The CPD Fest 2020

Regulatory Financial Reporting Issues

Presenter:
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Financial Reporting Workshop 2020

- Welcome to the Financial Reporting Workshop 2020
- Introducing - **Mike O'Halloran**
- Your Downloads and Material
- Your Questions
  - During the session
  - At the end of the session

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Financial Reporting Workshop- part 4

- Webevent Timing - 100 Minutes
- Introduction – 5 Minutes
- Teaching Space – 80 Minutes
- Questions and Answers – 10 Minutes
- Session Close – 5 Minutes

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Financial Reporting Workshop- part 4

Covering in this session

- Consolidated financial statements
- The Consolidation process
- Key problems encountered in consolidations
- Common issues arising in group accounts
- The Reviewer's review

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Consolidation Process

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What's new under the 2017 Act

- Section 297 – deleted under Companies Accounting Act 2017
- Instead exemption from consolidation is the holding company can avail of the small companies exemption in S.280B
- Application of Gross & net thresholds

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What's new under the 2017 Act

- Excluded entities in a group = consolidated stats for all of group
- Impact – reduced thresholds significantly and certain entities excluded
- Intermediate exemptions still apply

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Small Group Company Audit Exemption (s359, CA 2014)

- Criteria
  - Balance sheet (HC & subs) total does not exceed €6m (net) (€7.3m gross)
  - Turnover (HC & subs) does not exceed €12m (net) (€14.4m gross))
  - Number of employees (HC & subs) does not exceed 50

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Small Group Company Audit Exemption (s359, CA 2014)

- Audit Exemption applies to any group company if the group as a whole qualifies as a Small Group;
- The entire group and all its subsidiary undertakings must, taken as a whole, satisfy 2 of the following 3 conditions in order to claim a Group Company Audit Exemption;
- The conditions must be met in the year (the conditions must also be met in the preceding year unless it is the holding company's first financial year.) (s359 (5) CA2014).

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Small Group Company Audit Exemption (s359, CA 2014)

- In relation to the aggregate figures for turnover and balance sheet total - 'net' means after set-offs and other adjustments made to eliminate group transactions;
- Not classed as a 5th Schedule company (i.e. authorised by CBI);
- Include specific wording on the balance sheet.

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What Entities are included in Consolidation

- All subsidiaries are to be included in the financial statements unless long term restrictions placed on the entity which prevents the parent from controlling it e.g. company placed into administration or liquidation, severe restrictions on future distributions and veto powers by a 3rd party
  - Key thing is the ability to control the entity

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What is Control

- power to appoint or remove the majority of members of the board of directors or equivalent; or
- power to cast the majority of votes at meetings of the board of directors; or
- having options or convertible instruments which are exercisable at the date of acquisition.
- Irrelevant as to whether the control is exercised. Ability to have it is what determines control
- Where shares held in bare trust, then look through & look to the beneficial holders

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Control

- Strategic, financial and operating policies would include the ability to:
  - have control over distributions and investment decisions (most important) e.g. Right to block customary or expected dividends,
  - Place the company into Liquidation
  - Issue and repurchase shares
  - to determine the budgets, Capital expenditure and manage treasury,

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Control

- Strategic, financial and operating policies would include the ability to:
  - Determine the dividend policy;
  - manage production, marketing, sales and human resources
  - The ability to control the composition of board of directors

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Who is considered to be in a Group

- Section 7 & 8 of CA 2014 – Group defined;
- Section 9.4 to 9.8 of FRS 102 - Control

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Practical implications on consolidation

- Investment property exemption
- Sales within group
- Transactions between group members
- Calculation of NCI
- Elimination of notional amounts on intergroup loans not at market rates

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Practical implications on consolidation

- Inter group dividends
- Uniform reporting date?
- Uniform accounting policies?
- Acquisition and disposal
- Foreign subsidiary & the use of different rates

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Simple Consolidation Case Study

- Case Study
- Golden share elimination
- Elimination of inter-company balances;
- Elimination of inter-company sales/purchases
- Elimination of intra-group profit e.g. fixed assets/stock
- Elimination of Inter-company dividends

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Simple Consolidation – Common Errors

- Exemption under Section 304 CA not included on face of Entity Balance Sheet;
- Share capital/company capital on Consol BS not agreeing to Parent Entity BS
- Golden share – not disclosing in accounting policy reason why control exists

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Simple Consolidation – Common Errors

- Not considering golden shares and not considering subs of entity where golden share is held
- Not eliminating all inter-company transactions;
- Not considering interest where control is held & how to account for these

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Other Consolidation issues

- Accounting for a Foreign subsidiary;
  - Average rate, closing rate
- Non-controlling interests;

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The Reviewer's review

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"The Reviewers Review"

- What we will be looking at
  - What are the areas of focus for reviewers of financial statements during a monitoring visit?
  - What issues do we encounter on cold file reviews, hot file reviews, annual compliance reviews and pre-monitoring visits
  - Where do we anticipate that the regulators areas of focus will be in 2021

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"The Reviewers Review"

- Credibility Review- the starting point
  - High level look at financial statements to identify any issues to look at during review
  - Detailed disclosure review
  - What are the key areas of focus?
  - Anything unusual?
  - Focus the mind on what areas require attention when reviewing the audit file.
  - Focus the mind on what areas can be scoped out of review
  - Inspector's first chance to judge the firm's work
  - Inspector's first chance to follow up on areas of weakness at last visit

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Outcome of a credibility review

- Initial assessment of firm's audit work
- Know if ISA 330 is breached
- A mapped mindset of how you are going to review the file
- A list of findings for the firm!

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Common issues

- Abridged accounts prepared for a regulated client
- Section 1A or FRS 105 availed of for a regulated client
- Not using an up to date disclosure checklist
- Not using an appropriate disclosure checklist
- Insufficient time spent on preparing financials
- Overreliance on accounts production software
- Accounts production software not classifying Sch 5 companies as large
- Overreliance on key staff- lack of RI involvement/review

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Importance of good quality financial reporting / financial statements

- In audit (& non-audit) visits, poor financial reporting / financial statements can result in a file or a visit to fail
- In an audit context, AR 3.10, ISA 330 (para 24) states 'The auditor shall perform sufficient audit procedures to evaluate whether the overall presentation of the financial statements, including related disclosures, is in accordance with the applicable financial reporting framework. (Ref: Para. A59)'
- Procedures in place to evidence how the firm has complied with ISA 330 (checklists / other reference material / review process)

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Outcome of poor financial statements following a monitoring visit

- Poor quality financial statements can be a large contributing factor to an entity failing a monitoring visit and can result in;
  - Repeat visit within a shorter than normal timeframe.
  - Penalties
  - Follow up focus on next visit
  - Competence challenges
  - Repeat breaches
  - Challenge to the effectiveness of the RI review process
  - Additional files selected during the visit

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Areas of focus for COVID-19 files

- Impairment
- Property, debtors, intangibles
- Disclosures
  - Going concern
  - Post balance sheet events
  - Key judgements and estimates
- 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?
- True and fair view for section 1A

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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?

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Directors 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?

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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

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Auditor's Report

- Format out of date
- ES-PASE disclosures omitted
- References to profit/loss correct
- Group audit opinions. Is the group and company referred to?
- EOM instead of material uncertainty related to going concern
- Signature

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Profit and Loss

- Prepared in accordance with CA 2014
- Note References Correct
- Any unusual variances?

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Balance Sheet

- Prepared in accordance with CA 2014
- Note References Correct
- Any unusual variances?
- Statement that the small companies regime has been applied (if applicable)
- Signature

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SOCE and Cashflow

- Any unusual items
- Disclosures correct & tie into Balance sheet
- Cashflow exemption incorrectly claimed
- Any items that should/shouldn't have gone through SOCE
  - Impairment on recently revalued assets.

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Accounting Policies

- Basis of preparation
  - Statement of preparation on a going concern basis
  - Note- statement "promulgated by CAI" no longer required.
- Exemption from Consolidation
  - Ensure CA reference correct
    - S.293(1A)- small group size criteria met by parent and subs
    - S.299 exempt by virtue of immediate parent (in EEA) preparing consol FS
    - S.300 exempt by virtue of ultimate parent (in or out of EU) preparing consol FS
- Exemption from Cashflow/SOCE incorrectly claimed

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Accounting Policies

- 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

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Judgements and key sources of estimation uncertainty

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

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Notes

- 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

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Notes

- 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

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Notes

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

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Questions ?

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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 outstanding businesses for themselves and their clients too. In this way we change lives, communities and our world. We would live to do that together with you.

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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

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Why OmniPro – One Firm One Solution

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

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Simple Consolidation Case Study

www.FRS102.com

Here to guide you and your clients through the transition to FRS 102 and beyond

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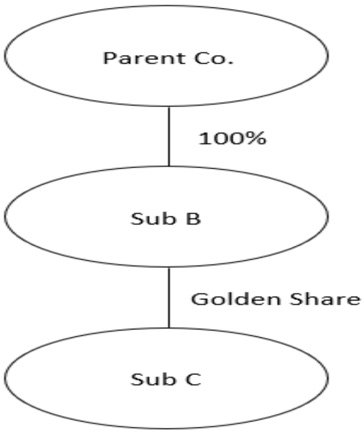
Group Structure



This is the first year that Parent Co must prepare consolidated financial statements.

Parent Co. has owned Subsidiary B since incorporation and €100 was subscribed for.

The golden share held in subsidiary C was acquired 2 years ago for €1 which gives the company the ability to control the composition of the board. The book value of the net assets at that date was €300,000 (split €50,000 ordinary share capital (ex. The golden share); €20,000 share premium and €230,000 profit and loss reserves). The net assets at the start of the current year are €360,000.

The results for each of the subsidiaries are as per the consolidation schedule in **Appendix 1.**

Calculate goodwill and fair value adjustments on previous acquisitions (if applicable) when first time consolidating and in any event on acquisitions in the year.

1A) Calculation of goodwill and fair value adjustments on Subsidiary B and derecognition of investment on the Parent balance sheet:

No goodwill as the company owned the company from inception. Therefore no fair value adjustments.

Journals required in the consolidated financial statements to derecognise the investment from the parent company balance sheet:

	€	**€**
Dr Ordinary Share Capital of Subsidiary B	100	
Dr Profit and Loss Reserves	0	
Cr Investment in the Individual Entity Financial Statements of Parent Co		100

Being journal to derecognise the investment in Subsidiary B from the parent balance sheet

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1B) Calculation of goodwill and fair value adjustments on Subsidiary C and derecognition of investment on the Parent balance sheet:

Golden share exists here – therefore all results and assets are attributable to the non-controlling interest

Journals required in the consolidated financial statements at the date of acquisition:

	€	€
Dr Ordinary Share Capital of Subsidiary C	50,001	
Dr Share Premium	20,000	
Dr Profit and Loss Reserves (i.e. profit and loss reserves in existence at date of acquisition)	230,000	
Cr Investment in the Individual Entity Financial Statements of Subsidiary B		1
Cr Non-Controlling Interest in Equity (i.e. fair value of net assets of subsidiary at the date of acquisition * 100% owned at date of acquisition)		300,000

Being journal to recognise Subsidiary C at fair value at the date of acquisition and eliminate the investment on the parent balance sheet

	€	€
Dr Group Profit and Loss Reserves B/f	60,000	
Cr Non-controlling Interest (€60,000 * 100%)		60,000

Being journal to reflect the correct amount in NCI at the start of the current year for Subsidiary C

Current Year

	€	€
Dr Group Profit and Loss Reserves B/f	57,150	
Cr Non-controlling Interest (€57,150 * 100%)		57,150

Being journal to reflect the transfer of the NCI portion of the result of Subsidiary C for the period

Note if this is the first year doing consolidation (due to size consolidation claimed in the past), you will need to do a consolidation schedule for the comparative year also. The journals would be similar to the above.

The following noteworthy transactions occurred during the year

2) During the year Subsidiary B sold goods to Subsidiary B for €100,000. The cost of the sale for Subsidiary A was €50,000.

At the year-end Subsidiary B still had €30,000 of this in inventory. Assume a deferred tax rate of 10%.

Detailed below are the accounting entries required on consolidation.

	€	€
Dr Sales	100,000	
Cr Cost of Sales (i.e. the cost of sales posted in sub accounts ex item in stock excluding the intra-group profit)		85,000
Cr Inventory (€30,000*50% profit margin)		15,000

Being journal to derecognise intercompany sales as consolidated financial statements should only show external sales and purchases and eliminate profit included in inventory.

The deferred tax journal required in the consolidated financial statements is:

	€	€
Dr Deferred Tax Asset	1,500	

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(€15,000*10% assuming a deferred tax rate of 10%)		
Cr Deferred Tax in P&L		1,500

Being journal to reflect deferred tax on the above journal (as this is taxed in the entity accounts and included in the group accounts but the income has been reversed out of group accounts there is therefore a timing difference).

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3) During the year Subsidiary C sold €100,000 of goods to Subsidiary B. The cost of the sale for Company A was €50,000. Subsidiary B has sold these on by the year end.

Detailed below are the accounting entries required on consolidation:

	€	**€**
Dr Sales	100,000	
Cr Cost of Sales		100,000

Being journal to derecognise intercompany sales as consolidated financial statements should only show external sales and purchases
There is no deferred tax impact here as there is no impact on the consolidated profit.
If Subsidiary B sold these goods the journal would be the same.

***4)* Subsidiary B recharged management charges to Subsidiary C in the year of €40,000. This management recharge was credited against administrative expenses in Subsidiary B and recognised as a cost of sales expense in Subsidiary A.**

	€	**€**
Dr administrative expenses	40,000	
Cr Cost of Sales		40,000

Being journal to eliminate intercompany recharges

If both were recognised in the same line item then no journal would be required.

---

5) Subsidiary B was owed €60,000 from Subsidiary C at the year end and Subsidiary B owed €10,000 to the Parent Company.

The journals required in the consolidated financial statements to eliminate this are:

	€	**€**
Dr Amounts Due to Group Subsidiary B in Subsidiary C's Books currently included in creditors	60,000	
Cr Amounts Due from Group Subsidiary A in Subsidiary B's Books currently included in debtors		60,000
Dr Amounts Due to Group Parent Co in Subsidiary B's Books currently included in creditors	10,000	
Cr Amounts Due from Group Subsidiary B in Parent Co Books currently included in debtors		10,000
Being journal to eliminate intercompany balances		

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6) Subsidiary B paid a dividend of €45,000 to Parent Co during the year.

The journals required in the consolidated financial statements are:

	€	**€**
Dr Income from group undertakings in P&L	45,000	
Cr Profit and loss reserves for the dividend recognised		45,000

Being journal to eliminate the intercompany dividends – goes to P&L reserves as this is where dividend was initially recognised

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7) Recognising reversal of previous years consolidation journals

In the prior year a profit of €10,000 was deferred in the consolidated financial statements as this profit arose on the sale of stock between group entities and these goods remained in stock on one of the subsidiaries balance sheet at the end of the prior period.

A journal is required in the current year to reverse out the deferral of profit in the prior and recognise the profit in the current year consolidated results so as to ensure the group profit and loss reserves are brought forward correctly. The journal required is to:

	€	€
Dr Group Profit and Loss Reserves b/f	10,000	
Cr Inventory		10,000
Being journal to bring forward prior year consolidation journal to ensure the Group Profit and Loss reserves B/F are correct		
Dr Inventory	10,000	
Cr Cost of sales		10,000

Being journal to release the deferral of the inter group profit in the current year so as to net against the profit earned on final sale.

Watch out for these journals to ensure they are posted.

