



The CPD Fest 2020

Practical Audit Issues under Covid-19

Presenter:

Des O'Neill, Colm Owens - OmniPro

Sponsored by :-



www.CPDStore.com

Core Technical Online CPD for Irish Accountants
Tax, Audit, Financial Reporting, Insolvency, Company Law, Regulation,
Management Accounting & Business Skills



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



Table of Contents:

Practical Audit Issues under Covid-19 Presentation.....	1
Subsequent Events - Covid-19 Checklist.....	22
Going Concern Covid-19 Checklist (RoI)	27
IAASA - New Audit Report Format (Going Concern Paragraph)	37
Client Final Meeting Minutes (template).....	40
Audit Findings Letter.....	43
OmniPro Sample Medium/Large Company Limited YE 31 Dec 2019	50

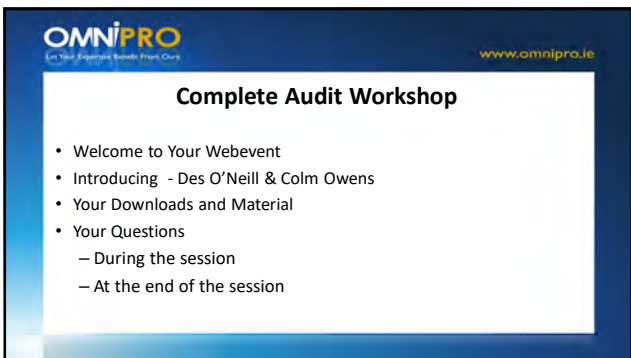
www.CPDStore.com

Core Technical Online CPD for Irish Accountants
Tax, Audit, Financial Reporting, Insolvency, Company Law, Regulation,
Management Accounting & Business Skills

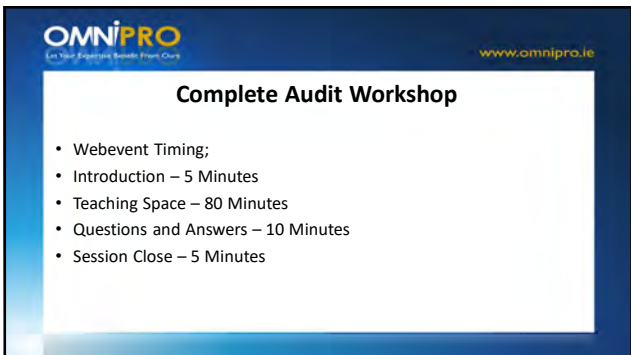




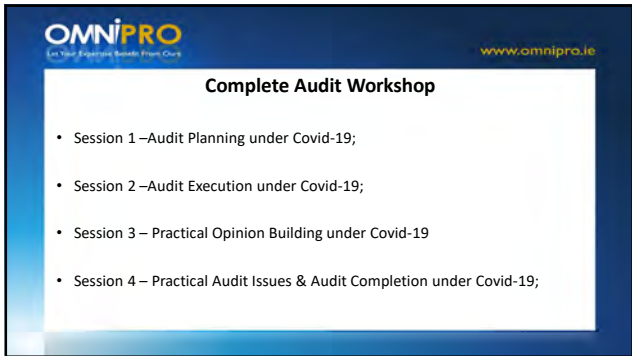
1



2



3

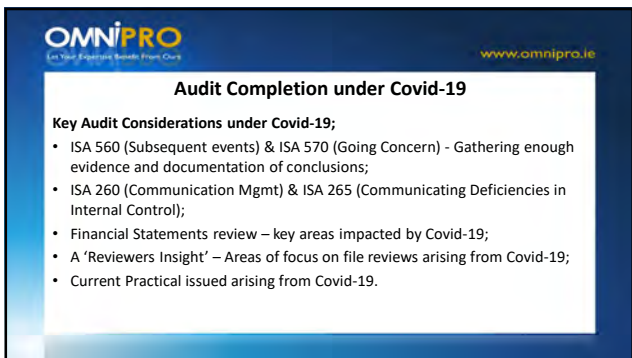


OMNIPRO
Let Your Experience Benefit From Ours
www.omnipro.ie

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



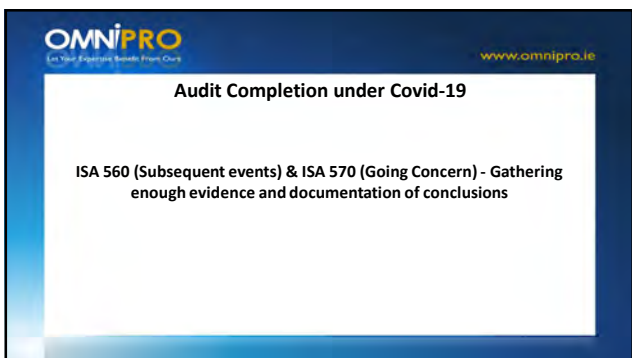
OMNIPRO
Let Your Experience Benefit From Ours
www.omnipro.ie

Audit Completion under Covid-19

Key Audit Considerations under Covid-19;

- ISA 560 (Subsequent events) & ISA 570 (Going Concern) - Gathering enough evidence and documentation of conclusions;
- ISA 260 (Communication Mgmt) & ISA 265 (Communicating Deficiencies in Internal Control);
- Financial Statements review – key areas impacted by Covid-19;
- A 'Reviewers Insight' – Areas of focus on file reviews arising from Covid-19;
- Current Practical issued arising from Covid-19.

5



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

Audit Completion under Covid-19

ISA 560 (Subsequent events) & ISA 570 (Going Concern) - Gathering enough evidence and documentation of conclusions

6

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

ISA 560 – Subsequent Events

Requirements

- Obtain evidence;
- Events Occurring between the year end date and the Date of the Auditor’s Report;
- If events identified that require adjustment or disclosure – evaluate whether they have been reflected in financial statements;
- Written Representations;
- Covid-19 & beyond.

7

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

ISA 560 – Subsequent Events

What are the issues;

- Where’s the evidence?
- What kind of evidence?
 - Bank statements / mgmt accounts / sales orders/book review
- Template / generic memo’s – no support for work carried out;
- Evaluate whether they have been reflected in financial statements;
- Delay in finalisation of financial statements?
 - Bridging the gap – additional work.

8

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

ISA (Ireland) 570 - Going Concern (Revised October 2019)

What are the changes;

- Risk assessment procedures (para 10-1);
- Evaluating Managements Assessment (paras 12-1, 12-2 & 12-3)
- Evaluating the Sufficiency and Appropriateness of Audit Evidence Obtained (para 17-1)
- Implications for the Auditor’s Report (para 21-1);
- Communications (para 25-1).

9

OMNI^{PRO}
Let Your Experience Benefit From Ours www.omnipro.ie

ISA (Ireland) 570 - Going Concern

Risk assessment procedures (para 10-1);
The auditor shall design and perform risk assessment procedures to obtain an understanding of the matters in paragraph 10-2 that provides an appropriate basis for the identification of: (Ref: Para. A3-16–A4.2, A5)

- (a) Events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern; and (Ref: Para. A3–A3-1)
- (b) Whether or not a material uncertainty related to going concern exists

10

OMNI^{PRO}
Let Your Experience Benefit From Ours www.omnipro.ie

ISA (Ireland) 570 - Going Concern

Evaluating Managements Assessment (paras 12-1, 12-2 & 12-3)
The auditor shall perform audit procedures, that include procedures designed and performed in accordance with paragraphs 12-2–12-3, to obtain sufficient appropriate audit evidence about:

- (a) Whether events or conditions exist that may cast significant doubt on the entity's ability to continue as a going concern;
- (b) Whether or not a material uncertainty related to going concern exists; and
- (c) The appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements.

11

OMNI^{PRO}
Let Your Experience Benefit From Ours www.omnipro.ie

ISA (Ireland) 570 - Going Concern

Evaluating the Sufficiency and Appropriateness of Audit Evidence Obtained (para 17-1)
Based on the audit procedures performed and the audit evidence obtained, the auditor shall evaluate whether sufficient appropriate audit evidence has been obtained regarding, and shall conclude on:

- (a) Whether, in the auditor's judgment, a material uncertainty related to going concern exists; and (Ref: Para. A17-1)
- (b) The appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements.

12

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

ISA (Ireland) 570 - Going Concern

Implications for the Auditor's Report

- Use of Going Concern Basis of Accounting Is Inappropriate (para 21) – no substantive change;
- Use of Going Concern Basis of Accounting is Appropriate (para 21.1) – change in wording

'the auditor has not identified a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorized for issue'

Use of Going Concern Basis of Accounting Is Appropriate but a Material Uncertainty Related to Going Concern Exists (para 22 & 23) - no substantive change

13

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

ISA (Ireland) 570 - Going Concern

Communications;

With Regulatory & Enforcement Authorities (para 25-1) – new requirement

When the auditor considers that it may be necessary to include a "Material Uncertainty Related to Going Concern" paragraph in the auditor's report or issue a qualified, adverse or disclaimer of opinion in respect of matters related to going concern, the auditor shall determine whether law, regulation or relevant ethical requirements:

- Require the auditor to report to an appropriate authority outside the entity;
- Establish responsibilities under which reporting to an appropriate authority outside the entity may be appropriate in the circumstances.

