The CPD Fest 2020

Audit Execution under Covid-19

Presenter:

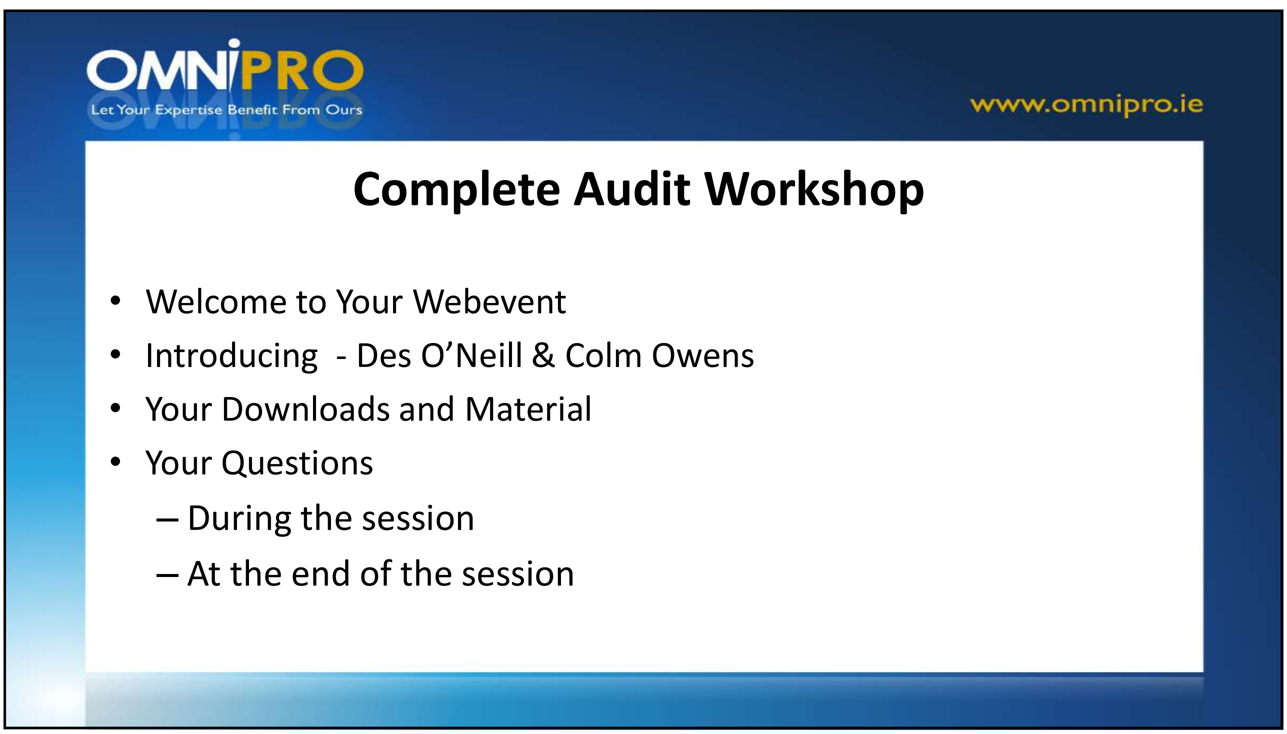
Des O'Neill, Colm Owens - OmniPro

OmniPro Education & Training
Main Street, Ferns, Enniscorthy, Co. Wexford
053 910 0000
www.omnipro.ie   info@omnipro.ie

Table of Contents:


OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

1


OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie
Complete Audit Workshop
• Welcome to Your Webevent
• Introducing - Des O'Neill & Colm Owens
• Your Downloads and Material
• Your Questions
– During the session
– At the end of the session

2

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

Complete Audit Workshop

- Webevent Timing;
- Introduction – 5 Minutes
- Teaching Space – 80 Minutes
- Questions and Answers – 10 Minutes
- Session Close – 5 Minutes

3

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

Complete Audit Workshop

- Session 1 –Audit Planning under Covid-19;
- Session 2 –Audit Execution under Covid-19;
- Session 3 – Practical Opinion Building under Covid-19
- Session 4 – Practical Audit Issues & Audit Completion under Covid-19;

4

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

Audit Evidence & Execution under Covid-19

Key Audit Executions Considerations under Covid-19;

- ISA 230 – Audit Documentation;
- ISA 500 - Audit Evidence;
- ISA 501 – Audit Evidence Additional Consideration for Specific Items & ISA 505 – External Confirmations;
- ISA 540 – Auditing Accounting Estimates
- Covid-19; 8 months on - Audit of Covid-19 matters;

5

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

Audit Evidence & Execution under Covid-19

ISA 230 Audit Documentation

6

OMNIPRO
Let Your Expertise Benefit From Ours

www.omnipro.ie

ISA 230 Audit Documentation

Objective

- Prepare documentation that provides
  - A sufficient appropriate record for the basis of the auditor’s report
  - Evidence that the audit was planned and performed in accordance with the ISAs and applicable legal and regulatory requirements

7

OMNIPRO
Let Your Expertise Benefit From Ours

www.omnipro.ie

ISA 230 Audit Documentation

Requirements

- Timely Preparation of Audit Documentation (Covid-19..?)
- Documentation of Audit Procedures Performed and Audit Evidence Obtained (Alternative audit procedure – Covid-19?)
- Assembly of the Final Audit File (Impact of Covid-19.?)

8

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

ISA 230 Audit Documentation

Form Content and Extent of Audit Documentation

- The auditor shall prepare documentation that is sufficient to enable an experienced auditor, having no previous connection with the audit to understand;
- The nature, timing and extent of the audit procedures performed;
- The results of the audit procedures performed and the evidence obtained;
- Significant matters arising during the audit, the conclusions reached and the professional judgement exercised.

9

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

ISA 230 Audit Documentation

Form Content and Extent of Audit Documentation

- Identifying characteristics of the specific items or matters tested;
- Who performed the audit work and the date such work was completed;
- Who reviewed the audit work performed and the date and extent of such review (Impact of Covid-19..??).

10

ISA 230 Audit Documentation

Form Content and Extent of Audit Documentation

- Departure from a requirement
  - Document alternative procedures
  - Reason for departure
  - How aim of the requirement was met
- Matters Arising after the Date of the Auditor's Report
  - Circumstances, additional work performed and evidence obtained

11

OMNiPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

ISA 230 – Audit Documentation

Assembly of the Final Audit File

- Audit files should be assembled and finalised on a timely basis after the date of the auditors report – (60 Days)
- No documentation or information shall be deleted or removed from the file and amendments to existing documentation and additions should be clearly noted.

12

ISA 230 – Covid-19 Considerations

- Irrespective of Covid-19, the requirement is that the auditor must documentation their work;
- Restrictions on travel and access to audit staff – difficulties carrying out as planned;
- Where alternative procedures have been used, the auditor needs to clearly document their basis of assessment of both the sufficiency and appropriateness of the audit evidence produced. That assessment should recognise and explain how the auditor addresses any risk that the quality and reliability of such evidence may be lower (ISA 500);
- Restrictions on travel and access to audit staff may impact on the final assembly of the audit file (within the required 60 days) and this will need to be planned for and addressed.

13

Audit Evidence & Execution under Covid-19

ISA 500 – Audit Evidence

14

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

ISA 500 – Audit Evidence

Objective

- The objective of the auditor is to design and perform audit procedures in such a way
  - as to enable the auditor to obtain sufficient appropriate audit evidence
  - to be able to draw reasonable conclusions
  - on which to base the auditors opinion

15

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

ISA 500 – Audit Evidence

Requirements

- Sufficient appropriate Audit Evidence
  - Design & perform audit procedures
- Information to be used as Audit Evidence
  - Consider the relevance & reliability
- Selecting items for testing to obtain Audit Evidence
  - 100% examination, specific items or sampling
- Inconsistency or doubts over reliability of Audit Evidence
  - Changes / alternative procedures to resolve

16

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

ISA 500 – Audit Evidence

Information to be used as Audit Evidence

- Internal audit evidence more valuable when the controls are effective;
- Direct evidence obtained by the auditor is more reliable that indirect audit evidence;
- Documentary audit evidence is more valuable than non documentary;
- Evidence that supports and corroborates management assertions;
- Use of management's expert

17

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

ISA 500 – Audit Evidence

Audit Procedures for Obtaining Audit Evidence

- Inspection
- Observation
- External Confirmation
- Recalculation & Reperformance
- Analytical Procedures
- Inquiry

Audit evidence should be obtained for each relevant audit assertion

18

ISA 500 – Audit Evidence

- Assertions about classes of transactions and events for the period
  - Occurrence, Completeness, Accuracy, Cut – Off & Classification.
- Assertions about balances at the period end;
  - Existence, Rights & Obligations, Completeness & Valuation and allocation.
- Assertions about presentations and disclosures;
  - Occurrence, Rights and obligations; Completeness, Classification, Accuracy & Valuation.

19

ISA 500 – Covid-19 Considerations

- Irrespective of Covid-19, the requirement is still that the auditor must seek to obtain sufficient, appropriate audit evidence to support their auditor's report.
- Restrictions on travel, movement and visiting client sites etc. may mean this cannot be carried out as planned;
- Consider using alternative procedures to obtain sufficient, appropriate audit evidence.

20

ISA 500 – Covid-19 Considerations

- Need to assess both the sufficiency and appropriateness of the audit evidence produced using any alternative audit procedures;
- Consider which items are absolutely vital to test physically and those items where evidence can be obtained through alternative audit procedures;
- Consider those year end balances requiring time-critical audit procedures (i.e. year-end stock-takes);

21

ISA 500 – Covid-19 Considerations

- Consider whether additional time is needed to perform audit procedures, including any alternative audit procedures in order to obtain sufficient appropriate audit evidence.
- Request management to extend their planned timetable to allow for the extra audit time.
- If management refuses to do so, consider whether such refusal constitutes a limitation on the scope of the audit imposed by management and consider the impact on the audit and audit opinion.

22

OMNIPRO
Let Your Expertise Benefit From Ours

www.omnipro.ie

ISA 500 & Covid-19 - Practical Issues

- Impairments of assets
- Fair value issues
- Value-in-use calculation
- Going concern cash flow & projections
- Basis for depreciation / carrying value
- Recoverability of debtors & Bad debt provision
- Stocks & WIP - provision
- Provisions and accruals

23

OMNIPRO
Let Your Expertise Benefit From Ours

www.omnipro.ie

Audit Evidence & Execution under Covid-19

ISA 501 – Audit Evidence – Specific Considerations for Selected Items

24

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

ISA 501 – Audit Evidence – Specific Considerations for Selected Items

Objective

- Obtain sufficient appropriate audit evidence
  - Existence and condition of Inventory
  - Completeness of Litigation and claims involving the entity
  - Presentation and disclosure of Segment Information in accordance with applicable financial reporting framework

25

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

ISA 501 – Audit Evidence – Specific Considerations for Selected Items

Requirements - Inventory

- Attend physical inventory counting unless impracticable to
  - Evaluate management instructions and procedures for controlling inventory counting
  - Observe performance of management's counting procedures
  - Inspect inventory
  - Perform test counts
  - Perform audit procedures over the entity's final inventory records to determine whether they reflect actual inventory count records

26

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

ISA 501 – Audit Evidence – Specific Considerations for Selected Items

Requirements - Inventory

- If at a date other than date of financial statements obtain evidence about changes between count date and financial statements date
- If unable to attend make physical counts on alternative date and perform audit procedures on intervening transactions
- If attendance at counting impracticable perform alternative procedures. If not possible to do so modify the opinion in accordance with ISA 705

27

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

ISA 501 – Audit Evidence – Specific Considerations for Selected Items

Requirements - Inventory

- If inventory under control of a 3rd party
  – Request confirmation as to the quantities and condition held
  – Perform inspection or other audit procedures as appropriate

28

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

ISA 501 – Audit Evidence – Specific Considerations for Selected Items

Requirements – Litigation and Claims

- Identify litigation and claims which may give rise to a risk of material misstatement
  - Inquiry of management and others within the entity
  - Reviewing minutes of meetings and those charged with governance and correspondences with external legal counsel
  - Reviewing legal expense accounts

29

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

ISA 501 – Audit Evidence – Specific Considerations for Selected Items

Requirements – Litigation and Claims

- If identified that other litigation and claims may exist seek direct communication with external legal counsel by way of letter of enquiry prepared by management but sent by the auditor
- If management refuse to give permission to communicate or meet legal counsel or legal counsel refuses to or is prohibited from responding and the auditor is unable to obtain sufficient appropriate evidence modify the opinion
- Obtain written representations of actual or possible litigation

30

OMNIPRO Let Your Expertise Benefit From Ours

www.omnipro.ie

ISA 501 – Covid-19 Consierations

- Restrictions on movement / access to premises / access to client staff / lack of audit staff as a result of Covid-19 could result in that work cannot be carried out as planned;
- Where physical verification is deemed necessary to the audit this could have an impact on overall audit and therefore have implications on the audit opinion;
- Consider is stock material?

31

OMNIPRO Let Your Expertise Benefit From Ours

www.omnipro.ie

Audit Evidence & Execution under Covid-19

ISA 505 – External Confirmations

32

OMNIPRO Let Your Expertise Benefit From Ours www.omnipro.ie

ISA 505 – External Confirmations

Objective

- When using external confirmation procedures
- Design and perform such procedures to obtain relevant reliable audit evidence

33

OMNIPRO Let Your Expertise Benefit From Ours www.omnipro.ie

ISA 505 – External Confirmations

Requirements

- External Confirmation Procedures
  - Auditor to remain control over the procedure
- Managements refusal to allow Auditor send a confirmation request
  - Enquire to the reasons & assess reasonableness
  - Evaluate impact on risk assessment incl fraud
  - Carry out alternative procedures

34

ISA 505 – External Confirmations

Requirements

- Results of the External Confirmation Procedures
  - Assess reliability of responses;
  - Alternative procedures on non-responses
  - Positive response is deemed necessary (impact on audit?)
- Negative Confirmations – not to be used sole procedure
- Evaluating the Evidence Obtained

35

ISA 505 – Covid-19 Considerations

- Consider whether due to the restrictions imposed as a result of Covid-19, such as restrictions on travel, working from home etc, obtaining independent confirmations (bank confirmation letters / debtor circularisation / solicitors letters etc) will be impacted;
- Consider the need / requirement to carry out alternative procedures (i.e. Circit for automated bank confirmations etc);
- Consider whether additional time is needed to perform audit procedures, including any alternative audit procedures in order to obtain sufficient appropriate audit evidence.

36

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

Audit Evidence & Execution under Covid-19

ISA 540 Auditing of Accounting Estimates Including Fair Value Accounting Estimates and Related Disclosures

37

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

ISA 540 Auditing of Accounting Estimates Including Fair Value Accounting Estimates and Related Disclosures

Objectives

- To obtain sufficient appropriate audit evidence about whether
  - accounting estimates and related disclosures in the financial statements are reasonable in the context of the applicable financial reporting framework

38

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

ISA 540 Auditing of Accounting Estimates Including Fair Value Accounting Estimates and Related Disclosures

The key changes in ISA 540 (Revised) are;

- More emphasis on the need for the auditor to exercise professional scepticism;
- More granular assessments regarding the risk that accounting estimates may be materially misstated;
- Focus on appropriately responding to the levels of estimation uncertainty, complexity and subjectivity in accounting estimates;

39

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

ISA 540 Auditing of Accounting Estimates Including Fair Value Accounting Estimates and Related Disclosures

The key changes in ISA 540 (Revised) are;

- Audit work effort based on the selected approach(es) (testing management's process, developing own estimate, subsequent events) including a more detailed understanding of the significant matters considered in making key judgements and decisions affecting accounting estimates;
- More emphasis on auditing accounting estimate disclosure in the financial statements;
- More detailed written representations.

40

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

ISA 540 Auditing of Accounting Estimates Including Fair Value Accounting Estimates and Related Disclosures

Requirements

- Risk Assessment Procedures and Related Activities

  Gain understanding of
  - Entity and its environment;
    - Types of transactions / nature of estimates / recognition criteria;
  - Entities Internal Controls;
    - Mgmt identification / risk assessment process / assumptions & uncertainty

41

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

ISA 540 Auditing of Accounting Estimates Including Fair Value Accounting Estimates and Related Disclosures

Requirements

- Identifying and Assessing the Risks of Material Misstatement
  - Assess estimation uncertainty / method, assumptions & date
  - Review outcome of previous estimates;
  - Does audit team have specialist knowledge;

42

ISA 540 Auditing of Accounting Estimates Including Fair Value Accounting Estimates and Related Disclosures

Requirements

- Responses to the Assessed Risks of Material Misstatement
  - Evidence occurring up to date of auditors' report;
  - Testing how mgmt made the accounting estimate;
    - Assess methods used / significant assumptions / date
  - Use of Mgmt's expert (ISA 500)
- Disclosures Relating to Accounting Estimates;

43

ISA 540 Auditing of Accounting Estimates Including Fair Value Accounting Estimates and Related Disclosures

Requirements

- Indicators of Management Bias;
  - Professional skepticism..!!!
- Overall evaluation based on procedures performed;
  - Determine if estimates are reasonable or misstated
- Written Representations;
- Communication with management;
- Documentation (linkage to assertions)

44

Practical Application of ISA 540

- Value in use calculation
- Going concern cash flow & projections
- Basis for depreciation
- Bad debt provision
- Stock provision
- General provisions and accruals

45

ISA 540 – Covid-19 Considerations

Covid-19 impact and focus on:

- Changes to regulatory factors that may affect accounting estimates (e.g., government supports / initiatives provided during period);
- Whether assumptions are appropriate in the circumstances and in the context of the applicable financial reporting framework (e.g., cash flow forecasts, discount rates, etc.).
- Whether data being used by the entity is relevant and reliable.
- The effect of changing inherent risk factors, in particular uncertainty.