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Simple Consolidation Checklist

XYZ Limited and its Subsidiary Companies
Year ended 31 December 2017
Note the below checklist assumes Acquisition accounting is adopted as opposed to merger accounting

Step	Details	Comment	Done
1	Assess whether consolidated financial statements are required		
1a	Is the company a parent company?		
1b	Does the entity have the power over more than half the voting rights of an entity		
1c	Do the company have control or have the ability to exercise control over any other entity (whether that be a Limited company or not)		
1d	Does the entity hold a golden share which gives the entity the ability to control the composition of the board?		
1e	Does the entity have the power to govern the financial and operating policies of the entity by agreement or statute		
1f	Can the entity claim exemption under any of Section 293(1A) of Companies Act 2014 on the basis that the holding company qualifies for the small companies regime		
1g	Can the entity claim exemption under any of Section 298 -300 (i.e. where the ultimate financial statements are prepared by a company located in EEA and other companies)		
	If there answer to 1(f) or 1(g) is yes then there is no requirement to prepare consolidated financial statements		
Steps 2 to 10 - Collating information and inserting into consolidation schedule			
2	Assess whether the entity has an interest in an associate or joint venture entity, if so collate information for these entities		
3	Prepare/obtain the financial statements for each of the subsidiary entities		
3a	Assess whether all subsidiaries have the same year end date. If not ensure the reporting date of subsidiary is no more than 3 months from date of parent and adjust results for material transactions or events that arose or prepare updated interim financial statements		
3b	Where there was an acquisition during the period apportion the profit and loss results for the full year between the results pre and post acquisition to ensure that results post the date of acquisition (i.e. when control was acquired) are included in the consolidated financial statements		
3b(i)	If this applies input the results since the date of acquisition into the consolidation spreadsheet in in step 7 below.		
3c	Where there was a disposal during the period apportion the profit and loss results for the full year between the results pre and post acquisition to ensure that results pre the date of disposal (i.e. when control was lost - from start of period to date of disposal) are included in the consolidated financial statements		
3c(i)	If this applies input the results from the start of the period to the date of disposal into the consolidation spreadsheet in step 7 below.		
4	Prepare/obtain the financial statements for each of the associate and joint venture entities		
4a	Assess whether all associates/joint ventures have the same year end date. If not adjust accordingly		
5	Assess whether all subsidiaries/associates/joint ventures have uniform accounting policies - if not make adjustments to ensure they are in line with the group policy		
6	Where there are foreign subsidiaries which have a different functional currency to the parent company's presentational currency - retranslate from the foreign subsidiary		
6a	Retranslate the foreign operation at the average rate for the year and the balance sheet at the period end rate with any difference recognised in other comprehensive income. Use these figures for inclusion in Step 7 and 8 below		
7	Input the profit and loss account of each subsidiary and the parent company into a spreadsheet within each of the relevant line items in the financial statements		
8	Input the balance sheet of each subsidiary and the parent company into a spreadsheet within each of the relevant line items in the financial statements.		
8a	Ensure that the investments in each of the subsidiaries are shown as a separate line item in the spreadsheet so that a check can be completed to ensure the total amount included in consolidated financial statements has been reduced to nil after the elimination on consolidation		
8b	Ensure that the inter group debtors and creditors are shown separately from the total debtors and creditors figures so that a check can be done to ensure they eliminate to zero at the end		
9	Tot all entities by line item together to get to the total result for the P&L and balance sheet before any consolidation adjustments are posted		

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10	Set out the notes to the financial statements for each entity in each column in excel and total accordingly		
10a	Throughout ensure the consolidation journals are also reflected in these notes		
Steps 11 to 13 - Consolidation journals - Recognise goodwill, fair value adjustments & eliminate investment on balance sheet			
11	For acquisitions (other than new entities in the group which were incorporated in the year and therefore owned from inception) determine the fair value of the assets and liabilities acquired to determine the goodwill to recognise (goodwill = fair value of net assets acquired less cost of acquisition). Recognise deferred tax on any fair value adjustments other than on goodwill		
11a	Identify the acquirer		
11b	Identify the cost of the acquisition		
11c	Is the current acquisition just increasing a previous controlling interest - if so this no goodwill is recognised instead this is an equity transaction		
11c	If negative goodwill has been calculated - reassess all fair value calculations to ensure that negative goodwill makes sense. If it does recognise negative goodwill as a credit on the balance sheet and amortise over the life of the non-monetary assets to which they relate in line with Section 19 of FRS 102		
11d	Does the assets at the date of acquisition equal fair value - If not make adjustments to reflect market value (e.g. adjustments to reflect market value of fixed assets, investments, debtors etc.). Fair value is determined in the following way for each of the following categories:		
11d(i)	Contingent liabilities - amount a third party would ask to take on the risk		
11d(ii)	PPE - market price (ignore any government grants as these are valued separately)		
11d(iii)	Intangible assets - discounted cash flows or estimated costs avoided as a result of owning the intangible		
11d(iv)	Inventory - Finished goods = estimated selling price less costs of disposal and reasonable profit margin/ WIP = estimated selling price less costs of disposal less costs to complete and reasonable profit margin		
11d(v)	Investment in shares - market value based on discounted cash flows or market prices if available		
11d(vi)	Recognise any deferred tax on the fair value adjustments at acquisition (other than on goodwill)		
11d(vii)	Deferred revenue - fair valued only where the entity still has an obligation to perform tasks if the future, if not it is valued at nil.		
11d(viii)	Favourable/unfavourable contracts - recognise as asset or liability based on it being above or below market rate		
11e	Assess whether intangibles can be separated from goodwill. Where the intangible can be reliably measured then it must be separated from goodwill under FRS 102		
11f	Assess the pre-acquisition reserves (i.e. the P&L reserves at the date of acquisition), ordinary share capital/reserves as per the books and records of the acquired entity pre the date of transition		
11g	Assess whether Non-Controlling interest (NCI) needs to be recognised (i.e. assess if the subsidiary entity is part owned by a third party i.e. an entity outside the group), if so ascertain the NCI at the date of acquisition and at the year end date- At date of acquisition the NCI element is the % owned by NCI by the fair value of the entity at date of acquisition. Note where the parent has an option to purchase but has not exercise the option at year end then the % to apply to NCI is the actual % owned by NCI at that time		
11h	Ascertain the useful life of goodwill and intangibles and amortise from date of acquisition to period end date		
12	For entities that are preparing consolidated financial statements for the first time due to an exemption no longer being available -		
12a	Assess whether any goodwill is to be recognised at the date of acquisition and assess whether fair value adjustments are required at that date		
12b	For previous acquisitions performed the following procedures:		
12b(a)	Identify the acquirer		
12b(b)	Identify the cost of the acquisition		
12b(c)	Is the current acquisition just increasing a previous controlling interest - if so this no goodwill is recognised instead this is an equity transaction		
12b(c)	If negative goodwill has been calculated - reassess all fair value calculations to ensure that negative goodwill makes sense. If it does recognise negative goodwill as a credit on the balance sheet and amortise over the life of the non-monetary assets to which they relate in line with Section 19 of FRS 102		
12b(d)	Does the assets at the date of acquisition equal fair value - If not make adjustments to reflect market value (e.g. adjustments to reflect market value of fixed assets, investments, debtors etc.). Fair value is determined in the following way for each of the following categories:		
12b(d)(i)	Contingent liabilities - amount a third party would ask to take on the risk		

12b(d)(ii	PPE - market price (ignore any government grants as these are valued separately)		
12b(d)(iii)	Intangible assets - discounted cash flows or estimated costs avoided as a result of owning the intangible		
12b(d)(iv)	Inventory - Finished goods = estimated selling price less costs of disposal and reasonable profit margin/ WIP = estimated selling price less costs of disposal less costs to complete and reasonable profit margin		
12b(d)(v	Investment in shares - market value based on discounted cash flows or market prices if available		
12b(d)(v	Recognise any deferred tax on the fair value adjustments at acquisition (other than on goodwill)		
12b(d)(v	Deferred revenue - fair valued only where the entity still has an obligation to perform tasks if the future, if not it is valued at nil.		
12(d)(vii	Favourable/unfavourable contracts - recognise as asset or liability based on it being above or below market rate		
12b€	Assess whether intangibles can be separated from goodwill. Where the intangible can be reliably measured then it must be separated from goodwill under FRS 102		
12b(f)	Assess the pre-acquisition reserves (i.e. the P&L reserves at the date of acquisition), ordinary share capital/reserves as per the books and records of the acquired entity pre the date of transition		
12b(g)	Assess whether Non-Controlling interest (NCI) needs to be recognised (i.e. assess if the subsidiary entity is part owned by a third party i.e. an entity outside the group), if so ascertain the NCI at the date of acquisition and at the year end date- At date of acquisition the NCI element is the % owned by NCI by the fair value of the entity at date of acquisition. Note where the parent has an option to purchase but has not exercise the option at year end then the % to apply to NCI is the actual % owned by NCI at that time		
12b(h)	Ascertain the useful life of goodwill and intangibles and amortise from date of acquisition to period end date		
12c	Determine the journals to be recognised to reflect what the carrying value of goodwill and the fair value adjustments would have been had Consolidated financial statements been prepared since each of the subsidiaries were acquired (post these to Group Profit and Loss Reserves B/f). Examples include:		
12c(i)	Amortisation on any goodwill and intangibles		
12c(ii)	Depreciation on any fair value adjustments		
12c(iii)	Reversal of any deferred tax recognised on any fair value adjustments		
12c(iv)	Reversal of any fair value adjustments		
12c(v)	Reversal on inter group profit on disposal of fixed assets and the unwinding of this		
12c(vi)	Where 100% of the voting rights are not held (and therefore Non-controlling interest exists), determine the non-controlling interests share of the equity at the start of the current period.		
13	Eliminate the investments on the balance sheets in each of the subsidiaries such that they come to nil in the spreadsheet and the share capital in the consolidated financial statements only shows the share capital/share premium/other reserves of the parent company		
13a	Recognise the goodwill calculation on the balance sheet and any Non-controlling interest as calculated in step 11 & 12 as applicable. This includes recognising any fair value adjustments on business combinations at the original date of acquisition & separating intangible assets out from goodwill where recognised initially in prior business combinations (e.g. fair value adjustments to PPE, recognition of intangible assets). NOTE IF THIS IS A PRIOR ACQUISITION THEN THIS DETAIL SHOULD BE ON THE PRIOR YEAR CONSOLIDATED FILE AND REFERENCE SHOULD BE MADE TO THE FACT THAT THE BALANCES WERE TESTED IN THE PRIOR YEAR WHEN THE ENTITY WAS ORIGINALLY ACQUIRED.		
13b	Recognise any loss/profit on disposal of subsidiaries in the consolidated financial statements - determine carrying amount of subsidiary in the group accounts and recognise profit accordingly. For disposals which do not result in a loss of control, account for as an equity transaction and do not recognise profit/loss on disposal in Group P&L		
Steps 14 to 21 - Other Consolidation journals			
14	Post any consolidation journals required in the current year to recognise;		
14(i)	any additional depreciation or amortisation on any fair value adjustments made at the date of acquisition in the consolidated financial statements for the current period		
14(ii)	any reversal of fair value adjustments since the date of acquisition to the end of the current period if acquired in the period		
14(iii)	Amortisation on any goodwill and intangibles for the period		
14(iv)	Depreciation on any fair value adjustments on PPE for the period		
14(v)	Reversal of any deferred tax recognised on any fair value adjustments at date of acquisition		
14(vi)	Reversal of any fair value adjustments		

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14(vii)	Reversal on inter group profit on disposal of fixed assets and the unwinding of this		
14(viii)	Where 100% of the voting rights are not held (and therefore Non-controlling interest exists), determine the non-controlling interests share of the equity at the start of the current period.		
14(ix)	If property is leased to another group company and classified as investment property as required under FRS 102 in the entity financial statements, reclassify this property from investment property to property plant and equipment less depreciation in the consolidation financial statements		
15	Eliminate intra-group sales and purchases		
15a	Identify inter company purchases/recharges and sales (transactions between group companies) and eliminate these transactions - ensure the other side of the transaction is set against the where the original expense/income has been recognised in the other entity		
15b	Were there fixed assets purchases and sales between group companies in the past? - If so eliminate the profit/loss recognised if any in the consolidated financial statements and reduce the depreciation on the uplifted amount (if disposal in prior years and asset still held post deferral of net profit earned to P&L reserves B/f net of the reversal for depreciation)		
15c	Eliminate out any inter-company dividends in each of the entities		
15e	Were there any sales/purchases of stock between group companies?		
15e(i)	If so - does the receiving entity hold this stock on the balance sheet at the period end date - If so eliminate the profit on the balance sheet and post debit to cost of sales. Consider if material the deferred tax impact as timing difference created as subsidiary entity holding stock will have been taxed in the year but in consolidated accounts income is taken out but will be reversed the following year when stock sold on		
15e(ii)	If so - does the receiving entity hold this stock on the balance sheet at the period end date - If not no further adjustments required		
16	Eliminate all intercompany debtors and creditors balances		
17	Was there inter-company profit eliminated in the prior year Consols e.g. on sale of stock to group companies which was still held on balance sheet in previous year. If so:		
17(i)	- bring forward the profit elimination from prior year and reverse the profit previously not permitted to cost of sales		
18	Assess whether deferred tax needs to be recognised on the income recognised in the consolidated financial statements which has yet to be dividended to the entity-only recognise deferred tax if taxable in the hands of parent when received, if no tax on dividend then no deferred tax. Deferred tax should not be recognised where the parent can control when the dividend will be received from the subsidiary or where it is probable it will not reverse.		
19	Where deferred tax recognised on fair value adjustments in the consol accounts at date of transition, reverse deferred tax for the unwinding the current period.		
20	Allocate the profit for the period between non-controlling interest and amounts attributable to the parent entity and show this in the financial statements		
21	In the capital and equity section of the balance sheet show the non-controlling interest separately from the equity attributable to the parent company		
Steps 11 to 30 - Accounting for associates/JV's - equity method			
22	For investments in associates and/or joint ventures account for these under the equity method of accounting.		
23	For associates acquired in the period determine the fair value of the net assets acquired so as to determine goodwill. Goodwill is not split out in the financial statements		
24	Take the results as obtained at step 4 above and multiply the percent owned by the group entity by the results for the period. Recognise the calculated amount within the line 'Share of profit in associate' in the consolidation schedule which the other side of the journal recognised in the cost of the investment. If only acquired in the year only take the results for period since acquisition and if disposed of only take period from start of year to date of disposal		
25	If associate incurs a loss do not recognise this if the associate is in a net liability position as per the balance sheet		
26	Recognise amortisation on goodwill if any. Recognise the calculated amount within the line 'Share of profit in associate' in the consolidation schedule.		
27	Recognise any depreciation on any fair value adjustments. Recognise the calculated amount within the line 'Share of profit in associate' in the consolidation schedule.		
28	Reclassify any dividend income from the associate/JV from the consolidated P&L as included to the investment in the associate on the balance sheet		

29	Eliminate the groups element/% of any profit on goods sold by associate/JV which is included in stock of any other group companies at period end. Recognise the calculated amount within the line 'Share of profit in associate' in the consolidation schedule with the other side set against the cost of the associate.		
30	Eliminate the groups element/% of any sales made to the associate/JV by the group entities which is included in stock of the associate/JV at period end		
Steps 31 to 36 - Final checks			
31	Number each consolidation journal and post the journal in the consolidation schedule with a reference to the journal to which it relates		
32	Have key to work done confirming the results of the subsidiaries as included in the consolidation schedule agree to the financial statements		
33	Ensure all intercompany balances eliminate to nil		
34	Ensure the notes in the financial statements tie to the Consolidation schedule		
35	Ensure the ordinary share, share premium and other reserves (other than the profit and loss reserves of the Group) agree to the share, share premium and other reserves of the parent Company		
36	For associates do a high level check to assess if the carrying amount of the associate in the Consols is similar to the net assets per its financial statements multiplied by the % owned by the group		

