees, contingencies or commitments.
[36] Sch 3B(35)(5) requires disclosure of retirement benefit commitments recognised on the balance sheet.
[37] Sch 3B(35)(6) requires disclosure of guarantees/commitments/contingencies to be disclosed separately where they are for the benefit of the sub, parent sister companies or companies with which the company has a participating interest. .
[38] Sch3B(33)(b) requires this disclosure
[39] Sch 3A(4)(7) of CA 2014 requires where an asset or liability relates to more than one of the items listed in either of the balance sheet formats, then its relationship to other items shall be disclosed under the item where it is shown or in the notes to the financial statements. In this instance for example finance leases have been shown separately under creditors within one year and creditors greater than one year. The same point applies for bank loan, grants etc.

Notes to the Financial Statements

j) The company entered into a sale and lease back arrangement with the bank and is committed to leasing back the property on an annual basis for £XXX for X years.

k) There is a potential contingent asset/liability in the future in relation to profit commission agreements entered into with various product producers. However in the opinion of the directors it is not practicable to provide an estimate of the financial effect of this contingent asset/liability as it is based on future loss ratios in relation to unsettled claims.

l) It is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for.

m) The company is currently pursuing a compensation claim due to the losses sustained as a result of restrictions placed on the company's assets by a competitor. The claim arose as a result of the loss of earnings due to restrictions imposed on the usage of these assets. The company won a case in the High Court and were awarded damages of CUXXXX and costs. The defendants have appealed the matter to the Supreme Court and the company awaits a date for the hearing of the claim. The company's legal advisors are confident that the award of damages and costs to the company will not be overturned.

n) The following items were included in a number of categories within the balance sheet as detailed below[40]:

	2017 **€**	2016 **€**
Bank loan included within creditors: amounts falling due within one year	XXX	XXX
Bank loan included within creditors: amounts falling due after more than one year	XXX	XXX
Finance leases included within creditors: amounts falling due within one year	XXX	XXX
Finance leases included within creditors: amounts falling due after more than one year	XXX	XXX
Government grants included within creditors: amounts falling due within one year	XXX	XXX
Government grants included within creditors: amounts falling due after more than one year	XXX	XXX -

[40] Sch 3A(4)(7) of CA 2014 requires where an asset or liability relates to more than one of the items listed in either of the balance sheet formats, then its relationship to other items shall be disclosed under the item where it is shown or in the notes to the financial statements. In this instance for example finance leases have been shown separately under creditors within one year and creditors greater than one year. The same point applies for bank loan, grants etc.

4. Goodwill amortisation[41]

Goodwill is written off over its useful economic life as it reflects the usage of the assets. OR Goodwill is written off over a period of 10 years which is the default life as the useful life cannot be determined with sufficient reliability.

5. Prior year adjustment – change in classification/presentation/material error etc.[42]

In the prior years the company accounted for etc. etc. This is considered a material error and as a result a prior year adjustment is required.

6. Impairment of financial assets, tangible, intangible fixed assets[43]

An impairment of €XXX (2016: €nil) was recognised in the profit and loss account on financial assets included within the fixed assets section in the balance sheet.

An impairment of €XXX (2016: €nil) was recognised in the profit and loss account on tangible fixed assets included within the fixed assets section in the balance sheet.

A previous impairment of €XXX was reversed to the profit and loss account in the current year (2016:€XX) on financial assets/tangible fixed assets included within the fixed assets section in the balance sheet.

7. Holding of own shares/holding company shares

The company holds the following class of its own shares[44]:

	2017	2017	2016	2016
A Ordinary shares of €1 each	**€**	**Number**	**Number**	**€**
At 1 January (consideration paid of €XXX)	XX	XXX	XXXX	XX
Cancellations	(XX)	(XX)	(XXXXX)	(XX)
Redemptions from members	XX	XXXXX	XXXXX	XX
Closing balance	XXX	XXXXX	XXXXX	XXX
% of own shares held		X%	X%	

The amount of profits available for distribution which are restricted as a result is €XXX (2016:€XX).

[41] Sch 3B(25)(4) requires disclosure of the write off period for goodwill and the reason for its selection.
[42] Sch 3B(5) requires disclosure where there has been a change in the prior year comparatives including the details for the adjustment and the reasons for it. Note the P&L and balance sheet should say restated here also. Section 8.10 and 8.16 of FRS 105 requires material errors and change in accounting policies to be applied retrospectively which will adjust the comparative figures and as a result Sch 3B(5) requires the aforementioned disclosures where this arises.
[43] Sch 3B(23) requires disclosure of impairments and reversal of impairments on financial assets, tangible and intangible assets. Note reversal of impairments of goodwill is not permitted so this reversal of same is not applicable
[44] S.320(4) and S.328 of CA 2014 requires disclosure of the details of owns shares by class held including movement in the year, a disclosure of the restrictions on profits as a result of this and the reason for acquisition of own shares in the year and the % of called up share capital held at beginning and end of each year.

The reason for the acquisition/redemption of shares in the year was due to the buyback of shares from its former shareholder and director in order to allow him to retire etc. etc.

The company holds the following class of its parent company shares[45]:

	2017	2016
A Ordinary shares of €1 each	**Number**	**Number**
At 1 January	XXX	XXXX
Acquisitions	(XX)	(XXXXX)
Disposals	XXXXX	XXXXX
Closing balance	XXXXX	XXXXX

The amount of profits available for distribution which are restricted as a result is €XXX (2016:€XX).

8. Movement on profit and loss reserves[46] – INCLUDED FOR ILLUSTRATIVE PURPOSES – MUST BE IN NOTES IF NOT ON FACE OF PROFIT AND LOSS. NOTE REQUIRED IN ABRIDGED ACCOUNTS IN ANY EVENT

	2017	**2016**
	€	**€**
Profit and loss reserves brought forward at 1 January [47]	155,000	1,000
Profit for the financial year	42,000	154,000
Dividend declared and paid (for illustrative purposes) [48]	(x)	(x)
Dividend declared but unpaid at period end included in creditors (for illustrative purposes) [49]	(x)	(x)
Transfer (to)/from other reserves (for illustrative purposes)	-	-
Prior year adjustment (see note x)	-	-
Purchase/redemption of own shares (if applicable)	-	-
Profit and loss reserve at 31 December	**197,000**	**155,000**

[45] S.320(4) of CA 2014 requires disclosure of the details of shares of its holding company held by class including movement in the year, a disclosure of the restrictions on profits as a result of this and the reason for acquisition of own shares in the year

[46] Sch 3B(33) requires disclosure of change in P&L reserves and any transfers and dividend to show the balance at the start and end of each year. If not shown in P&L then must be disclosed in the notes. Required to be disclosed in abridged financial statements.

[47] Sch 3B of CA 2014 as amended by CAA 2017 requires the movement on profit and loss reserves to be shown on the face of the P&L.
This can also be called an income statement

[48] Sch 3B(33) requires disclosure of the dividend per share and any dividends which were declared and paid in the year to be shown separately from dividend declared but not paid at year end in the notes.

[49] Sch 3B(33) requires disclosure of the dividend per share and any dividends which were declared and paid in the year to be shown separately from dividend declared but not paid at year end in the notes.

9. Change in accounting estimate[50]

Detail as required

10. IAASA Ethical Standard - Provisions available for Small entities[51]

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.

[50] Sch 3B(19) requires disclosure change in accounting estimate/measurement basis to be disclosed, the reason for the change, and its effect on the balance sheet and P&L of the company to be stated in a note

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