Increased focus on challenging of mgmt assumptions (professional skepticism)

46

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

Complete Audit Workshop

Covid-19; 8 months on - Audit of Covid-19 matters

47

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

Audit of Covid-19 matters

Impairments of assets

- Impairment indicators
  - Section 32 of FRS 102 – events after the balance sheet date;
  - Adjusting event vs. non-adjusting event;
  - 31 December 2019 vs. March 2020 year ends;
  - did the event arise before or after the reporting period?
- Fair value issues
- Value-in-use calculation
- Going concern cash flow & projections

48

OMNIPRO Let Your Expertise Benefit From Ours www.omnipro.ie

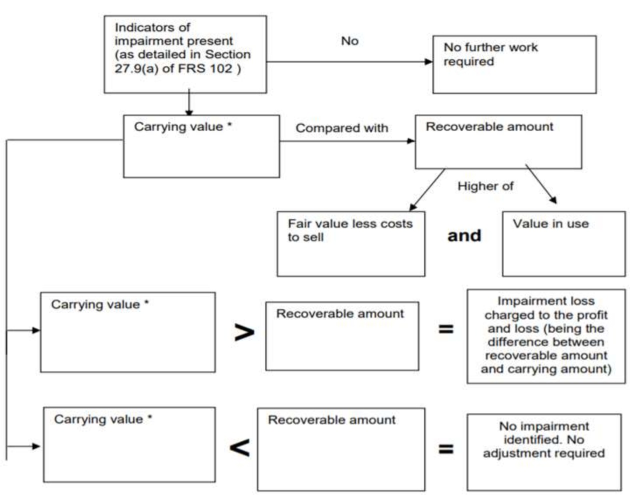
Audit of Covid-19 matters

Impairment - Section 27 of FRS 102

- Carry out impairment review when impairment indicators exist.
  - See Section 27.9 of FRS 102 for Internal and External indicators
  - "Significant changes with an adverse effect on the entity have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated."
  - "Evidence is available of obsolescence or physical damage of an asset."
- Most companies will have "impairment indicators" and will require an impairment review.

49

OMNIPRO Let Your Expertise Benefit From Ours www.omnipro.ie



50

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

Audit of Covid-19 matters

Value-in-use calculations

- "Value in use is the present value of the future cash flows expected to be derived from an asset. This present value calculation involves the following steps:
- (a) estimating the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal; and
- (b) applying the appropriate discount rate to those future cash flows."

51

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

Audit of Covid-19 matters

Attendance at Stock-takes

- Considerations;
  - Is stock material?
  - ISA 501 – guidance on stock-takes (including, where attendance in impracticable);
  - Alternative audit procedures to gain assurance over existence and condition of stock;
  - No stock-take carried out v's stock-take carried out at year-end;
  - Document, document & document!!!!

52

OMNIPRO Let Your Expertise Benefit From Ours

www.omnipro.ie

Audit of Covid-19 matters

Three possible scenarios;

- Stock-take carried out at year-end;
- Stock-take carried out at date other than year-end
- No stock-take carried out at year end.

- In all cases document the reasons
- Modified audit opinion (ISA 705).

53

OMNIPRO Let Your Expertise Benefit From Ours

www.omnipro.ie

Audit of Covid-19 matters

Audit of Financial Statements Disclosures;

- ISA 330 still applies – emphasis on Covid-19 disclosures;
- 'The auditor shall perform sufficient audit procedures to evaluate whether the overall presentation of the financial statements, including related disclosures, is in accordance with the applicable financial reporting framework. (Ref: Para. A59)';
- Procedures in place to evidence how the firm has complied with ISA 330 (updated Covid-19 checklists).

54

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

Why OmniPro

Our Why - Our core belief is simply this : Accountants can and do change lives. So we get up every morning to bring them the tools, advice and training so that they can create great businesses for themselves and their clients too. In this way we change lives & communities. We would love to do that together with you.

55

OMNIPRO
Let Your Expertise Benefit From Ours
www.omnipro.ie

Why OmniPro

How We Do That –

- We do accountants
- We connect with accountants.
- We learn about accountants so we can understand them.
- We work out what accountants want and need
- We find the best solution for accountants in any given situation

56

OMNIPRO
Let Your Expertise Benefit From Ours

www.omnipro.ie

Why OmniPro

What We Do -

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

- practice management, business development & marketing;
- company secretarial & taxation;
- audit & financial reporting;
- professional regulation and disciplinary defence.

57

OMNIPRO
Let Your Expertise Benefit From Ours

www.omnipro.ie

OmniPro
Supporting Irish Accountants

Main Street,
Ferns,
Enniscorthy,
Co. Wexford.
00 353 (0)53 9100000

58

Compliant Company
Year end

Covid-19

	Initials	Date
Prepared by:	Aud Snr	1-Jan-18
Reviewed by:	Aud Ptnr	1-Jan-18

Covid-19 Supplementary Audit Procedures Checklist

	Audit Programme	Yes / No / N/A	ARC reference	Covid-19 Guidance reference	Senior Initials	Partner Initials
	OVERALL COMPLETION					
	Audit Completion - File Completion / Audit Partner Completion		A3/A4/A5			
1	Audit Partner to ensure Covid-19 Checklist is completed, reflecting the work carried out, including having sufficient audit evidence supporting the audit opinion.					
	Additional completion considerations as a result of Covid-19;					
2	ISA 330 - Did the auditor document the work carried out on the clients financial statement closing process (in particular journal entries and other adjustments made)?					
3	ISA 330 - Did the auditor document the work carried out to evaluate the overall presentation of the financial statements, including consideration of whether adequate disclosures have been made for matters impacted by Covid-19? Is there evidence on file of a Covid-19 disclosure checklist being used?					
4	ISA 330 - Did the auditor document their conclusion on whether sufficient appropriate audit evidence has been obtained (in light of Covid-19)?					
5	ISA 450 - Did the auditor document their conclusion whether uncorrected misstatements are material individually or collectively keeping in mind materiality considerations arising from Covid-19 (see above) and fact of possible more misstatements due to Covid-19 factors.					
6	ISA 720 - Did the auditor document their assessment any inconsistencies between the information provided by the client's annual report (if any) and in the financial statements about the impact of Covid-19?					
	Covid-19 Financial Statement Disclosures		A1.1			
7	Has the auditor applied the COVID 19 Financial Statement Supplementary Disclosures Checklist. Ref					
8	Did the auditor refer to the Sample Covid-19 disclosures where necessary?					
	Letter of Representation (ISA 580)		A2			
9	Has the auditor obtained a signed letter of representation?					
10	Has the letter of representation been tailored to reflect the impact of Covid-19 on the audit and financial statements?					
11	Has the auditor considered the impact of Covid-19 on the required representations in relation to; ISA 240 - Fraud; ISA 250 - Consideration of laws and regulations; ISA 450 - Evaluation of misstatements; ISA 500 / 501 - Specific areas requiring written representation; ISA 540 - Accounting estimates; ISA 550 - Related parties; ISA 560 - Subsequent events; ISA 570 - Going concern; ISA 701 - Comparative information; ISA 720 - Auditors responsibilities to other information					
	Analytical Review (ISA 520)		A6			
12	Has Final Analytical Review been documented and corroborative evidence obtained?					
13	Has auditor considered effect of Covid-19 on the financial statements and the ratios underpinning the business performance and results?					
14	Has the final analytical review commentary, including the reasons for any material variances noted been tailored to reflect the impact of Covid-19 (if any)?					
	Going concern (ISA 570)		A9			
15	Has the auditor considered the appropriateness of the use of the going concern basis for the preparation of the financial statements?					
16	Is the Going Concern basis still appropriate (if not, have the financial statements been prepared on a basis other than on going concern (i.e. break-up basis))?					
17	Has the auditor considered the impact of Covid-19 on the entity & whether it has materially impacted or is it expected to materially impact on the auditor's evaluation of management's assessment of going concern.					
18	Has the auditor assessed going concern for a period of at least 12 months from date of approval of financial statements?					
19	Have appropriate Going Concern disclosures been made in the financial statements?					
20	Has the auditor considered the impact of Covid-19 on the audit opinion?					
21	Did the auditor complete the detailed Covid-19 Going Concern checklist?					
	Post balance sheet events (ISA 560)		A10			
22	Has the auditor assessed subsequent events for the period from date of financial statements to proposed date of auditors report?					
23	Has the auditor identified material subsequent events related to Covid-19?					
24	If so, has the auditor assessed whether these have been appropriately addressed or disclosed in the financial statements in accordance with the financial reporting framework.					

25	Has the auditor considered what evidence they will require in support of the disclosure of such events and any adjustments made as a result of Covid-19?					
26	Has the auditor considered their responsibilities where; Facts become known after date of auditors report but before date accounts are issued; and Facts become known after accounts are issued?					
27	Did the auditor complete the detailed Covid-19 Events After the Balance Sheet date checklist?					
	Audit Conclusion Meeting with Those Charged with Governance (ISA 260)		A11			
28	Where restriction on travel has resulted having physical meetings with audit client has the auditor considered alternate methods to communicate with the audit client?					
29	Has minutes of completion / final meeting with audit client recorded specific issues relating to Covid-19 (subsequent events, going concern, additional risk areas & additional considerations in relation to risk of fraud)?					
30	Where the auditor intends to modify their opinion, have they discussed / explained to management the nature of the modification and whether it can be removed by allowing the auditor additional time to undertake their work and obtain the evidence required?					
	Audit Findings Letter (ISA 260 / ISA 265)		A12			
31	Has the auditor considered whether they have a requirement to communicate / report to management issues arising from the audit resulting from Covid-19, such as; Deficiencies in internal controls as a result of Covid-19; Deficiencies in accounting practices and financial reporting as a result of Covid-19; Significant audit risks that had an impact on the audit and audit report as a result of Covid-19; Any breaches of laws and regulations as a result of Covid-19; Any instances of / possible instances of fraud as a result of Covid-19; Significant difficulties encountered during the audit as a result of Covid-19; Impact of Covid-19 on the clients' going concern assessment.					
	Risk of Fraud (ISA 240)		A15			
32	Has the auditor assessed the potential increased risk of fraud resulting from Covid-19?					
33	Has the auditor documented the additional fraud considerations (including responses to additional risks) resulting from Covid-19 (including, fraudulent financial reporting arising from closure of premises, restrictions on travel & access to books and records and client staff)?					
34	Auditor's consideration and responses to possible fraud including fraudulent financial reporting arising from closure of premises, restrictions on travel & access to books and records and client staff.					
35	Has the auditor clearly demonstrated and recorded an appropriate level of professional scepticism to reflect that the audit may be delivered in a different way (i.e. remotely with limited physical interaction with audit client)?					
36	Has the auditor documented the work carried out to appropriately challenge judgements, assumptions (incl; going concern) & estimates made by management?					
	Audit Opinion Letter (ISA 260 / ISA 705)		A15			
37	Where the auditor has modified their opinion in relation to matters relating to Covid-19, have they communicated in writing to the client, the reason for their modified opinion?					
38	Has the auditor requested a response from the client detailing how they intend to address the issues that gave rise to the modification?					
39	The auditor should refer to the detailed Covid-19 Going Concern checklist regarding their responsibilities to communicate with the client where there is a Material Uncertainty Related to Going Concern requiring disclosure in the auditors' report.					
	AUDIT PLANNING					
	Audit planning checklist					
40	Has the auditor documented their consideration of possible Covid-19 matters?					
	Covid-19 additional audit considerations;					
41	ISA 300 / ISA 315 - the impact on the planned audit approach of new or revised risks due to Covid-19;					
42	ISA 300 / ISA 315 - possible revision of risk assessments already made at planning due to Covid-19 issues;					
43	ISA 300 / ISA 315 - the impact of changes on the understanding of internal controls and subsequent difficulties in the auditor evaluating the design & implementation of internal controls;					
44	ISA 300 / ISA 315 - difficulties in carrying out walk-through testing due to Covid-19 (access to books and records & client premises);					
45	ISA 330 - possible changes required to planned responses to assessed risks arising from the impact of Covid-19 on the ability to obtain sufficient appropriate audit evidence (e.g., lack of audit staff, access to books and records, access issues or attendance at a stock counts);					
46	ISA 330 - consideration at planning stage of alternative audit procedures (if required due to above);					

47	ISA 540 - has the auditor documented the impact on judgement and estimates used by management of; -Changes to regulatory factors that may affect accounting estimates (e.g., government supports / initiatives provided during period); -Whether assumptions are appropriate in the circumstances and in the context of the applicable financial reporting framework (e.g., cash flow forecasts, discount rates, etc.). -Whether data being used by the entity is relevant and reliable; and -The effect of changing inherent risk factors, in particular uncertainty.					
48	ISA 540 - has the auditor identified the specific audit areas where judgements and estimates have been used by management?					
	Audit Planning Memo		B2			
49	Has the auditor updated the Audi Planning Memo for all Covid-19 issues & matters?					
50	See template / sample wording in Covid-19 guidance document.					
	Acceptance of Appointment or Re-appointment		B3			
	New appointment					
51	Did the auditor consider if restrictions over travel and office-based working will impact on their ability to carry out their review of the previous auditors working papers?					
52	If so, has the auditor considered what work can be undertaken remotely?					
53	Has the auditors' consideration highlighted where confirmation of certain matters is contingent on being physically present?					
54	If so, has the auditor ensured that these outstanding matters have been completed before the conclusion of the audit.					
	Materiality (ISA 320)		B4.1			
55	Has the auditor considered the impact of materiality on transactions, balances and disclosures resulting from Covid-19?					
56	Has the auditor documented their consideration of the impact of Covid-19 when setting materiality?					
57	Has the auditor considered applying separate materiality level or levels for particular transactions, balances and disclosures as a result of Covid-19?					
	Letter of Engagement (ISA 210)		B6			
58	Does the auditor have an up to date (and appropriately tailored (if applicable) Letter of Engagement in place?					
	Audit Planning Letter (ISA 300 / ISA 260)					
59	Has the firm updated its Audit Planning Letter to take into account any matters arising from Covid-19?					
60	Is the auditor providing additional non-audit services to the client as a result of the Covid-19 situation?					
61	Has the auditor appropriate safeguards in place?					
	Internal Engagement Team Meeting (ISA 300)		B8			
62	Where restriction on travel has resulted having physical meetings with audit team members has the auditor considered alternate methods to communicate with the audit clients?					
63	Has minutes of audit team planning meeting recorded specific issues relating to Covid-19 (access to books and records, access to client premises, additional risk areas & additional considerations in relation to risk of fraud)?					
64	If audit planning had commenced prior to Covid-19 restrictions being put in place, has the auditor discussed the matters related to Covid-19 with the audit team and updated planning meeting minutes?					
	Planning Meeting with those Charged with Governance (ISA 260)		B9			
65	Where restriction on travel has resulted having physical meetings with audit client has the auditor considered alternate methods to communicate with the audit clients?					
66	Has minutes of planning meeting with audit client recorded specific issues relating to Covid-19 (access to books and records, access to client premises, additional risk areas & additional considerations in relation to risk of fraud)?					
67	Has the auditor discussed the audit schedule with the client, including consideration whether additional time will be required to carry our the audit in light of Covid-19?					
68	If audit planning had commenced prior to Covid-19 restrictions being put in place, has the auditor discussed the matters related to Covid-19 with the audit client and updated planning meeting minutes?					
	Group Audit Considerations (ISA 600)					
69	Has the auditor considered whether they may be unable to obtain sufficient, appropriate audit evidence due to fact that components operate in areas where restrictions apply (restrictions over travel or over access to information)?					
70	If so, has the auditor documented the possible impact on the audit?					
71	Has the auditor considered what alternative procedures they can carry out to obtain sufficient appropriate audit evidence?					
72	Has the auditor considered whether Covid-19 will impact on their ability to carry out their review of component auditors' working papers as planned?					
73	If so, has the auditor consider what alternative procedures they can carry out to obtain the necessary evidence (remote access / thoroughly executed and clearly documented electronic and video review of component auditors' work)?					
74	If the auditor concludes that the work of component auditors cannot be reviewed by carrying out alternative procedures, has the auditor considered whether a deferral of the finalisation and issue of the audited financial statements is required?					