14

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

Audit Completion under Covid-19

ISA 260 Communication with those Charged with Governance

15

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

ISA 260 Communication with those Charged with Governance

Objectives

- (a) To communicate clearly with those charged with governance the responsibilities of the auditor in relation to the financial statement audit, and an overview of the planned scope and timing of the audit;
- (b) To obtain from those charged with governance information relevant to the audit;

16

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

ISA 260 Communication with those Charged with Governance

Objectives

- (c) To provide those charged with governance with timely observations arising from the audit that are significant and relevant to their responsibility to oversee the financial reporting process; and
- (d) To promote effective two-way communication between the auditor and those charged with governance.

17

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

ISA 260 Communication with those Charged with Governance

Requirements

- Determine who (mgmt v those charged with governance);
- Matters to be communicated;
 - Auditors Responsibilities;
 - Planned scope and Timing of the Audit including significant risks;
 - Where required or decides to communicate key audit matters – significant assessed risks required
 - Significant Findings from audit.

18

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

ISA 260 Communication with those Charged with Governance

Requirements - Significant Findings

- Qualitative aspects of entities accounting practices;
- Significant difficulties (if any) – Covid-19..???
- Unless all those charged with governance are involved in management
 - Significant matters discussed with management
 - Representations sought

19

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

ISA 260 Communication with those Charged with Governance

Requirements - Significant Findings

- Circumstances that affect the form and content of the audit report (if any) – Covid-19 – Going concern / modified audit reports..??
- Any other significant matters arising that are relevant to the oversight of the financial reporting process

20

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

ISA 260 – Covid-19 Considerations

- Communication between the auditor and audit client is key during the Covid-19 situation;
- Consider the impact of Covid-19 (restriction on travel etc.) - physical meetings with audit clients may now be impossible;
- Consider alternate methods to communicate with clients (planning meetings, on-going communication throughout the audit process & on completion, especially in cases where deficiencies or misstatements have resulted from the current Covid-19 circumstances).

21

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

ISA 260 – Covid-19 Considerations

- Communication is key especially where the auditor considers that additional time is needed;
- If management refuses to allow additional time - consider whether such refusal constitutes a limitation on the scope of the audit imposed by management;
- Auditors need to be especially aware that where they intend to modify their opinion, they will need to ensure to allow enough time to communicate and explain 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.

22

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

Audit Completion under Covid-19

ISA 265 – Communicating Deficiencies in Internal Control to Those Charged with Governance and Management

23

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

ISA 265 – Communicating Deficiencies in Internal Control to Those Charged with Governance and Management

Objective

- To communicate appropriately with those charged with governance and management;
 - deficiencies in internal control that the auditor has identified; and
 - that in the auditor’s professional judgement are of sufficient importance to merit their respective attentions.

24

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

ISA 265 – Communicating Deficiencies in Internal Control to Those Charged with Governance and Management

- Definition - Deficiency in Internal Control
 - A control designed, implemented and operated
 - In such a way that it is unable to
 - Prevent, detect or correct misstatements in the financial statements
 - A necessary control to prevent, detect or correct misstatements is missing

25

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

ISA 265 – Communicating Deficiencies in Internal Control to Those Charged with Governance and Management

Requirements

- Determine whether deficiencies have been identified;
- Determine, based on the work, whether deficiencies are significant deficiencies;
- Communicate in writing to those charged with governance;
- Communicate to management significant deficiencies it intends communicating to those charged with governance;

26

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

ISA 265 – Communicating Deficiencies in Internal Control to Those Charged with Governance and Management

Requirements

- Other deficiencies that warrant management attention;
- Description of the deficiency and their potential effects;
- Auditors consideration of the deficiency and the impact on the audit and their opinion forming process.

27

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

ISA 265 – Covid-19 Considerations

Impact of Covid-19;

- 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.

28

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

Audit Completion under Covid-19

**Financial Statements review –
key areas impacted by Covid-19**

29

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

**Financial Statements review – key areas impacted by
Covid-19**

- 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’;
 - Procedures in place to evidence how the firm has complied with ISA 330 (updated Covid-19 checklists).

30

OMNI^{PRO}
Let Your Experience Benefit From Ours
www.omnipro.ie

Financial Statements review

- Focus areas for 'Reviewers'.
 - First thing Reviewers see – gives impression of firm?
 - Credibility Review – do financial statements make sense?
 - Focus will be on Covid-19
 - Don't forget 'non-Covid-19' matters
- Review of Sample Covid-19 Financial Statement

31

OMNI^{PRO}
Let Your Experience Benefit From Ours
www.omnipro.ie

Financial Statements review

- **Covid-19 Disclosures**
 - Going concern
 - Post balance sheet events
 - Key judgements and estimates
 - Accounting treatment of Covid-19 items
- **Directors Report**
 - Does the report give a fair review of the business of the company and the risks and uncertainties it faces?
 - Are directors report disclosures "boilerplate" or do they address the real issues?

32

OMNI^{PRO}
Let Your Experience Benefit From Ours
www.omnipro.ie

Financial Statements review

Directors' Report

- **Principal Activities & Business Review**
 - Is it a fair review of the business? Consistent with FS.
- **Principal Risks and Uncertainties**
 - Is it a fair reflection on the company?
 - Are the risks "boilerplate"
- **Future Developments**
 - Does it give a fair review of the likely future developments facing the company?
 - December 2019 year ends- does it discuss COVID-19?

33

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

Financial Statements review

Director's Report

- Directors details, dividends & results correct?
 - Does list of directors reconcile back to CRO?
- Events after the balance sheet date
 - were there any?
- R&D/Political donations???
- Directors compliance statement and audit committee statement
 - If thresholds breached
- Directors disclosure re accounting records
 - CA reference correct?

34

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

Financial Statements review

Directors' Report

- Auditor continuance statement (and correct CA reference- S383 (2))
- Statement on relevant audit information (Reference S.330)
- Overall question- Is there consistency with financial statements?
- Director's responsibility statement

35

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

Financial Statements review

Audit Report

- Reference to ES-PAASE
- Material uncertainty related to going concern v's Conclusions on going concern
- Emphasis of Matter paragraphs – Covid-19 considerations

36

OMNIPRO
Let Your Expertise Shine From Here
www.omnipro.ie

Financial Statements review

Accounting Policies

- Covering all P&L and balance sheet items;
 - Tailoring of income note. "boiler plate"/ not covering all streams
 - Deferred tax not covered
 - Land and buildings not defining cost, not disclosing useful life, SL/RB
 - Land being depreciated
 - Government grants policy not disclosing accruals/performance model
 - Incorrectly classifying investment property as PPE
 - Cash and cash equivalents policy
 - Share capital policy
 - Impairment accounting policy – Covid-19

37

OMNIPRO
Let Your Expertise Shine From Here
www.omnipro.ie

Financial Statements review

Judgements and key sources of estimation uncertainty

- Not including any - Full FRS 102
- Boilerplate disclosures not addressing the real issues

38

OMNIPRO
Let Your Expertise Shine From Here
www.omnipro.ie

Financial Statements review

Notes to Financial Statements

- Income note- is there more than one class of business or market?
- Statutory Information
 - Auditors remuneration disclosure- large companies
- Directors remuneration
- Staff numbers & staff costs
- Pension
- Tax reconciliation note
- Dividends

39

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

Financial Statements review

Notes to Financial Statements

- Tangible/intangible/Financial Fixed Assets note
- Stock
- Debtors
 - Any company law issues? Other debtors/large debtors balances
 - General provisions
- Creditors
 - Split by tax head
 - Security
- Debt maturity analysis

40

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

Financial Statements review

Notes to Financial Statements

- Government Grants
- Share Capital
- Commitments
- Related Party Transactions
- Controlling party
- Post Balance Sheet Events
- Key Management Compensation

41

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

Audit Completion under Covid-19

A 'Reviewers Insight' – Areas of focus on file reviews arising from Covid-19;

42

OMNIPRO
Let Your Experience Benefit From Ours

www.omnipro.ie

Areas of focus on file reviews arising from Covid-19

Planning;

- ISA 300 – Planning
 - Tailored planning memo re Covid-19;
 - Tailored audit team planning minutes addressing Covid-19;
- ISA 315 – Understanding of the entity & assessment of risks
 - Impact Covid-19 has had on audit plan & planning process;
 - Covid-19 audit risks (additional or revised)
 - Impact on understanding of accounting systems & internal controls
 - How firm addressed walk through testing.