OmniPro Sample Simple Consolidation Schedule

Year ended 31 December 201X

	Parent Co	Sub B	Sub C	Jnl 1A	Jnl 1B	Jnl 2	Jnl 3	Jnl 4	Jnl 5	Jnl 6	Jnl 7	Total
	201X	201X	201X	201X	201X	201X	201X	201X	201X	201X	201X	201X
	€	€	€	€	€	€	€	€	€	€	€	€
Turnover	400,000	11,902,422	3,000,000			(100,000)	(100,000)					15,102,422
Cost of sales	(300,000)	(8,117,700)	(2,500,000)			85,000	100,000	40,000			10,000	(10,682,700)
Gross profit	**100,000**	**3,784,722**	**500,000**	**-**	**-**	**(15,000)**	**-**	**40,000**	**-**	**-**	**10,000**	**4,419,722**
Distribution costs	-	(2,610,451)	-									(2,610,451)
Administrative expenses	(41,234)	(899,152)	(450,000)					(40,000)				(1,430,386)
Income from group undertakings	45,000	-	-							(45,000)		-
Operating profit	**103,766**	**275,119**	**50,000**	**-**	**-**	**(15,000)**	**-**	**-**	**-**	**(45,000)**	**10,000**	**378,885**
Share of profit in associate	-											-
Interest receivable and similar income	-	22,422	800	-	-	-	-	-	-	-	-	23,222
Interest payable	-	(2,628)	-	-	-	-	-	-	-	-	-	(2,628)
Profit before taxation	**103,766**	**294,913**	**50,800**	**-**	**-**	**(15,000)**	**-**	**-**	**-**	**(45,000)**	**10,000**	**399,479**
Taxation	-	(149,787)	6,350	-	-	1,500	-	-	-	-	-	(141,937)
Profit for the financial year	**103,766**	**145,126**	**57,150**	**-**	**-**	**(13,500)**	**-**	**-**	**-**	**(45,000)**	**10,000**	**257,542**
Other Comprehensive Income												
Retranslation of goodwill on foreign operation	-	-	-									-
Retranslation of foreign operation	-	-	-									-
Share of other comprehensive of associate	-	-	-									-
Profit for the financial year	103,766	145,126	57,150	-	-	(13,500)	-	-	-	(45,000)	10,000	257,542
Profit for the financial year attributable to:												
Non-controlling interests	-	-	-		(57,150)							57,150
Owners of the parent company	-	-	-	-		-	-	-	-	-	-	200,392
	-	**-**	**-**	**-**	**(57,150)**	**-**	**-**	**-**	**-**	**-**	**-**	**257,542**

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	Parent Co	Sub B	Sub C	Jnl 1A	Jnl 1B	Jnl 2	Jnl 3	Jnl 4	Jnl 5	Jnl 6	Jnl 7	
	201X	201X	201X	201X	201X	201X	201X	201X	201X	201X	201X	201X
	€	€	€	€	€	€	€	€	€	€	€	€
Fixed assets												
Intangible assets	-	244,749	-									244,749
Tangible assets	-	1,645,891	450,000									2,095,891
Goodwill	-	-	-									-
Investment property	-	100,000	-									100,000
Financial assets		-	-									-
Investment in Subsidiary B	100			(100)								-
Investment in Subsidiary C	-	1			(1)							-
	100	**1,990,641**	**450,000**	**(100)**	**(1)**	**-**	**-**	**-**	**-**	**-**	**-**	**2,440,640**
Current assets												
Stocks	-	7,488,171	125,000			(15,000)					-	7,598,171
Debtors	-	6,708,321	55,000									6,763,321
Intercompany debtors	10,000	60,000	-						(70,000)			-
Cash at bank and in hand	2,296,910	910,586	50,000									3,257,496
	2,306,910	15,167,078	230,000	-	-	(15,000)	-	-	(70,000)	-	-	**17,618,988**
Creditors: amounts falling due within one year	-	(3,565,028)	(131,850)									(3,696,878)
Intercompany Creditors	-	(10,000)	(60,000)						70,000			-
Net current assets	**2,306,910**	**11,592,050**	**38,150**	**-**	**-**	**(15,000)**	**-**	**-**	**-**	**-**	**-**	**13,922,110**
Total assets less current liabilities	**2,307,010**	**13,582,691**	**488,150**	**(100)**	**(1)**	**(15,000)**	**-**	**-**	**-**	**-**	**-**	**16,362,750**
Creditors: amounts falling due after more than one year	-	(20,000)	-									(20,000)
Provision for liabilities	-	(10,000)	(1,000)			1,500						(9,500)
Net Assets	**2,307,010**	**13,552,691**	**487,150**	**(100)**	**(1)**	**(13,500)**	**-**	**-**	**-**	**-**	**-**	**16,333,250**
Capital and reserves												
Called up share capital	15,543	100	50,000	(100)	(50,001)							15,542
Share premium	1,527,615	-	20,000		(20,000)							1,527,615
Other reserves	-								-			-
Capital contribution									-			-
Profit for the year	103,766	145,126	57,150	-	(57,150)	(13,500)	-	-	-	(45,000)	10,000	200,392
Dividend paid	-	-	-							45,000		45,000
Profit and loss account B/f	660,086	13,407,465	360,000		(290,000)						(10,000)	14,127,551
Equity attributable to owners of the parent company	**2,307,010**	**13,552,691**	**487,150**	**(100)**	**(417,151)**	**(13,500)**	**-**	**-**	**-**	**-**	**-**	**15,916,100**
Non Controlling interest					417,150							417,150
	2,307,010	**13,552,691**	**487,150**	**(100)**	**(1)**	**(13,500)**	**-**	**-**	**-**	**-**	**-**	**16,333,250**
	0	0	0	0	0	0	0	0	0	0	0	0

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Quinn Industrial Holdings Designated Activity Company

Directors' report and group financial statements for the year ended 31 December 2019

DIRECTORS' REPORT
for the year ended 31 December 2019

The directors present herewith their report and audited Group financial statements of Quinn Industrial Holdings Designated Activity Company and its subsidiary undertakings (the Group) for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES
The Group's principal activities during the year were the manufacture of cement, concrete, quarry and insulation materials and products as well as the manufacture of packaging products.

DIVIDENDS
The Company has not proposed, declared or paid a dividend for the year ended 31 December 2019 (2018: €nil).

BUSINESS REVIEW
The Group Income Statement and Group Statement of Financial Position for the year ended 31 December 2019 are set out on pages 15 and 18.

The Group's sales decreased by 2.7% in 2019 compared to 2018, which was primarily due to decreases in raw material input prices in the Group's insulation business following significant market increases in the prior year. There were also fluctuations in volumes and selling prices in respect of the Group's sales of cement and packaging products. Sales at constant currency decreased by a similar level of 2.8% in 2019 compared to 2018. The reduction in sales is primarily offset by a reduction in cost of sales, resulting in a net decrease in gross profit of €0.4m.

The Group's operating profit and profit before tax decreased in 2019 compared to 2018, which is primarily driven by the decrease in gross profit, a fair value loss on financial instruments of €1.0m in 2019 compared to a gain of €0.2m in 2018, a decrease in income from emission allowances of €1.0m, increases in depreciation charges by 14.5% in 2019 compared to 2018, as well as increases in other operating costs, primarily haulage, energy and payroll related costs.

The key financial and other performance indicators during the year were as follows:

	2019 *€m*	*2018* *€m*	*Movement* *%*
Turnover	233.9	240.3	(2.7)
Operating profit	12.0	14.9	(19.5)
Fair value loss/(gain) on financial instruments	1.0	(0.2)	600.0
Operating profit before fair value (loss)/gain on financial instruments	13.0	14.7	(11.6)
Earnings before interest, tax, depreciation and amortisation (EBITDA)*	26.6	26.4	0.8

DIRECTORS' REPORT
for the year ended 31 December 2019 (Continued)

BUSINESS REVIEW (Continued)

	2019 *€m*	*2018* *€m*	*Movement* *%*
Profit on ordinary activities before taxation	8.1	11.0	(26.4)
Fair value loss/(gain) on financial instruments	1.0	(0.2)	600.0
Profit on ordinary activities before taxation and fair value loss/(gain) on financial instruments	9.1	10.8	(15.7)
Shareholders' funds	24.8	18.8	31.9
Cash generated from operating activities	21.7	26.1	(16.9)
Average number of employees	815	816	(0.0)

* EBITDA is stated net of fair value loss/(gain) on financial instruments, profit on disposal of tangible assets, other finance costs and foreign exchange loss, all of which are deemed non-core operational items.

RESULTS FOR THE YEAR AND STATE OF AFFAIRS AT 31 DECEMBER

The profit on ordinary activities before taxation amounted to €8,079,000 compared with a profit of €10,956,000 in the previous year. After a tax charge of €1,517,000 (2018: charge of €2,560,000), the profit for the financial year of €6,562,000 (2018: €8,396,000) is transferred to profit and loss reserves. Other comprehensive loss amounted to €547,000 (2018: €126,000), driven by exchange differences on the retranslation of subsidiary undertakings and intercompany balances denominated in Sterling along with an actuarial loss (2018: gain) on the Group's defined benefit pension schemes. Shareholders' funds amounted to €24,766,000 at 31 December 2019 (2018: €18,751,000).

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's operations expose it to a variety of financial risks that include the following:

Price risk

The Group is exposed to commodity price risk as a result of its operations. However, given the size of the Group's operations, the costs of hedging exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the Group's operations change in size or nature. The Group has no exposure to equity securities price risk as it holds no listed or other equity investments.

DIRECTORS' REPORT
for the year ended 31 December 2019 (Continued)

PRINCIPAL RISKS AND UNCERTAINTIES (Continued)

Foreign exchange risk
The Group's operations are principally in Ireland and the United Kingdom, and as a result it is primarily exposed to foreign exchange risk in the normal course of business with respect to Sterling. Foreign exchange exposure is kept under constant review, and consistent with previous years, the Group executed a rolling programme using derivative foreign currency contracts to mitigate the effects of movements in the value of Sterling relative to Euro. Under the rolling programme, the Group entered into derivative foreign currency contracts through a Sterling denominated entity to sell Stg£45.0m (2018: Stg£45.0m) at fixed Euro values from April 2019 to September 2020 (2018: April 2018 to September 2019), with contracts totalling Stg£22.5m (2018: Stg£22.5m) remaining open at year end. The unrealised fair value adjustment in respect of these contracts of €972,000 is debited to operating profit (2018: €189,000 credited to operating profit), and an unrealised fair value loss of €1,053,000 is recognised at 31 December 2019 (2018: gain of €18,000).

Credit risk
The Group has implemented policies that require appropriate credit checks on potential customers before sales are made. Balances with existing customers are monitored on a continuous basis with appropriate action taken when outstanding balances exceed credit terms.

Liquidity risk
The Group actively manages its cash resources to ensure that it has sufficient available funds for operations and its capital expenditure programme. The Group has committed financing facilities in place through to 2024.

Interest rate risk
The Group has interest bearing liabilities which include senior secured loans, revolving credit facilities, loan notes and finance leases. The Group's interest rate cash flow risk arises from its variable rate borrowings whilst its fair value risk arises from its fixed rate borrowings.

Competition risk
The Group operates in highly competitive markets, particularly around price and product availability, which results in fluctuations in margins. In order to mitigate this risk, the sales team monitors market share and market price data on an ongoing basis. Furthermore, the Group undertakes routine market research to understand customers' expectations to ensure their needs are being met.

The management of the business and the execution of the Group's strategy are subject to a number of other risks as follows:

Business interruption risk
Business interruption, through whatever form, could potentially impact on all aspects of business operations from production and supply right through to revenue generation, profitability and health and safety. Business continuity planning, regular updates to site risk registers and continuing communication with key stakeholders allied to on-going assessment by management are the key measures used to mitigate these risks.

DIRECTORS' REPORT
for the year ended 31 December 2019 (Continued)

PRINCIPAL RISKS AND UNCERTAINTIES (Continued)

Employee recruitment and retention risk
The Group's performance depends largely on its employees. The continued ability to recruit and retain people with the right experience and skills is critical to delivering Group performance. To mitigate these issues, the Group has implemented a number of schemes linked to its productivity and results that are designed to retain key individuals. In addition, the Group has a number of programmes to attract new staff and provide training to develop the skills of employees.

Brexit
The directors have considered the potential impact of the United Kingdom leaving the European Union. The principal potential business implications are in respect of foreign currency exchange rates, as well as price and competition landscapes, which are covered in the sections above.

DIRECTORS
The directors of the Company during the year and at the date of signing the financial statements are listed on page 2.

DIRECTORS' AND SECRETARY'S INTERESTS
Mr. Liam McCaffrey held 2,563 B ordinary shares in the Company at 31 December 2019 (31 December 2018: 2,563).

Mr. Dara O'Reilly held 1,814 B ordinary shares in the Company at 31 December 2019 (31 December 2018: 1,814).

Mr. John McCartin held 10,000 shares in QBRC Limited, a corporate shareholder of the Company, at 31 December 2019 and at the prior year end.

FINANCIAL INSTRUMENTS
Details of the financial risk management objectives and policies and the exposure of the Company to price risk, credit risk, liquidity risk and interest risk are provided in the Principal Risks and Uncertainties section above.

FUTURE DEVELOPMENTS
The Group will consider opportunities to expand its current activities and market penetration.

ENVIRONMENTAL MATTERS
The Group recognises its corporate responsibility to carry out its operations whilst minimising environmental impact. The directors' continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

DIRECTORS' REPORT
for the year ended 31 December 2019 (Continued)

EMPLOYEE MATTERS

The Board of Directors is fully committed to operating ethically and responsibly in relation to employees, clients, neighbours and all other stakeholders. The Group pays particular adherence to health and safety matters and has implemented appropriate safety guidelines.

RESEARCH AND DEVELOPMENT

The Group carried out certain research and development activities during the year and accounted for the expenditure in accordance with the Group accounting policy for research and development.

EVENTS SINCE THE STATEMENT OF FINANCIAL POSITION DATE

As at the date of this report COVID-19 continues to impact on daily life in the UK and Irish economies, influencing consumer activity and mobility. The Group has put appropriate measures in place, together with amendments to Standard Operating Procedures, to minimise the risk of COVID-19 for its employees, customers and suppliers. These measures include remote working, appropriate hand sanitizing facilities, physical distancing measures and provision of guidelines around virus transmission. The safety and welfare of the group's employees and their families remains of paramount importance to the business.

While the group has experienced some impact on trading activities in recent months, with many customers closing their premises and projects being delayed, current demand has recovered to robust levels and order pipeline remains encouraging. However, depending on how COVID-19 develops, it is possible that material disruption may occur over the coming months.

The Group is monitoring its key customers and markets closely during this period and, as it has already done in previous months, it will make appropriate adjustments to manufacturing levels as required. Although it has not experienced any disruption to date, the Group is continuously monitoring the availability of supply of key input materials, particularly for its Therm and Packaging businesses.

Given the exposure of the Group's plastic packaging division to the food sector, demand for its products is expected to remain at or above the historic run rate for the immediate future, with the food sector being seen as of strategic importance.

In addition, both the UK and Irish governments have indicated the importance of the construction sector to their respective economies in helping the economic recovery from the COVID-19 pandemic, which will hopefully sustain a reasonable demand for products from the group's construction products divisions.

While any reduction in trade is likely to impact operating cashflows, the Group remains cash generative with committed debt facilities for the next 4 years. The group continues to manage and monitor its cash requirement, taking account of the changing environment of COVID-19, including keeping its stakeholders updated on how COVID-19 is impacting on the business. Although it is impossible to predict what impact a second wave of COVID-19 might have on our trading environment, we have a fundamentally robust and diversified business with traditionally strong cashflow characteristics. This, coupled with cash management initiatives taken to date, leaves us well positioned to prosper in the long term.

DIRECTORS' REPORT
for the year ended 31 December 2019 (Continued)

GOING CONCERN
At the date of approval of the financial statements the Group is in a strong liquidity and net asset position. The directors have assessed forecast cashflows for a period of 12 months subsequent to the approval of the financial statements and as the Group will have sufficient funds to meet all obligations as they fall due for that period, the financial statements are prepared on the going concern basis. Certain subsidiary undertakings have confirmed that they will not call for the settlement of intercompany debts from the Company until such time as sufficient group funds have been transferred to the Company to fund the settlement required.

Furthermore, the Board notes that, excluding the negative goodwill of the Group, which reflects the excess of the fair value of net assets of Construction Industry Supplies Holdco Limited and Quinn Packaging Limited acquired over the consideration paid for same, the Group's financial position amounts to net assets of €43m at the Statement of Financial Position date (2018: €41m).

OWN SHARES
Neither the Company nor any of its subsidiary undertakings held any of the Company's shares at the beginning or the end of the financial year.

ACCOUNTING RECORDS
The measures that the directors have taken to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014, with regard to the keeping of accounting records, include the provision of appropriate resources to maintain adequate accounting records throughout the Group, including the appointment of personnel with appropriate qualifications, experience and expertise.

The Company's accounting records are maintained at Gortmullan, Derrylin, Co. Fermanagh, BT92 9GP, Northern Ireland, and returned to the Company's registered office at 2nd Floor, 1- 2 Victoria Buildings, Haddington Road, Dublin 4.