75	If the auditor concludes that the work of component auditors cannot be reviewed by carrying out alternative procedures, has the auditor considered the impact on the audit and on their auditor's report?					
	FINANCIAL STATEMENT AREAS					
	Tangible Fixed Assets		Section C			
76	Did the auditor assess whether events / conditions (i.e. Covid-19) has resulted in the need for management to carry out an impairment review of assets? If no, consider if an impairment review should be carried out in **Section C** in light of COVID-19					
77	If so, was an impairment review carried out in accordance with the applicable financial reporting framework?					
78	If not, has the auditor considered the effect on its audit report?					
79	Consider the timing of any impairment and the year end in determining if events after the balance sheet date are adjusting or non-adjusting.					
	Intangible Fixed Assets		Section D			
80	Did the auditor assess whether events / conditions (i.e. Covid-19) has resulted in the need for management to carry out an impairment review of assets? If no, consider if an impairment review should be carried out in **Section D** in light of COVID-19					
81	If so, was an impairment review carried out in accordance with the applicable financial reporting framework?					
82	If not, has the auditor considered the effect on its auditors report?					
83	Consider the timing of any impairment and the year end in determining if events after the balance sheet date are adjusting or non-adjusting.					
	Investments		Section E			
84	Did the auditor assess whether events / conditions (i.e. Covid-19) has resulted in the need for management to carry out an impairment review of investments? If no, consider if an impairment review should be carried out in **Section E** in light of COVID-19					
85	If so, was an impairment review carried out in accordance with the applicable financial reporting framework?					
86	If not, has the auditor considered the effect on its audit report?					
87	Consider the timing of any impairment and the year end in determining if events after the balance sheet date are adjusting or non-adjusting.					
	Stock and Work in Progress		Section F			
88	Did the auditor assess whether events / conditions (i.e. Covid-19) has resulted in the need for management to carry out an impairment review of stocks and work-in-progress? If not, consider if an impairment review should be carried out in **Section F** in light of COVID-19.					
89	If so, was an impairment review carried out in accordance with the applicable financial reporting framework?					
90	If not, has the auditor considered the effect on its audit report?					
91	Consider the timing of any impairment and the year end in determining if events after the balance sheet date are adjusting or non-adjusting.					
	Debtors		Section G			
92	Did the auditor assess whether events / conditions (i.e. Covid-19) has resulted in the need for management to carry out an impairment review of debtors? If not, consider if an impairment review should be carried out in **Section G** in light of COVID-19.					
93	If so, was an impairment review carried out in accordance with the applicable financial reporting framework?					
94	If not, has the auditor considered the effect on its audit report?					
95	Did the auditor assess recoverability of debtors (and consideration of					
96	Consider the timing of any impairment and the year end in determining if events after the balance sheet date are adjusting or non-adjusting.					
	Bank Balances and Cash in Hand		Section H			
95	Did the auditor assess whether the impact of Covid-19 on the financial statements has caused the client to breach any covenants on loan agreements?					
96	If so, have loan liabilities been correctly disclosed in the financial statements in accordance with the applicable financial reporting framework?					
97	Did the auditor assess whether the client obtained any new banking facilities / other sources of finance due to impact of Covid-19 (keep in mind the need to obtain bank confirmation letters / third party confimation of balances & terms and conditions)?					
	Creditors & Accruals		Section I			
98	Did the firm assess whether additional provisions / accruals were required as a result of Covid-19?					
99	Did the firm test for completeness of creditors or for unrecorded ceditors / accurals resulting from Covid-19 and the need to source new suppliers?					
	Taxation		Section J			
100	Did the auditor assess the impact of Covid-19 on tax balances?					

101	Did the firm consider the effect of the impact on Covid-19 on deferred tax calculation and balances?					
	Statutory Matters, Share Capital and Reserves		**Section K**			
102	Did the auditor review the company's M&A to determine the process for calling and holding of directors meetings (Can the company hold 'remote / virtual meetings')?					
103	Did the auditor review the company's M&A to determine the process for calling and holding of EGMs and AGMs (Can the company hold 'remote / virtual meetings')?					
104	Did the auditor review the company's M&A to determine the process for the directors making significant decisions regarding te company (determining the company's eligibility for the Wage Subsidy Scheme)?					
105	Did the auditor review minutes of directors meetings relating to Covid-19 matters;					
106	Decision to avail of Covid-19 Wages Subsidy Scheme; and					
107	Compliance with turnover / solvency conditions with regards to the Covid-19 Wages Subsidy Scheme?					
	Salaries and Wages					
108	Did the company avail of the Wages Subsidy Scheme?					
109	If so, did the auditor assessed the company's' eligibility for the scheme?		**WSS testing schedule**			
110	Did the auditor test a sample of employees to ensure the company complied with the scheme's conditions?		**WSS testing schedule**			
111	Did the auditor complete the OmniPro Covid-19 Wages Subsidy Scheme checklist?		**WSS testing schedule**			
	Related Parties		**Section O**			
112	Did the auditor assess whether events / conditions (i.e. Covid-19) has resulted in the need for management to carry out an impairment review of;					
113	-Directors' loans; and					
114	-Related party loan (including connected party loans and intergroup loans)?					
115	If so, was an impairment review carried out in accordance with the applicable financial reporting framework?					
116	If not, has the auditor considered the effect on its audit report?					
117	Have loan liabilities been correctly disclosed in the financial statements in accordance with the applicable financial reporting framework?					
118	Has the firm assessed the impact of Covid-19 on group going concern (where applicable)?					
	Laws and Regulatios					
119	Did the auditor assess the client's compliance with laws and regulations impacted by Covid-19 (e.g. TWSS scheme)		**WSS testing schedule**			
120	Did the auditor assess whether there were additional reporting requiremets as a esult of Covid-19 (Charities Regulator / HSE / Tusla / Central Bank / ODCE)?					
	Conclusion (re Covid-19):					
119	The audit has been conducted in accordance with ISAs and the firm's procedures (including, the specific Covid-19 considerations noted above), and our working papers contain sufficient evidence to support the audit opinion.					

Aud Snr	**Accountant in Charge**
1-Jan-18	**Date**
Aud Ptnr	**Partner in Charge**
1-Jan-18	**Date**

Compliant Client Large Co
31 December 2017

B 4.1

	Initials	Date
Prepared by:	Aud Snr	-
Reviewed by:	Aud Ptnr	-

Index

Materiality

	FIGURES FROM FINANCIAL STATEMENTs	Typical Materiality % Benchmark Ranges	Materiality €
Gross Assets	400,000	2.0%	8,000
		4.0%	16,000
Net Assets	150,000	2.0%	3,000
		4.0%	6,000
Turnover	1,000,000	2.0%	20,000
		1.0%	10,000
Profits before tax	300,000	5.0%	15,000
		10.0%	30,000

JUSTIFICATION FOR AUDIT MATERIALITY	Overall Materiality has been set @	*€16,000*
	This is based on 4% of Gross Assets/Turnover and return 1% to 2% of turnover. In our opinion (based on our knowledge of the business and our risk assessment of the company) materiality at this level is sufficient, with the exception of specific areas identified in assessing performance materiality on B4.2, in ensuring that all errors/misstatements which would reasonably be expected to influence the economic decisions of user would be identified	
JUSTIFICATION FOR PERFORMANCE MATERIALITY	Performance Materiality has been set @	*€12,800*
	This is based on 80% of audit materiality. This is appropriate given the low number of audit adjustments in recent years, which mainly relate to taxation adjustments, there is a low volume of high value transactions and no history of significant control weaknesses. The possibility that the aggregate of uncorrected and undetected misstatements exceeding overall materiality is small.	
TRIVIAL MISTATEMENT THRESHOLD	A trivial misstatement threshold level of	*€800*
	has been assessed based on past experience as errors noted below this level would not impact the users of the financial statements.	
	Trivial misstatements will be accumulated and assessed both individually and in aggregate for each area within the file	

Aud Snr	**Accountant in Charge**
-	**Date**
Aud Ptnr	**Partner in Charge**
-	**Date**

The above materiality levels were revisited on completion. The following was noted:

Based on the final results of the company and in the opinion of the audit team there is no change to the materiality levels as determined at planning above.

Aud Snr	**Accountant in Charge**
	Date
Aud Ptnr	**Partner in Charge**
	Date

NOTE

The above formulae are suggestions for the calculation of materiality. Ultimately the auditor should exercise their professional judgement and consider their knowledge of the entity and the audit risk in calculating the audit materiality level .

You may need to review and revise the materiality level during the audit. When deciding whether the materiality level has been exceeded you should look at the cumulative effect of all unadjusted errors.

Compliant Client Large Co
31 December 2017

B 4.2

	Initials	Date
Prepared by:	Aud Snr	-
Reviewed by:	Aud Ptnr	-

Index

Materiality & Sample Selection by Section

Use this working paper to

A - Set performance materiality levels on individual sections of the file

B - Set Sample sizes on individual sections of the file

There is no need to use this working paper if professional judgement has been exercised in relation to A & B and it is appropriately documented in the planning memo B2

REF	SECTION	Expected Population Value in €	Materiality % for Section	Materiality €	Basic Sample Size (no of items) 1/3	Specific Risk	Inherent/ Control Risk Factor	Combined Overall risk factor	Suggested Minimum Sample Size	Commentary
		1	2	3					3/4*5*6	
						High =1	High =1	High =1		
						Low = 5	Low = 5	Low = 5		
C	Tangible Fixed Assets	1,000,000	2%	20,000	50	5	5	5	10	
D	Intangible Fixed Assets	200,000	4%	8,000	25	5	3	4	6	
E	Investments	350,000	2%	7,000	50	5	3	4	13	
F	Stock and Work in Progress	500,000	2%	10,000	50	5	1	3	17	
G	Debtors	1,000,000	2%	20,000	50	5	5	5	10	
H	Bank Balances and Cash in Hand	400,000	2%	8,000	50	5	5	5	10	
I	Creditors & Accruals	800,000	2%	16,000	50	5	5	5	10	
J	Taxation	50,000	2%	1,000	50	5	5	5	10	
K	Statutory Matters, Share Capital and Reserves	100	2%	2	50	5	5	5	10	
L	Sales and Income	500,000	2%	10,000	50	5	5	5	10	
M	Purchases and Expenditure	4,000,000	1%	40,000	100	5	5	5	20	
N	Salaries and Wages	2,000,000	1%	20,000	100	5	5	5	20	
O	Related Parties	500,000	2%	10,000	50	5	5	5	10	

NOTE
Explanation regarding using the above to calculate sample sizes

The population for each Section is included in Column C
The Materiality % as chosen @ WP Ref 4.1 should be included in Column D
Column E & F are calculated based on the figures inserted in other Columns
Column G -A factor between 1 & 5 (1=High, 5=Low) is chosen for the Specific risk of each section based on the perceived risk of the particular area
Column H- A factor between 1 & 5 (1=High, 5=Low) is chosen for the Inherent/Control risk of each section based on the perceived risk of the particular area

Column I- Based on the information populated in Column G & H a decision factor between 1 & 5 (1=High, 5=Low) is chosen for the Combined Overall risk factor of each section based on the overall perceived risk of the particular area
Column J are calculated indicating the Suggested Minimum Sample Size
Commentary Column to be used where using your professional judgement you wish to override the figures as calculated

Note: the Materiality for any individual section of the file should not exceed the overall performance materiality set for the audit

Compliant Client Large Co
31 December 2017

C 1

Type In	Initials	Date
Prepared by:	Aud Snr	-
Reviewed by:	Aud Ptnr	-

Index

Tangible Fixed Assets and Investment Property

	Audit Programme	Assertion	Schedule/ Comment	Initials	Date
1	Prepare lead schedule @WP Ref C2 and agree to balance sheet. Agree last years closing balances to this years opening balances. Cross reference all figures to WPs. Perform analytical review and make commentary re same	ALL	C2	Aud Snr	-
2	Obtain or prepare schedule of additions within each category and vouch as appropriate including copies of significant invoices on file. Enquire if any fixed assets have been improved, created or constructed during the period	C, O, A, E, V	C5	Aud Snr	-
3	Obtain or prepare schedule of disposals within each category and vouch as appropriate including copies of significant invoices on file. Ensure correct profit/loss has been recorded in the Financial Statements. Consider possible unrecorded disposals (e.g. assets scrapped)	C, A, E, V	C6	Aud Snr	-
4	Detail revaluations and obtain copies of relevant documents for file. Ensure that historical cost information is available for disclosure purposes in accordance with S.17 FRS 102 and revaluations are appropriate disclosures of FRS 102 .	V, PD	C7	Aud Snr	-
5	Consider carrying out an impairment review in accordance with S.27 of FRS 102	V, PD	C7	Aud Snr	-
6	Ascertain location of title deeds and inspect or confirm details with third party.	O	C7	Aud Snr	-
7	Inspect vehicle registration documents and agree details to company records and ensure that vehicles are registered in the company's name.	O	C7	Aud Snr	-
8	Review Insurance policy to ensure adequate insurance cover is in place and to assess whether all fixed assets are insured in the name of the company	O,E,C	C7	Aud Snr	-
9	Physically inspect a sample of items contained in fixed assets and document on file. Perform physical verification based on floor to sheet and sheet to floor	O, E	C7	Aud Snr	-
10	Consider treatment of any grants received or receivable.	V, E	C7	Aud Snr	-
11	Review nominal ledger accounts for repairs and renewals (or similar) for items which should have been capitalised. Consider possibilities of spare parts which should be capitalised being included in stocks.	CL, E	C7	Aud Snr	-
12	Review lease costs expensed and consider whether the accounting treatment is correct in accordance with S.20 FRS 102.	PD, V	C10	Aud Snr	-
13	Obtain or prepare schedule of net book value and depreciation of assets held under hire purchase contracts and finance leases.	PD	C10	Aud Snr	-
14	(a) Consider reasonableness of provision of all depreciation in accordance with S.17 FRS 102 with regard to:	V, A			
	(i) Estimated useful economic useful lives and Net Realisable Value;	C,A,V	C8	Aud Snr	-
	(ii) Residual Value at the reporting date, S17.19 FRS 102, S17.21 FRS 102;	C,A,V	C8	Aud Snr	-
	(iii) Gains OR Losses on disposals;	C,A,V	C8	Aud Snr	-
	(iv) change in rate of depreciation;	C,A,V	C8	Aud Snr	-
	(v) fully depreciated assets still in use;	C,A,V	C8	Aud Snr	-
	(vi) Asset Replacement; and	C,A,V	C8	Aud Snr	-
	(vii) Asset obsolescence due to technological changes.	C,A,V	C8	Aud Snr	-
	(b) Test check depreciation calculations.	C,A,V	C8	Aud Snr	-
	(c) Agree total to Profit and Loss Account charge.		C8	Aud Snr	-
15	Ensure that any capital commitments have been identified: from for example board minutes, after-date review, and enquiries. (See also Creditors Programme).	PD	C10	Aud Snr	-
16	Assess the appropriateness of the accounting estimates in relation to Depreciation method and/or asset useful life	PD	C8	Aud Snr	-
17	Assess the appropriateness of the accounting policy for this area. Ensure that the accounting policy is in accordance with accounting standards and applicable law.	PD, V	C10	Aud Snr	-
18	Ensure that the accounting treatment and disclosures in the financial statements comply with the appropriate legislation and applicable accounting standards in particular S.17 and S.27 of FRS 102 (where applicable).	PD, V	C10	Aud Snr	-
19	Should the Work of an Expert be deemed necessary the Checklist and WPs @ Q should be completed		Q1	Aud Snr	-
20	Review Insurance policy to ensure adequate insurance cover is in place	E	C10	Aud Snr	-

Compliant Client Large Co
31 December 2017

C 1

Type In	Initials	Date
Prepared by:	Aud Snr	-
Reviewed by:	Aud Ptnr	-

Index

Tangible Fixed Assets and Investment Property

	Audit Programme	Assertion	Schedule/ Comment	Initials	Date
21	Ensure that all investment property is recorded at fair value unless the fair value can not be measured without undue cost or effort. (S16.7 FRS 102)	PD, V	C9	Aud Snr	-
22	Ensure that all fair value movements are recognised appropriately through the profit and loss account.	PD, V	C9	Aud Snr	-
23	Consider the possibility of reclassification and transfer of assets between tangible fixed assets and investment property (S16.8 FRS 102)(e.g. fair value of investment property can not be measured due to undue effort or property was transferred from stock.)	PD, V, C, A	C9	Aud Snr	-
24	Ensure that the accounting treatment and disclosures in the financial statements in relation to Investment Property complies with the appropriate legislation and the requirements of S.16 FRS 102.	PD, V	C9	Aud Snr	-
25	Consider the significant judgements and key sources of estimation uncertainty affecting this section of the file and the requirements to make appropriate disclosures in the notes to the financial statements in accordance with S.8.6 & S.8.7 of FRS 102	PD, V	C7	Aud Snr	-
26	Further tailored tests or audit procedures should be added where the tests above do not adequately address all audit objectives		C7	Aud Snr	-

Compliant Client Large Co
31 December 2017

C 2

	Initials	Date
Prepared by:	Aud Snr	-
Reviewed by:	Aud Ptnr	-

Tangible Fixed Assets WP

Tangible Fixed Assets and Investment Property

		Ref	Office Equipment	Computer Equipment	Motor Vehicles	Buildings	Total	
			€	€	€	€	€	
Cost:								
Opening as @	31/12/2016		38,600	5,420	38,000	378,000	460,020	PY
Additions		C5	1,212	1,212	1	20,000	22,425	
Disposal		C6					-	
Closing as @	31/12/2017		39,812	6,632	38,001	398,000	482,445	CY
			Tc	Tc	Tc	Tc	Tc	
Depreciation:								
Opening as @	31/12/2016		14,475	1,355	22,435	45,360	83,625	PY
On Disposal		C6					-	
Charge for year		C8					-	
Closing as @	31/12/2017		14,475	1,355	22,435	45,360	83,625	CY
			Tc	Tc	Tc	Tc	Tc	
Net Book Value:								
NBV as @	31/12/2016		24,125	4,065	15,565	332,640	376,395	PY
			Tc	Tc	Tc	Tc	Tc	
NBV as @	31/12/2017		25,337	5,277	15,566	352,640	398,820	CY
			Tc	Tc	Tc	Tc	Tc	

Tc : Tots checked
PY: Agreed to Prior Year Financials
FS: Agreed to Current Year Financials

Comments on Analytical Review:

Compliant Client Large Co — C 5

31 December 2017

Tangible Fixed Assets WP

	Initials	Date
Prepared by:	Aud Snr	-
Reviewed by:	Aud Ptnr	-

Fixed Asset Additions

Objective

To ensure additions of Fixed Assets exist, are recorded accurately, are complete and valued correctly in the Financial Statements

Audit Sample Selection

Sample size was calculated with professional judgement/the formula as set out in Section C5 of the audit planning memorandum.