43

OMNIPRO
Let Your Experience Benefit From Ours

www.omnipro.ie

Areas of focus on file reviews arising from Covid-19

Planning;

- ISA 330 – Auditors response to risks
 - Auditor's approach to Covid-19 risks;
 - Addressing Covid-19 issues (lack of audit staff / access to client etc)
 - Financial statements disclosures review – Covid-19
- ISA 240 – Fraud
 - Addressing risk of management over-ride;
 - Document discussions of fraud with client & team – focus on Covid-19

44

OMNIPRO
Let Your Experience Benefit From Ours

www.omnipro.ie

Areas of focus on file reviews arising from Covid-19

Planning;

- ISA 250 A – Laws and Regulations
 - Documentation of new laws and regulations (TWSS etc);
 - Additional testing on eligibility – decisions made by mgmt;
 - Continued compliance with reporting obligations;
- ISA 260 – Communication with mgmt
 - Tailored planning & final meeting minutes

45

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

Areas of focus on file reviews arising from Covid-19

Planning;

- ISA 320 – Materiality
 - Documentation of impact of materiality calculation;
 - Consideration of specific materiality levels for Covid-19 balances etc;
- ISA 540 – Accounting Estimates;
 - Documentation of various estimates used;
 - How they have been impacted by Covid-19;
 - Evidence of work challenging mgmt judgements etc.

46

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

Areas of focus on file reviews arising from Covid-19

Fieldwork / execution;

- ISA 230 Documentation v's ISA 500 Evidence
 - Be prepared for pushback / requests for further 'evidence';
 - Covid-19 areas
 - the valuation and impairment of assets (tangible fixed assets, intangible assets, financial assets, stocks & WIP and debtors);
 - fair value calculations & value-in-use calculations;
 - assumptions used to calculate provisions and contingent liabilities;
 - compliance with loan covenants resulting in breaches of covenants etc,
 - eligibility and compliance with government incentives i.e. wages subsidy scheme etc; and
 - related parties matters (recoverability of related loans & going concern across group companies etc.).

47

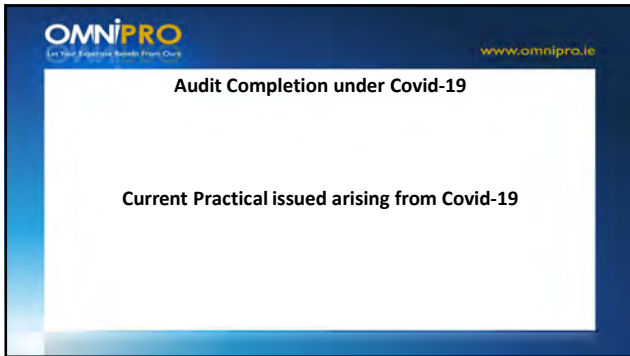
OMNIPRO
Let Your Expertise Shine From Ours
www.omnipro.ie

Areas of focus on file reviews arising from Covid-19

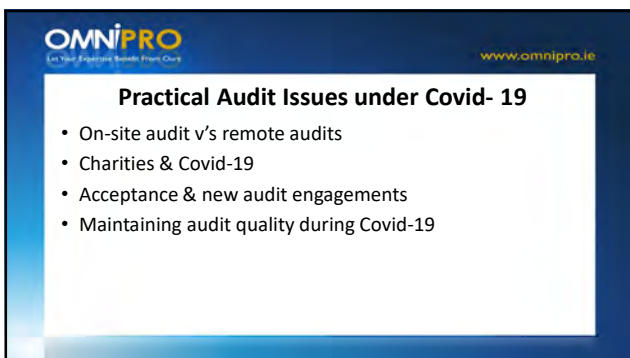
Completion;

- ISA 560 – Subsequent Events
 - Period covered & Documents reviewed;
 - Tie back to financial disclosures – events after year end;
- ISA 570 – Going Concern;
 - Assessment period (12 months after date of approval);
 - Documentation of consideration of use of going concern basis;
 - Documents reviewed;
 - Documentation of auditors opinion;

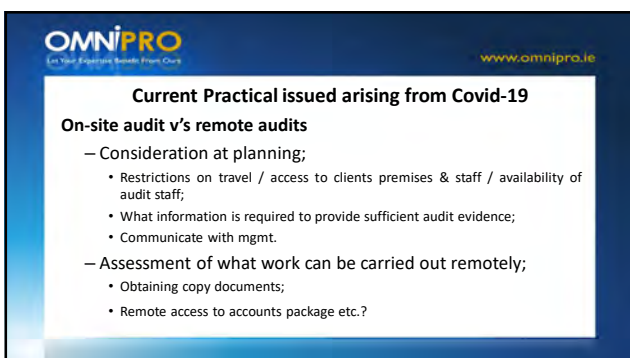
48



49



50



51

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

Current Practical issued arising from Covid-19

On-site audit v's remote audits

- Any assessment should flag areas where;
 - Confirmation of certain matters is contingent on being physically present at a later stage;
 - Follow up before audit sign off.
- Reliance on previous audit work (ISA 315)
 - Determine whether any changes have occurred;
 - Carry out other audit procedures (enquiries of mgmt / walk-through tests).

52

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

Current Practical issued arising from Covid-19

On-site audit v's remote audits

- Inability to obtain sufficient appropriate audit evidence;
 - Implications on audit opinion?
 - More time needed?
 - Imposed limitation of scope or due to Covid-19?

53

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

Current Practical issued arising from Covid-19

Charities & Covid-19

- Completeness of income issues
 - Not just a Covid-19 issue;
 - On-going issue;
 - Analytical review;
 - Cut-off testing;
 - Sample testing;
 - Walk-through testing (cradle to grave);
 - Supporting documentation / service & grant agreements;
 - Conclusion on work performed

54

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

Current Practical issued arising from Covid-19

Charities & Covid-19

- Going concern issues
 - Pressure to sign off audit by funders;
 - Dependence on external factors;
 - Consider the types of funding (state v's other external funding);
 - Fundraising & other income;
 - Lack of staff to provide services / ability to provide services;
 - Collect the evidence, assess, evaluate & conclude.

55

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

Current Practical issued arising from Covid-19

Acceptance & new audit engagements

- Restrictions on travel etc / access to information / books & records difficult to review previous auditor working papers;
- Assess what information needs to be physically review post 'lock-down' & ensure reviewed prior to sign-off;
- ISA 210 para 7 restricts taking on a new engagement where auditor knows a limitation of scope arises – Covid-19 issues.

56

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

Current Practical issued arising from Covid-19

Maintaining audit quality during Covid-19

- Vital to ensure continued quality irrespective of Covid-19 - ISQC1 & ISA 220;
- Practical issues over supervision & review of audits;
- Still essential to document the direction, supervision and review process & communication with audit team (ISA 300);
- Focus area on monitoring visits post Covid-19!!
- Institute's monitoring visit process has adapted – remote reviews

57

OMNIPRO
Let Your Experience 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.

58

OMNIPRO
Let Your Experience 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

59

OMNIPRO
Let Your Experience 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.

60



61

COVID-19 Subsequent Events Checklist

OMNIPRO

Covid-19 Audit issues - Subsequent Events Considerations

Reference	Consideration	Yes	No	Comment
Events Occurring between the Date of the Financial Statements and the Date of the Auditor's Report				
ISA 560(6)	The auditor shall perform audit procedures designed to obtain sufficient appropriate audit evidence that all events occurring between the date of the financial statements and the date of the auditor's report that require adjustment of, or disclosure in, the financial statements have been identified - <u>has the auditor identified Covid-19 situation as a significant event / risk?</u>			
ISA 560(7)	The auditor shall perform the procedures required by paragraph 6 so that they cover the period from the date of the financial statements to the date of the auditor's report, or as near as practicable thereto. Year end date; Proposed audit report date;			
ISA 560(7)	The auditor shall take into account the auditor's risk assessment in determining the nature and extent of such audit procedures - <u>has the risk assessment identified Covid-19 as a significant event / risk?</u>			
ISA 560(7)	Has the auditor performed the following audit procedures;			
ISA 560(7)(a)	Obtaining an understanding of any procedures management has established to ensure that subsequent events are identified;			
ISA 560(7)(b)	Inquiring of management and, where appropriate, those charged with governance as to whether any subsequent events have occurred which might affect the financial statements.			
ISA 560(7)(A9)	Has the auditors made specific inquiries regarding the following matters;			
ISA 560(7)(A9)	Whether sales or acquisitions of assets have occurred or are planned?			
ISA 560(7)(A9)	Whether there have been increases in capital or issuance of debt instruments, such as the issue of new shares or debentures, or an agreement to merge or liquidate has been made or is planned? <u>Has the Covid-19 resulted in a possible liquidation?</u>			
ISA 560(7)(A9)	Whether any assets have been appropriated by government or destroyed, for example, by fire or flood?			
ISA 560(7)(A9)	Whether there have been any developments regarding contingencies <u>(Has the Covid-19 situation resulted in the realisation of contingent liabilities?)</u> .			
ISA 560(7)(A9)	Whether any unusual accounting adjustments have been made or are contemplated <u>(Has Covid-19 resulted in 'unusual' accounting adjustments?)</u> .			
ISA 560(7)(A9)	Whether any events have occurred or are likely to occur that will bring into question the appropriateness of accounting policies used in the financial statements, as would be the case, for example, if such events call into question the validity of the going concern assumption.			
ISA 560(7)(A9)	Whether any events have occurred that are relevant to the measurement of estimates or provisions made in the financial statements <u>(Has Covid-19 resulted in additional provisions or reassessment of estimates?)</u> .			
ISA 560(7)(A9)	Whether any events have occurred that are relevant to the recoverability of assets <u>(as a result of Covid-19?)</u>			
ISA 560(7)(c)	Reading minutes, if any, of the meetings, of the entity's owners, management and those charged with governance, that have been held after the date of the financial statements and inquiring about matters discussed at any such meetings for which minutes are not yet available <u>(has the company availed of any government assistance scheme / incentives in relation to Covid-19? If so, has the company's consideration and decision to participate been properly minuted?)</u>			
ISA 560(7)(d)	Reading the entity's latest subsequent financial statements / management accounts (if any).			
ISA 560(A8)	Has the auditor considered performing the following additional audit procedures;			
ISA 560(A8)	Read the entity's latest available budgets, cash flow forecasts and other related management reports for periods after the date of the financial statement <u>(do these include adjustments for the effects of Covid-19?)</u>			
ISA 560(A8)	Inquire, or extend previous oral or written inquiries, of the entity's legal counsel concerning litigation and claims; or			
ISA 560(A8)	Consider whether written representations covering particular subsequent events may be necessary to support other audit evidence and thereby obtain sufficient appropriate audit evidence.			
ISA 560(8)	Based on the result of the audit procedures performed, has the auditor identified events that require adjustment of, or disclosure in, the financial statements?			