COMPLIANCE STATEMENT
The directors acknowledge that they are responsible for securing the Group's and Company's compliance with its relevant obligations under section 225 of the Companies Act 2014. The directors confirm that during the year ended 31 December 2019:

(i) a statement (referred to in the Act as a "compliance policy statement") setting out the Group's and Company's policies (which in the directors' opinion, are appropriate to the Group and Company) respecting compliance by the Group and Company with its relevant obligations has been drawn up and adopted by the Group and Company;
(ii) appropriate arrangements or structures that are, in the directors' opinion, designed to secure material compliance with the Group's and Company's relevant obligations have been put in place; and
(iii) during the financial year to which the relevant statutory Directors' Report relates, a review of the arrangements and structures referred to in paragraph (ii) has been conducted.

DIRECTORS' REPORT
for the year ended 31 December 2019 (Continued)

AUDIT COMMITTEE
During the year ended 31 December 2019, the Group and Company met the criteria of a large company pursuant to section 167 of the Companies Act 2014. The Audit Committee comprises William Raine (Chairman), Leslie Higgins, Adrian Barden and John McCartin as its members. The Audit Committee responsibilities include those included in subsection (7) and other requirements of section 167 of the Companies Act 2014.

REMUNERATION COMMITTEE
The remuneration of the executive directors is determined by the Remuneration Committee which comprises of three of the non-executive directors. The written terms of reference have been approved by the board and are aimed to ensure that remuneration packages are competitive and that they will attract, retain and motivate executive directors of the quality required. The non-executive directors' remuneration is determined by the Board.

DISCLOSURE OF INFORMATION TO AUDITORS
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. Having made enquiries of fellow directors and the auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

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

On behalf of the Directors

Liam McCaffrey Director	Dara O'Reilly Director

Date: 27th July 2020

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUINN INDUSTRIAL HOLDINGS DESIGNATED ACTIVITY COMPANY

Opinion

We have audited the financial statements of Quinn Industrial Holdings Designated Activity Company ('the Company') and its subsidiaries ('the Group') for the year ended 31 December 2019, which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Parent Company Statement of Comprehensive Income, the Group Statement of Changes in Equity, the Parent Company Statements of Changes in Equity, the Group Statement of Financial Position, the Parent Company Statement of Financial Position, the Group Statement of Cash Flows and notes to the financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and Accounting Standards including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Irish Generally Accepted Accounting Practice).

In our opinion:

- the Group financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2019 and of its profit for the year then ended;
- the Company financial statements give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2019;
- the Group and Company financial statements have been properly prepared in accordance with Irish Generally Accepted Accounting Practice; and
- the Group financial statements and Company financial statements 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 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 ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters, in relation to which ISAs (Ireland) require us to report to you where:

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

Continued/…

QUINN INDUSTRIAL HOLDINGS DESIGNATED ACTIVITY COMPANY

GROUP INCOME STATEMENT
for the year ended 31 December 2019

	Note	2019 €000	2018 €000
Turnover	2	233,932	240,298
Cost of sales		(163,328)	(169,329)
Gross profit		70,604	70,969
Operating expenses	3	(58,701)	(58,348)
Fair value (loss)/gain on financial instruments	4	(972)	189
Other operating income	5	1,029	2,054
Group operating profit	6	11,960	14,864
Amortisation of goodwill arising on acquisition	13	3,728	3,728
Profit on disposal of tangible assets		199	427
Profit on ordinary activities before interest and taxation		15,887	19,019
Interest payable and similar charges	9	(7,753)	(8,008)
Other finance costs	10	(55)	(55)
Profit on ordinary activities before taxation		8,079	10,956
Tax charge on profit on ordinary activities	11	(1,517)	(2,560)
Profit for the financial year		6,562	8,396

The profit for both financial years solely relates to continuing activities.

QUINN INDUSTRIAL HOLDINGS DESIGNATED ACTIVITY COMPANY

GROUP AND PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2019

GROUP STATEMENT OF COMPREHENSIVE INCOME

	Note	*2019* *€000*	*2018* *€000*
Profit for the financial year		6,562	8,396
Exchange differences on retranslation of foreign operations		524	(174)
Exchange differences on retranslation of intercompany balances in foreign currencies		(530)	-
Remeasurement (loss)/gain recognised on defined benefit pension schemes	27	(564)	53
Movement on deferred tax relating to pension liability	11	23	(5)
Total other comprehensive loss		(547)	(126)
Total comprehensive income for the year		6,015	8,270

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

		2019 *€000*	*2018* *€000*
Loss for the financial year	12	(13,752)	(12,135)
Total comprehensive loss for the year		(13,752)	(12,135)

QUINN INDUSTRIAL HOLDINGS DESIGNATED ACTIVITY COMPANY

GROUP STATEMENT OF FINANCIAL POSITION
at 31 December 2019

	Note	2019 €000	2018 €000
FIXED ASSETS			
Negative goodwill	13	(18,330)	(22,058)
Intangible assets	14	1,646	617
Tangible assets	15	120,580	120,706
		103,896	99,265
CURRENT ASSETS			
Stocks	17	33,441	31,845
Debtors (amounts falling due within one year)	18	39,707	41,371
Debtors (amounts falling due after more than one year)	18	600	400
		73,748	73,616
Cash at bank and in hand	26(b)	13,415	17,090
		87,163	90,706
CREDITORS (amounts falling due within one year)	19	(71,118)	(71,575)
NET CURRENT ASSETS		16,045	19,131
TOTAL ASSETS LESS CURRENT LIABILITIES		119,941	118,396
CREDITORS (amounts falling due after more than one year)	20	(80,053)	(85,157)
PROVISIONS FOR LIABILITIES	23	(12,298)	(12,167)
		(92,351)	(97,324)
NET ASSETS EXCLUDING PENSION LIABILITY		27,590	21,072
Defined benefit pension liability	27	(2,824)	(2,321)
NET ASSETS		24,766	18,751

GROUP STATEMENT OF FINANCIAL POSITION
at 31 December 2019 (Continued)

	Note	*2019* *€000*	*2018* *€000*
CAPITAL AND RESERVES			
Called up share capital presented as equity	24	–	–
Capital redemption reserve	25	–	–
Retained earnings, beginning		18,751	10,481
Total comprehensive income for the year		6,015	8,270
Shareholders' funds		24,766	18,751

Approved by the Board on 27th July 2020

On behalf of the Board

Liam McCaffrey
Director

Dara O'Reilly
Director

NOTES TO THE GROUP FINANCIAL STATEMENTS
31 December 2019

1. ACCOUNTING POLICIES

1.1 *Statement of compliance*

Quinn Industrial Holdings Designated Activity Company (company registration number 552978) is a limited liability Company incorporated in the Republic of Ireland. The registered office is 2nd Floor, 1-2 Victoria Buildings, Haddington Road, Dublin 4.

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

1.2 *Basis of preparation*

The financial statements of Quinn Industrial Holdings Designated Activity Company were authorised for issue by the Board of Directors on 27th JULY 2020.

At the date of approval of the financial statements the Group is in a strong liquidity and net asset position. The directors have assessed forecast cashflows for a period of 12 months subsequent to the approval of the financial statements and as the Group will have sufficient funds to meet all obligations as they fall due for that period, the financial statements are prepared on the going concern basis. Certain subsidiary undertakings have confirmed that they will not call for the settlement of intercompany debts from the Company until such time as sufficient group funds have been transferred to the Company to fund the settlement required.

Quinn Industrial Holdings Designated Activity Company (the Company) is availing of the reduced disclosure framework under FRS 102 on the basis that it itself meets the definition of a qualifying entity, being a member of a group that prepares publicly available financial statements which give a true and fair view. The Group and Company financial statements are available from the registered office above.

The Company has taken advantage of the following disclosure exemption under FRS 102 for qualifying entities:

- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
- Certain disclosures relating to financial assets and liabilities namely, the requirements of Section 11 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) and Section 12 paragraphs 12.26 (in relation to those cross-referenced paragraphs from which a disclosure exemption is available), 12.27, 12.29(a), 12.29(b), and 12.29A.
- The requirement of Section 33 Related Party Disclosures paragraph 33.7.

The financial statements are prepared in Euro which is the presentational currency of the Group and rounded to the nearest €000. The functional currency of the Company is Euro.

1. ACCOUNTING POLICIES (Continued)

1.3 *Basis of consolidation*

The Group financial statements consolidate the financial statements of Quinn Industrial Holdings Designated Activity Company and all its subsidiary undertakings drawn up to 31 December each year.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities. Intra-Group transactions, balances and unrealised profit on intra-Group stock holdings are eliminated on consolidation.

In the Parent Company financial statements investments in subsidiaries are accounted for at cost less impairment.

1.4 *Judgements and key sources of estimation uncertainty*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

(a) *Operating lease commitments*

The Group has entered into commercial property leases as a lessor on its investment property portfolio and as a lessee it obtains use of property, plant and equipment. The classification of such leases as operating or finance lease requires the Group to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Statement of Financial Position.

The following are the Group's key sources of estimation uncertainty:

(b) *Valuation of investment properties*

The Group carries its investment property at fair value, with changes in fair value being recognised in the Income Statement. Management has determined that there has been no material changes in fair value at 31 December 2019 based on its review of comparable market data, considered the most appropriate basis of valuation due to the agricultural nature of the property. The determined fair value of the investment property is most sensitive to the estimated value per acre of agricultural land and forestry. The key assumptions used to determine the fair value of investment property are further explained in note 15.

1. ACCOUNTING POLICIES (Continued)

1.4 *Judgements and key sources of estimation uncertainty (continued)*

(c) *Pension and other post-employment benefits*

The cost of defined benefit pension plans and other post-employment medical benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country. Further details are given in note 27.

(d) *Goodwill and intangible assets*

The Group establishes a reliable estimate of the useful life of goodwill arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

(e) *Impairment of non-financial assets*

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

Conversely, where impairment charges have been recognised in respect of assets in prior years, the reversal of factors which originally resulted in the impairments require the Company to recognise a reversal of impairment, also based on a fair value less cost to sell or value in use calculation.

The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset.

NOTES TO THE GROUP FINANCIAL STATEMENTS
31 December 2019 (Continued)

1. ACCOUNTING POLICIES (Continued)

1.4 *Judgements and key sources of estimation uncertainty (continued)*

(e) *Impairment of non-financial assets (continued)*

The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

(f) *Taxation*

The Group establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 11.

(g) *Bad debts*

The Group provides for potential bad debts in respect of trade debtors which arise in the normal course of business. The bad debt provision is based on management's assessment of recoverability which is driven by the ageing of balances and customers' financial positions and history of credit worthiness.

(h) *Provisions*

The Group establishes provisions based on reasonable estimates, when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount of such provisions is based on various factors, such as estimation of the outflow of economic benefits and the likely timing of same. Further details are contained in note 23.

NOTES TO THE GROUP FINANCIAL STATEMENTS
31 December 2019 (Continued)

1. ACCOUNTING POLICIES (Continued)

1.5 *Significant accounting policies*

(a) *Goodwill and negative goodwill*

Positive goodwill acquired on each business combination is capitalised, classified as an asset on the Statement of Financial Position and amortised on a straight line basis over its useful life.

Goodwill/negative goodwill acquired in a business combination is, from the acquisition date, allocated to each cash generating unit that is expected to benefit from the synergies of the combination.

If a subsidiary, associate or business is subsequently sold or discontinued, any goodwill/negative goodwill arising on acquisition that has not been amortised through the income statement is taken into account in determining the profit or loss on sale or discontinuance.

On the acquisition of subsidiaries, where acquisition accounting is used, fair values are attributed to their separable net assets. When the fair value of the consideration offered is less than the fair value of the separable net assets, the difference is treated as negative goodwill and capitalised in the Statement of Financial Position. Negative goodwill is amortised to the Income Statement over a period equal to the remaining lives of non-monetary assets at the date of acquisition in the cash generating unit to which it pertains. The amortisation period for negative goodwill for the Group is a weighted average of 10 years resulting from the remaining life of the non-monetary assets of the cash generating units to which it has been allocated.

(b) *Intangible assets*

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition. Intangible assets acquired as part of an acquisition are not recognised where they arise from legal or other contractual rights, and where there is no history of exchange transactions.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight line basis over their estimated useful lives. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

1. ACCOUNTING POLICIES (Continued)

1.5 *Significant accounting policies (continued)*

(b) Intangible assets (continued)

If there are indicators that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period, previous estimates shall be reviewed and, if current expectations differ, the residual value, amortisation method or useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

Emission allowances, which relate to the emission of carbon dioxide, are recorded as an intangible asset within fixed assets and are initially recorded at cost, and subsequently at the lower of cost or recoverable amount. For allocations of emission allowances, cost is deemed to be equal to open market value at the end of the financial period in which they are allocated. Receipts of such grants are recognised in the Income Statement in the period in which the related carbon dioxide emissions occur. A provision is recorded in respect of the obligation to deliver emission allowances and charges are recognised in the Income Statement in the period in which carbon dioxide emissions occur. Income from emission allowances which are sold is reported as part of other operating income in the period in which the transaction occurs.

(c) Impairment of non-financial assets

The Group assesses at each reporting date whether an asset may be impaired. If any such indication exists the Group estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through impairment in the Income Statement unless the asset is carried at a revalued amount where the impairment loss of a revalued asset is a revaluation decrease.

An impairment loss recognised for all assets, including goodwill, is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

Value in use is the present value of the future cash flows obtainable as a result of an asset's continued use, including those resulting from its ultimate disposal. Relevant cash flows are discounted on a pre-tax basis taking into account appropriate risk.

Fair value less costs to sell is the amount at which an asset could be disposed of, less any direct selling costs. Where an active market does not exist, net realisable value is derived using discounted cash flow analysis. Relevant cash flows are discounted on a post-tax basis taking into account appropriate risk.

NOTES TO THE GROUP FINANCIAL STATEMENTS
31 December 2019 (Continued)

1. ACCOUNTING POLICIES (Continued)

1.5 *Significant accounting policies (continued)*

(d) *Investment properties*

Certain of the Group's properties are held for long-term investment. Investment properties are accounted for as follows:

- Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure.
- Investment properties whose fair value can be measured reliably are measured at fair value. The surplus or deficit on revaluation is recognised in the profit and loss reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the Income Statement for the year.

(e) *Property, plant and equipment*

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Assets in the course of construction represent plant and machinery purchased but not yet fully installed and operational. Assets in the course of construction are not subject to depreciation.

Interest costs relating to the financing of major capital projects are capitalised at the actual cost of the related borrowings up to the date of completion of the project. Costs incurred in the start-up phase of an asset which are incurred when the asset is available for use but incapable of operating at normal operating levels are capitalised in the cost of the asset.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Buildings	15 to 50 years
Cement and quarry assets	10 to 35 years
Plant and machinery	5 to 20 years
Motor vehicles	5 years
Office equipment	5 years

No depreciation is provided on freehold land.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

1. ACCOUNTING POLICIES (Continued)

1.5 *Significant accounting policies (continued)*

(f) *Business combinations*

Business combinations are accounted for using the purchase method of accounting. The cost of an acquisition under the purchase method is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date with subsequent changes in fair value recognised in the Income Statement.

(g) *Revenue recognition*

Revenue is recognised to the extent that the Group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met for sale of goods before revenue is recognised:

(i) *Sale of goods*

Revenue 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 receipt of the goods, the amount of revenue 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.

(ii) *Interest Income*

Revenue is recognised as interest accrues using the effective interest method.

(iii) *Dividends*

Revenue is recognised when the Group's right to receive payment is established.

QUINN INDUSTRIAL HOLDINGS DESIGNATED ACTIVITY COMPANY

NOTES TO THE GROUP FINANCIAL STATEMENTS
31 December 2019 (Continued)

1. ACCOUNTING POLICIES (Continued)

1.5 *Significant accounting policies (continued)*

(h) *Government grants*

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment.

Government grants in respect of capital expenditure are credited to a deferred income account and are released to income over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

(i) *Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials, consumables and goods for resale	Purchase cost on a first-in, first-out basis
Work in progress and finished goods	Cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

(j) *Research and development*

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised evenly over the period of expected future benefit. During the period of development the asset is tested for impairment annually.

NOTES TO THE GROUP FINANCIAL STATEMENTS
31 December 2019 (Continued)

1. ACCOUNTING POLICIES (Continued)

1.5 *Significant accounting policies (continued)*

(k) Provisions for liabilities

A provision is recognised when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for the expected costs of maintenance under guarantees are charged against profits when products have been invoiced. The effect of the time value of money is not material and therefore the provisions are not discounted.

