

ELECTRICAL CONTRACTING LIMITED (AUDIT EXEMPT COMPANY*)

DIRECTORS' REPORT & FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

Registered No. xxxx

* Electrical Contracting Limited is a small company as defined by the Companies Act 2014 and is availing itself of the audit exemption provided for by *Chapter 15 of Part 6* of the *Companies Act 2014*

These statutory financial statements are illustrative and exclusively for educational purposes only. This document is a guide only and does not purport to give definitive advice.

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ELECTRICAL CONTRACTING LIMITED

Directors' Report & Financial Statements

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ELECTRICAL CONTRACTING LIMITED

Directors and Other Information

Directors	James Horgan Daniel O'Shea Simon Lafferty Tim Cullen
Secretary	Daniel O'Shea
Accountants	ABC & Co., Certified Public Accountants 14 Green Street, Dublin 11.
Bankers	APB Bank, Main Street, Dublin 9.
Solicitors	Smith & Co., 42 O'Reilly Parade, Co. Kildare.
Registered Office	Unit 7, Blue Street, Dublin 11.

ELECTRICAL CONTRACTING LIMITED
YEAR ENDED 31 DECEMBER 2014

Directors' Report

The directors present their annual report and unaudited statutory financial statements for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the company continued to be that of electrical services contracting. The company has a unit in Dublin from where it bases its operations. It also has a retail outlet which operates from the same premises.

The directors' are satisfied with the overall performance of the company in the financial year. Reported turnover increased year on year as a result of the improvement in the outlook for the economy as whole and also an increase in referral business. Gross margins have been maintained through a continued focus on cost efficiencies resulting in an increase in reported net profits for the financial year.

The directors' are optimistic as regards the future prospects for the company as a result of the upward trend in consumer sentiment coupled with an improvement in the general economic climate in Ireland. The directors' feel the company is well positioned to take advantage of any increase in demand.

RESULTS AND DIVIDENDS

The retained profit for the financial year amounted to €90,319 (2013: € 92,685). The directors have not declared a final or interim dividend for the year.

DIRECTORS' & SECRETARY'S INTERESTS IN SHARES

The Directors and Secretary of the company interests in shares/debentures of the company during the financial year are as follows:

Director's name	Shares held	Share class
Secretary's name	Shares held	Share class

PRINCIPAL RISKS AND UNCERTAINTIES

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

Electrical Contracting operates in a cyclical industry and is affected by factors beyond the control of the company for example level of construction activity.

Electrical Contracting faces strong competition in the market and if the company fails to compete successfully market share may decline.

POST BALANCE SHEET EVENTS

There were no post balance sheet events.

RESEARCH AND DEVELOPMENT

There was no research and development in the period.

DIRECTORS

Mr. James Hogan and Mr. Daniel O' Shea retire from the board by rotation in accordance with the Constitution and, being eligible, offer themselves for re-election.

ACCOUNTING RECORDS

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

To this end we employ a full time bookkeeper. Our accounting records are kept at Unit 7, Blue Street, Dublin 11.

On behalf of the board

Signature

James Hogan
Director

Date: 2nd June, 2015

Signature

Daniel O'Shea
Director

ELECTRICAL CONTRACTING LIMITED
YEAR ENDED 31 DECEMBER 2014

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report and the statutory financial statements in accordance with applicable law and Generally Accepted Accounting Practice in Ireland, including the Accounting Standards issued by the Financial Reporting Council.

Company law requires the directors to prepare statutory financial statements for each financial year, which give a true and fair view of the assets, liabilities and financial position of the company, as at the end of the financial year, and profit or loss, 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 statutory 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 statutory financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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 and enable them to ensure that the statutory financial statements and directors report comply with the Companies Act 2014. 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.

Directors' declaration on unaudited financial statements

In relation to the statutory financial statements as set out on pages 9 to 20.

- The directors approve these statutory financial statements and confirm that they are responsible for them, including selecting the appropriate accounting policies, applying them consistently and making, on a reasonable and prudent basis, the judgements underlying them. They have been prepared on the going concern basis on the grounds that the company will continue in business.
- The directors confirm that they have made available to ABC & Co Certified Public Accountants, the company's accounting records and provided all the information necessary for the compilation of the financial statements.
- The directors confirm that to the best of their knowledge and belief, the accounting records reflect all the transactions of the company for the year ended 31st December 2014.