ISA 560(8)	Has the auditor documented their conclusion as to whether each such event is appropriately reflected in the financial statements in accordance with the applicable financial reporting framework?			
ISA 560(9)	Has the auditor obtained a written representation in accordance with ISA (Ireland) 580 that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.			
ISA 560(9)	Does the written representation specifically refer to the <u>Covid-19</u> situation?			

Events / Facts Which Become Known to the Auditor after the Date of the Auditor's Report but before the Date the Financial Statements Are Issued

ISA 560(10)	Has the auditor become aware of events / facts (after the date of the auditor's report but before the date the financial statements are issued) that, had it been known to the auditor at the date of the auditor's report, may have caused the auditor to amend the auditor's report? (i.e. Covid-19 situation)			
ISA 560(10)	If so has the auditor performed the following procedures;			
ISA 560(10)(a)	Discuss the matter with management and, where appropriate, those charged with governance;			
ISA 560(10)(b)	Determine whether the financial statements need amendment; and, if so;			
ISA 560(10)(c)	Inquire how management intends to address the matter in the financial statements.			
ISA 560(11)	If management <u>amends</u> the financial statements, did the auditor;			
ISA 560(11)(a)	Carry out the audit procedures necessary in the circumstances on the amendment.			
ISA 560(11)(b)	Unless the auditor is permitted to restrict the audit procedures on subsequent events to that amendment, did the auditor;			
ISA 560(11)(b)(i)	Extend the audit procedures referred to in paragraphs 6 and 7 to the date of the new auditor's report; and			
ISA 560(11)(b)(ii)	Provide a new auditor's report on the amended financial statements. The new auditor's report shall not be dated earlier than the date of approval of the amended financial statements.			
ISA 560(12)	Where the auditor is permitted to restrict the audit procedures on subsequent events to that amendment, did the auditor amend the auditor's report, or provide a new auditor's report as required?			
ISA 560(13)	If management <u>does not amend</u> the financial statements in circumstances where the auditor believes they need to be amended, did the auditor consider;			
ISA 560(13)(a)	If the auditor's report has not yet been provided to the entity, did the auditor modify the opinion as required by ISA (Ireland) 705 and then provide the auditor's report; or			
ISA 560(13)(b)	If the auditor's report has already been provided to the entity, did the auditor notify management not to issue the financial statements to third parties before the necessary amendments have been made?			
ISA 560(13)(b)	If the financial statements have been issued without the necessary amendments, did the auditor take appropriate action, to seek to prevent reliance on the auditor's report?			

Events / Facts Which Become Known to the Auditor after the Financial Statements Have Been Issued

ISA 560(14)	Has the auditor become aware of events / facts (after the date the financial statements are issued) that, had it been known to the auditor at the date of the auditor's report, may have caused the auditor to amend the auditor's report? (i.e. Covid-19 situation)			
ISA 560(14)	If so has the auditor performed the following procedures;			
ISA 560(14)(a)	Discuss the matter with management and, where appropriate, those charged with governance;			
ISA 560(14)(b)	Determine whether the financial statements need amendment; and, if so;			
ISA 560(14)(c)	Inquire how management intends to address the matter in the financial statements.			
ISA 560(15)	If management <u>amends</u> the financial statements, did the auditor;			
ISA 560(15)(a)	Carry out the audit procedures necessary in the circumstances on the amendment.			
ISA 560(15)(b)	Review the steps taken by management to ensure that anyone in receipt of the previously issued financial statements together with the auditor's report thereon is informed of the situation.			
ISA 560(15)(c)	Unless the auditor is permitted to restrict the audit procedures on subsequent events to that amendment, did the auditor;			
ISA 560(15)(c)(i)	Extend the audit procedures referred to in paragraphs 6 and 7 to the date of the new auditor's report; and			
ISA 560(15)(c)(ii)	Provide a new auditor's report on the amended financial statements. The new auditor's report shall not be dated earlier than the date of approval of the amended financial statements.			

ISA 560(15)(d)	Where the auditor is permitted to restrict the audit procedures on subsequent events to that amendment, did the auditor amend the auditor's report, or provide a new auditor's report as required?			
ISA 560(16)	Did the auditor include in the new or amended auditor's report an Emphasis of Matter paragraph or Other Matter(s) paragraph referring to a note to the financial statements that more extensively discusses the reason for the amendment of the previously issued financial statements and to the earlier report provided by the auditor?			
ISA 560(17)	If management does not take the necessary steps to ensure that anyone in receipt of the previously issued financial statements is informed of the situation and does not amend the financial statements in circumstances where the auditor believes they need to be amended, did the auditor notify management that the auditor will seek to prevent future reliance on the auditor's report?			
ISA 560(17)	If, despite such notification, management or those charged with governance do not take these necessary steps, did the auditor take appropriate action to seek to prevent reliance on the auditor's report?			



COVID-19 Going Concern Checklist

Practice Support + Corporate Consultants + Tax & Legal + Practice Growth + Education & Training
Practice Support + Corporate Consultants + Tax & Legal + Practice Growth + Education & Training
Practice Support + Corporate Consultants + Tax & Legal + Practice Growth + Education & Training
Practice Support + Corporate Consultants + Tax & Legal + Practice Growth + Education & Training



Covid-19 Audit issues - Going Concern Considerations

Reference	Consideration (ISA (Ireland) 570 (Revised October 2019))	Yes	No	Comment
ISA 570(2)	The financial statements are prepared on the going concern basis unless the entity is being liquidated or the directors intend to liquidate the entity or to cease trading or have no realistic alternative but to do so. Were the accounts prepared on the going concern basis (<u>Impact of Covid-19 on going concern basis</u>)?			
ISA 570(10-1)(a) (ISA 315)	If so, did the auditor identify events/ conditions (<u>included those linked to Covid-19</u>) that may cast doubt on the entity's ability to continue as a going concern?			
ISA 570(10-1)(b)	If so, did the auditor identify whether or not a material uncertainty related to going concern exists?			
ISA 570(10-1)	Did the auditor determine whether management had performed a preliminary assessment of the entities ability to continue as a going concern? (<u>Did mgmts.' assessment of going concern include consideration of Covid-19?</u>)			
ISA 570(10-3)	Where management has not yet performed an assessment of the entity's ability to continue as a going concern, did the auditor request management to make its assessment?			
ISA 570(10-4)	Did the auditor discuss / inquire of management as to its knowledge of events or conditions beyond the period of management's assessment that may cast significant doubt on the entity's ability to continue as a going concern (<u>including those linked to Covid-19</u>)?			
ISA 570(10-4)	If such events / conditions are identified, did the auditor request management to evaluate the potential significance of the event / condition on its assessment of going concern (<u>Did mgmts.' assessment of going concern include consideration of Covid-19</u>)?			
ISA 570(10-5)	Did the auditor evaluate whether events / conditions identified give rise to a risk of management bias in the preparation of the financial statements (keeping in mind whether			
ISA 570(11-1)	If the auditor identifies events / conditions that may cast significant doubt on the entity's ability to continue as a going concern, that management has not previously identified or disclosed to the auditor, did the auditor;			
ISA 570(11-1)(a)	-request management to perform additional procedures to understand the effect of the events / conditions on management's going concern assessment;			
ISA 570(11-1)(b)	-discuss / inquire as to why management's going concern assessment failed to identify or disclose the events or conditions; and			
ISA 570(11-1)(c)	-perform additional audit procedures relating to the newly identified events / conditions in accordance with paragraphs 12-1-12-2?			
ISA 570(12-1)	Did the auditor perform audit procedures (including procedures designed and performed in accordance with paragraphs 12-2-12-3) to obtain sufficient appropriate audit evidence about;			
ISA 570(12-1)(a)	-whether events / conditions exist that may cast significant doubt on the entity's ability to continue as a going concern;			
ISA 570(12-1)(b)	-whether or not a material uncertainty related to going concern exists; and			
ISA 570(12-1)(c)	-the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements?			
ISA 570(12-2)	Did the auditor perform audit procedures that include;			
ISA 570(12-2)(a)	Evaluating management's method to assess the entity's ability to continue as a going concern, including determining if;			
ISA 570(12-2)(a)(i)	The method selected is appropriate in the context of the applicable financial reporting framework and the auditor's understanding of the entity;			
ISA 570(12-2)(a)(ii)	Changes from the method used in prior periods are appropriate; and			
ISA 570(12-2)(a)(iii)	Whether the calculations are applied in accordance with the method and are mathematically accurate.			
ISA 570(12-2)(b)	Evaluating the relevance and reliability of the underlying data used to make the assessment(<u>consider the uncertainty created by Covid-19</u>);			
ISA 570(12-2)(c)	Evaluating the assumptions on which management's assessment is based by determining whether there is adequate support for the assumptions underlying management's assessment, including determining (<u>consider the uncertainty created by Covid-19</u>);			
ISA 570(12-2)(c)(i)	Whether the assumptions are appropriate in the context of the applicable financial reporting framework, and if applicable, changes from prior periods are appropriate (<u>include consideration of impact of Covid-19</u>); and			
ISA 570(12-2)(c)(ii)	Whether the assumptions are consistent with each other and with related assumptions used in other areas of the entity's business activities, based on the auditor's knowledge obtained in the audit?			
ISA 570(12-2)(d)	Evaluating management's plans for future actions in relation to its going concern assessment and whether these plans are reasonable and feasible in the circumstances (<u>plans to address impact of Covid-19</u>)?			