Audit Sample Selection

xx

Method of Sample Selection

X items were selected because they exceeded the materiality level for this section of the file. X Items were selected because although they were not material they were high value item. 7 items were selected at random to facilitate the reasonable expectation of detection of fraud as well as designing a sample that accurately reflects the attributes of the population.

Test Details

(I) Obtain or prepare schedule of additions within each category and vouch as appropriate including copies of significant invoices on file. Enquire if any fixed assets have been improved, created or constructed during the period

Results

XX% of Additions were agreed to back up documentations including invoices etc see WP Ref C 100 — Ref C 100

All amounts were correctly capitalised. There were no amounts identified which should not have been capitalised

I discussed the fixed asset additions with the client who informed us that there were no further additions made during the period. An inspection was also carried out of the clients premises to identify any further additions

Bank statements, the creditors ledger and the repairs and maintenance nominal ledger were reviewed to ensure that the completeness of additions in the accounts. No further potential additions were noted during this review

Conclusion

In our professional judgement sufficient appropriate audit evidence has been obtained and no other audit procedures need to be performed in pursuance of the audit objectives. Based on this audit evidence we conclude that Tangible Fixed Asset additions are materially correct and in our opinion they are presented in accordance with the applicable financial reporting framework in the financial statements

The sample size selected accurately reflects the attributes of the population. There is no need to extend the sample selection beyond the sample calculated above

Compliant Client Large Co
31 December 2017

C 6

Tangible Fixed Assets WP

	Initials	Date
Prepared by:	Aud Snr	-
Reviewed by:	Aud Ptnr	-

Fixed Asset Disposals

Objective

To ensure disposals of Fixed Assets have occurred, are recorded accurate, are complete and valued correctly in the Financial Statements

Audit Sample Selection

Sample size was calculated using professional judgement/the mathematical formula sample calculation as set out in C5 of the audit planning

Audit Sample Selection

XX

Method of Sample Selection

X items were selected because they exceed the materiality level for this section of the file. X items were not material they were high value items. 7 Items items were selected at random to facilitate the reasonable expectation of detection of fraud aswell as designing a sample that accurately reflects the attributes of the population.

Test Details

(I) Obtain or prepare schedule of disposals within each category and vouch as appropriate including copies of significant invoices on file. Ensure correct profit/loss has been recorded in the Financial Statements. Consider possible unrecorded disposals (e.g. assets scrapped)

Results

All material disposals have been agreed to back up documentation including invoices and bank statements (lodgement book) where appropriate see WP Ref C 101 Ref C 101

I have recalculated the profit/loss on each material disposal and agreed the profit/loss made to the accounts

I discussed the fixed asset disposals with the client who informed us that there were no further disposals made during the period. An inspection was also undertaken at the clients premises

Conclusion

In our professional judgement sufficient appropriate audit evidence has been obtained and no other audit procedures need to be performed in pursuance of the audit objectives. Based on this audit evidence we conclude that Tangible Fixed Asset disposals are materially correct and in our opinion they are presented in accordance with the applicable financial reporting framework in the financial statements

Compliant Client Large Co
31 December 2017

C 7

Tangible Fixed Assets WP

	Initials	Date
Prepared by:	Aud Snr	-
Reviewed by:	Aud Ptnr	-

Fixed Assets

Objective

To ensure the completeness, existence, correct valuation and presentation and disclosure, accuracy and ownership of Fixed Assets. The classification of Fixed Assets will also be tested

Audit Sample Size

Sample Size was calculated using professional judgement/the mathematical formula for sample calculations as set out in C5 of the audit planning memorandum.

Test Details

(i) Detail revaluations and obtain copies of relevant documents for file. Ensure that historical cost information is available for disclosure purposes in accordance with S.17 FRS 102 and revaluations are appropriate disclosures of FRS 102 .

(ii) Consider carrying out an impairment review in accordance with S.27 of FRS 102

(iii) Ascertain location of title deeds and inspect or confirm details with third party.

(iv) Inspect vehicle registration documents and agree details to company records and ensure that vehicles are registered in the company's name.

(v) Physically inspect a sample of items contained in fixed assets and document on file. Perform physical verification based on floor to sheet and sheet to floor

(vi) Consider treatment of any grants received or receivable.

(vii) Review nominal ledger accounts for repairs and renewals (or similar) for items which should have been capitalised. Consider possibilities of spare parts which should be capitalised being included in stocks.

Results

Revaluations

If Investment Properties are held at the year end please see detailed schedule C9

Option 1 No revaluations

No revaluations took place during the period. The companies accounting policy is to carry all assets at historical cost.

Option 2 Revaluation Undertaken

A revaluation of the Buildings was undertaken during the period based on valuations received from A Surveyors. The valuation report provided a value of ???? For the Buildings and the accounts have been adjusted to reflect this valuation in the Financial Statements. The adjustment has resulted in the creation of a revaluation reserve of €??? on the Balance Sheet of the company

	Initials	Date
Prepared by:	Aud Snr	-
Reviewed by:	Aud Ptnr	-

Tangible Fixed Assets WP

Fixed Assets

Consideration of Impairment Review

Where there is substantial risk of impairment expand commentary and assessment of impairment review in accordance with S.27 of FRS 102

Option 1 No impairment review

The value of Buildings in the Balance Sheet of ??? Were considered minimal and immaterial in the context of the Financial Statements as a whole and therefore an impairment review has not been undertaken. In my opinion and in the opinion of the Directors of the company if an impairment review was carried out its potential/expected results would not have a material impact on the Financial Statements

Option 2 No impairment review required in accordance with S.27 FRS 102

In reviewing Fixed Assets I considered S27 FRS 102 and those events/changes in circumstances that would indicate that an impairment review should take place

Those events are as follows

External Indicators
1) Significant decline in an asset's market value
2) Significant adverse changes
3) Market interest rate changes
4) Carrying amount is more than the estimated fair value

Internal Indicators
5) Evidence of obsolescence or physical damage
6) Significant trading loses
7) Significant net cash outflows (expectation for this to continue)
8) Assets becoming idle, plans to discontinue or restructure the operation, plans to dispose of an asset earlier than expected

From our review it would appear that a combination of these events &/or circumstances have not occurred during the year for this company therefore we consider that there is no indication of impairment to the assets

Option 3 Impairment review undertaken

In reviewing Fixed Assets I considered S.27 FRS 102 and those events/changes in circumstances that would indicate that an impairment review should take place

Those events are as follows

External Indicators
1) Significant decline in an asset's market value
2) Significant adverse changes
3) Market interest rate changes
4) Carrying amount is more than the estimated fair value

Internal Indicators
5) Evidence of obsolescence or physical damage
6) Significant trading loses
7) Significant net cash outflows (expectation for this to continue)
8) Assets becoming idle, plans to discontinue or restructure the operation, plans to dispose of an asset earlier than expected

Compliant Client Large Co
31 December 2017

C 7

	Initials	Date
Prepared by:	Aud Snr	-
Reviewed by:	Aud Ptnr	-

Tangible Fixed Assets WP

Fixed Assets

The company has experienced significant trading losses and significant cash outflows during the period. It has also been affected by the current general economic downturn with sales 20% adverse compared to the previous year. The company's buildings are valued @ ???? in the Balance Sheet and as is the case with all property assets in the country at present the value of these assets is difficult to assess. Based on this assessment of the company and asset values generally an impairment review is required in accordance with S.27 FRS 102. This was discussed with the Directors of the company who have undertook an impairment review of the company's buildings. Based on the Directors projections for the coming year, expectations and observations of the general economic outlook and assessment of the assets values the Directors consider that the Buildings are not materially impaired and on that basis no impairment adjustment has been made in the accounts.

Third party valuations were not obtained for the Buildings as the Directors felt that they were in the best position to make a judgement regarding the valuations of the company's assets. A representation has been received regarding these valuations in the Letter of Representation.

During our audit fieldwork no evidence was obtained or reviewed which would suggest that the Directors valuations were not a fair and accurate reflection of the true valuations of the Buildings.

Title Deeds

I obtained title deeds for all Buildings and these are filed on the permanent section of the file @ WP Ref P 2. All Buildings carried on the Balance Sheet of the company are legally owned by the Company

	Description	**Value**	**REF**
		€	
1	Building 1	120,000	P 2(a)
2	Building 2	300,000	P 2(b)

Vehicles Registration Documents

I inspected all vehicle registration documents and included these on the permanent section of this file@ WP Ref P 4. All cars are registered under the Companies name

	Description	**Value**	**REF**
		€	
1	Motor Vehicle 1	30,000	P 4(a)
2	Motor Vehicle 2	25,000	P 4(b)

Insurance

I inspected the Insurance policy and have included this on the permanent section of this file @ WP Ref C11

Physical Verification of Fixed Assets

During the stocktake I physically verified the following assets based on the sample sizes set in the planning section of the file. Items were selected at random and a sample of items covering all of the key elements of FA including Buildings P&E and Motor Vehicles were tested. As additions have been verified by other means the focus of our sample selection was on opening balances

Compliant Client Large Co C 7
31 December 2017

	Initials	Date
Prepared by:	Aud Snr	-
Reviewed by:	Aud Ptnr	-

Tangible Fixed Assets WP

Fixed Assets

Sheet to Floor Testing

	Description	**Value**	Evidence	
		€		
1	Building Imp	120,000	Unique Ref	
2	Equipment 1	5,000	Unique Ref	
3	Equipment 2	4,000	Unique Ref	
4	P&E Item 1	22,500	Unique Ref	
5	Motor Vehicle 1	60000	Unique Ref	
6	P&E Item 2	18900	Unique Ref	
7	P&E Item 3	16000	Unique Ref	

Floor to Sheet Testing

1	Cold Room	120,000		Unique Ref
2	Shelving	5,000		Unique Ref
3	Server	4,000		Unique Ref
4	P&E Item 4	22,500		Unique Ref
5	Delivery Van	60000		Unique Ref
6	P&E Item 5	18900		Unique Ref
7	P&E Item 6	16000		Unique Ref

Total Value Tested	492,800
Total Value of FA	2100445
% Verified	23%
Exceptions	None

Grants Received

The company received no grants for Fixed assets

Repairs & Maintenance & Spare Parts

I reviewed all repairs and maintenance nominal codes and identified no items of a capital nature. A copy of the nominal print out is included on file @ C 103. We identified a number of items in excess of the trivial misstatement threshold which we traced through to actual invoices to ensure that they have been classified appropriately

	Description	**Value**	**Unique Evidence**	**Comment**
1	Building Imp	10,000	Inv No & Date	Roof repairs after storm
2	Retail Supply servic	5,000	Inv No & Date	Servicing and maintenance
3	Freezers	6750	Inv No & Date	Refrigeration system service

Compliant Client Large Co
31 December 2017

C 7

Tangible Fixed Assets WP

	Initials	Date
Prepared by:	Aud Snr	-
Reviewed by:	Aud Ptnr	-

Fixed Assets

4	Computer Services	10,000	Inv No & Date	Annual IT Contract
5	Electrical supplier	5,000	Inv No & Date	Fixing generator and cold

Based on our testing no items were treated as expense items that should have been classified as capital expenditure

Spare Parts

I reviewed stock & there are no items currently being carried as stocks that should be classified as spare parts & transferred to tangible fixed assets.

Conclusion

In our professional judgement sufficient appropriate audit evidence has been obtained and no other audit procedures need to be performed in pursuance of the audit objectives. Based on this audit evidence we conclude that Tangible Fixed Assets are materially correct and in our opinion they are presented in accordance with the applicable financial reporting framework in the financial statements

Compliant Client Large Co
31 December 2017

C 8

	Initials	Date
Prepared by:	Aud Snr	-
Reviewed by:	Aud Ptnr	-

Tangible Fixed Assets WP

Fixed Asset Depreciation

Objective

To ensure depreciation of Fixed Assets is correctly calculated and recorded in the Financial Statements ensuring amounts are accurate and complete

Audit Sample Selection

Sample size was calculated using professional judgement/the mathematical formula for sample calculation as set out in C5 of the audit planning memorandum

Audit Sample Selection

xx

Method of Sample Calculation

Sample size was calculated using the formula set out in the audit planning memorandum

Method of Sample Selection

All 10 items were selected at random to facilitate the reasonable expectation of detection of fraud aswell as designing a sample that accurately reflects the attributes of the entire population.

Test Details

(a) Consider reasonableness of provision of all depreciation in accordance with S.17 FRS 102 with regard to:

(i) Estimated useful economic useful lives and Net Realisable Value;

(ii) Residual Value at the reporting date, S17.19 FRS 102, S17.21 FRS 102;

(b) Test check depreciation calculations.

(c) Agree total to Profit and Loss Account charge.

Compliant Client Large Co
31 December 2017

C 8

Tangible Fixed Assets WP

	Initials	Date
Prepared by:	Aud Snr	-
Reviewed by:	Aud Ptnr	-

Fixed Asset Depreciation

Results

Fixed Asset Depreciation Rates

I reviewed the depreciation rates for each class of asset and discussed these with the client. All useful lives and residual values would appear reasonable

Depreciation Rates are as follows

Buildings	2%
Office Equipment	20%
Computer Equipment	33%

Remaining Useful Lives

The remaining useful life of all assets has been assessed at the year end, consideration has been given to assets subject to revaluation in the current year, the company is satisfied that the remaining useful lives are appropriate for each asset. At an overall level the company adopts depreciation rates that are consistent with industry standards and norms and in compliance with FRS 102. Specific items tested as part of our depreciation re-calculation have been considered in the context of their useful lives

Significant Gains or Losses on Disposals

There have been no significant gains or losses on disposals of fixed assets

Change in Rate

We have changed from Reducing Balance method to Straight Line method

Fully Depreciated Assets still in Use

The following assets have been fully depreciated and are still in use
00 D 12345 - Ford Transit

Asset Replacement

We do not intend replacing assets in the near future

Asset Obsolence due to Technological Change

No assets need replacement due to changes in technology

Test Check Depreciation

????% of total depreciation was recalculated @ Ref C 102

Ref C 102

No material differences were noted between the depreciation per the accounts for each of these assets and the amount as recalculated

OR

Compliant Client Large Co
31 December 2017

C 8

	Initials	Date
Prepared by:	Aud Snr	-
Reviewed by:	Aud Ptnr	-

Tangible Fixed Assets WP

Fixed Asset Depreciation

Based on differences noted of ??? on our sample of ???? which represents ??% of our population potential audit differences of €???? were noted. These will be included on our Schedule of Errors WP Ref A 7

Total Reconciliation

The total depreciation charge per C2 agrees to the total depreciation charge per the Financial statements

Conclusion

In our professional judgement sufficient appropriate audit evidence has been obtained and no other audit procedures need to be performed in pursuance of the audit objectives. Based on this audit evidence we conclude that Tangible Fixed Asset depreciation is materially correct and in our opinion they are presented in accordance with the applicable financial reporting framework in the financial statements

The sample size selected accurately reflects the attributes of the population. There is no need to extend the sample selection beyond the sample calculated above

Compliant Client Large Co
31 December 2017

C 9

	Initials	Date
Prepared by:	Aud Snr	-
Reviewed by:	Aud Ptnr	-

Tangible Fixed Assets WP

Investment Property

Objective

To ensure that investment properties are correctly recorded in accordance with S.16 FRS102

Test Details

(i) Identify investment properties held at the year end

(ii) Obtain year end valuations for investment properties held

(iii) Movements on valuations should be recorded in the P&L,

(iv) Assess the appropriateness of the accounting policy for this area. Ensure that the accounting policy is in accordance with accounting standards and applicable law.