Movements in provisions for quarrying asset reinstatement costs are presented in the Income Statement of the Group as the quarrying assets were substantially impaired through the Income Statements of the relevant subsidiaries in prior years, before their acquisition by the Company.

(l) Deferred tax

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the Statement of Financial Position date, dividends have been accrued as receivable
- Where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability/(asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Statement of Financial Position date.

(m) Research and development tax credits

Research and development tax credits are credited to operating expenses in the Income Statement in the period in which the company makes the related claim to the relevant taxation authority.

NOTES TO THE GROUP FINANCIAL STATEMENTS
31 December 2019 (Continued)

1. ACCOUNTING POLICIES (Continued)

1.5 *Significant accounting policies (continued)*

(n) *Foreign currencies*

Company
Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the Statement of Financial Position date. All differences are taken to the Income Statement.

Group
Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The assets and liabilities of overseas subsidiary undertakings are translated into the presentational currency at the rate of exchange ruling at the Statement of Financial Position date. Income and expenses for each Statement of Comprehensive Income are translated at exchange rates at the dates of transaction. All resulting exchange differences are recognised in Other Comprehensive Income.

(o) *Cash and cash equivalents*
Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

(p) *Loan notes*
Loan notes which are basic financial instruments are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan on the loan issue date. Subsequently, they are measured at amortised cost using the effective interest method. Loan notes that are receivable within one year are not discounted.

(q) *Short-term debtors and creditors*
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Income Statement in other operating expenses.

The impairment against trade debtors is assessed constantly by management based on a number of criteria including market knowledge, time elapsed and insolvency risk.

NOTES TO THE GROUP FINANCIAL STATEMENTS
31 December 2019 (Continued)

1. ACCOUNTING POLICIES (Continued)

1.5 *Significant accounting policies (continued)*

(r) *Leasing*

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Group are capitalised in the Statement of Financial Position and are depreciated over the shorter of the lease term and the asset's useful lives. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the Statement of Financial Position. Lease payments are apportioned between the reduction of the lease liability and finance charges in the Income Statement so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged in the Income Statement on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

(s) *Pensions and other post-retirement benefits*

The Group operates two defined benefit pension schemes, both in Ireland and UK, which require contributions to be made to separately administered funds. The schemes were closed to new members in June 2002 from which time membership of a defined contribution plan is available.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. When a settlement or a curtailment occurs the change in the present value of the scheme liabilities and the fair value of the plan assets reflect the gain or loss which is recognised in the income statement during the period in which it occurs.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate at the start of the period taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability (excluding amounts included in net interest) are recognised immediately in Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

1. ACCOUNTING POLICIES (Continued)

1.5 *Significant accounting policies (continued)*

(s) *Pensions and other post-retirement benefits (continued)*

The defined net benefit pension asset or liability in the Statement of Financial Position comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Contributions to defined contribution schemes are recognised in the Income Statement in the period in which they become payable.

(t) *Interest-bearing loans and borrowings*

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in finance revenue in the Income Statement.

(u) *Derivative instruments*

The Group uses derivative foreign currency contracts to reduce foreign exchange rate fluctuations. Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through the Income Statement. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of the derivative foreign currency contracts is calculated by reference to their market values. The Group has not currently adopted any hedge accounting treatment.

2. TURNOVER AND SEGMENTAL ANALYSIS

Turnover represents the amounts derived from the supply of goods which fall within the Group's ordinary activities, stated net of value added tax, rebates and trade discounts. Revenue is recognised on either dispatch of goods or their receipt by customers depending on customer satisfaction arrangements.

In accordance with Schedule 3, section 62(6) of the Companies Act 2014, the directors have chosen not to disclose segmental information of turnover by business class or geographical market as to do so would be seriously prejudicial to the interests of the Group.

NOTES TO THE GROUP FINANCIAL STATEMENTS
31 December 2019 (Continued)

12. LOSS ATTRIBUTABLE TO THE MEMBERS OF THE PARENT COMPANY

In accordance with section 304 of the Companies Act 2014, the Company has availed of the exemption from presenting its entity Income Statement, together with the information supplementing the Income Statement, to the Annual General Meeting and from annexing it to the annual return. The loss for the financial year dealt with in the Parent Company financial statements amounted to €13,752,000 (2018: €12,135,000).

13. NEGATIVE GOODWILL

Group	*Negative goodwill €000*
Cost:	
At 1 January 2019 and 31 December 2019	(39,023)
Amortisation:	
At 1 January 2019	16,965
Provided during the year	3,728
At 31 December 2019	20,693
Carrying amounts:	
At 31 December 2019	(18,330)
At 1 January 2019	(22,058)

14. INTANGIBLE ASSETS

Group	*Emission allowances €000*
Cost and carrying amounts:	
At 1 January 2019	617
Allowances arising in the year	19,404
Allowances utilised in the year	(18,375)
At 31 December 2019	1,646

16. INVESTMENTS

Parent Company	*2019*	*2018*
	€000	*€000*
Investments in subsidiary undertakings:		
Cost and carrying amounts:		
At the beginning and end of the year	100,657	100,657

Details of the investments in which the Group and the Parent Company (unless indicated) hold 20% or more of the nominal value of any class of share capital are as follows:

Name of company	*Holding*	*Proportion of voting rights and shares held*	*Nature of business*
Construction Industry Supplies Holdco Limited	Ordinary shares	100%	Holding company
Quinn Packaging Limited	Ordinary shares	100%	Manufacture of plastic packaging products
Quinn Building Products Limited*	'A' ordinary shares and 'B' ordinary shares	100%	Manufacture and sale of concrete and quarry products
Quinn Cement Limited*	Ordinary shares	100%	Manufacture and sale of cement and EPS insulation products
Quinn Therm Limited*	Ordinary shares	100%	Manufacture and sale of polyurethane insulation products
Quinn Cement (NI) Limited*	Ordinary shares	100%	Distribution of cement
Quinn Concrete Limited*	Ordinary shares	100%	Manufacture of aerated concrete blocks and quarry products
Quinn Building Products (ROI) Limited*	Ordinary shares	100%	Non-trading
Quinn Packaging (NI) Limited*	Ordinary shares	100%	Non-trading

NOTES TO THE GROUP FINANCIAL STATEMENTS
31 December 2019 (Continued)

16. INVESTMENTS (Continued)

Name of company	*Holding*	*Proportion of voting rights and shares held*	*Nature of business*
Quinn Therm UK Limited*	Ordinary shares	100%	Non-trading

*Held by a subsidiary undertaking

All subsidiary undertakings prepare financial statements to 31 December.

Quinn Packaging Limited, Quinn Cement Limited, Quinn Therm Limited and Quinn Building Products (ROI) Limited are incorporated in the Republic of Ireland and their registered office is Scotchtown, Ballyconnell, Co. Cavan, Republic of Ireland.

Construction Industry Supplies Holdco Limited, Quinn Bu.lding Products Limited, Quinn Cement (NI) Limited and Quinn Concrete Limited are incorporated in the United Kingdom and their registered office is Gortmullan, Derrylin, Co. Fermanagh, BT92 9GP, Northern Ireland.

Quinn Therm UK Limited is incorporated in the United Kirgdom and its registered office is c/o Quinn Cement (NI) Limited, Scotline Transit, Crown Wharf, Rochester, Kent, ME2 4EW.

Quinn Packaging (NI) Limited in incorporated in the United Kingdom and its registered office is 186 Ballyconnell Road, Derrylin, Enniskillen, Fermanagh, United Kingdom, BT92 9GP.

17. STOCKS

Group	*2019* *€000*	*2018* *€000*
Raw materials and consumables	17,101	16,623
Work in progress	5,714	4,750
Finished goods and goods for resale	10,626	10,472
	33,441	31,845

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stocks recognised as an expense in the year amounted to €153,559,000 (2018: €162,171,000) for the Group.

NOTES TO THE GROUP FINANCIAL STATEMENTS
31 December 2019 (Continued)

18. DEBTORS

Amounts falling due within one year:

	Group		*Parent Company*	
	2019	*2018*	*2019*	*2018*
	€000	*€000*	*€000*	*€000*
Trade debtors	37,515	39,699	–	–
Other debtors	285	365	–	–
Corporation tax	214	–	–	–
VAT	94	158	34	124
Research and development tax credit receivable	395	146	–	–
Amounts owed by related parties	242	136	–	–
Prepayments and accrued income	962	849	129	128
Amounts owed by subsidiary undertakings	–	–	1,825	840
Fair value gain on financial instruments	–	18	–	–
	39,707	41,371	1,988	1,092

Amounts owed by related parties and amounts owed by subsidiary undertakings falling due within one year are receivable on demand, unsecured and interest free.

Amounts falling due after more than one year:

	Group		*Parent Company*	
	2019	*2018*	*2019*	*2018*
	€000	*€000*	*€000*	*€000*
Amounts owed by parent undertaking	600	400	600	400

Amounts owed by parent undertaking falling due after more than one year are unsecured and interest free. The fair value of this balance is not materially different from the balance recognised.

NOTES TO THE GROUP FINANCIAL STATEMENTS
31 December 2019 (Continued)

19. CREDITORS (amounts falling due within one year)

	Group		*Parent Company*	
	2019	*2018*	*2019*	*2018*
	€000	*€000*	*€000*	*€000*
Trade creditors	12,442	16,011	110	21
Bank loans and loan notes	30,173	30,607	–	–
Obligations under finance leases and hire purchase contracts *(note 22)*	4,807	4,677	–	–
Amounts owed to related parties	2	17	–	–
Amounts owed to subsidiary undertakings	–	–	247	221
Corporation tax	–	401	–	–
VAT	41	312	–	–
Other taxes and social security costs	1,731	1,449	39	49
Other creditors	716	1,036	–	–
Accruals	20,153	17,065	496	112
Fair value loss on financial instruments	1,053	–	–	–
	71,118	71,575	892	403

Amounts owed to related parties and amounts owed to subsidiary undertakings falling due within one year are repayable on demand, unsecured and interest free.

Refer to note 30 in respect of charges and guarantees pertaining to the Group's and Parent Company's loans.

NOTES TO THE GROUP FINANCIAL STATEMENTS
31 December 2019 (Continued)

20. CREDITORS (amounts falling due after more than one year)

	Group		*Parent Company*	
	2019 *€000*	*2018* *€000*	*2019* *€000*	*2018* *€000*
Bank loans and loan notes	72,505	76,678	52,732	56,005
Obligations under finance leases and hire purchase contracts (*note 22*)	7,548	8,479	–	-
Amounts owed to subsidiary undertakings	–	–	108,483	90,839
	80,053	85,157	161,215	146,844

Amounts owed to subsidiary undertakings falling due after more than one year are unsecured and subject to an interest rate of 6.4% per annum (2018: 6.8%).

Refer to note 30 in respect of charges and guarantees pertaining to the Group's and Parent Company's loans.

21. LOANS

Loans repayable, included within creditors, are analysed as follows:

	Group		*Parent Company*	
	2019 *€000*	*2018* *€000*	*2019* *€000*	*2018* *€000*
Wholly repayable within five years	102,678	54,552	52,732	3,272
Not wholly repayable within five years	–	52,733	–	52,733
	102,678	107,285	52,732	56,005

23. PROVISIONS FOR LIABILITIES

Group	*Legal provisions €000*	*Quarry reinstatement costs €000*	*Deferred tax €000*	*Total €000*
At 1 January 2019	29	3,841	8,297	12,167
Exchange adjustment	1	109	-	110
Additions during the year	35	141	-	176
Amounts charged against the provision	(24)	-	-	(24)
Income Statement credit	-	-	(108)	(108)
Other Comprehensive Income charge	-	-	(23)	(23)
At 31 December 2019	41	4,091	8,166	12,298

In respect of the prior year:

Group	*Legal provisions €000*	*Quarry reinstatement costs €000*	*Deferred tax €000*	*Total €000*
At 1 January 2018	153	3,731	8,753	12,637
Exchange adjustment	(1)	(16)	(1)	(18)
Additions during the year	10	126	-	136
Amounts charged against the provision	(133)	-	-	(133)
Income Statement credit	-	-	(460)	(460)
Other Comprehensive Income charge	-	-	5	5
At 31 December 2018	29	3,841	8,297	12,167

Legal provisions represent the Group's best estimate of liabilities from legal cases. The additions to legal provisions during the year primarily pertain to new and existing cases. The amounts charged against legal provisions primarily pertain to the settlement of cases.

NOTES TO THE GROUP FINANCIAL STATEMENTS
31 December 2019 (Continued)

23. PROVISIONS FOR LIABILITIES (Continued)

Quarry reinstatement costs represent the Group's best estimate of the reinstatement of quarry sites in accordance with the associated planning permission conditions. The additions during the year relate solely to reissued estimates of the labour and material costs required to complete the reinstatement works.

The composition of the net deferred tax liability is disclosed in note 11.

24. ALLOTTED AND ISSUED SHARE CAPITAL

Group and Parent Company

	2019	*2018*
	€	*€*
Authorised:		
86,500 (2018: 86,500) A ordinary shares of €0.001 each	86	86
24,611 (2018: 24,611) B ordinary shares of €0.001 each	25	25
Authorised share capital presented as equity	111	111

	2019	*2018*
	€	*€*
Allotted, called up and fully paid:		
86,500 (2018: 86,500) A ordinary shares of €0.001 each	86	86
23,546 (2018: 23,546) B ordinary shares of €0.001 each	24	24
Called up share capital presented as equity	110	110

The B ordinary shareholders are not entitled to receive notice of nor to attend any general meetings of the Company nor vote on any resolution proposed thereat. In all other respects, the A ordinary shares and the B ordinary shares rank pari passu with each other.

25. CAPTAL REDEMPTION RESERVE

On 22 December 2016, a capital redemption reserve amounting to €1.065 was created for 1,065 B ordinary shares of €0.001 each, which had been bought back by the Parent Company and cancelled.

30. GUARANTEES AND CONTINGENT LIABILITIES

For the purposes of section 357 of the Companies Act 2014, the Parent Company has undertaken, by Board resolution, to indemnify the creditors of its subsidiary undertakings; Quinn Packaging Limited, Quinn Cement Limited and Quinn Therm Limited, which are incorporated in the Republic of Ireland, in respect of all losses, liabilities and commitments for the financial year ended 31 December 2019. Management has assessed the probable economic flow of benefits relating to these guarantees as being remote and therefore a provision for such amount of the guarantee obligation has not been provided for.

The Group's bank loans and loan notes are secured by composite guarantees, mortgages, debentures and indemnities provided by the Group and its subsidiary undertakings. These guarantees, mortgages, debentures and indemnities are secured by a combination of fixed charges in relation to appropriate United Kingdom and Republic of Ireland assets and floating charges over those assets which are not suitable for being subject to a fixed charge. The Group has provided first fixed charges and first floating charges in favour of Silver Point Finance LLC. The Group has also provided first fixed charges and first floating charges in favour of PNC Business Credit on behalf of PNC Financial Services UK Limited under each of Northern Irish law, Irish law and English law.

31. OFF-BALANCE SHEET ARRANGEMENTS

The Group hires plant and fixtures and storage space on a short term basis as well as entering into operating lease arrangements for the hire of plant and fixtures, motor vehicles, as well as cement and quarry assets, as these arrangements are a cost efficient way of obtaining the short-term benefits of these assets. The Group hire costs and lease rental expenses, respectively, for the year are disclosed in note 6, and the annual Group commitments under these arrangements are disclosed in note 22. There are no other material off-balance sheet arrangements.

33. EVENTS AFTER THE REPORTING PERIOD

As at the date of this report COVID-19 continues to impact on daily life in the UK and Irish economies, influencing consumer activity and mobility.

The Group has put appropriate measures in place, together with amendments to Standard Operating Procedures, to minimise the risk of COVID-19 for its employees, customers and suppliers. These measures include remote working, appropriate hand sanitizing facilities, physical distancing measures and provision of guidelines around virus transmission. The safety and welfare of the group's employees and their families remains of paramount importance to the business.

While the group has experienced some impact on trading activities in recent months, with many customers closing their premises and projects being delayed, current demand has recovered to robust levels and order pipeline remains encouraging. However, depending on how COVID-19 develops, it is possible that material disruption may occur over the coming months.