ISA 570(12-2)(e)	Considering whether any additional facts or information have become available since the date on which management made its assessment (<u>keep in mind the Covid-19 timeline when assessing these additional facts</u>)?			
ISA 570(12-2)(f)	Requesting written representations from management regarding their plans for future actions and the feasibility of these plans (<u>consider specific representations surrounding impact of Covid-19 and mgmts. plans to address Covid-19 issues</u>)?			
ISA 570 (2016)	Did the auditor consider requesting written confirmation from third parties to support evidence obtained where management's assessment and plans are dependent on this support?			
ISA 570(12D-3)	In accordance with ISA (Ireland) 200, did the maintain professional scepticism throughout the audit and in particular when reviewing future cash flow relevant to the entity's ability to continue as a going concern?			
ISA 570(13-1)	When performing audit procedures in accordance with paragraph 12-1–12-2 did the auditor;			
ISA 570(13-1)(a)	Cover the same period as that used by management to make its assessment of the entity's ability to continue as a going concern as required by the applicable financial reporting framework; and			
ISA 570(13-1)(b)	Consider whether management's assessment includes all relevant information, including all available information about the future, of which the auditor is aware as a result of the audit (<u>keep in mind impact of Covid-19</u>)?			
ISA 570(14-1)	If management's assessment of the entity's ability to continue as a going concern covers less than twelve months from the date of approval of the financial statements, did the auditor request management to extend its assessment period to at least twelve months from that date?			
ISA 570(15-1)	If management was unwilling to make or extend its assessment when requested to do so by the auditor, did the auditor discuss the matter with mgmt.?			
ISA 570(15-1)	If management do not provide sufficient information about the entity's ability to continue as a going concern, did the auditor;			
ISA 570(15-1)(a)	-consider the implications for the audit; and			
ISA 570(15-1)(b)	-determine whether there is a significant deficiency in internal control with regard to management's assessment of the entity's ability to continue as a going concern?			
ISA 570(25)	Did the auditor discuss / communicate mgmt. those events / conditions identified that may cast doubt on the entity's ability to continue as a going concern?			
	If so, did the discussions include;			
ISA 570(25)(a)	Whether the events or conditions constitute a material uncertainty; statements;			
ISA 570(25)(b)	Whether management's use of the going concern basis of accounting is appropriate in the preparation of the financial statements;			
ISA 570(25)(c)	The adequacy of related disclosures in the financial statements; and			
ISA 570(25)(d)	Where applicable, the implications for the auditor's report (including possible inclusion of Material Uncertainty related to Going Concern section).			
ISA 570(25-1)	When the auditor considers that it may be necessary to include a "Material Uncertainty Related to Going Concern" paragraph in the auditor's report or issue a qualified, adverse or disclaimer of opinion in respect of matters related to going concern, did the auditor determine whether law, regulation or relevant ethical requirements;			
ISA 570(25-1)(a)	-require the auditor to report to an appropriate authority outside the entity?			
ISA 570(25-1)(b)	-Establish responsibilities under which reporting to an appropriate authority outside the entity may be appropriate in the circumstances?			
ISA 570(26)	If there is a significant delay in the approval of the financial statements by management after the date of the financial statements, did the auditor inquire as to the reasons for the delay?			
ISA 570(26)	Did the auditor consider whether the delay in the approval of the financial statements by management could be related to events / conditions relating to the going concern assessment?			
ISA 570(26)	If so, did the auditor perform additional audit procedures necessary as noted in para 16 (see ISA 570(16)) and consider the effect on the auditor's conclusion (see ISA 570(17))			
ISA 570(26-1)	In all cases, did the auditor document / record;			
ISA 570(26-1)(a)	Key elements of the auditor's understanding of the entity and its environment, including the entity's internal control related to going concern;			
ISA 570(26-1)(b)	Indicators of possible management bias related to going concern, if any, and the auditor's evaluation of the implications for the audit; and			
ISA 570(26-1)(c)	Significant judgments relating to the auditor's determination of;			
ISA 570(26-1)(c)(i)	-whether or not a material uncertainty related to going concern exists;			
ISA 570(26-1)(c)(ii)	-the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements; and			
ISA 570(26-1)(c)(iii)	-the appropriateness of management's disclosures in the financial statements.			

Auditor's Conclusions / Evaluating the Sufficiency and Appropriateness of Audit Evidence Obtained

ISA 570(17-1)	Did the auditor evaluate whether sufficient appropriate audit evidence had been obtained (keep in mind Covid-19 issues identified)?			
	Did the auditor conclude;			
ISA 570(17-1)(a)	-whether, in the auditor's judgment, a material uncertainty related to going concern exists; and			
ISA 570(17-1)(b)	-the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements.			
ISA 570(18-1)(a)	Did the auditor evaluate whether judgments and decisions made by management (even if they are individually reasonable) are indicators of possible management bias?			
ISA 570(18-1)(a)	Where the auditor did identify indicators of possible management bias, did the auditor shall evaluate the implications for the audit?			
ISA 570(18-1)(b)	Did the auditor take into account all relevant audit evidence obtained, whether corroborative or contradictory (keep in mind the impact of Covid-19)?			

Appropriateness of disclosures when events / conditions have been identified and a Material Uncertainty exists

ISA 570(19)	Where a Material Uncertainty exists, did the auditor determine whether the financial statements;			
ISA 570(19)(a)	-adequately / appropriately disclose / describe the principal events or conditions that may cast significant doubt on the entity's ability to continue as a going concern; and			
ISA 570(19)(a)	-management's plans to deal with these events or conditions; and			
ISA 570(19)(b)	-disclose clearly that there is a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern and therefore may be unable to realize its assets and discharge its liabilities in the normal course of business.			

Appropriateness of disclosures when events / conditions have been identified but No Material Uncertainty exists

ISA 570(20)	If events or conditions have been identified that may cast significant doubt on the entity's ability to continue as a going concern but, based on the audit evidence obtained the auditor concludes that no material uncertainty exists, did the auditor evaluate whether the financial statements provide adequate disclosures about these events or conditions (keep in mind disclosures on impact on Covid-19)?			
-------------	--	--	--	--

Implications for the Auditor's Report

Use of Going Concern Basis of Accounting is inappropriate

ISA 570(21)	If the auditor concluded that the going concern basis of accounting was inappropriate, did the auditor express an adverse opinion?			
-------------	--	--	--	--

Use of Going Concern Basis of Accounting is appropriate

ISA 570(21-1)	If the auditor concluded that the going concern basis of accounting was appropriate, did the auditor include a section in the auditor's report with the heading 'Conclusions relating to Going Concern'?			
	If so, did the section include;			
ISA 570(21-1)(a)	-a statement that the auditor has not identified a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorized for issue; and			
ISA 570(21-1)(b)	-a conclusion that management's use of the going concern basis of accounting in the preparation of the entity's financial statements is appropriate?			