(v) Consider the possibility of reclassification and transfer of assets between tangible fixed assets and investment property (S16.8 FRS 102)(e.g. fair value can not be measured due to undue effort)

vi) Ensure that the accounting treatment and disclosures in the financial statements in relation to Investment Property complies with the appropriate legislation and the requirements of S.16 FRS 102.

Results

Investment properties have been noted at the year end. Investment properties are valued at €XX,XXX at the year end date.

Investment properties are included at their fair value at the year end date. The valuation report provided a value of €XX,XXXX for Investment properties and the accounts have been adjusted to reflect this valuation in the Profit and Loss account.

The valuation was carried out by [Name of Valuer], [Qualification] and the valuation base applied was [state valuation base]. Note if the valuation is carried out by an officer or employee of the company/group this should disclosed in the notes to the accounts also.

There are no properties that need to be reclassified as investment properties or properties that were previously classified as investment properties which are now classified as tangible fixed assets because their fair value can not be attained reliably without undue cost or effort.

Depreciation is not charged on investment properties in accordance with S16 of FRS 102. Investment properties have been appropriately advised in accordance with the requirements of S16.10 of FRS 102

Conclusion

In our professional judgement sufficient appropriate audit evidence has been obtained and no other audit procedures need to be performed in pursuance of the audit objectives. Based on this audit evidence we conclude that Investment Properties are materially correct and in our opinion they are presented in accordance with the applicable financial reporting framework in the financial

FRS102.com- Covid-19 update

Section 2- Concepts and Pervasive Principles

Summary of this section

Section 2 describes the objective of financial statements, which is to provide useful information about the entity's financial position, performance and cash flows, and establishes the concepts and underlying principles of preparation.

What are the key points of this section of FRS 102?

Section 2 sets out a list of qualitative characteristics which are used when assessing whether financial statements meet their objectives namely; understandability, relevance, materiality, reliability, substance over form, prudence, completeness, comparability, timeliness and balance between benefit and cost.

Financial statements are required to show a true and fair view and should be prepared on an accruals basis.

Section 2 defines an asset as a resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity.

A liability is defined as a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

Assets, liabilities, income and expenses are recognised where it is probable that any associated future economic benefit will flow to or from the entity, and where the item has a cost or value that can be measured reliably.

In general, assets and liabilities are initially measured at historical cost unless there is a specific requirement elsewhere in the FRS to measure them at fair value. Subsequent measurement depends on the type of balance and will be based on one of the following:

- Amortised cost (for most basic financial assets and liabilities);
- Fair value (for other financial assets and liabilities, investments in associates and joint ventures (if chosen), investment properties, and some agricultural assets);
- The cost model or revaluation model (for property, plant and equipment and intangible assets);
- The lower of cost and selling price less costs to complete and sell (for inventory); and
- The best estimate of the amount that would be required to settle the obligation at the reporting date (for most non-financial liabilities)

How does COVID-19 impact on this section?

One of the key areas of section 2 in relation to COVID-19 is the methodology for calculating fair value set out in the Appendix to Section 2. In the early stages of COVID-19 it may prove difficult to establish what fair value is if it is deemed that there is no "active market" in place. This will also come to the fore as section 27- Impairment requires consideration of "fair value less costs to sell" in determining the "Recoverable Amount".

Practical implications

If applying section 27 of FRS 102, one of the many challenges faced by accountants is the determination of "fair value". When testing for impairment, an entity is required to compare an assets "carrying amount" with its "recoverable amount".

The carrying amount is an easily understood value and represents the amount of which the asset is carried on the balance sheet.

Recoverable amount requires the assessment of the higher of;

1. Fair value less costs to sell, and
2. Value in Use

Value in use has a set series of rules and guidance as set out in Section 27 of FRS 102 and, although the area of cashflow projections might be difficult to estimate in the current climate, there is reasonably clear guidance on how to apply this to arrive at a value in use calculation.

At the time of writing this piece, the country is in lockdown, people in non-essential roles have been restricted to movement within a 2km radius and business has temporarily ceased in the majority of sectors.

The economic environment that was in situ on the 28th March 2020 was reasonably strong (despite a few weeks of decline) and the underlying values of assets did not show any tangible signs of impairment (to the extent that there is no market based evidence showing a significant decline) up to that date.

Whilst there may be property transactions occurring during the period of lockdown, there is little evidence of market based transactions to support underlying asset values. Further to this, people's inability to travel, businesses lack of ability to open and a general air of apprehension has stalled some transactions.

While in the lockdown period from 28th March 2020 to whenever it is lifted (likely to be no earlier than mid-May at the time of writing this), there is a significant degree of uncertainty regarding asset prices in areas such as property, intangible assets etc. One would anticipate that there will be a decline in asset values during this period of time but the overall effect is unclear and there is potentially a large range of estimated values that entities could use to estimate the fair value of their property while in lockdown.

When considering "Fair Value", entities will need to consider the guidance contained in the Appendix to Section 2 of FRS 102.

Does an "Active Market" exist?

An active market is defined in the glossary to FRS 102 as

A market in which all the following conditions exist:

(a) the items traded in the market are homogeneous;

(b) willing buyers and sellers can normally be found at any time; and

(c) prices are available to the public.

If dealing with an asset such as a property, (a) above will be met (unless the property is particularly unusual, complex or has an unusual purpose). During the period of lockdown, one would argue that willing buyers and sellers cannot be found. Also, one would argue that the prices are not available to the public (this is particularly pertinent here given the potential sharp fall in property prices from 28th March to whenever the lockdown is lifted).

The "Active Market" area requires some judgement, but on the basis of the above it would be argued that no active market exists for the period of time while the lockdown is in place.

Application of the fair value methodology in Appendix to Section 2 of FRS 102 to COVID-19

In order to consider the fair value of property, we should apply the rules set out in appendix A to section 2 of FRS 102

1. The best evidence of fair value is a quoted price for an identical asset (or similar asset) in an active market. This is usually the current bid price.

   As argued above, during the period of lockdown, an "active market" does not exist and so we must move on to the next step.

2. When quoted prices are unavailable, the price in a binding sale agreement or a recent transaction for an identical asset (or similar asset) in an arm's length transaction between knowledgeable, willing parties provides evidence of fair value. However, this price may not be a good estimate of fair value if there has been a significant change in economic circumstances or a significant period of time between the date of the binding sale agreement or the transaction, and the measurement date. If the entity can demonstrate that the last transaction price is not a good estimate of fair value (eg because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted.

   Given the sudden shock to the economy, it is likely that this step will not produce a "fair value" unless there have been transactions since the lockdown that represent an arms length transaction between knowledgeable and willing parties. Assuming this does not produce a "fair value" we must move on to the next step.

3. If the market for the asset is not active and any binding sale agreements or recent transactions for an identical asset (or similar asset) on their own are not a good estimate of fair value, an entity estimates the fair value by using another valuation technique. The objective of using another valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

   Assuming steps 1 and 2 are not successful in achieving a fair value then a valuation technique must be used to determine fair value. This step may be appropriate when to establish a fair value during the lockdown period once the lockdown period ends (ie. if we have market data based on transactions after the lockdown period, this will give us a more accurate picture of the fair value of assets held during the lockdown period). Assuming we are still in the lockdown period, we must move on to the next step.

4. **Valuation Technique**

   Valuation techniques include using the price in a binding sale agreement and recent arm's length market transactions for an identical asset between knowledgeable, willing parties, reference to the current fair value of another asset that is substantially the same as the asset being measured, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the asset and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique.
   The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations. Fair value is estimated on the basis of the results of a valuation technique that makes maximum use of market inputs, and relies as little as possible on entity-determined inputs.
   A valuation technique would be expected to arrive at a reliable estimate of the fair value if:
   (a) it reasonably reflects how the market could be expected to price the asset; and
   (b) the inputs to the valuation technique reasonably represent market expectations and measures of the risk return factors inherent in the asset.

   Given the unusual and unprecedented nature of the COVID-19 pandemic, it is unlikely that a reliable valuation technique could be used to estimate values during the period of lockdown. Therefore we must move on to the next step.

5. If we have been unable to achieve a "fair value" then we must look to the guidance where there is "no active market", as follows;

   The fair value of an asset that does not have a quoted market price in an active market is reliably measurable if:

   (a) the variability in the range of reasonable fair value estimates is not significant for that asset; or

   (b) the probabilities of the various estimates within the range can be reasonably assessed and used in estimating fair value.

   This requires some judgement and the application of materiality but the uncertainty is likely to result in a range of estimated fair values that is significant. If the range of estimates is *significant, and is not deemed to be probable that it can be reasonably assessed then the entity is precluded from measuring the asset at fair value.*

If an entity is precluded from using fair value by following the above rules then under Section 2A.5, the carrying amount at the last date the asset was reliably measured becomes it's new cost and the asset is measured at cost less impairment until a new measure of fair value becomes available. In assessing cost less impairment, an entity is directed to section 27 where the assets carrying value should be compared to its recoverable amount.

If (following the steps above) the entity deems that it cannot use fair value, this leaves only Value in Use as the measurable when calculating recoverable cost.

Consequently, when assessing for impairment and fair value is precluded from being used, the carrying value should be compared to Value in Use. If value in use is lower than carrying value then an impairment of the deficit is required.

Section 27.22 makes reference to situations where the fair value cannot be determines and states that where this is the case the value in use is the figure to be written down to in an impairment situation.

"However, an entity shall not reduce the carrying amount of any asset in the cash-generating unit below the highest of:

(a) its fair value less costs to sell (if determinable);

(b) its value in use (if determinable); and

(c) zero."

How is the above scenario likely to impact financial statements?

It is likely that the inability to calculate "fair value" owing to no "active market" is likely to cover only a small window of time. Depending on the year end and also the date of signature, this may not have an impact on financial statements.

Year ends before March 2020

If we consider year ends of December 2019, January 2020 and February 2020, there was an active market in place and therefore "fair value" is reasonably established.

March 2020 year ends until lockdown ends and market data is available

If we assume that lockdown continues towards the end of May with some businesses reopening in June, one would assume that property transactions (and more importantly the market data behind the property transactions) become more visible towards mid-late June. In this scenario, companies with a year end of March 2020, April 2020 and May 2020 which are signed before accurate market data is available may be impacted by the inability to determine fair value.

If market data comes to light at some point (in June in the above scenario) then a clearer picture will be available at that point of the values in place at March 2020, April 2020 and May 2020 which will allow entities to consider the fair value at the year end.

CRO Number - 123456

OmniPro Sample Medium/Large Company Limited (Updated for Companies (Accounting) Act 2017) – not on transition (ILLUSTRATIVE COVID-19 DISCLOSURES HIGHLIGHTED)

Directors' Report & Financial Statements

Year Ended 31 December 2019

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 FRS 102 company financial statements prepared under FRS 102 using the March 2018 version of FRS 102 and Companies Act 2014 as amended by Companies (Accounting) Act 2017. They do not purport to give definitive advice in any form. Despite taking every care in the preparation of this document OmniPro does not take any legal responsibility for the contents of these financial statements and the consequences that may arise due to any errors or omissions. OmniPro shall therefore not be liable for any damage or economic loss occasioned to any person acting on, or refraining from any action, as a result of or based on the material contained in this publication. **Items in italics and underlined identify the changes.**

Section 280F and Section 280G of CA 2014 as inserted by the Companies (Accounting) Act 2017, sets out that a company qualifies as a medium company if it fulfils at least two of the three qualifying conditions listed below (if the are above these thresholds then it is a large company):

- 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

	Medium Co	**Medium Group**
Turnover	≤€40 million	≤€40 million-net ≤€48 million-gross
Balance Sheet Total	≤€20 million	≤€20 million net ≤€24 million-gross
Employees	≤250	≤250

Under 280F-280G certain entities do not qualify as a medium company even if they meet the size criteria set out above and must prepare statutory financial statements on the basis of the large company provisions. S.280F & 280G does not apply to a company falling within any provision of Schedule 5 of the Act (Eg. Authorised investment firm, insurance intermediary of any other company carrying on of business by which is required to be authorised by the Central Bank) or they are a credit institution or insurance undertaking. The same applies for holding companies of medium groups even where they meet the thresholds if any of the entities in the group come within Schedule 5 etc. then they cannot claim to be a medium company. In addition a company that qualifies for the small & micro companies regime or is a holding company is excluded from being classified as a medium company.

Note CA 2014 as amended by Companies (Accounting) Act 2017 does not permit medium companies to file abridged financial statements.

The only difference between a medium company and a large company in relation to the disclosures in the notes to financial statements is that the medium company is exempt from the requirement to disclose auditors remuneration including fees for other services.

The small companies regime is detailed in Section 15 of CAA Act 2017. CAA 2017 inserts a new Section 280A-280C to CA 2014. The CAA 2017 changes are mandatory for periods commencing on or after 1 January 2017 but Section 14 of that Act permits the small companies regime (and S1A of FRS 102) to be early adopted for all periods commencing on or after 1 January 2015. Note S.1A is optional, it does not have to be applied. This section states that a company qualifies for the small companies regime if it fulfils at least two of the three qualifying conditions listed below:

- In relation to its first financial year; or
- In relation to its current financial year and the preceding financial year; or
- In relation to its current financial year and it qualified as a small/medium company in the preceding financial year; or
- In relation to the preceding financial year and it qualified as a small/medium company in the preceding financial year

	Small Co	Small Group
Turnover	≤€12 million	≤€12 million-net ≤€14.4 million-gross
Balance Sheet Total	≤€6 million	≤€6 million net ≤€7.2 million-gross
Employees	≤50	≤50

Note
In order to avail of the audit exemption the company must have met the criteria for audit exemption as set out in Sections 358 to Section 365 inclusive of the Companies Act 2014. For companies availing of the exemption for the first time the auditor's appointment should be terminated in accordance with the requirements of Section 399 of the Companies Act 2014. Specific attention should be paid to the exclusions from audit exemption under Section 362 of the Act.

Under New S.280A(4) and S.280B(5) certain entities do not qualify for the small companies regime/audit exemption even if they meet the size criteria set out above and must prepare statutory financial statements on the basis of the large company provisions and are not entitled to avail of the abridgement options as a small company. S.280A-280C does not apply to a company falling within any provision of Schedule 5 of the Act (Eg. Authorised investment firm, insurance intermediary of any other company carrying on of business by which is required to be authorised by the Central Bank) or they are a credit institution or insurance undertaking. The same applies for the holding company of small groups even where they meet the thresholds if any of the entities in the group come within Schedule 5 etc. then they cannot apply the small companies regime. Note for the purposes of abridged financial statements for such a small company, a holding company that prepares group financial statements cannot file small abridged financial statements under S.352 of CA 2014.

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

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

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019

Contents

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019

Directors and Other Information

Directors	Mr A Director Ms B Director Mr C Director
Secretary	Mr A Director
Company registration number[1]	123456
Auditors	Compliant Accountant & Co, Statutory Audit Firm, 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[2]	Construction Place, Builders Lane, Dunblock Any County

[1] Required under S.17 of CA 2017 Act by inserting into S.291&295 of CA 2014
[2] Required under S.17 of CA 2017 Act by inserting into S.291&295 of CA 2014

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019

Directors' Report

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

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 but the company's activities have been negatively impacted since the year end by the effects of COVID-19 as described below. 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 (2018: €XXX) and liabilities of €XXX (2018:€XXX). The net assets of the company have increased by €XXX (2018: €XXX) and the directors are satisfied with the level of retained reserves at the year end.

The key financial indicators of the company are:

XXX etc. etc.

Environmental and Employee Matters
Include assessment of environmental and employee matters where considered necessary for an understanding of the business.

[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] 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 and medium companies when considered necessary for providing the business review

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019

Directors' Report

Future Developments[6]

Illustrative paragraph- mildly affected by Covid-19

The directors are not expecting to make any significant changes in the nature of the business in the near future. At the time of approving the financial statements, the company is exposed to the effects of the Covid-19 pandemic which has had a negative effect on its trading activities since the year end and has resulted in a lower than expected level of trading activity since the year end. In planning its future activities, the directors will seek to develop the company's activities whilst managing the effects of the difficult trading period caused by this outbreak.