The Group is monitoring its key customers and markets closely during this period and, as it has already done in previous months, it will make appropriate adjustments to manufacturing levels as required. Although it has not experienced any disruption to date, the Group is continuously monitoring the availability of supply of key input materials, particularly for its Therm and Packaging businesses.

Given the exposure of the Group's plastic packaging division to the food sector, demand for its products is expected to remain at or above the historic run rate for the immediate future, with the food sector being seen as of strategic importance.

In addition, both the UK and Irish governments have indicated the importance of the construction sector to their respective economies in helping the economic recovery from the COVID-19 pandemic, which will hopefully sustain a reasonable demand for products from the group's construction products divisions.

While any reduction in trade is likely to impact operating cashflows, the Group remains cash generative with committed debt facilities for the next 4 years. The group continues to manage and monitor its cash requirement, taking account of the changing environment of COVID-19, including keeping its stakeholders updated on how COVID-19 is impacting on the business.

Although it is impossible to predict what impact a second wave of COVID-19 might have on our trading environment, we have a fundamentally robust and diversified business with traditionally strong cashflow characteristics. This, coupled with cash management initiatives taken to date, leaves us well positioned to prosper in the long term.

Grant Thornton

Consolidated Financial Statements

Dromoland Castle Holdings Limited & its subsidiary undertakings

For the financial year ended 31 December 2019

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2019

	Note	2019 €	2018 (as restated) €
Turnover	4	**23,008,580**	22,596,903
Cost of sales		**(5,315,537)**	(5,225,320)
Gross profit		**17,693,043**	17,371,583
Administrative expenses		**(17,194,774)**	(19,167,946)
Operating profit/(loss)	5	**498,269**	(1,796,363)
Interest payable and similar expenses	8	**(490,711)**	(392,137)
Profit/(loss) before taxation		**7,558**	(2,188,500)
Tax on profit/(loss)	9	**(4,392)**	(211,292)
Profit/(loss) for the financial year		**3,166**	(2,399,792)
Profit/(loss) for the financial year attributable to:			
Owners of the parent Company		**3,166**	(2,399,792)
		3,166	(2,399,792)

There were no recognised gains and losses for 2019 or 2018 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2019 (2018:€NIL).

The notes on pages 20 to 43 form part of these financial statements.

Consolidated Balance Sheet

As at 31 December 2019

	Note	2019 €	2019 €	2018 (as restated) €	2018 (as restated) €
Fixed assets					
Tangible assets	12		**34,488,659**		33,304,379
			34,488,659		33,304,379
Current assets					
Stocks	14	**393,945**		341,627	
Debtors: amounts falling due after more than one year	15	**72,837**		72,837	
Debtors: amounts falling due within one year	15	**658,509**		607,962	
Cash at bank and in hand	16	**933,130**		1,868,491	
		2,058,421		2,890,917	
Creditors: amounts falling due within one year	17	**(4,494,890)**		(4,640,802)	
Net current liabilities			**(2,436,469)**		(1,749,885)
Total assets less current liabilities			**32,052,190**		31,554,494
Creditors: amounts falling due after more than one year	19		**(13,775,554)**		(13,021,068)
Provisions for liabilities					
Other provisions	22	**(498,016)**		(507,972)	
			(498,016)		(507,972)
Net assets			**17,778,620**		18,025,454
Capital and reserves					
Called up share capital presented as equity	26		**1,445**		1,445
Share premium account	27		**10,620,270**		10,620,270
Capital redemption reserve	27		**55**		55
Other reserves	27		**88**		88
Profit and loss account	27		**7,156,762**		7,403,596
Equity attributable to owners of the parent Company			**17,778,620**		18,025,454
Shareholders' funds			**17,778,620**		18,025,454

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2019

	Called up share capital	Share premium account	Capital redemption reserve	Capital conversion reserve	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	€	€	€	€	€	€	€
At 1 January 2018 (as previously stated)	1,445	10,620,270	55	88	9,621,469	20,243,327	20,243,327
Prior year adjustment	-	-	-	-	431,919	431,919	431,919
At 1 January 2018 (as restated)	1,445	10,620,270	55	88	10,053,388	20,675,246	20,675,246
Loss for the year	-	-	-	-	(2,399,792)	(2,399,792)	(2,399,792)
Total comprehensive income for the year	-	-	-	-	(2,399,792)	(2,399,792)	(2,399,792)
Dividends: Equity capital	-	-	-	-	(250,000)	(250,000)	(250,000)
Total transactions with owners	-	-	-	-	(250,000)	(250,000)	(250,000)
At 1 January 2019	1,445	10,620,270	55	88	7,403,596	18,025,454	18,025,454
Profit for the financial year	-	-	-	-	3,166	3,166	3,166
Total comprehensive income for the financial year	-	-	-	-	3,166	3,166	3,166
Dividends: Equity capital	-	-	-	-	(250,000)	(250,000)	(250,000)
Total transactions with owners	-	-	-	-	(250,000)	(250,000)	(250,000)
At 31 December 2019	1,445	10,620,270	55	88	7,156,762	17,778,620	17,778,620

Notes to the Financial Statements

For the financial year ended 31 December 2019

10. Dividends

	2019 €	2018 €
Dividends	**250,000**	250,000
	250,000	250,000

11. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 304 of the Companies Act 2014 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit/(loss) after tax of the parent Company for the financial year was €3,166 (2018 - loss €2,399,792).

12. Tangible fixed assets

Group

	Freehold property €	Motor vehicles €	Equipment, fixtures and fittings €	Total €
Cost or valuation				
At 1 January 2019	**32,569,174**	**396,529**	**25,587,989**	**58,553,692**
Additions	**1,271,818**	**41,500**	**2,080,633**	**3,393,951**
Disposals	**-**	**(80,934)**	**(58,829)**	**(139,763)**
At 31 December 2019	**33,840,992**	**357,095**	**27,609,793**	**61,807,880**
Depreciation				
At 1 January 2019	**8,912,315**	**133,120**	**16,203,878**	**25,249,313**
Charge for the financial year on owned assets	**511,441**	**12,060**	**1,621,209**	**2,144,710**
Charge for the financial year on financed assets	**-**	**44,916**	**-**	**44,916**
Disposals	**-**	**(60,889)**	**(58,829)**	**(119,718)**
At 31 December 2019	**9,423,756**	**129,207**	**17,766,258**	**27,319,221**
Net book value				
At 31 December 2019	**24,417,236**	**227,888**	**9,843,535**	**34,488,659**
At 31 December 2018	23,656,859	263,409	9,384,111	33,304,379

Notes to the Financial Statements

For the financial year ended 31 December 2019

14. Stocks

	Group 2019 €	Group 2018 €	Company 2019 €	Company 2018 €
Raw materials and consumables	**393,945**	341,627	**393,945**	341,627
	393,945	341,627	**393,945**	341,627

There are no material differences between the replacement cost of stock and the Consolidated Balance Sheet amounts.

Impairment losses totaling €NIL (2018 - €NIL) were recognised in profit and loss.

15. Debtors

	Group 2019 €	Group 2018 €	Company 2019 €	Company 2018 €
Due after more than one year				
Deferred tax asset	**72,837**	72,837	**72,837**	72,837
	72,837	72,837	**72,837**	72,837

	Group 2019 €	Group 2018 €	Company 2019 €	Company 2018 €
Due within one year				
Trade debtors	**375,816**	365,968	**375,813**	365,968
Amounts owed by group undertakings	**-**	-	**96,114**	85,314
Prepayments and accrued income	**282,693**	241,994	**282,693**	241,997
	658,509	607,962	**754,620**	693,279

An impairment loss of (€9,091) (2018: €14,645) was recognised against trade debtors.

16. Cash and cash equivalents

	Group 2019 €	Group 2018 €	Company 2019 €	Company 2018 €
Cash at bank and in hand	**933,130**	1,868,491	**922,255**	1,841,553
	933,130	1,868,491	**922,255**	1,841,553

Notes to the Financial Statements

For the financial year ended 31 December 2019

17. Creditors: Amounts falling due within one year

	Group 2019 €	Group 2018 €	Company 2019 €	Company 2018 €
Bank loans	**1,000,000**	1,000,000	**1,000,000**	1,000,000
Trade creditors	**861,385**	899,016	**861,385**	899,019
Amounts owed to group undertakings	**-**	-	**111,603**	77,833
Corporation tax	**4,392**	-	**4,392**	-
Other taxation and social security	**364,601**	290,319	**242,126**	185,548
Obligations under finance lease and hire purchase contracts	**54,975**	98,391	**54,975**	98,391
Accruals	**1,373,214**	1,515,150	**1,373,214**	1,515,150
Deferred income	**836,323**	837,926	**836,323**	837,926
	4,494,890	4,640,802	**4,484,018**	4,613,867

	Group 2019 €	Group 2018 €	Company 2019 €	Company 2018 €
PAYE/PRSI control	**(192,643)**	(180,094)	**(70,168)**	(75,323)
VAT control	**(171,958)**	(110,225)	**(171,958)**	(110,225)
	(364,601)	(290,319)	**(242,126)**	(185,548)

18. Security

Allied Irish Bank PLC (Bankcentre, Ballsbridge, Dublin 4) holds the following as security:

A mortgage debenture including fixed and floating charges over all of the assets of Dromoland Castle Holdings Limited and it's undertaking companies in favour of Allied Irish Bank.

The Company's finance leases and hire purchase agreements at 31 December 2019 were €152,081 (2018: €220,101). The finance leases and hire purchase agreements are from commercial institutions which charge a market interest rate. The finance leases are due for repayment in monthly installments in line with the terms of the finance lease agreements.

Notes to the Financial Statements

For the financial year ended 31 December 2019

23. Grants

	Group & Company 2019 €	Group & Company as previously reported 2018 €	Change resulting from change in accounting policy 2018 €	Group & Company as restated 2018 €
Grants received				
Received - At 1 January	**825,593**	**825,593**	**-**	**825,593**
Received - At 31 December	**825,593**	**825,593**	**-**	**825,593**
Amortisation				
Amortised - At 1 January	**(825,593)**	**(393,674)**	**-**	**(825,593)**
Charge in the period	**-**	**(16,512)**	**16,512**	**-**
Prior period adjustment	**-**	**-**	**(431,919)**	**-**
Amortisation - At 31 December	**(825,593)**	**(410,186)**	**(415,407)**	**(825,593)**

In the current financial year, the Directors have made the decision to change the accounting policy for the accounting treatment of Grants from the accrual model to the performance model as this results in the Financial statements providing reliable and more relevant information about the effects of transactions on the entity's Financial position in line the accounting standards FRS 102. See note 30 for the breakdown of the change in accounting policy.

24. Financial instruments

	Group 2019 €	Group 2018 €	**Company 2019 €**	Company 2018 €
Financial assets				
Cash at bank	**933,130**	1,868,491	**922,255**	1,841,553
Financial assets measured at amortised cost	**375,816**	365,968	**471,933**	451,288
	1,308,946	2,234,459	**1,394,188**	2,292,841
Financial liabilities				
Financial liabilities measured at amortised cost	**(16,913,047)**	(16,313,524)	**(17,024,650)**	(16,391,363)

Financial assets measured at amortised cost comprise cash at bank, trade debtors, amounts owed to relating undertakings and investments.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, amounts due to group undertakings and accruals.

Notes to the Financial Statements

For the financial year ended 31 December 2019

29. Commitments under operating leases

At 31 December 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 €	Group 2018 €	**Company 2019 €**	Company 2018 €
Not later than 1 year	**15,508**	28,875	**15,508**	28,875
Later than 1 year and not later than 5 years	**26,574**	26,250	**26,574**	26,250
	42,082	55,125	**42,082**	55,125

30. Changes in accounting policy - Government grants

In the current financial year, the Directors have made the decision to change the accounting policy for the accounting treatment of Grants from the accrual model to the performance model as this results in the Financial statements providing reliable and more relevant information about the effects of transactions on the entity's Financial position in line the accounting standards FRS 102. This resulted in an adjustment to the prior year comparative amounts to present the grant on a performance model basis. Please refer to accounting policy 2.12 for updated accounting policy.

Dromoland Castle Holdings Limited has applied the new accounting policy to the carrying amounts of the liabilities retrospectively. Had the accounting policy not changed in the period there would have been a release to income of €16,512 from deferred income, there would have been a remaining balance on the deferred grant of €398,895 as at 31/12/2019.

The impact of the prior year adjustments are as follows:

	As previously stated 31 December 2017 €	Effects of change in accounting policy 30 December 2017 €	As restated 30 December 2017 €	As previously stated 31 December 2018 €	Effects of change in accounting policy 30 December 2018 €	As restated 30 December 2018 €
Income and expenditure account						
Income	21,741,530	-	21,741,530	22,596,903	-	22,596,903
Expenditure	(25,216,369)	431,919	(24,784,450)	(24,980,183)	(16,512)	(24,996,695)
Surplus/(Deficit)	(3,474,839)	431,919	(3,042,920)	(2,383,280)	(16,512)	(2,399,792)

Notes to the Financial Statements

For the financial year ended 31 December 2019

. **Changes in accounting policy (Continued)**

	As previously stated 31 December 2017 €	Effects of change in accounting policy 30 December 2017 €	As restated 30 December 2017 €	As previously stated 31 December 2018 €	Effects of change in accounting policy 30 December 2018 €	As restated 30 December 2018 €
Balance Sheet						
Tangible assets	31,062,163	-	31,062,163	33,304,379	-	33,304,379
Stocks	286,701	-	286,701	341,627	-	341,627
Debtors	1,148,428	-	1,148,428	680,799	-	680,799
Cash at bank	778,499	-	778,499	1,868,491	-	1,868,491
Total Assets	33,275,791	-	33,275,791	36,195,296	-	36,195,296
Creditors	(12,099,906)	-	(12,099,906)	(17,661,870)	-	(17,661,870)
Other provisions	(500,639)	-	(500,639)	(507,972)	-	(507,972)
Grants	(431,919)	431,919	-	(415,407)	415,407	-
Total reserves	(20,243,327)	(431,919)	(20,675,246)	(17,610,047)	(415,407)	(18,025,454)
Total Liabilities	(33,275,791)	-	(33,275,791)	(36,195,296)	-	(36,195,296)

31. Transactions with directors

There were no arrangements or transactions with directors during the year which are required to be disclosed in accordance with the Companies Act 2014, other than those disclosed in note 7 and note 31.

32. Related party transactions

Consultancy fees for management services are provided by Hallmark Management Limited, a company controlled by Mark Nolan. The consultancy fees charged in the year amount to €483,544 (2018: €538,329).

There were no other transactions with related parties undertaken such as are required to be disclosed under FRS102.

33. Post balance sheet events

On the 11th March 2020, the World Health Organisation officially declared Covid-19, a disease caused by novel coronavirus, a Pandemic. On 18th March 2020, Dromoland Castle and the Inn at Dromoland under Government advice, suspended operations. Management are closely monitoring the evolution of this pandemic, including how it may affect the company, the economy and the general population. The Irish Government, under advice from it's Chief Medical Officer introduced restrictions to control the spread of the Pandemic. Under a Government approved roadmap to the phased re-opening of the Irish economy both hotels re-opened to the public in July 2020. Management of the hotels are hopeful given their strong reputation in the industry that they will be able to benefit from its marketing efforts in the Irish market in the absence of any notable overseas customers to the end of 2020.

Notes to the Financial Statements

For the financial year ended 31 December 2019

34. Controlling party

The company would regard the company shareholders as being the controlling parties.

35. Comparatives

Comparatives have been reanalysed where necessary to conform with current year presentation.

36. Section 357 of the Companies Act 2014

Pursuant to the provisions of section 357 of the Companies Act 2014, the company has guaranteed the liabilities of its subsidiary company, Dromoland Castle Limited and Affit Limited (as defined in paragraph 14 of schedule 3 of the Act) in respect of the financial year ended 31 December 2019 and consequently, this subsidiary has been exempted from the provisions of section 357 of that Act.

37. Approval of financial statements

The board of directors approved these financial statements for issue on 6 July 2020.