Use of Going Concern Basis of Accounting is appropriate but a Material Uncertainty exists

Appropriate disclosure of a Material Uncertainty is made in the financial statements

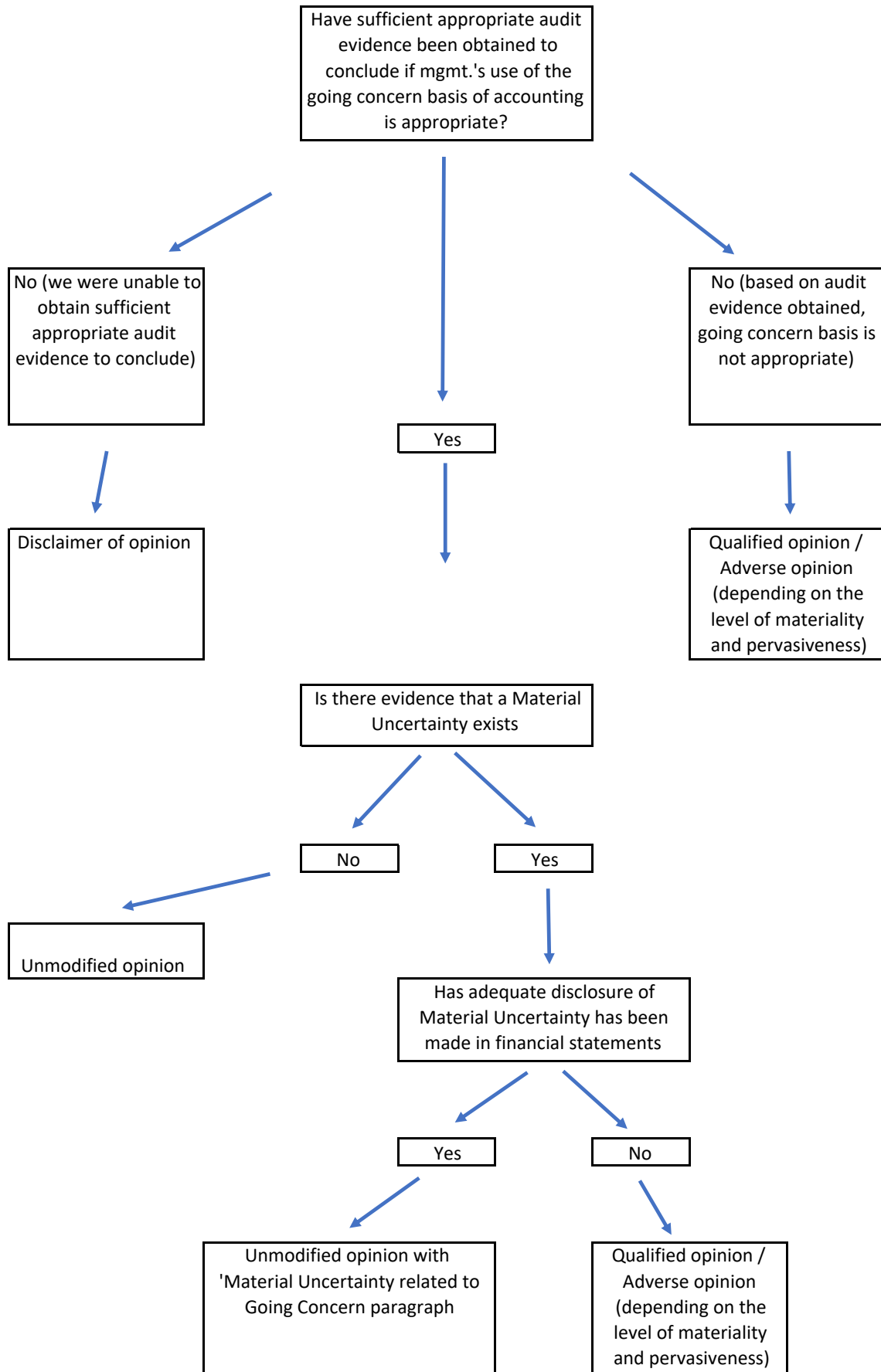
ISA 570(22)	Did the auditor conclude that adequate disclosure about the Material Uncertainty was made in the financial statements?			
	If so, did the auditor;			
ISA 570(22)	-express an unmodified opinion and included a separate section under the heading 'Material Uncertainty Related to Going Concern' in the auditor's report?			
ISA 570(22)	-Did the auditor include the 'Material Uncertainty Related to Going Concern' section immediately after the Basis for Opinion section in the auditor's report?			
ISA 570(22)(a)	-Did the 'Material Uncertainty Related to Going Concern' section draw attention to the note in the financial statements that discloses the matters as set out in paragraph 19;			

ISA 570(22)(b)	- Did the 'Material Uncertainty Related to Going Concern' section state that these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern; and			
ISA 570(22)(b)	- Did the 'Material Uncertainty Related to Going Concern' section state that the auditor's opinion is not modified in respect of the matter?			

Appropriate disclosure of a Material Uncertainty is Not made in the financial statements

ISA 570(22)	Did the auditor conclude that adequate disclosure about the Material Uncertainty was NOT made in the financial statements?			
	If so, did the auditor;			
ISA 570(23)(a)	-express a qualified opinion (where the matter is considered material but not pervasive)?			
ISA 570(23)(a)	-express an adverse opinion (where the matter is considered both material and pervasive)?			
ISA 570(23)(b)	Where the auditor expressed either a qualified or adverse opinion, did the auditor state that material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern and that the financial statements do not adequately disclose this matter?			

Covid-19 Audit Issues - Going Concern Decision Tree



Covid-19 Audit Issues - Audit opinion with Material Uncertainty related to Going Concern paragraph

Unmodified Opinion When a Material Uncertainty Exists and Disclosure in the Financial Statements Is Adequate

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XYZ LIMITED

Opinion

We have audited the financial statements of [XYZ Limited] (the 'company') for the year ended [date] which comprise [specify the titles of the primary statements] and notes to the financial statements, including a summary of significant accounting policies set out in note [x]. The financial reporting framework that has been applied in their preparation is applicable Irish law and Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland [, applying Section 1A of the Standard].

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at [date] and of its profit for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland [, applying Section 1A of the Standard]; and
- have been prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

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

Material Uncertainty Related to Going Concern

We draw attention to note [X] in the financial statements, which discusses the impact of Covid-19 on the company's ability to continue as a going concern. [include a brief description of events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern - link to financial statements going concern disclosures].

As stated in note [X], these events or conditions, along with the other matters as set forth in note [X] to the financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by Companies Act 2014

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8fa98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our audit report.

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

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

Signed by:



.....
+ Practice Support + Corporate Consultants + Tax & Legal + Practice Growth + Education & Training

© OmniPro 2020

5. Illustrative Auditor's Reports

5.1. Auditor's Report on Financial Statements of an Irish Company – Private Company

- *Irish Company*
- *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland is applied by the company*

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF [COMPANY NAME]

Report on the audit of the financial statements

Opinion

We have audited the financial statements of [name] ('the Company') for the [year/period] ended [date], which comprise the [*insert titles of each statement comprising the financial statements*]¹ and notes to the financial statements, including the summary of significant accounting policies² set out in note []. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* issued in the United Kingdom by the Financial Reporting Council³.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at [date] and of its [profit/loss] for the [year/period] then ended;
- have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

¹ ISA (Ireland) 700 requires that the audit report identifies the title of each statement comprising the financial statements (paragraph 24(c)).

² Required by ISA (Ireland) 700 paragraph 24(d).

³ ISA (Ireland) 700 paragraph 27 requires that, where the applicable financial reporting framework is not standards issued by the International Accounting Standards Board or the International Public Sector Accounting Standards Board, the auditor's opinion shall identify the jurisdiction of origin of the framework.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the [annual report/other title] other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

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

- the information given in the directors' report for the financial [year/period] for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited,⁴ and financial statements are in agreement with the accounting records.

⁴ Where returns from branches are material in the context of the auditor forming an opinion as to whether the financial statements give a true and fair view the auditor's report should also contain a statement to the effect that:

"In our opinion information and returns adequate for our audit have been received from branches of the Company not visited by us."

Matters on which we are required to report by exception

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

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement on page [], the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report⁵.

Signature:

Statutory Auditor⁶ [printed name]

Date

for and on behalf of

[Firm name]

[Address]

⁵ Alternatively, the auditor may include the full details of the auditor's responsibilities in the auditor's report or as an appendix to the auditor's report, in which case the report shall include a reference to the location of the appendix.

⁶ The partner, director or other individual, who is a statutory auditor, designated by the firm as being primarily responsible for carrying out the audit on behalf of the firm.

Compliant Client Large Co
31 December 2017

A 11 - 1

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

Covid-19 Considerations

Audit Conclusion Meeting with Those Charged with Governance

Note:

**Commentary should consist of a brief outline of the discussion held with the client under each of the headings.
Tailor the headings and the content to reflect the actual discussions held with the client at the conclusion stage of the audit specifically focussing on the issues potentially impacting on the audit
N/A or No answers will not suffice**

The audit conclusion meeting was held on the morning of the 15th of XX XX,

Engagement partner, **senior accountant** and X,Y and Z representing the board of directors were present at the meeting

All schedules relating to the knowledge and background of the business were reviewed with those charged with governance. The engagement partner reviewed and commented on the initial engagement planning meeting and issues identified at that time.

The following areas were discussed and the directors assessments and comments were recorded accordingly on the working papers of the file.