Illustrative paragraph- significantly affected by Covid-19

Since the year end, following restrictions placed on the company's business as a result of the outbreak of the Covid-19 pandemic, the company has temporarily ceased trading. This decision was taken to ensure the safety of all staff is preserved and to ensure that government recommendations and restrictions are complied with. The directors intend to recommence trading once all restrictions have been lifted and once it is safe for staff to return to work. Following the planned recommencement of trading, the directors plan to develop the activities of the company so that it will return to normal trading activities as soon as possible. In the intervening period, the company has reduced its cost base so that the burden of costs borne during the non-trading period is mitigated.

Results and Dividends[7]

The retained profit for the financial year amounted to €XXX (2018: €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 (2018: €XXX). An interim dividend of €xx.xx (2018: €XXX) per ordinary share, amounting to €XXX (2018: € XXX) was paid on 1 June 2019. A final dividend of € XXX (2018: € XXX) per ordinary share, amounting to € XXX (2018: € XXX) was declared and authorised on 30 November 2019 and will be paid on 1 March 2018. € XXX was transferred to reserves at the year end.

Principal Risks and Uncertainties[8]

In the first half of 2020, the outbreak of Covid-19 spread throughout Asia, Europe and Worldwide. The initial impact of this has been severe and has resulted in a significant worldwide slowdown in economic activity. In Ireland, the economic impact of this pandemic has been characterised by the temporary closure of many businesses in "non-essential" areas to ensure that people's movements are restricted in order to slow down the spread of the virus. The effect of Covid-19 presents many risks for the company, the effects of which cannot be fully quantified at the time of approving the financial statements.

Although the effects cannot be fully determined, the directors believe that the main risks and uncertainties associated with COVID-19 are as follows;

- a potential reduction in economic activity which may result in reduced consumer spending and demand for the company's services
- a reduction in asset values
- a prolonged period of government restrictions on the movement of people

[6] 6 S.327(5), CA 2014 – The directors report shall include an indication of likely future developments facing the company
[7] 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

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019

Directors' Report

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.

Financial Risk Management[9]

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

To maintain stable cash out flows the company maintains 100% (2018: 100%) of its debt at fixed rate and to maintain 50% of its debt payable within one year. The company does not use derivative financial instruments to manage financial risk and no hedge accounting is applied.

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

Credit Risk
The company requires that appropriate credit checks are carried out on new customers before sales are made. All customers have individual credit limits that are reviewed on an ongoing basis by the board. Provisions for bad debts are made based on historical evidence and any new events which might indicate a reduction in the recoverability of cash flows.

Liquidity Risk
The company maintains a mix of long and short term finance to ensure the company has sufficient funds available to meet obligations as they fall due.

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

Director's & Secretary's interests[10]

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

Year ended 31 December 2019	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 2018	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

[9] S.326(3), CA 2014 – Only required where material for an assessment of the companies financial position and the use of financial instruments
[10] 10 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.

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019

Directors' Report

Events after the Balance Sheet date[11]

Illustrative example- Company in non-essential services who have temporarily ceased trading.

In the first half of 2020, the COVID-19 virus spread worldwide. In common with many other countries, the Irish government issued guidance and restrictions on the movement of people designed to slow the spread of this virus. In early March 2020, many businesses closed voluntarily and throughout the month more restrictions were placed on people and businesses. On 28th March, all "non-essential" businesses were ordered to close temporarily.

The impact on the company has initially been a lower than expected level of trading activity in March 2020 followed by a temporary closure of the business on 28th March 2020. In response to the restrictions, the company has laid off some staff and reduced working hours for some staff with a view to minimising the costs borne by the company during the period of closure. The directors intend to recommence trading when the restrictions are lifted and when it is safe for staff to return to work. Whilst the directors believe that the effect will be negative on the company & the full effect of the events since the balance sheet are difficult to determine, the directors are confident that the company will recommence trading once the period of restriction is lifted.

Illustrative example- Company continuing to trade during the lockdown period but are operating at a reduced level

In the first half of 2020, the COVID-19 virus spread worldwide. In common with many other countries, the Irish government issued guidance and restrictions on the movement of people designed to slow the spread of this virus. In early March 2020, many businesses closed voluntarily and throughout the month more restrictions were placed on people and businesses. On 28th March, all "non-essential" businesses were ordered to close temporarily.

The company reacted to these conditions by closing it's offices with staff working from home. Whilst this has resulted in the company remaining operational during the period, there has been a reduction in trading levels as a result of Covid-19. The directors are confident that the company will be fully operational once the period of restriction is lifted.

Research and Development[12]

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

[11] S326(2)(a), CA 2104 – Disclosure in relation to important events after the balance sheet date are only required where deemed relevant
[12] 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

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019

Directors' Report

Political donations[13]

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[14]

The directors acknowledge their responsibility for ensuring compliance with the provisions of the European Communities (Late Payment in Commercial Transactions) Regulations 2012. It is the company's policy to agree payment terms with all suppliers and to adhere to those payment terms.

Accounting Records[15]

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

Directors Compliance Statement[17]

The directors confirm they are responsible for securing the company's compliance with its relevant obligations under Section 224 of the Companies Act 2014 and confirm:

- that a company compliance statement has been developed (Or if it has not state this fact in addition to stating why it has not); and
- have put in appropriate arrangements and structures that are in the directors' opinion designed to secure compliance with the company's relevant obligations; and
- a review of these procedures has been performed in the current financial year (or where a review has not been performed state that fact and the reasons why it has not been performed).

Audit Committee[18]

The directors confirm that the company has established an audit committee in accordance with the requirements of Section 167 of Companies Act 2014.

[13] 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

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

[15] 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

[16] 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

[17] S.225, CA 2014 – A directors compliance statement is only required where the company's total assets exceeds €12.5m and turnover exceeds €25m. This is only required to be included for period beginning on or after 1 June 2015.

[18] S.167, CA 2014 – (not applicable to medium companies) Requirement to establish an audit committee or if not established the reasons why the audit committee was not established must be stated. This requirement only applies to company's whose turnover is >=€50 million AND balance sheet is total is >=25 million. This applies to financial statements for periods commencing on or after the 1st of June 2015

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019

Directors' Report

OR
The directors confirm that the company has not established an audit committee as is permitted in Section 167 of Companies Act 2014. The reasons for the decision not to establish an audit committee is as follows:

XXXX etc etc.

Going Concern- Consider including this if the company has a material uncertainty relating to going concern[19]

The financial statements are prepared on a going concern basis. As outlined in note X, there are material uncertainties relating to the company's ability to continue as a going concern arising from the uncertainty caused by the outbreak of the COVID-19 pandemic.

Statement on Relevant Audit Information[20]

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[21]

______________________	______________________
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. S.44 of CAA 2017

---

[19] S.327 (1)- The directors report shall present a fair review of the business and a description of the principal risks and uncertainties facing the business. It may be appropriate to include a going concern note where there are material uncertainties relating to the company's ability to continue as a going concern
[20] 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
[21] Where there is only 1 director as a new model private LTD that director may approve the financial statements

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019

Directors' Report

includes an additional requirement to disclosure the reason for the acquisition and a disclosure of % of called up share capital held at the beginning and end of the year

- S.329(1) CA 2014 – Directors or secretaries interests in debentures at the start of the period during the period or in the preceding period

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.

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2017

Directors' Responsibilities Statement

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

Irish Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with Companies Act 2014 and accounting standards issued by the Financial Reporting Council *[and promulgated by Chartered Accountants Ireland[22]]* 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[23]

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[24].

On behalf of the board[24]

______________________	______________________
Mr A Director	Ms B Director
Director	Director

DATE: ____________

[22] 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
[23] Include only- if accounts are available on the company website
[24] 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 Medium/Large Company Limited for the year ended 31 December 2019

Audit report removed due to numerous audit report implications/disclosures
See separate guidance documents

Independent Auditors Report to the Members of OmniPro Sample Medium/Large Company Limited for the year ended 31 December 2019

14 © OmniPro

OmniPro Sample Medium/Large Company Limited

Profit and Loss Account

For the Year ended 31 December 2019

	Notes	2019 €	2018 €
Turnover	**3**	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	**5**	220,000	230,000
Operating profit	**4**	**1,502,145**	**618,165**
Interest receivable and similar income	**6**	14,999	5,307
Interest payable and similar expenses	**7**	(205,784)	(199,721)
Profit on before taxation		**1,311,360**	**423,751**
Tax on profit	**8**	(266,994)	(119,414)
Profit for the financial year		**1,044,366**	**304,337**

Statement of Comprehensive Income[25]

For the Year ended 31 December 2019

	Notes	2019 €	2018 €
Profit for the financial year		1,044,366	304,337
Total Comprehensive Income for the year		**1,044,366**	**304,337**

[25] 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 profit and loss is prepared in accordance with Format 1 of Schedule 3 to CA 2014 as amended by CAA 2017. Formats 2,can also be used. The IFRS format can also be used Sch 3(2)(3) CA 2014 as amended by CAA 2017. This can also be called an income statement. This is prepared in accordance with Format 1 of Schedule 3 to the CA 2014, Format 2 can also be used as can IFRS format per Schedule 3(2)(3) CA 2014 as amended by CAA 2017 as long as it is equivalent to Schedule 3 formats and deals with al matters. This can also be called a statement of financial position. A not for profit entity can adopt the balance sheet and profit and loss account to suit its needs.

OmniPro Sample Medium/Large Company Limited
Balance Sheet
At December 2019

	Notes	31-Dec 2019 €	31-Dec 2018 €
Fixed assets			
Tangible assets	**11**	2,029,024	411,885
Investment properties [26]	**12**	1,100,725	3,490,201
Financial assets	**13**	185,640	209,200
		3,315,389	**4,111,286**
Current assets			
Stocks	**14**	699,709	392,166
Debtors	**15**	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	**16**	**(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	**17**	(2,166,210)	(2,129,125)
Provision for liabilities	**19**	(214,206)	(65,212)
Net Assets		**1,623,061**	**548,695**
Capital and reserves			
Called up share capital presented as equity	**22**	120,000	100,000
Share premium account	**23**	10,000	-
*Revaluation reserve ***	*XX*	*XXX*	-
Other reserves	**23**	126,000	128,625
Profit and loss account	**23**	1,367,061	320,070
		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[27]

____
Mr A Director[28]
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 as can IFRS format per Schedule 3(2)(3) CA 2014 as amended by CAA 2017 as long as it is equivalent to Schedule 3 formats and deals with al matters. This can also be called a statement of financial position. A not for profit entity can adopt the balance sheet and profit and loss account to suit its needs.

[26] Sch3 Formats specifically require investment property to be shown separately on the face of the balance sheet and cannot be included within tangible fixed assets. This is prepared in accordance with Format 1 of Schedule 3 to the CA 2014, Format 2 can also be used.

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

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

** *Where Co. holds property used by other group members, previously accounted as investment property & option taken to treat previously valuation as deemed cost and reclassify to PPE*

OmniPro Sample Medium/Large Company Limited
Statement of Changes in Equity
For the Year Ended 31 December 2019

[29]	Called up Share Capital	Share Premium Account	Other Reserves	Profit and Loss Account	*Revaluation reserve*	Total Equity
	€	€	€	€	*€*	€
Balance at 1 January 2018	100,000	-	131,250	13,108	-	244,358
Profit for the year	-	-	-	304,337	-	304,337
Transfers net of deferred tax	-	-	(2,625)	2,625	-	-
Balance at 31 December 2018 and at 1 January 2019	**100,000**	**-**	**128,625**	**320,070**	**-**	**548,695**
Equity Shares Issued	20,000	10,000	-	-	-	30,000
Profit for the year	-	-	-	1,044,366	-	1,044,366
Transfers net of deferred tax	-	-	(2,625)	2,625	*(XX)*	-
*Transfer from P&L Reserve to revaluation reserve ***	-	-	-	*(XXX)*	*XXX*	-
Dividends on ordinary shares paid and declared (€XX per ordinary share)	-	-	-	-	-	-
Dividends on ordinary shares declared but unpaid in year (€XX per ordinary share)	-	-	-	-	-	-
Balance at 31 December 2019	**120,000**	**10,000**	**126,000**	**1,367,061**	***XXXX***	**1,623,061**

[29] Section 6 FRS 102 requires a statement of changes to be presented. For simpler entities where there are only dividends and prior year restatements going through equity, the statement of income and changes in retained earnings is permitted under FRS 102-Section 6. However note Sch 3(53) of CA 2014 requires movement on the profit and loss reserves to be disclosed including details of dividend. Therefore where this SOCE is not presented the movement on P&L reserves must be presented in the notes, on the balance sheet or on the face of the P&L Sch 3(54) requires movement on any reserve to be shown inc revaluation reserves and fair value reserves to. In order to cover off these requirements it would make sense to include a SOCE. If it is not shown in the SOCE it will have to be shown in the notes. Companies Act also requires comparatives for each year showing the movements as per Sch3(5).

** *Where Co. holds property used by other group Co.'s, previously accounted as investment property & option taken to treat previously valuation as deemed cost and reclassify to PPE*

OmniPro Sample Medium/Large Company Limited

Statement of Cashflows
For the Year ended 31 December 2019

	Notes	2019 €	2018 €
Cash flows from operating activities			
Cash generated from operations	**29**	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	**30**	**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**

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Accounting Policies

1. ACCOUNTING POLICIES

OmniPro Sample Medium/Large 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 the Republic of Ireland and its company registration number is XXXX.

The significant accounting policies[30] adopted by the Company and applied consistently [31] in the preparation of these financial statements are as follows:

(a) Basis of preparation

The Financial Statements are prepared on the going concern basis[32], 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[33]] including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) [34]and the Companies Act 2014.

The FRC issued amendments to FRS 102 called ‘Amendments to FRS 102- Triennial review incremental improvements and classifications adjustments’ which can be applied for accounting periods beginning on or after 1 January 2019 with early adoption permitted. These amendments have been reflected in the March 2018 version of FRS 102. The company has early adopted these amendments in these financial statements.

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

(b) Consolidation[35]

NOTE: the below is to be included where the parent company is exempt from consolidation due to its immediate parent company (which is in the EEA) preparing consolidated financial statements

Consolidated accounts
The company has not prepared consolidated accounts for the period as, being a wholly owned subsidiary of the ultimate parent company, XXXXXX Limited, it is exempted from doing so under Section 9 of FRS 102 which is accommodated under Section 299 of the Companies Act 2014.

[30] Changes in accounting policies must be identified and recorded in accordance with FRS 102, section 10
[31] Para 13, Sch III, CA 2014 – Accounting policies shall be applied consistently from one period to another
[32] Para 12, Sch III, CA 2014 – A company is deemed to be carrying on business as going concern. Sch3(19) requires a disclosure of the fact that it is not being carried on as a going concern to also be disclosed (also stated in S.291 CA 2014). Where uncertainties exist this should be stated.
[33] Deemed best practice for firm’s regulated by Chartered Accountants Ireland
[34] Appendix 1AD.1 of FRS 102 encourages a statement of compliance to be included in the notes to the financial statements in order to show a true and fair view also.
Where the entity has made a decision to wind up the entity that is required to be disclosed, there is no choice. Where there is uncertainties about going concern CA 2014 requires this to be disclosed. Appendix D of Section 1A of FRS 102 also encourages this in order to show a true and fair view.
[35] Applicable to Group companies who do not meet the size criteria to prepare consolidated financial statements. Note S.22 of CAA 2017 requires where this exemption is claimed that where the company is owned 90% by one shareholder, the remaining 10% shareholder must also approve the exemption.

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Accounting Policies

NOTE: the below is to be included where the parent company is exempt from consolidation due to its ultimate parent company (which is in or outside the EEA) preparing consolidated financial statements

Consolidated accounts
The company has not prepared consolidated accounts for the period as, being a wholly owned subsidiary of the ultimate parent company, XXXXXX Limited, it is exempted from doing so under Section 9 of FRS 102 which is accommodated under Section 300 of the Companies Act 2014.

(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.

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.

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Accounting Policies

(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

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.

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Accounting Policies

(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 [36](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 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.

(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).

[36] 43 Para 20, Sch III, CA 2014 – Fixed assets shall be recorded at its purchase price or production cost

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Accounting Policies

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.

For properties which are owned by the Company but used by other members of the group in which the Company is a part of, the Company accounts for such properties as if they are property, plant and equipment instead of investment property and therefore carries these at deemed cost/ cost less accumulated depreciation and impairment. The Company has availed of the exemption in Section 1.19 of FRS 102 to elect to have the carrying amount of these properties at the 31 December 2018 deemed to be cost of the property.

(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.

(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.

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Accounting Policies

(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[37]

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

(x) *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*

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 scheme

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

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Accounting Policies

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.

(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.