Grant Thornton

Consolidated Financial Statements

Trulife Group Limited

For the financial year ended 31 December 2019

Registered number: 85139

Consolidated profit and loss account

For the financial year ended 31 December 2019

	Note	Continuing operations 2019 $000	Discontinued operations 2019 $000	Total 2019 $000	Continuing operations 2018 $000	Discontinued operations 2018 $000	Total Restated 2018 $000
Revenues	4	**52,878**	**974**	**53,852**	50,971	11,067	62,038
Cost of sales		**(31,616)**	**(589)**	**(32,205)**	(30,973)	(7,567)	(38,540)
Gross profit		**21,262**	**385**	**21,647**	19,998	3,500	23,498
Administrative expenses		**(15,705)**	**(199)**	**(15,904)**	(17,303)	(4,051)	(21,354)
Other operating income	5	**980**	**-**	**980**	-	-	-
Operating profit	6	**6,537**	**186**	**6,723**	2,695	(551)	2,144
Interest receivable and similar income	10	**59**	**-**	**59**	-	-	-
Interest payable and similar expenses	11	**-**	**-**	**-**	(104)	-	(104)
Profit before taxation		**6,596**	**186**	**6,782**	2,591	(551)	2,040
Tax on profit on ordinary activities	12	**(376)**	**-**	**(376)**	(132)	-	(132)
Profit for the financial year attributable to owners		**6,220**	**186**	**6,406**	2,459	(551)	1,908

The notes on pages 17 to 41 form part of these financial statements.

Consolidated statement of comprehensive income

For the financial year ended 31 December 2019

	Note	2019 $000	Restated 2018 $000
Profit for the financial year		**6,406**	1,908
Other comprehensive income			
Foreign currency translation of foreign subsidiaries		**(36)**	(537)
Total comprehensive income for the financial year		**6,370**	1,371

The notes on pages 17 to 41 form part of these financial statements.

Trulife Group Limited

Consolidated balance sheet

As at 31 December 2019

	Note	2019 $000	2019 $000	Restated 2018 $000	Restated 2018 $000
Fixed assets					
Tangible assets	13		10,209		11,120
			10,209		11,120
Current assets					
Stocks	15	8,294		9,048	
Debtors: amounts falling due within one year	16	7,095		9,604	
Cash at bank and in hand	17	9,846		1,486	
		25,235		20,138	
Current liabilities					
Creditors: amounts falling due within one year	18	(4,965)		(7,149)	
Net current assets			20,270		12,989
Net assets			30,479		24,109
Capital and reserves					
Called up share capital presented as equity	20		1		1
Share premium account	21		756		756
Foreign exchange reserve	21		(2,230)		(2,194)
Profit and loss account	21		31,952		25,546
			30,479		24,109

The financial statements were approved and authorised for issue by the board:

Noel Murphy
Director

Olive Gunning
Director

Date: 15/10/2020

The notes on pages 17 to 41 form part of these financial statements.

Consolidated statement of changes in equity
For the financial year ended 31 December 2019

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	$000	$000	$000	$000	$000
At 1 January 2019	1	756	(2,194)	25,546	24,109
Profit for the financial year	-	-	-	6,406	6,406
Foreign currency translation of foreign subsidiaries	-	-	(36)	-	(36)
At 31 December 2019	1	756	(2,230)	31,952	30,479

Consolidated statement of changes in equity
For the financial year ended 31 December 2018

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	$000	$000	$000	$000	$000
At 1 January 2018 (as previously stated)	1	756	(1,657)	23,769	22,869
Prior year adjustment (Note 22)	-	-	-	(131)	(131)
At 1 January 2018 (as restated)	1	756	(1,657)	23,638	22,738
Profit for the financial year	-	-	-	1,908	1,908
Foreign currency translation of foreign subsidiaries	-	-	(537)	-	(537)
At 31 December 2018	1	756	(2,194)	25,546	24,109

The notes on pages 17 to 41 form part of these financial statements.

Trulife Group Limited

Notes to the financial statements

For the financial year ended 31 December 2019

21. Reserves

Share capital

Share capital represents the nominal (par) value of shares that have been issued.

Share premium account

Share premium account – includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Foreign exchange reserve

Foreign exchange translation reserve – comprises translation differences arising from the translation of financial statements of the Group's foreign entities into USD ($).

Profit and loss account

Profit and loss account – includes all current and prior period retained profits and losses.

22. Prior year adjustment

In the prior financial year, there was a foreign exchange translation error on intercompany balances. This resulted in an understatement of profit before tax for the prior financial year by $1,095k. This error resulted in the corporation tax charge for 2018 being understated by $97k. In addition, the 2017 corporation tax charge was understated by $131k.

These adjustments have been corrected in the current year financial statements as follows:

	As previously stated 2018 $000	Adjustment $000	As restated 2018 $000
Profit for the prior financial year	(910)	(998)	(1,908)
Prior year foreign exchange reserve	1,099	1,095	2,194
Prior year net assets	24,337	(228)	24,109
Opening profit and loss account	(23,769)	131	(23,638)

23. Contingencies

(i) Under Section 357 of Companies Act 2014, Trulife Group Limited irrevocably guarantees the liabilities of Trulife Limited, a company incorporated in Ireland.

(ii) Bank Guarantees and securities - the liabilities to Bank of Ireland are supported by debentures on the assets of all the companies within the Group.

(iii) Contingencies - from time to time, the Group is involved in claims and legal actions, which arise in the normal course of business. Based on information currently available and legal advice, the directors believe such litigation will not, individually or in the aggregate, have a material adverse effect on the financial statements and that the Group is adequately positioned to deal with the outcome of any such litigation.

CRO Number - 123456

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

Directors' Report & Financial Statements

Year Ended 31 December 2019

Disclaimer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019

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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

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

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

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019

Directors' Report

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

Directors and secretary[3]

The names of persons who at any time during the financial year were directors of the company are as follows:

Mr A Director
Mr B Director
Mr C Director

Mr A Director held the position of company secretary for the duration of the financial year.

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

The principal activity of the company is the provision of construction services to both the private and commercial sectors. From their operations base and depot in Construction Place, Builders Lane, Dunblock, Any County they also sell pre-cast concrete products to private individuals and the construction industry. The company is supplied with the pre-cast concrete products by a wholly owned subsidiary company, which operates independently from a separate location.

There have been no significant changes in the company's activities during the financial year but the company's activities have been negatively impacted since the year end by the effects of COVID-19 as described below. The company has continued to improve performance in recent years. Turnover has increased by xx% on prior year allowing the firm to maintain excellent profitability levels in a challenging and rapidly changing industry.

At the end of the year the company has assets of €XXX (2018: €XXX) and liabilities of €XXX (2018:€XXX). The net assets of the company have increased by €XXX (2018: €XXX) and the directors are satisfied with the level of retained reserves at the year end.

The key financial indicators of the company are:

XXX etc. etc.

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

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[3] The names of the persons who were directors during the financial year should be included for periods commencing on or after 1st of June 2015. Directors may be required to retire by rotation under the Co.s Constitution [4] S.326(1)(b), CA 2014 – The directors report shall state the principal activities of the company during the year
[5] S.327(1)(a), CA 2014 – The directors report shall include a fair review of the business of the company. As required under S.327(2), CA 2014 this shall include an analysis of the development and performance of the business during the financial year and the assets and liabilities and financial position of the company at the end of the year. Under S.327(3), CA 2014 this review shall be expanded to include financial and non-financial KPIs as needed for large and medium companies when considered necessary for providing the business review.
[6] S.327(5), CA 2014 – The directors report shall include an indication of likely future developments facing the company

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019

Directors' Report

Future Developments[6]

Illustrative paragraph- mildly affected by Covid-19

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

Illustrative paragraph- significantly affected by Covid-19

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

Results and Dividends[7]

The retained profit for the financial year amounted to €XXX (2018: €XXX) and this was transferred to reserves at the year end. The directors have not declared a dividend for the year.

Or

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

Principal Risks and Uncertainties[8]

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

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

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

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.

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019

Directors' Report

Financial Risk Management[9]

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

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

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

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

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

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

Director's & Secretary's interests[10]

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

Year ended 31 December 2019	Mr A Director €1 ordinary shares	Ms B Director €1 ordinary shares	Total
At the beginning of the year	50,000	50,000	100,000
At the end of the year	50,000	50,000	100,000

Year ended 31 December 2018	Mr A Director €1 ordinary shares	Ms B Director €1 ordinary shares	Total
At the beginning of the year	50,000	50,000	100,000
At the end of the year	50,000	50,000	100,000

[7] S.326(1)(d), CA 2014 – The directors report shall include an indication of interim dividends paid and the amount, if any, that should be paid by way of final dividend
[8] S.327(1)(b), CA 2014 – The directors report shall contain a description of the principal risks and uncertainties facing the company
[9] S.326(3), CA 2014 – Only required where material for an assessment of the companies financial position and the use of financial instruments

Events after the Balance Sheet date[11]

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

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

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

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

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

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

Research and Development[12]

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

[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.

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

[12] Disclosure in relation to Research and Development Activity is only required if there have been any activities in this area in accordance with S.326(2)(b) of the Companies Act 2014

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019

Directors' Report

Political donations[13]

The company made the following disclosable political donations in the current year:

- Party A - €xx,xxx
- Party B - €xx,xxx
- Party C - €xx,xxx

Payment of Creditors[14]

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

Accounting Records[15]

The Directors acknowledge their responsibilities under Section 281 to Section 285 of the Companies Act 2014 to keep adequate accounting records for the company.

In order to secure compliance with the requirements of the act, a full time management accountant is employed. The accounting records of the company are kept at the registered office[16] and principal place of business at Construction Place, Builders Lane, Dunblock, Any County.

Directors Compliance Statement[17]
The directors confirm they are responsible for securing the company's compliance with its relevant obligations under Section 224 of the Companies Act 2014 and confirm:

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

Audit Committee[18]
The directors confirm that the company has established an audit committee in accordance with the requirements of Section 167 of Companies Act 2014.

[13] S.326(2)(d), CA 2014 – Disclose political donations made during the year as required under the Electoral Act 1997, disclosure is only required if political donations are in excess of €200 in the year under Section 17, Electoral (Amendment) (Political Funding) Act 2012
[14] Disclose if the company or suppliers purport to trade under the terms of the EC (Late Payment in Commercial Transactions) Regulations 2012
[15] S.326(1)(c), CA 2014 – The directors report is required to include a statement of measures taken by the directors to secure compliance with S.281 to 285 of the Companies Act 2014 for the keeping of accounting records and the location of those records
[16] S283(1), CA 2014 – A company's accounting records shall be kept at its registered office or at such other place as the directors think fit
[17] S.225, CA 2014 – A directors compliance statement is only required where the company's total assets exceeds €12.5m and turnover exceeds €25m. This is only required to be included for period beginning on or after 1 June 2015.
[18] S.167, CA 2014 – (not applicable to medium companies) Requirement to establish an audit committee or if not established the reasons why the audit committee was not established must be stated. This requirement only applies to company's whose turnover is >=€50 million AND balance sheet is total is >=25 million. This applies to financial statements for periods commencing on or after the 1st of June 2015

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019

Directors' Report

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

XXXX etc etc.

Going Concern- Consider including this if the company has a material uncertainty relating to going concern[1]

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

Statement on Relevant Audit Information[19]

In accordance with Section 330 of the Companies Act 2014:

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

Auditors

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

On behalf of the board[20]

____________________	____________________
Mr A Director	Ms B Director
Director	Director

DATE: ______________

Additional information to be considered for disclosure if applicable

- S319(1), CA 2014 – Financial assistance for the purchase of own shares
- S.326(2)(c), CA 2014 – An indication of the existence of branches of the company outside the state and the country in which they are located.
- S.328, CA 2014 – Acquisition or disposal of own shares during the period. S.44 of CAA 2017 includes an additional requirement to disclosure the reason for the acquisition and a disclosure

[1] 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

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019

Directors' Report

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.

[19] 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
[20] 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 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[21]]* including FRS 102 The Financial Reporting Standard applicable in the UK and Ireland (Generally Accepted Accounting Practice in Ireland). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as to the financial year end and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards and note the effect and the reasons for any material departure from those standards
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business [22]

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[23].

On behalf of the board[24]

Mr A Director Director	Ms B Director Director

DATE: ____________

[21] 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
[22] Include where no separate statement on going concern is made by the directors
[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

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OmniPro Sample Medium/Large Company Limited

Profit and Loss Account

For the Year ended 31 December 2019

	Notes	2019 €	2018 €
Turnover	3	6,074,690	6,236,154
Cost of sales		(2,907,124)	(3,665,856)
Gross profit		**3,167,566**	**2,570,298**
Administration expenses		(1,885,421)	(2,182,133)
Other operating income	5	220,000	230,000
Operating profit	4	**1,502,145**	**618,165**
Interest receivable and similar income	6	14,999	5,307
Interest payable and similar expenses	7	(205,784)	(199,721)
Profit on before taxation		**1,311,360**	**423,751**
Tax on profit	8	(266,994)	(119,414)
Profit for the financial year		**1,044,366**	**304,337**

Statement of Comprehensive Income[32]

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**

[32] A two statement approach has been adopted in accordance with Section 5 (FRS 102). The Statement of Comprehensive Income (SOCI) is included here for illustration purposes only as there are no movements in the example that require a SOCI. Should a SOCI be required it should be shown on a separate page.
This profit and loss is prepared in accordance with Format 1 of Schedule 3 to CA 2014 as amended by CAA 2017. Formats 2,can also be used. The IFRS format can also be used Sch 3(2)(3) CA 2014 as amended by CAA 2017. This can also be called an income statement

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 [33]	**12**	1,100,725	3,490,201
Financial assets	**13**	185,640	209,200
		3,315,389	**4,111,286**
Current assets			
Stocks	**14**	699,709	392,166
Debtors	**15**	2,456,177	1,458,187
Cash at bank and in hand		356,772	147,723
		3,512,658	**1,998,076**
Creditors: amounts falling due within one year	**16**	**(2,824,570)**	**(3,366,330)**
Net current assets/(liabilities)		**688,088**	**(1,368,254)**
Total assets less current liabilities		**4,035,477**	**2,743,032**
Creditors: amounts falling due after more than one year	**17**	(2,166,210)	(2,129,125)
Provision for liabilities	**19**	(214,206)	(65,212)
Net Assets		**1,623,061**	**548,695**
Capital and reserves			
Called up share capital presented as equity	**22**	120,000	100,000
Share premium account	**23**	10,000	-
*Revaluation reserve ***	*XX*	*XXX*	*-*
Other reserves	**23**	126,000	128,625
Profit and loss account	**23**	1,367,061	320,070
		1,623,061	**548,695**

The financial statements were approved by the Board of Directors on (Insert date) and authorised for issue on (insert date). They were signed on its behalf by[34]

Mr A Director[35]	Ms B Director
Director	Director
DATE: ______________	

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

[33] 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.

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

[35] 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

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

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

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

OmniPro Sample Medium/Large Company Limited

Statement of Cashflows
For the Year ended 31 December 2019

	Notes	2019 €	2018 €
Cash flows from operating activities			
Cash generated from operations	**29**	440,343	502,225
Taxation refunded/(paid)		129,719	(88,388)
Net cash generated from operating activities		**570,062**	**413,837**
Cash flows from investing activities			
Payments to acquire Tangible Fixed Assets		(1,568,437)	(198,421)
Cash received on disposal of Investment Property		2,539,476	-
Payments to acquire government bond		(150,000)	-
Cash received on disposal of investments		173,560	-
Payments to acquire intangible assets		-	-
Net cash generated from/(used in) investing activities		**994,599**	**(198,421)**
Cash flows from financing activities			
Interest paid		(197,784)	(199,721)
Preference dividends paid		(8,000)	-
Proceeds received from issue of ordinary shares		30,000	-
Proceeds received from issue of preference shares		100,000	-
Repayment of capital element of finance leases		(57,335)	(3,725)
Movement on loans		(1,222,493)	104,112
Net cash used in financing activities		**(1,355,612)**	**(99,334)**
Net increase in cash and cash equivalents	**30**	**209,049**	**116,082**
Cash and cash equivalents at beginning of year		147,723	31,641
Cash and cash equivalents at end of year		**356,772**	**147,723**

OmniPro Sample Medium/Large Company Limited

Year Ended 31 December 2019
Accounting Policies

1. ACCOUNTING POLICIES

OmniPro Sample Medium/Large Company Limited is primarily engaged in the provision of construction services to both the private and commercial sectors. From their operations base and depot in Construction Place, Builders Lane, Dunblock, Any County they also sell pre-cast concrete products to private individuals and the construction industry. The company is supplied with the pre-cast concrete products by a wholly owned subsidiary company, which operates independently from a separate location.