TOPICS OF DISCUSSION

Audit Opinion

Following on from our discussions documented on WP B10 we will issue a XXXXX Audit Opinion
(If you have issued a modified opinion ensure that an audit opinion letter is also issued)

Litigation and Claims

COMMENT

New Commitments, Borrowings, Guarantees

COMMENT

Sales or Acquisitions of Assets

COMMENT

Measurement of Estimates or Provisions

COMMENT

Review of significant matters arising/issues outstanding

COMMENT

Discussion regarding significant difficulties amounted during the audit

COMMENT

Consideration of laws and regulations including reporting obligations of the auditor and accountant

COMMENT

Consideration of Fraud

COMMENT

Consideration of Risk

COMMENT

Consideration of materiality levels applied

COMMENT

Evidence gathered in relation to specific areas of Risk and potential Fraud

COMMENT

Areas of weakness in the company's information system/internal controls

COMMENT

Consideration of related party transactions

COMMENT

Detected errors / frauds

COMMENT

Review of statement of unadjusted differences

COMMENT

Review of material adjustments

COMMENT

Going Concern

COMMENT

Post balance sheet events

COMMENT

Final Analytical Review

COMMENT

Budget V Fee

COMMENT

Contents of letter of representation

COMMENT

Contents of audit findings letter

COMMENT

Modifications to the audit report

COMMENT

Ethical Standard issues

- If transactions between the Firm and entity occurred and the safeguards applied to ensure independence
- Former audit staff employed in the entity
- Long association and the safeguards applied
- Non-audit services - details of any services provided in the period and safeguards applied on the audit
- Fee's if substantial - detail the safeguards applied especially those for non-audit services
- Quality Control review and safeguards
- If other Audit Related Services were performed as part of the engagement but not linked to the provision of an audit opinion

COMMENT

ANY OTHER ISSUES TO BE INCLUDED

COMMENT

Covid-19 considerations

Commentary required in relation to:

Discussions regarding possible impact on audit opinion from Covid-19

- 1
- 2 Deficiencies in internal controls as a result of Covid-19;
Deficiencies in accounting practices and financial reporting as a result of Covid-19;
- 3
- 4 Significant audit risks that had an impact on the audit and audit report as a result of Covid-19;
- 5 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;
- 6
- 7 Significant difficulties encountered during the audit as a result of Covid-19;
- 8 Impact of Covid-19 on the clients' going concern assessment.
- 9 Impact of Covid-19 on subsequent events etc.

Signed:
Date:

Aud Ptnr
01/01/2018

(Engagement Partner)

LTD CO AUDIT FINDINGS LETTER EXAMPLE

[Directors]
[Compliant Client]
[Compliant Address]

[DATE]

Re: Audit Findings Letter

Dear Directors,

International Auditing Standards (ISA's) require us to communicate our audit findings to those charged with governance, including the following

- Our views as auditors regarding the quality and acceptability of the entities internal controls and accounting systems with a description of any suggested improvements;
- Significant deficiencies in internal control identified during the audit;
- Our views as auditors regarding the quality of the entity's accounting practices and financial reporting with a description of any suggested improvements;
- A description of the significant audit risks that have impacted on our audit report;
- A description of any fraud/information that indicates that a fraud may exist or noted during our audit;
- A description of any instances of non-compliance or suspected non-compliances with applicable laws and regulations noted during our audit,
- Any potential modifications to the auditor's report, including to description of any suggested qualification or explanatory paragraphs;
- Any matters of governance interest;
- A description of any unadjusted misstatements (uncorrected errors and omissions);
- Significant difficulties, if any, encountered during the audit;
- If during the audit events or conditions have been identified that may cast significant doubt on the entity's ability to continue as a going concern,
- Other deficiencies, that have not been communicated by other parties, that in the auditor's professional judgment are of sufficient importance to merit management's attention; and
- Any other issues required to be communicated to those charged with governance in accordance with the ISAs.

Thus we are writing to inform the directors of key issues arising from our audit of [Compliant Client] financial statements for the period ended [date]. An audit of financial statements is not designed to identify all matters that may be relevant to those charged with governance. Accordingly, the audit does not ordinarily identify all such matters.

During the course of the audit of the Company's financial statements for the period ended [DATE], there were a number of issues that came to our attention that need to be reported to you as directors of the company.

OR

No issues came to our attention that in our professional opinion, in the context of an audit findings letter, need to be reported to you as directors of the company.

- **Our views regarding the Entity's Internal controls**

Note: A deficiency in internal control exists when

LTD CO AUDIT FINDINGS LETTER EXAMPLE

- *A control is designed, implemented or operated in such a way that is unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis or*
- *A control necessary to prevent, or detect and correct, misstatements in the financial statements on a timely basis is missing*

The following issues were identified, during the course of our audit, as material weaknesses in internal controls and accounting systems.

Segregation of Duties

Description of Issue

Recommendation

Management Comments

Timely Reconciliations of Creditors

Description of Issue

Recommendation

Management Comments

▪ **Our views regarding the Entity's Accounting Practices & Financial Reporting**

The following issues were noted during the audit

Non Disclosure of Related Party transactions

Description of Issue

Recommendation

Management Comments

▪ **Significant audit risks that have an impact on the audit report**

The following key audit risks were identified at the planning stage of our audit

Existence of Stock

Description of Issue

Recommendation

Management Comments

▪ **Description of fraud/breach of laws and regulations (ISA 240 Fraud ISA 250A (250B if required) Laws & Regulations)**

LTD CO AUDIT FINDINGS LETTER EXAMPLE

During the course of our audit work the following information came to light that may suggest a breach in laws and regulations/potential indication of fraud

Un-vouched payments

Description of Issue

Recommendation

Management Comments

▪ **Modifications to Audit Report**

Based on our audit work performed and information and evidence obtained we recommend the following audit opinion

▪ **Matters of Governance**

During the course of our audit work the following came to our attention

Inadequate Governance structure in place

Description of Issue

Recommendation

Management Comments

▪ **Significant difficulties encountered during the audit**

EGs

- *Significant delays in management providing required information*
- *An unnecessarily brief time within which to complete the audit*
- *Extensive unexpected effort required to obtain sufficient appropriate audit evidence*
- *The unavailability of expected information*
- *Restrictions imposed on the auditor by management*
- *Management's unwillingness to make or extend its assessment of the entity's ability to continue as a going concern when requested.*

▪ **Going Concern Assessment**

Based on our audit work performed, including information and evidence obtained and a review of the key assumptions made by management (as outlined below). We have nothing to report in accordance with our audit report and the "Conclusions relating to going concern".

Management in assessing [the entities] ability to continue as a going concern for a period of at least 12 months from the date of signing has made the following assumptions:

- The confirmation of continued support from its bank
- The large cash reserves retained within the entity
- The large unmortgaged property and minimal bank debt

LTD CO AUDIT FINDINGS LETTER EXAMPLE

(Optional)

Significant Matters Discussed

- *Business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement.*
 - *Concerns about management's consultations with other accountants on accounting or auditing matters.*
 - *Discussions or correspondence in connection with the initial or recurring appointment of the auditor regarding accounting practices, the application of auditing standards, or fees for audit or other services.*
- Other deficiencies, that have not been communicated by other parties
 - Matters specifically required by other ISAs (UK and Ireland) to be communicated to the directors'

INCLUDED ONLY IF ANY ISSUES ARISE

Other than the items referred to above and during our audit conclusion meeting there are no other issues which we are aware of that should be communicated to the directors of the company.

In this section specific ISAs to be aware of include

If there are issues identified under the following ISAs, then these issues need to be reported to the directors':

- *ISA 210 - Terms of Audit Engagements*
 - *ISA 250A - Compliance with Laws and Regulations*
 - *ISA 315 - Understanding the Entity and its Environment and Assessing the Risks of Material Misstatements*
 - *ISA 320 - Audit Materiality*
 - *ISA 550 - Related Parties*
 - *ISA 560 - Subsequent Events*
 - *ISA 570 - Going Concern*
 - *ISA 580 - Management Representations*
 - *ISA 701 - Communication of Key Audit Matters*
 - *ISA 705 - Modifications to the Audit Opinion*
 - *ISA 720 - Other Information*
- **Compliance with Laws and Regulations**

INCLUDE AREAS OF NON COMPLIANCE WITHIN THE DIRECTORS REPORT

On review, the director's report does not comply with company legislation in the following areas:

Companies Act 2014

- The director's report does not include details on the following:
 - A paragraph setting out the continuing appointment of auditors in accordance with Section 383.
 - Sufficient detail the principal activity of the company and include an appropriate business review for the year (Section 326.1/327);
 - Information on acquisition or disposal in own shares (if applicable) (Section 328);
 - Information in interests in shares or debentures (Section 329);
 - Name of persons who were directors during the year (applicable only to periods commencing after 1 June) (Section 326.1);

LTD CO AUDIT FINDINGS LETTER EXAMPLE

- A statement of measures taken to ensure proper keeping of books of account (Section 326.1);
- Details on the amount of dividends and proposed final dividend (Section 326.1);
- A description of the principal risks and uncertainties facing the company (Section)
- Details of significant events occurring after the balance sheet date (Section 326.2);
- Details of relevant future developments affecting the company (Section 327.5);
- A statement on research and development activities (Section 326.2); and
- Information on overseas branches and the countries in which they operate (Section 326.2);
- An assessment of the company's use of financial instruments discussing the financial risk management objectives and policies including price risk, credit risk, liquidity risk and cash flow risk. (Section 326.3);
- Fair review of the company including development and performance of the business and the asset, liability and financial position of the company at the end of the year (Section 327.1 & Section 327.2);
- A review of indication likely future developments in the business of the company (Section 327.5);
- Description of the principal risks and uncertainties faced by the company(Section 327.1);
- Details on shares held, acquired or disposed during the year by directors (Section 328);
- Details of each person who was director or secretary at year end's interest in shares or debentures including the number and the amount at the start of the period, the end of the period or at the immediately preceding dates (Section 329);
- Approval by every person who was a director at the date of approval of the audit report that as far as they are aware, there is no relevant audit information of which the statutory auditors are unaware and the director has taken all steps necessary to make himself aware of any relevant audit information by making enquiries and taken any other steps.(This requirement only arises for periods commencing after 1st of June 2015) (Section 330);
- A paragraph detailing the independent auditor's willingness to continue in office (Section 383).