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Accounting Policies

(cc) Prior period adjustment – Change in accounting policy[38]

Following the change made by the March 2018 edition of FRS 102 (which is mandatory for periods beginning on or after 1 January 2019) to not allow an entity to claim the undue cost or effort get out to treat property that would otherwise meet the definition of investment property as property, plant and equipment. As a result of this change, a retrospective adjustment was required to restate these properties to fair value at the 1 January 2017 and 31 December 2018 with the fair value movement being reflected in the profit and loss account. The impact of this change is as follows:

	2018 as previously stated	*Adjustment*	*2018 As restated*
Profit and Loss			
Turnover etc. etc.	*XXX*	*XX*	*XX*
Etc Etc			

DISCLOSE CHANGE IN ACCOUNTING POLICY

(dd) Exceptional item (for illustrative purposes)[39]

Exceptional items are those that the Directors' view are required to be separately disclosed by virtue of their size or incidence to enable a full understanding of the Company's' financial performance. The Company believe that this presentation provides a more informative analysis as it highlights one off items. Such items may include restructuring, impairment of assets, profit or loss on disposal or termination of operations, litigation settlements, legislative changes and profit or loss on disposal of investments. The company has adopted an income statement format that seeks to highlight significant items within the company results for the year.

Para 19, Sch 3, CA 2014 as amended by CAA Bill 2016 – If there are special reasons for departing from any of the stated accounting policies the company shall note the reasons for departure (stating why it shows more of a true and fair view where the change is voluntarily) and the effect on the balance sheet and profit and loss in that year and the prior period presented. FRS 102 Section 10.14 also requires the line items affected to be detailed including the aggregate for periods beginning before those presented and an explanation if any of these are impracticable.

[38] S.321 of CA 2014 as amended by S.37 of CAA Bill 2016 requires details of a change in accounting policy to be included in the accounting policy section of the financial statements detailing the reason for the change for it and the impact of the change on the current and prior years.
Para 19, Sch 3, CA 2014 as amended by CAA Bill 2016 – 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.
[39] Exceptional item. Sch 3(63)(2) requires disclosure of all exceptional items in the notes to the financial statements so an accounting policy is also required where those exist. This should be adjusted depending on what the entity defines as exceptional.

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Notes to the Financial Statements

2. 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.

Judgements

The judgements that have had the most significant effect on the amounts recognised in the financial statements are discussed below.

(a) Going concern

Going concern is discussed in detail in note 4. At the time of approving the financial statements, there were restrictions placed on businesses to curtail the movement of people in measures designed to reduce the spread of the COVID-19 virus. This has had an affect on the company's business and the economic environment as a whole. In assessing the reasonableness of the going concern basis, the directors have used judgement in preparing budgets and cashflows for the upcoming 12 months, whilst recognising that there is a degree of judgement and estimation arising from the uncertain nature of the planned response to the COVID-19 pandemic. The judgements used by management in preparing their budgets and cashflows are as follows; TAILOR ACCORDING TO THE COMPANY

- *That the company will be temporarily closed for a period of x months.*
- *That on recommencement of trading, sales will be x% lower than previous year.*
- *That cost reductions entered into during the period of temporary closure will adequately safeguard the company's cash reserves for when they recommence trading.*
- *ENTER ANY ADDITIONAL POINTS OF RELEVANCE.*

(b) Exceptional items

Exceptional items are those that in the Directors' view are required to be separately disclosed by virtue of their size or incidence to enable a full understanding of the Company's' financial performance. The Company believe that this presentation provides a more informative analysis as it highlights one off items. Such items may include significant restructuring costs (add as required). Judgement is required as to what management determine as exceptional items. In the opinion of the directors, the adverse effects caused by the outbreak of the COVID-19 pandemic meet the criteria for exceptional items.

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.

Estimates and assumptions

(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) Impairment review following COVID-19

The COVID-19 pandemic has caused an adverse effect on the economic environment in which the entity operates. In accordance with section 27.9 of FRS 102, this is an impairment indicator and the company has

OmniPro Sample Medium/Large Company Limited

carried out an impairment review of its assets. The factors taken into consideration in performing an impairment review are based on estimates and are subject to uncertainty. Some of the factors taken into consideration when considering impairment are set out below.

(c) Inventory provisioning

When calculating inventory provision, management considers the sales price less costs to complete in comparison to the net realisable value. The level of provision required is reviewed on an on-going basis and has been disclosed in note 16. The company has also taken into consideration the effects COVID-19 has had on its inventories, including the effect of periods of closure caused by the outbreak.

(d) 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 company has also specifically considered the effect of COVID-19 on the recovery of its debtors. The level of provision required is reviewed on an on-going basis and has been disclosed in note 17.

(e) 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. The directors note that there may be a degree of estimation uncertainty regarding the fair value at the year end as there is a limited amount of transactions happening in the property market following the emergence of COVID-19.

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Notes to the Financial Statements

3. GOING CONCERN

Option 1- Going Concern basis is appropriate- consider one of the 3 illustrative examples below

Illustrative example 1- Company affected by Covid-19 but continues to trade. Trade has not been significantly affected and the directors conclude that no material uncertainty exists.

The company made a profit of €xxxxxxxx and has net current assets of €xxxxxx net assets of €xxxxx at the year end.

During the first quarter of 2020, The Covid-19 pandemic has spread initially from Asia to Europe and subsequently worldwide. The initial economic effect of this has been a worldwide slowdown in economic activity and the loss of jobs across many businesses. In Ireland there are restrictions placed on "non-essential" businesses which has resulted in many businesses temporarily closing in measures designed to restrict the movement of people and to slow down the spread of the virus.

Omnipro Sample Medium/Large Company Limited has continued to trade during this period and has not seen a significant effect on its trading activities as a result of the virus. The directors have prepared budgets for the upcoming 12 months which show that the company will continue as a going concern.

The financial statements have been prepared on a going concern basis.

Illustrative example 2- Company affected by Covid-19 but continues to trade. Trade is negatively affected by the virus and the directors have seen a significant reduction in trading activity. Staff costs have been reduced.

The company made a profit of €xxxxxxxx and has net current assets of €xxxxxx net assets of €xxxxx at the year end.

During the first quarter of 2020, The Covid-19 pandemic has spread initially from Asia to Europe and subsequently worldwide. The initial economic effect of this has been a worldwide slowdown in economic activity and the loss of jobs across many businesses. In Ireland there are restrictions placed on "non-essential" businesses which has resulted in many businesses temporarily closing in measures designed to restrict the movement of people and to slow down the spread of the virus.

Like many businesses, Omnipro Sample Medium/Large Company Limited is exposed to the effects of the Covid-19 pandemic. Whilst the company continues to trade during this period, there has been a notable reduction in trading activity and customer demand compared to the same period in the previous financial year. Staff costs have been reduced through the temporary reduction in staff/reduced hours and other costs have been reduced where possible (TAILOR/DELETE AS APPROPRIATE). The company will also use government supports provided to businesses during this time.

Based on the measures taken to reduce costs, the directors believe that the company is well positioned to return to full trading capacity once the period of uncertainty passes. However, the directors believe that the above circumstances represent a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on a going concern basis.

Illustrative example 3- Company affected by Covid-19 and has temporarily ceased trading as a result of Covid-19. There had been a significant reduction in trading activity and staff costs have been reduced.

OmniPro Sample Medium/Large Company Limited

The company made a profit of €xxxxxxxx and has net current assets of €xxxxxx net assets of €xxxxx at the year end.

During the first quarter of 2020, The Covid-19 pandemic has spread initially from Asia to Europe and subsequently worldwide. The initial economic effect of this has been a worldwide slowdown in economic activity and the loss of jobs across many businesses. In Ireland there are restrictions placed on "non-essential" businesses which has resulted in many businesses temporarily closing in measures designed to restrict the movement of people and to slow down the spread of the virus.

Like many businesses, Omnipro Sample Medium/Large Company Limited is exposed to the effects of the Covid-19 pandemic. In March 2020, as a result of the reduction in economic activity and the recommendations and restrictions placed on businesses the company has decided to temporarily cease trading. During this period, the company has laid off staff and reduced working hours for staff who have been retained. Other costs have also been reduced during the non-trading period where possible. The company will also use government supports provided to businesses during this time.

Based on the measures taken to reduce costs, the directors believe that the company is well positioned to return to full trading capacity once the period of uncertainty passes. However, the directors believe that the above circumstances represent a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on a going concern basis.

Option 2- There is no realistic alternative for the company but to permanently cease trading or liquidate. The financial statements have not been prepared on a going concern basis (note- if there is a possibility that the company will continue to trade post Covid-19 then option 1 should be taken)

The company made a loss of €xxxxxxxx, has net liabilities of €xxxxxx and net current liabilities of €xxxxx at the year end.

During the first quarter of 2020, The Covid-19 pandemic has spread from Asia to Europe and worldwide. The initial economic effect of this has been a worldwide slowdown in economic activity and the loss of jobs across many businesses. In Ireland there are restrictions placed on "non-essential" businesses which has resulted in many businesses temporarily closing in measures designed to restrict the movement of people and to slow down the spread of the virus.

The effects of the above have been so severe on the activities of the company that the directors believe that there is no realistic alternative but to cease trading or to liquidate the company.

Accordingly, the financial statements have not been prepared on a going concern basis.

4. TURNOVER[40]

All turnover derives from activities in the Republic of Ireland. The analysis of turnover by activity is as follows[41].

	2019	2018
	€	€
Construction	4,689,227	4,938,596
Pre-cast Concrete Retail	1,385,463	1,297,558
	6,074,690	**6,236,154**

[40] Para 62(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
[41] Para 62(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

OmniPro Sample Medium/Large Company Limited

5. OPERATING PROFIT

Operating profit is stated after charging:

	2019	2018
	€	€
Depreciation	149,999	170,037
Amortisation on intangibles	-	-
Directors' remuneration	212,000	225,600
Impairment OR reversal of impairment of assets/goodwill/intangibles	-	-
Loss of disposal of fixed assets/investments	51,299	-
Rentals under operating leases	-	-
Government grants amortised	-	-
Movement on stock provision	4,000	-
Revenue grants	-	-
Research and development expenditure	-	-
Foreign exchange gain/loss	-	-
Auditors' remuneration [42]/[43]		
Audit	13,000	13,000
Non audit services	3,000	3,000
Tax Advisory	3,225	3,225
~~*Stock still recognised as an expense*~~ *	-	-

[42] S.322(2), CA 2014 – A company shall disclose all fees for both audit and non-audit services received in the year. Remuneration includes benefits in kind, reimbursement of expenses and other payments in cash. There is an exemption for medium companies

[43] S.322(5), CA 2014 – A company which qualifies as small or medium in accordance with S.280F&S.280G CA 2014 as inserted by S.15 of CAA 2017 is not required to state the audit and non-audit fees earned by the company * no longer required

*No Longer Required

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Notes to the Financial Statements

6. OTHER OPERATING INCOME

	2019	2018
	€	€
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

7. INTEREST RECEIVABLE AND SIMILAR INCOME[44]

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

8. INTEREST PAYABLE AND SIMILAR EXPENSES[45]

	2019	2018
	€	€
Interest charged on financial liabilities carried at amortised cost:		
On bank loans, overdrafts and other loans wholly repayable within five years[46]	192,384	199,221
Finance lease interest	5,400	500
Preference share dividend	8,000	-
	205,784	**199,721**

9. TAXATION

	2019	2018
	€	€
(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**

[44] Sch3(60) CA 2014 requires a split of income from listed and unlisted investments if applicable. FRS 102 Section 11/12 requires a split of income recognised on amortised cost basis or a fair value basis.

[45] Para 60, Sch III, CA 2014 – Required to disclose separately interest and similar expenses and split by amounts due on bank loans and overdrafts, loans from group undertakings and any other interest charged (note FRS 102 requires split further by preference shares treated as interest, finance lease interest etc. and to split amounts charged on amortised cost basis versus fair value basis. 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

[46] 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

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Notes to the Financial Statements

(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 2019 of 12.5% (2018: 12.5%). The differences are explained below.

	2019	2018
	€	€
Profit on ordinary activities before tax	**1,311,360**	**423,751**
Tax calculated at Irish tax rates of 12.5% (2018: 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**

10. EMPLOYEES

The average monthly number of employees was: [47]/[48]

	2019	2018
Administration	4	4
Distribution	2	2
Construction	8	8
	14	**14**

	2019	2018
Operating costs	€	€
Staff costs: [49]		
- Wages and salaries	550,567	725,805
- Social welfare costs	61,133	76,189
- Retirement Benefits – defined contribution plans	46,746	43,289
- Other staff compensation – Benefit in Kind	-	-
Net staff costs included in operating costs	**658,446**	**845,283**

[47] 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
[48] 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
[49] 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

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Notes to the Financial Statements

11. DIRECTORS REMUNERATION AND TRANSACTIONS

	2019	2018
	€	€
Remuneration[50]		
Salary	182,000	185,600
Retirement Benefits	30,000	30,000
	212,000	**225,600**

Directors' Loans[51]	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**
% of net assets	**X%**	**X%**

The loan is interest free and is repayable on demand[52]. The amount written off during the year was €XXX (2018: €xxx)[53]. A provision of €XX (2018: €XX) was provided against this loan at year end.

During the year the company paid €XXX (€XXX) for rental of the directors premises[54].

[50] As required by Section 305 of CA 2014, S305, 305A require disclosure of remuneration payable to the directors/de facto directors and shadow directors and connected parties as defined in S.220 CA 2014 including share options exercised. S.305A also requires disclosure of the aggregate amounts including benefits in kind paid or payable to third parties for making require available the services of any person as a director to the company, its subsidiaries or to its holding company or any other person to include the split by each of these four parties. The services also includes services in connection with the management of the company's affairs. A third party is defined as any person other than: a) the director and connected persons; b) a body corporate controlled by that director; or c) the company and any of its subsidiary undertakings. Connected parties are defined by S 220 CA 14 as being connected if they are a) that director's spouse, civil partner, parent, brother, sister or child; b) a person acting in his or her capacity as the trustee of any trust, the principal beneficiaries of which are that director, the spouse (or civil partner) or any children of that director or any body corporate which that director controls; c) or in partnership with that director
[51] 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.
[52] CA 14 S.307(3)(g) & (h) require an indication of the interest rate and the arrangements' other main conditions.
[53] CA 14 S.307 as amended by CAA 2017 require details of amounts written off to be disclosed. The maximum balance in the year does not need to be disclosed.
[54] 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.

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Notes to the Financial Statements

During the year the company provided construction services to a company called Related Company Limited. Ms B Director who is a director of the company is also a director and 100% shareholder of Related Company Limited. The cost of the services was €XXXX (2018: €XXX).

12. TANGIBLE FIXED ASSETS[55]

	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
*Transfer from investment property ** *	*XXX*	*-*	*-*	*-*	*XXX*
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 2019	**1,801,207**	**124,105**	**102,894**	**818**	**2,029,024**
At 31 December 2018	**319,750**	**37,203**	**32,176**	**22,756**	**411,885**

Included within freehold premises above is a property which is owned by the Company but used by another member of the XXX Group of which this Company is a part of. The carrying amount of this property at 31 December 2019 was €XXXX.

The following assets were held under finance lease:

	2019	2018
	€	€
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.

[55] Para 48, Sch III, CA 2014 – Requires the presentation of cost, accumulated depreciation and net book value. Sch 3(5)(2) no longer requires the movement on the prior year fixed asset note to be included ** Applicable where a company in a group which owns property used by other group members have elected with the option in Section 16.4A of FRS 102 to account for same as property, plant and equipment going forward and to account for the adjustment prospectively.

*** Applicable where a company in a group which owns property used by other group members have elected with the option in Section 16.4A of FRS 102 to account for same as property, plant and equipment going forward and to account for the adjustment prospectively*

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 30th December 2019 resulted in a revaluation surplus of €xx,xxx].[56]

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[57]:

	2019	**2018**
	€	**€**
Original cost	XXX	XXX
Accumulated depreciation	(XXX)	(XXX)
Net book amount	XXX	XXX

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

The company capitalised €XXX (2018: €XXXX) in borrowing costs during the year.

13. INVESTMENT PROPERTIES[58]

	2019	2018
	€	€
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 ** *	*(XX)*	*-*
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:

	2019	2018
Yields	4%	4%
Inflation rate	2%	2%

[56] Details of the historical cost of the asset and accumulated depreciation must be disclosed on revalued assets

[57] 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.

[58] 65 Sch 3 Formats as adjusted by CAA 2017 requires investment property to be shown separately from land and buildings. Sch 3 as amended by CAA 2017 no longer requires disclosure of historical cost of investment properties or biological assets. ** Applicable where a company in a group which owns property used by other group members have elected with the option in Section 16.4A of FRS 102 to account for same as property, plant and equipment going forward and to account for the adjustment prospectively.