The company is a limited liability company incorporated in the Republic of Ireland and its company registration number is XXXX.

The significant accounting policies[37] adopted by the Company and applied consistently[38] in the preparation of these financial statements are as follows:

(a) Basis of preparation

The Financial Statements are prepared on the going concern basis[39], under the historical cost convention, [as modified by the revaluation of certain tangible fixed assets] and comply with the financial reporting standards of the Financial Reporting Council [and promulgated by Chartered Accountants Ireland[40]] including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") [41] and the Companies Act 2014.

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

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

(b) Consolidation[42]

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.

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[37] Changes in accounting policies must be identified and recorded in accordance with FRS 102, section 10
[38] Para 13, Sch III, CA 2014 – Accounting policies shall be applied consistently from one period to another
[39] 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.
[40] Deemed best practice for firm's regulated by Chartered Accountants Ireland
[41] 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.
[42] 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.

(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.

(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 [43](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).

[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.

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(t) Borrowings

Borrowings are recognised initially at the transaction price (present value of cash payable to the bank, including transaction costs). Borrowings are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

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

(u) Provisions

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

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

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

(v) Contingencies

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

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

(w) Employee Benefits [44]

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

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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.

Accounting Policies

(cc) Prior period adjustment – Change in accounting policy[45]

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

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

DISCLOSE CHANGE IN ACCOUNTING POLICY

(dd) Exceptional item (for illustrative purposes) [46]

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.

[45] 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

[46] 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.

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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 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.

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3. GOING CONCERN

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

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

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

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

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

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

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

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

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

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

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

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

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

OmniPro Sample Medium/Large Company Limited

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

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

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

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

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

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

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

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

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

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

4. TURNOVER[47]

All turnover derives from activities in the Republic of Ireland. The analysis of turnover by activity is as follows[48]:

	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**

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 [49]/[50]		
Audit -	13,000	13,000
Non audit services	3,000	3,000
Tax Advisory	3,225	3,225
~~Stock still recognised as an expense~~ *	-	-

[47] 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

[48] 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

[49] 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

[50] 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

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6. OTHER OPERATING INCOME

	2019	2018
	€	€
Rent received	70,000	130,000
Fair value gain on movement on fair value of investment properties	150,000	100,000
	220,000	230,000

7. INTEREST RECEIVABLE AND SIMILAR INCOME[51]

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

8. INTEREST PAYABLE AND SIMILAR EXPENSES[52]

	2019	2018
	€	€
Interest charged on financial liabilities carried at amortised cost:		
On bank loans, overdrafts and other loans wholly repayable within five years[53]	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**

[51]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.
[52] 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
[53] 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

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(b) Reconciliation of tax charge

The tax assessed for the period is higher than the standard rate of corporation tax in Ireland for the year end 31 December 2019 of 12.5% (2018: 12.5%). The differences are explained below.

	2019	2018
	€	€
Profit on ordinary activities before tax	**1,311,360**	**423,751**
Tax calculated at Irish tax rates of 12.5% (2018: 12.5%)	163,920	52,969
Effects of:		
Non deductible expenses	30,484	8,810
Income taxed at higher rates	19,750	16,250
Deferred tax recognised at higher rate	30,750	20,500
Corporation tax surcharge	22,090	20,885
Tax charge for year	**266,994**	**119,414**

10. EMPLOYEES

The average monthly number of employees was: [54/55]

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

	2019	2018
Operating costs	**€**	**€**
Staff costs: [56]		
- 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**

[54] 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
[55] 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
[56] 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

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11. DIRECTORS REMUNERATION AND TRANSACTIONS

	2019	2018
	€	€
Remuneration[57]		
Salary	182,000	185,600
Retirement Benefits	30,000	30,000
	212,000	**225,600**

Directors' Loans[58]	Directors A	Director B
Opening Balance	4,332	100,000
Repayments to directors	9,301	-
Advances from directors	1,000	-
Closing balance	**12,633**	**100,000**
% of net assets	**X%**	**X%**

The loan is interest free and is repayable on demand[59]. The amount written off during the year was €XXX (2018: €xxx) [60]. A provision of €XX (2018: €XX) was provided against this loan at year end.

During the year the company paid €XXX (€XXX) for rental of the directors premises[61].

[57] 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.

[58] 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.

[59] CA 14 S.307(3)(g) & (h) require an indication of the interest rate and the arrangements' other main conditions.

[60] 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.

[61] 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

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

12. TANGIBLE FIXED ASSETS[62]

	Freehold Premises	Motor Vehicles	Fixtures & Fittings	Computer Equipment	Total
	€	€	€	€	€
Costs					
At beginning of year	507,473	149,039	310,978	157,523	1,125,013
*Transfer from investment property ***	*XXX*	*-*	*-*	*-*	*XXX*
Additions in year	1,519,000	165,000	99,733	34,704	1,818,437
Disposals in year	-	(93,359)	-	-	(93,359)
At end of year	**2,026,473**	**220,680**	**410,711**	**192,227**	**2,850,091**
Depreciation					
At beginning of year	187,723	111,836	278,802	134,767	713,128
Charge for Year	37,543	26,799	29,015	56,642	149,999
On disposals	-	(42,060)	-	-	(42,060)
At end of year	**225,266**	**96,575**	**307,817**	**191,409**	**821,067**
Net book value					
At 31 December 2019	**1,801,207**	**124,105**	**102,894**	**818**	**2,029,024**
At 31 December 2018	**319,750**	**37,203**	**32,176**	**22,756**	**411,885**

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

The following assets were held under finance lease:

	2019	2018
	€	€
Net Book Value	91,884	129,389
Depreciation Charge for the Year	34,015	11,317

Include the below if the revaluation option on fixed assets is chosen (not applicable here).
[The land and buildings of the company were revalued by [state name], [state qualification] to an open market value basis reflecting existing use [or state alternate basis if appropriate] on [state date] 20XX.

[62] 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.*

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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].[63]

The historical cost, accumulated depreciation and net book value of the freehold premises is as follows. The depreciation charge on the historical cost basis is €XXXX[64]:

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

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

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

13. INVESTMENT PROPERTIES[65]

	2019	2018
	€	€
Investment property at fair value at 1 January	3,490,201	3,390,201
Additions	-	-
Uplift in fair value recognised in the profit and loss (see note (i) below)	150,000	100,000
*Transfer to Tangible fixed assets ** *	*(XX)*	*-*
Transfer from Tangible fixed assets (*for illustrative purposes only)	-	-
Transfer from Stocks (*for illustrative purposes only)	-	-
Disposal	(2,539,476)	-
Investment property at fair value at 31 December	1,100,725	3,490,201

(i) The land and buildings of the company were valued by [state name], [state qualification] to open market value reflecting existing use [or state alternate basis if appropriate] on [state date] 20XX. The valuation was carried out in accordance with the SCS Appraisal and Valuation Manual. {If the valuer is an officer or employee of the company or a group company this fact must be stated}. The critical assumptions made relating to the valuations are set out below:

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

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

[64] 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.

[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.*

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14. FINANCIAL ASSETS

	2019	2018
Cost:	**€**	**€**
Shares in subsidiary undertakings (see (i) below)	254	254
Other investments (see (ii) below)	185,386	208,946
	185,640	**209,200**
Impairment:		
At beginning of period	XXX	XXX
Additions/reversals	XXX	XXX
At end of period	**XXX**	**XXXX**
Carrying amount	**185,640**	**209,200**

i) Subsidiary[66] undertakings[67]

Company Name	***Country of Incorporation[68]***	***Details of investment[69]***	**Proportion held by company**	**Registered Office [70]**	**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: [71]

	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.

[66] S.7(2), CA 2014 – The definition of a subsidiary is set out under Section 2 of the Companies Act 2014
[67] S.314(1), CA 2014 – Disclose is required of interests in subsidiaries and undertakings of substantial interest (>20% of any class of equity shares)
[68] If the company is unincorporated, the address of the principal place of business must be included
[69] 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
[70] 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
[71] 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

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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). [72]

16. DEBTORS

	2019	2018
	€	€
Trade debtors	432,789	1,077,815
Other debtors	279,008	57,864
Amounts due from group companies (see (i) below)	1,571,862	191,852
Prepayments	29,795	12,710
Accrued income[73]	-	-
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.

[72] 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.
[73] Sch 3 Formats as amended by CAA 2017 requires accrued income to be shown separately in the notes.

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17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR[74]

	2019	2018
	€	€
Trade creditors	969,675	887,073
Corporation tax due	410,031	64,812
Other taxation and social security (See (i) below) [75]	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. [76]

Tax and social securities are repayable at various dates over the coming months in line with tax authority guidelines. [77]

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**

[74] 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.

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

[76] Section 11 requires terms of creditors etc. to be disclosed.

[77] Section 11 requires terms of creditors etc. to be disclosed.

(i) The company received loans totalling €XXXX at non market rates from its parent company in 2013 which are interest free and repayable on 31 December 2019. Section 11 requires that all Financial Assets and Liabilities are initially recognised at their fair value. The Company estimates the fair value of interest free loan issued by calculating the present value of all future cash payments discounted using the prevailing rates of interest for a similar instrument. Upon initial recognition, the Company recognised the loan for €XXXX. The difference between the nominal amount of the loan and the initial fair value was €XXX which had reduced to €XXX at 1 January 2018. In accordance with Section 11 of FRS 102 the substance of this agreement is akin to a capital contribution from its parent company and therefore recognised in equity. The movement on the loan in the year of €XXXX (2018: €Nil) represented the unwinding of the discount for the year. The reason for no interest charge in 2018 was due to the fact that the company availed of the exemption in Section 35.10 to only recognise the transition adjustment at the start of the current year[78].

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

[78] Not specifically required

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(i) Warranty provision

A provision is recognised on warranty claims on certain products sold during the year. The warranty given by the company is for 3 years and the premium is based on the company's best estimate (using previous years' warranty claim details) and as such the amount included in the financial statements is expected to be fully utilised with 24 months of the year end. (€32,500 expected to be utilised in 2018 and €65,000 in 2019).

(ii) Deferred tax

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

	2019	**2018**
	€	**€**
Deferred tax liabilities/(assets) (deductible temporary differences)		
Accelerated capital allowance	20,856	22,462
Revaluation on investment property	107,250	57,750
Provisions	(11,400)	(15,000)
	116,706	65,212

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

	Accelerated Capital allowances	Provisions	Revaluation on investment property	Total
	€	€	€	€
2019				
At 1 January 2019	22,462	(15,000)	57,750	65,212
Recognised in profit and loss	(1,606)	3,600	49,500	51,494
Recognised in other comprehensive income (for illustrative purposes)	-	-	-	-
Disposals	-	-	-	-
At 31 December 2019	20,856	(11,400)	107,250	116,706

	Accelerated Capital allowances	Provisions	Revaluation on investment property	Total
	€	€	€	€
2018				
At 1 January 2018	29,933	(9,163)	24,750	45,520
Recognised in profit and loss	(7,471)	(5,837)	33,000	19,692
Acquisitions	-	-	-	-
Recognised in other comprehensive income	-	-	-	-
Disposals	-	-	-	-
Foreign exchange and other	-	-	-	-
At 31 December 2018	22,462	(15,000)	57,750	65,212

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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[79]/[80]

	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 %) [81]	-	-	-	-	2,970,860

The bank facilities[82] 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 2019/2020.

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

[79] 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
[80] 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
[81] 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)
[82] 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)

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Alloted, called up and fully paid– presented as liabilities		
100,000 8% redeemable preference shares of €1each (see (ii) below)	100,000	-

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

(ii) The redeemable preference shares are classified as liabilities in accordance with Section 22 (liabilities and equity). The rights attaching to these preference shares are as follows[83]:

- 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.

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

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23. RESERVES[84]

	Called Up Share Capital	Share Premium Account	Other Reserves	Profit and Loss Account	Revaluation reserve	Total Equity
	€	€		€	€	€
Balance at 1 January 2018	100,000	-	-	162,000	-	487,000
Profit for the year	-	-	-	362,818	-	362,818
Balance at 31 December 2018	**100,000**	**-**	**131,250**	**317,445**	**-**	**548,695**
Balance at 1 January 2019	**100,000**	**-**	**-**	**317,445**	**-**	**548,695**
Equity Shares Issues	20,000	10,000			-	30,000
Profit for the year				1,044,366	-	1,044,366
Transfer from P&L Reserve to revaluation reserve **	-	-	-	(XXX)	XXX	-
Dividends on ordinary shares paid and declared (€XX per ordinary share) [85]	-	-	-	-	-	-
Dividends on ordinary shares declared but unpaid in year (€XX per ordinary share) [86]	-	-	-	-	-	-
Balance at 31 December 2019	**120,000**	**10,000**	**131,250**	**1,361,811**	**XXX**	**1,623,061**

i) Other reserves[87]

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.

[84] 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).

[85] 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.

[86] 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.

[87] 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)*

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ii) Share premium

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

iii) Revaluation reserve[88]

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[89].

25. CAPITAL COMMITMENTS

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

[88] 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

[89] 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.

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26. COMMITMENTS

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

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

ii) An amount of €XX was included in accruals for future payments required to fund a deficit which the company has committed to[90].

iii) An amount of €XX (2018:€XX) was included in accruals with regard to pension contributions payable to the pension scheme for past directors of the company[91].

27. DIRECTORS' SECRETARY'S INTERESTS

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

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

28. RETIREMENT BENEFITS INFORMATION[92]

	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

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

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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).[93] [94]

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 prepayment	(988,990)	(623,857)
Increase in creditors and accruals	177,434	376,857
Cash generated from operations	**440,343**	**502,225**

[93] 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
[94] Note is applicable to defined contribution schemes only, defined benefit schemes require further detailed disclosures.

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30. ANALYSIS OF CASH & CASH EQUIVALENT AND NET DEBT[95]

	At 31 Dec 2018	Cash flow	Other non-cash items	At 31 Dec 2019
	€	€	€	€
Cash in hand	147,723	209,049	-	356,772
Bank Overdraft	-	-	-	-
	147,723	209,049	-	356,772
Loans due within one year	*(2,064,128)*	*997,178*	*-*	*(1,066,980)*
Loans due after one year	*(2,129,125)*	*225,315*	*-*	*(1,903,810)*
Finance leases	*(39,933)*	*(57,335)*	*(250,000)*	*(232,598)*
Total	***(4,193,253)***	***1,488,877***	***(250,000)***	***(3,203,358)***

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

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

- ~~*No Financial Instruments Note Required*~~

[95] 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.

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31. RELATED PARTY TRANSACTIONS[96]/[97]/[98]

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	-	-	-	-

[96] Para 65(1), Sch III, CA 2014 - Financial statements should disclose transactions with related parties which are material and which have not been concluded under normal market conditions, disclosures should include:

a. the names of the transacting related parties;
b. a description of the relationship between the parties;
c. a description of the transactions;
d. the amounts involved;
e. any other elements of the transactions necessary for an understanding of the financial statements;
f. the amounts due to or from related parties at the balance sheet date and the provisions for doubtful debts due from such parties at that date; and
g. amounts written off in the period in respect of debts due to or from related parties.

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

[97] 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

[98] 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

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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

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

	2019	2018
	€	€
Key management compensation		
Salaries and other short-term employee benefits	*268,000*	*257,000*
Post-employment benefits	*19,000*	*12,000*
	287,000	***269,000***

No provision has been made in 2019 and 2018 for the loans made to key management personnel.

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

The company holds the following class of its own shares[100]:

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

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

[99] 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.
[100] 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.

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

The company holds the following class of its parent company shares[101]:

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

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

33. POST BALANCE SHEET EVENTS[102]

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

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

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

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

Or

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

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

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

Where Covid-19 is an adjusting event (consider for periods of 31 January 2020 and after)[2]

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

[2] 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.

more restrictions were placed on people and businesses. On 28th March, all "non-essential" businesses were ordered to close temporarily.

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

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

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

34. ULTIMATE CONTROLLING PARTY

The company is a wholly owned subsidiary of OmniPro Holdings Limited a company incorporated in Ireland with a registered office at XXX[103].

35. *TRANSITION TO FRS 102*[104]

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

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[101] 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
[102] Required by S.32 FRS 102 and Sch 3(67) CA 2014
[103] 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.
[104] 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

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36. APPROVAL OF THE FINANCIAL STATEMENTS

The directors approved the financial statements on_________________________________.