Electoral Act 1997

- The director's report fails to disclose political donations in excess of €200 as required under Section 17 of the Electoral Amendment (Political Funding) Act.

▪ Unadjusted misstatements or omissions

There were no unadjusted misstatements or omissions noted

OR

A list of unadjusted misstatements is attached to this letter for your review and agreement.

▪ Adjusted Differences

There were no errors or omissions identified which were adjusted for during the audit process.

OR

A list of misstatements which were adjusted during the course of the audit is attached to this letter for your review and agreement.

LTD CO AUDIT FINDINGS LETTER EXAMPLE

This letter has been prepared solely for your use and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as this letter has not been prepared for, and is not intended for, any other purpose.

Finally we would like to thank you and your staff for the assistance offered to us during the course of our work.

If you have any queries in relation to the above, please contact us at any time.

Yours faithfully

Compliant Accountant & Co

Appendix 1 – Summary of Unadjusted Misstatements

DESCRIPTION OF ERROR	BALANCE SHEET		BALANCE SHEET		PROFIT & LOSS		IMPACT ON PROFIT & LOSS A/C	
	Potential	Potential	Actual	Actual	DEBIT	CREDIT	INCREASE	DECREASE
	DEBIT	CREDIT	DEBIT	CREDIT				
Profit & Loss - admin expenses					400			
Creditors - Accruals				400				
<i>Being under - accrual for telephone</i>								
Profit & Loss - admin expenses					350			
Creditors - Accruals				350				
<i>Being under accrual for ESB</i>								
Creditors - Taxation			2000					
Profit & Loss Taxation						2000		
<i>Being adjustment to tax computation</i>								
			2000	750	750	2000	1250	

**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

	Page
Directors and other information	4
Directors' report	5 - 10
Directors' responsibilities	11
Independent Auditor's Report to the Members	12 - 13
Profit and loss account	14
Balance sheet	15
Statement of Changes in Equity	16
Cashflow Statement	17
Notes to the financial statements	18 - 46

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 secretary³

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 Activities⁴ and Business Review⁵

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 Developments⁶

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 Dividends⁷

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 Uncertainties⁸

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 Management⁹

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 interests¹⁰

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 date¹¹

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 its 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 Development¹²

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 donations¹³

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 Creditors¹⁴

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 Records¹⁵

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 office¹⁶ and principal place of business at Construction Place, Builders Lane, Dunblock, Any County.

Directors Compliance Statement¹⁷

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 Committee¹⁸

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 S.283(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 concern¹⁹

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 Information²⁰

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 board²¹

Mr A Director
Director

Ms B 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 disclose the reason for the acquisition and a disclosure of % of called up share capital held at the beginning and end of the year

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

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 business²³

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 board²⁴

Mr A Director
Director

Ms B 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**

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 Income²⁵ 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 (SOCl) is included here for illustration purposes only as there are no movements in the example that require a SOCl. Should a SOCl 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 all 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)
		1,623,061	548,695
Net Assets			
Capital and reserves			
Called up share capital presented as equity	22	120,000	100,000
Share premium account	23	10,000	-
<u>Revaluation reserve</u> **	<u>XX</u>	<u>XXX</u>	-
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 by²⁷

Mr A Director²⁸
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 all 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	<i>Revaluation reserve</i>	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	-	-	-	-	-	-
<i>Transfer from P&L Reserve to revaluation reserve **</i>	-	-	(2,625)	2,625	(XX)	-
Dividends on ordinary shares paid and declared (€XX per ordinary share)	-	-	-	(XXX)	XXX	-
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

17 © OmniPro

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 policies³⁰ adopted by the Company and applied consistently³¹ in the preparation of these financial statements are as follows:

(a) Basis of preparation

The Financial Statements are prepared on the going concern basis³², 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 Ireland³³] including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) ³⁴and 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) Consolidation³⁵

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.

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019 Accounting Policies

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 Benefits³⁷

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 policy³⁸

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:

	<u>2018</u> <u>as previously stated</u>	<u>Adjustment</u>	<u>2018 As restated</u>
<u>Profit and Loss</u>			
<u>Turnover etc. etc.</u>	<u>XXX</u>	<u>XX</u>	<u>XX</u>
<u>Etc Etc</u>			

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 €xxxxxxx 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 €xxxxxxx 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 €xxxxxxx 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 €xxxxxxx, 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. TURNOVER⁴⁰

All turnover derives from activities in the Republic of Ireland. The analysis of turnover by activity is as follows⁴¹.

	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
<u><i>Stock still recognised as an expense *</i></u>	-	-

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 INCOME⁴⁴

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 EXPENSES⁴⁵

	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
<i>Effects of:</i>		
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
	€	€
Remuneration⁵⁰		
Salary	182,000	185,600
Retirement Benefits	30,000	30,000
	212,000	225,600
Directors' Loans⁵¹	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 demand⁵². 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 premises⁵⁴.

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 ASSETS⁵⁵

	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
<i>Transfer from investment property **</i>	<i>XXX</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>XXX</i>
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*

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019 Notes to the Financial Statements

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 €XXXX⁵⁷:

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

Include the below if the option to 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 PROPERTIES⁵⁸

	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
<u>Transfer to Tangible fixed assets</u> **	(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.

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019 Notes to the Financial Statements

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) Subsidiary⁵⁹ undertakings⁶⁰

<i>Company Name</i>	<i>Country of Incorporation⁶¹</i>	<i>Details of investment⁶²</i>	Proportion held by company	Registered Office⁶³	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 – Disclosure 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
<u>Accrued income</u> 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.

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019 Notes to the Financial Statements

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR⁶⁷

	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 year⁷¹.

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
	€	€	€	€
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 facilities⁷⁵ 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 €1 each
(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 follows⁷⁶:

- 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. RESERVES⁷⁷

	Called Up Share Capital €	Share Premium Account €	Other Reserves	Profit and Loss Account €	<u>Revaluation reserve</u> €	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
<u>Transfer from P&L Reserve to revaluation reserve</u> **	-	-	-	(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 reserves⁸⁰

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)

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019 Notes to the Financial Statements

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 reserve⁸¹**

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 to⁸³.

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 company⁸⁴.

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 INFORMATION⁸⁵

	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 DEBT⁸⁸

	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
<i>Loans due within one year</i>	<i>(2,064,128)</i>	<i>997,178</i>	<i>=</i>	<i>(1,066,980)</i>
<i>Loans due after one year</i>	<i>(2,129,125)</i>	<i>225,315</i>	<i>=</i>	<i>(1,903,810)</i>
<i>Finance leases</i>	<i>(39,933)</i>	<i>(57,335)</i>	<i>(250,000)</i>	<i>(232,598)</i>
<u>Total</u>	<u>(4,193,253)</u>	<u>1,488,877</u>	<u>(250,000)</u>	<u>(3,203,358)</u>

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

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

• ~~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 group companies which were not 100% owned within the group including the transactions during the year. These can be done in total where separate 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

⁹²Key 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
	€	€
<u>Key management compensation</u>		
<u>Salaries and other short-term employee benefits</u>	<u>268,000</u>	<u>257,000</u>
<u>Post-employment benefits</u>	<u>19,000</u>	<u>12,000</u>
	<u>287,000</u>	<u>269,000</u>

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 shares⁹³:

	2019	2019	2018	2018
	€	Number	Number	€
A Ordinary shares of €1 each				
At 1 January (consideration paid of €XXX)	XX	XXX	XXXX	XX
Cancellations	(XX)	(XX)	(XXXXX)	(XX)
Redemptions from members	XX	<u>XXXXX</u>	<u>XXXXX</u>	XX
Closing balance	<u>XXX</u>	<u>XXXXX</u>	<u>XXXXX</u>	<u>XXX</u>
% of own shares held		X%	X%	

The amount of profits available for distribution which are restricted as a result is €XXX (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 shares⁹⁴:

	2019	2018
A Ordinary shares of €1 each	Number	Number
At 1 January	XXX	XXXX
Acquisitions	(XX)	(XXXXX)
Disposals	<u>XXXXX</u>	<u>XXXXX</u>
Closing balance	<u>XXXXX</u>	<u>XXXXX</u>

The amount of profits available for distribution which are restricted as a result is €XXX (2018:€XX).

33. POST BALANCE SHEET EVENTS⁹⁵

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 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.

OmniPro Sample Medium/Large Company Limited

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 XXX⁹⁷.

35. TRANSITION TO FRS 102⁹⁸

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

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019 Notes to the Financial Statements

36. APPROVAL OF THE FINANCIAL STATEMENTS

The directors approved the financial statements on _____.