** *Applicable where a company in a group which owns property used by other group members have elected with the option in Section 16.4A of FRS 102 to account for same as property, plant and equipment going forward and to account for the adjustment prospectively.*

14. FINANCIAL ASSETS

	2019	2018
Cost:	**€**	**€**
Shares in subsidiary undertakings (see (i) below)	254	254
Other investments (see (ii) below)	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**

i) Subsidiary[59] undertakings[60]

Company Name	***Country of Incorporation[61]***	***Details of investment[62]***	**Proportion held by company**	**Registered Office [63]**	**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: [64]

	2019	2018
	€	**€**
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.

[59] S.7(2), CA 2014 – The definition of a subsidiary is set out under Section 2 of the Companies Act 2014
[60] S.314(1), CA 2014 – Disclose is required of interests in subsidiaries and undertakings of substantial interest (>20% of any class of equity shares)
[61] If the company is unincorporated, the address of the principal place of business must be included
[62] 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
[63] 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
[64] 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

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Notes to the Financial Statements

ii) Other Investments

	2019	2018
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 2019 (2018: €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 2019 was €185,336 (2018: €208,946).
The directors are satisfied that no impairment is required.

15. STOCKS

	2019	2018
	€	€
Raw material	33,724	42,108
Work in progress	71,769	84,968
Finished goods	594,216	265,090
	699,709	**392,166**

Stocks are stated after provisions for impairment of €32,000 (2018: €28,000). [65]

16. DEBTORS

	2019	2018
	€	€
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
Accrued income[66]	-	-
Directors Loans (see note 10)	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 (2018: €113,000).
(i) Amounts owed by group companies and directors are unsecured, interest free and are repayable on demand.

[65] Sch 3 as amended by CAA 2017 no longer requires a disclosure detailing If there is a material difference between the balance sheet amount of stock and its replacement cost.
[66] Sch 3 Formats as amended by CAA 2017 requires accrued income to be shown separately in the notes.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR[67]

	2019	2018
	€	€
Trade creditors	969,675	887,073
Corporation tax due	410,031	64,812
Other taxation and social security (See (i) below) [68]	25,665	26,245
Other creditors and accruals	267,051	284,139
Deferred income	-	-
Amounts owed to credit institutions (see note 21)	1,066,950	2,064,128
Finance Lease (see note 18)	85,198	39,933
	2,824,570	**3,366,330**

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

	2019	2018
	€	€
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**

Trade and other creditors are payable at various dates in the next X months in accordance with the usual suppliers usual and customary terms. [69]

Tax and social securities are repayable at various dates over the coming months in line with tax authority guidelines. [70]

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

	2019	2018
	€	€
Bank Loans (see note 21)	1,903,810	2,129,125
Finance Lease (see note 18)	147,400	-
8% Redeemable Shares (see note 22) presented as a liability	100,000	-
Share Appreciation Rights	15,000	-
Amounts due from parent company (see (i) below)	-	-
	2,166,210	**2,129,125**

[67] Sch 3(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.
[68] Sch 3 formats CA 2014 – requirement to split taxes out by type
[69] Section 11 requires terms of creditors etc. to be disclosed.
[70] Section 11 requires terms of creditors etc. to be disclosed.

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Notes to the Financial Statements

(i) The company received loans totalling €XXXX at non market rates from its parent company in 2013 which are interest free and repayable on 31 December 2019. Section 11 requires that all Financial Assets and Liabilities are initially recognised at their fair value. The Company estimates the fair value of interest free loan issued by calculating the present value of all future cash payments discounted using the prevailing rates of interest for a similar instrument. Upon initial recognition, the Company recognised the loan for €XXXX. The difference between the nominal amount of the loan and the initial fair value was €XXX which had reduced to €XXX at 1 January 2018. In accordance with Section 11 of FRS 102 the substance of this agreement is akin to a capital contribution from its parent company and therefore recognised in equity. The movement on the loan in the year of €XXXX (2018: €Nil) represented the unwinding of the discount for the year. The reason for no interest charge in 2018 was due to the fact that the company availed of the exemption in Section 35.10 to only recognise the transition adjustment at the start of the current year[71].

19. FINANCE LEASE CONTRACTS – MATURITY

	2019	2018
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**

20. PROVISION FOR LIABILITIES

	Warranty Provision (see note (i))	Deferred tax (See note (ii))	Total
	€	€	€
At 1 January 2018	-	45,520	45,250
Utilised during the year	-	-	-
Charged in the year	-	19,692	19,692
At 31 December 2018	-	65,212	65,212
	€	€	€
At 1 January 2019	-	65,212	65,212
Utilised during the year	-	-	-
Charged in the year	97,500	51,494	148,994
At 31 December 2019	97,500	116,706	214,206

[71] Not specifically required

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Notes to the Financial Statements

(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 2018 and €65,000 in 2019).

(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:

	2019	**2018**
	€	**€**
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
	€	€	€	€
2019				
At 1 January 2019	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 2019	20,856	(11,400)	107,250	116,706

	Accelerated Capital allowances	Provisions	Revaluation on investment property	Total
	€	€	€	€
2018				
At 1 January 2018	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 2018	22,462	(15,000)	57,750	65,212

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Notes to the Financial Statements

i. The net deferred tax liability expected to reverse in the 2018 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).

21. BORROWINGS[72]/[73]

	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 of %) [74]	-	-	-	-	2,970,860

The bank facilities[75] 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 2020/2021.

22. SHARE CAPITAL

	2019	2018
	€	€
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

[72] Para 56(1)(a), Sch III, CA 2014 – Details of debts repayable after 5 years from the year end date. Provide details of interest rate, terms of payment or repayment. S11.42 of FRS 102 requires this but in addition the repayment schedule should be provided and any restrictions that the debt instrument imposes. FRS 102 also requires this details for all debt instruments not just those debt instruments repayable after 5 years which is what only company law requires.
Sch 3(56)(4) requires disclosure of the aggregate amount included in creditors where assets are pledged as security
[73] Para 56(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 interest rates applicable
[74] 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 (required by Sch3(56)(4) and Section 11 FRS 102)
[75] 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 (required by Sch3(56)(3) and Section 11 FRS 102)

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Notes to the Financial Statements

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[76]:

- 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 2019 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.

[76] Sch 3 & FRS 102 requires rights of shares to be disclosed where there is more than one class of share

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Notes to the Financial Statements

23. RESERVES[77]

	Called Up Share Capital	Share Premium Account	Other Reserves	Profit and Loss Account	*Revaluation reserve*	Total Equity
	€	€		€	€	€
Balance at 1 January 2018	100,000	-	-	162,000	-	487,000
Profit for the year	-	-	-	362,818	-	362,818
Balance at 31 December 2018	**100,000**	**-**	**131,250**	**317,445**	**-**	**548,695**
Balance at 1 January 2019	**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
*Transfer from P&L Reserve to revaluation reserve ***	-	-	-	*(XXX)*	*XXX*	-
Dividends on ordinary shares paid and declared (€XX per ordinary share) [78]	-	-	-	-	-	-
Dividends on ordinary shares declared but unpaid in year (€XX per ordinary share) [79]	-	-	-	-	-	-
Balance at 31 December 2019	**120,000**	**10,000**	**131,250**	**1,361,811**	***XXX***	**1,623,061**

i) Other reserves[80]

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. The transfer in the year related to the transfer of the depreciation charge on the profit net of deferred tax recognised in the profit and loss account to the other reserve to reflect the fact that this amount is a realised profit.

[77] If a statement of changes in equity is not presented and instead a statement of income and retained earnings was only presented on the face of the P&L (Sch 3(53) of CA 2014 requires not only movement on the profit and loss reserves to be disclosed (which would be dealt with in the statement of income and retained earnings) but in addition Sch3(54) requires an analysis of the movement in the all reserves inc. the revaluation reserve and fair value reserve and shareholders funds, then in order to cover off these requirements it would make sense to include the above reserves note (assuming an SOCE has not been presented). Companies Act also requires comparatives for each year showing the movements as per Sch3(5).

[78] Para 53 of Sch 3, CA 2014– disclosure of dividend declared and paid in year and any dividend declared but accrued at year end. This can be disclosed in a separate note if preferred.

[79] Para 53 of Sch 3, CA 2014 – disclosure of dividend declared and paid in year and any dividend declared but accrued at year end. This can be disclosed in a separate note if preferred.

[80] 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

** Arises if a change of accounting policy is required (e.g. no longer able to claim undue cost of effort for investment property)

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.

iii) Revaluation reserve[81]

This reserve arose on adoption of the March 2018 version of FRS 102 where the entity adopted the policy to account for property owned by the Company but used by another company in the group in which the Company is a member as property plant and equipment instead of investment property as is permitted by Section 16.4A of FRS 102. Prior to the adoption of the March 2018 version of FRS 102 the Company treated this as an investment property and carried it at fair value with movement in fair value recognised in the profit and loss account. The Company availed of the exemption in Section 1.19 of FRS 102 to deem a previous valuation on investment property as deemed cost and to account for this prospectively. As a result a revaluation reserve was created as is required by Company law. The amount included in the reserve is net of deferred tax at the rate the asset is expected to be realised. The transfer in the year related to the transfer of the depreciation charge on the profit net of deferred tax recognised in the profit and loss account to the other reserve to reflect the fact that this amount is a realised profit.

24. 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.

The company has entered into a guarantee for the benefit of its subsidiary/holding company/sister company/joint venture/associate. The total amount of this guarantee was €XX.[82]

25. CAPITAL COMMITMENTS

There were no capital commitments at the year ended 31 December 2019.

[81] 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
[82] Only applicable if company adopts a policy to treat property rented or used by other group members as property plant and equipment under Section 17 of FRS 102 and there was an uplift on the property prior to the adoption of this policy.

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Notes to the Financial Statements

26. COMMITMENTS

At 31 December 2019, the company had the following commitments under non-cancellable operating leases that expire as follows:

	2019	2018
	€	€
Within one year	145,000	145,000
Within two to five years	100,000	100,000
Greater than five years	-	-
Total	XXXX	XXXX

ii) An amount of €XX was included in accruals for future payments required to fund a deficit which the company has committed to[83].

iii) An amount of €XX (2018:€XX) was included in accruals with regard to pension contributions payable to the pension scheme for past directors of the company[84].

27. 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

28. RETIREMENT BENEFITS INFORMATION[85]

	2019	2018
	€	€
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 2019 included €(AMOUNT) in respect of past

[83] Para 58, Sch 3, CA 2014
[84] Para 58, Sch 3, CA 2014 requires commitment to pension for past directors to be disclosed separately
[85] Note is applicable to defined contribution schemes only, defined benefit schemes require further detailed disclosures.

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Notes to the Financial Statements

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 (2018: €500).[86] [87]

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

	2019	2018
	€	**€**
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**

[86] Section 28 FRS 102 requires the nature of the scheme, contributions paid during the year and the amount outstanding at year end disclosed. Sch 3(58) requires disclose of pension items included in accruals
[87] Note is applicable to defined contribution schemes only, defined benefit schemes require further detailed disclosures.

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Notes to the Financial Statements

30. ANALYSIS OF CASH & CASH EQUIVALENT AND NET DEBT[88]

	At 31 Dec 2018 €	Cash flow €	Other non-cash items €	At 31 Dec 2019 €
Cash in hand	147,723	209,049	-	356,772
Bank Overdraft	-	-	-	-
	147,723	209,049	-	356,772
Loans due within one year	*(2,064,128)*	*997,178*	*-*	*(1,066,980)*
Loans 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.

Reconciliation of net cash flow to movement in net debt	*2019 €*	*2018 €*
Increase in cash	*209,049*	*XXX*
Loan movement	*(1,222,493)*	*XXX*
Movement in finance leases and hire purchase agreements	*57,335*	*(XXX)*
Movement in directors' loans	*(XXX)*	*(XXX)*
Changes in net debt	*(956,109)*	*(XXX)*
Net debt at 1 January	*(XXX)*	*(XXX)*
Net debt at 31 December	***(XXXXX)***	*(XXXX)*

- ~~No Financial Instruments Note Required~~

[88] 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.

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Notes to the Financial Statements

31. RELATED PARTY TRANSACTIONS [89/90/91]

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

The following transactions were carried out with related parties which are not 100% wholly owned within the group:

	Sales to related party	Purchases from related party	Amounts owed from related party	Amounts owed to related party
	€	€	€	€
Entities with control, joint venture or significant influence over the Company				
2019	-	-	-	-
2018	-	-	-	-
Entities over which the company has control, joint control or significant influence				
2019	-	-	-	-
2018	-	-	-	-

[89] Para 65(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.

Note FRS 102 Section 33 goes further and requires disclosures of all transactions regardless of whether they were concluded under normal market conditions. It requires disclosure of amounts due from goup companies which were not 100% owned within the group including the transactions during the year. These can be done in total where seprate disclosure is not required to show a true and fair view. Section 33 does not require disclosure of transactions with companies owned 100% within the group however the year end balance in total must be disclosed (this disclosure in total is usually shown in the debtors/creditors note i.e. amounts due from/to group undertakings).
Note as per Section 33.1A FRS 102 and Sch 3(65)(3) of CA 2014 does not require disclosure where the transactions are with 100% owned companies within the group.

[90] Para 65(2), Sch II, 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

[91] Para 65(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

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Notes to the Financial Statements

The following transactions were carried out with other related parties:

	2019	2018
	€	€
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

[92]*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:*

	2019	***2018***
	€	***€***
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 2019 and 2018 for the loans made to key management personnel.

32. HOLDING OF OWN SHARES/HOLDING COMPANY SHARES (for illustrative purposes)

The company holds the following class of its own shares[93]:

	2019	2019	2018	2018
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 (2018:€XX).

[92] This note is only required where the directors and key management personnel are not the same persons and the directors remuneration is required to be disclosed under Company Law. Section 33.7A of FRS 102 refers.
[93] 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.

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Notes to the Financial Statements

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[94]:

	2019	2018
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 (2018:€XX).

33. POST BALANCE SHEET EVENTS[95]

Where COVID-19 is a non-adjusting event (use for periods up to 31 December 2019 & consider thereafter)

In the first half of 2020, the COVID-19 virus spread worldwide. In common with many other countries, the Irish government issued guidance and restrictions on the movement of people designed to slow the spread of this virus. In early March 2020, many businesses closed voluntarily and throughout the month more restrictions were placed on people and businesses. On 28th March, all "non-essential" businesses were ordered to close temporarily.

This has had a negative impact on the company since the year end and trading activity has reduced as a result.

Choose one of the below
Where an estimate of the financial effect cannot be made
At the time of approving the financial statements, there is uncertainty regarding how long working restrictions will be in place until and the full extent of the impact that this will have on the financial statements for the year and as a result a an estimate of its financial effect cannot be made.

Or

Where an estimate of the financial effect can be made
In light of the above event, the directors believe that the financial effects of Covid-19 between the year end and the date of approving the financial statements are as follows;

- Decline in market value of property plant and equipment- €xxxx
- Decline in value of stock due to Impairment of stock- €xxxx
- Impairment of trade debtors balance of €xxxxx

As it is the directors opinion that Covid-19 is a non-adjusting event, the above financial effects have not been adjusted for the impact of the above events since the balance sheet date.

Where Covid-19 is an adjusting event (consider for periods of 31 January 2020 and after)[96]

In the first half of 2020, the Covid-19 virus spread worldwide. In common with many other countries, the Irish government issued guidance and restrictions on the movement of people designed to slow the

[94] 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
[95] Required by S.32 FRS 102 and Sch 3(67) CA 2014
[96] Section 32.4 of FRS 102 requires entities to adjust the amounts recognised in its financial statements, including related disclosures, to reflect adjusting events after the end of the reporting period. If preferable, this could be addressed in the individual note affected.

spread of this virus. In early March 2020, many businesses closed voluntarily and throughout the month more restrictions were placed on people and businesses. On 28th March, all "non-essential" businesses were ordered to close temporarily.

This has had a negative impact on the company since the year end and trading activity has reduced as a result.

The following adjustments relate to events or conditions that existed at the balance sheet date and as a result have been adjusted for in these financial statements;

- Decline in market value of property plant and equipment- €xxxx
- Decline in value of stock due to Impairment of stock- €xxxx
- Impairment of trade debtors balance of €xxxxx

34. ULTIMATE CONTROLLING PARTY

The company is a wholly owned subsidiary of OmniPro Holdings Limited a company incorporated in Ireland with a registered office at XXX[97].

35. TRANSITION TO FRS 102[98]

The company previous to this had originally applied FRS 102 but in 201X, the directors decided to change to the FRS 105/IFRS framework for the following reasons:

-*XXX*

-*XXX*

The company has this year decided to re-transition to FRS 102 from FRS 105/IFRS/FRS 101 for the following reasons:

-*XXXX*

XXXX

[97] 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.
[98] Section 35 of FRS 102 requires this disclosures on top of the usual transition disclosures. If this is a transition, then this note would also give detail of whether there was or was not adjustments and details of what they were

36. APPROVAL OF THE FINANCIAL STATEMENTS

The directors approved the financial statements on__________________________________.