On behalf of the board

Signature

James Hogan
Director

Date: 2nd June, 2015

Signature

Daniel O'Shea
Director

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF ELECTRICAL CONTRACTING LIMITED

We have compiled the statutory financial statements set out on pages 7 to 18 of Electrical Contracting Limited for the year ended 31st December 2014.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND ACCOUNTANTS

As described on page 6 the company's directors are responsible for the financial statements. It is our responsibility to compile the statutory financial statements of Electrical Contracting Limited from the accounting records, information and explanations supplied to us by the directors.

SCOPE OF WORK

We compiled the statutory financial statements in accordance with the guidance contained in M14 (Revised) *Compiling and reporting on statutory financial statements not subject to audit* from the accounting records and information and explanations supplied to us by the directors.

We have not audited or otherwise attempted to verify the accuracy or completeness of such records, information and explanations and, accordingly, express no opinion on the financial statements.

ABC & Co
Certified Public Accountants

Date: 2nd June, 2015

ELECTRICAL CONTRACTING LIMITED**YEAR ENDED 31 DECEMBER 2014****Profit and Loss Account**

	Note	2014 €	2013 €
Turnover	2	1,499,900	1,380,126
Cost of Sales		<u>(1,244,917)</u>	<u>(1,143,177)</u>
Gross Profit		254,983	236,949
Distribution expenses		14,110	13,268
Administrative expenses		<u>90,157</u>	<u>80,905</u>
Operating profit		150,716	142,776
Profit on disposal of fixed assets		<u>2,322</u>	<u>-</u>
Profit on ordinary activities before interest		153,038	142,776
Interest payable and similar charges	3	<u>(5,700)</u>	<u>(8,111)</u>
Profit on ordinary activities before taxation	5-7	147,338	134,665
Tax on profit on ordinary activities	4	<u>(56,947)</u>	<u>(41,980)</u>
Profit for the financial year	17	90,391	92,685

A separate Statement of Total Recognised Gains and Losses is not required, as there are none other than those reflected in the Profit and Loss Account.

ELECTRICAL CONTRACTING LIMITED

Balance Sheet **AT 31 DECEMBER 2014**

	Note	2014 €	2013 €
<u>Fixed Assets</u>			
Tangible assets	8	318,956	254,253
Financial assets	9	<u>69,560</u>	<u>55,960</u>
		388,516	310,213
<u>Current Assets</u>			
Stocks	10	300,869	246,799
Debtors	11	517,902	484,327
Cash at bank and in hand		<u>15,906</u>	<u>42,107</u>
		834,677	773,233
Creditors: amounts falling due within one year	12	(424,222)	(400,626)
Net current assets		410,455	372,607
Total assets less current liabilities		798,971	682,820
Creditors: amounts falling due after more than one year	13	<u>(50,760)</u>	<u>(25,000)</u>
Net assets		<u>748,211</u>	<u>657,820</u>
<u>Capital and Reserves</u>			
Called up share capital presented as equity	15	2	2
Profit and loss account		<u>748,209</u>	<u>657,818</u>
Total shareholders funds – all equity		<u>748,211</u>	<u>657,820</u>

ELECTRICAL CONTRACTING LIMITED

Balance Sheet AT 31 DECEMBER 2014

We as Directors of Electrical Contracting Limited, state that:

- (a) the company is availing itself of the audit exemption (and the exemption shall be expressed to be “the exemption provided for by *Chapter 15* of *Part 6* of the *Companies Act 2014*”),
- (b) the company is availing itself of the exemption on the grounds that *section 358* or *359*, as appropriate, is complied with,
- (c) no notice under *subsection (1)* of *section 334* has, in accordance with *subsection (2)* of that section, been served on the company, and
- (d) the directors acknowledge the obligations of the company, under this Act, to—
 - (i) keep adequate accounting records and prepare statutory financial statements which give a true and fair view of the assets, liabilities and financial position of the company at the end of its financial year and of its profit or loss for such a year, and
 - (ii) otherwise comply with the provisions of this Act relating to statutory financial statements so far as they are applicable to the company.

On behalf of the board

[Signature]
James Hogan [Block Capitals]
Director
DATE

[Signature]
Daniel O’Shea [Block Capitals]
Director
DATE

ELECTRICAL CONTRACTING LIMITED

Notes to the financial statements for the year ended 31 December 2014

1. Accounting Policies

The significant accounting policies adopted by the Company are as follows:

Basis of Accounting

The Statutory financial statements have been prepared under the historical cost convention and comply with the accounting standards issued by the Financial Reporting Council, as promulgated by The Institute of Certified Public Accountants in Ireland.

Cash flow Statement

The company meets the size criteria for a small company set by the Companies Act 2014 and therefore, in accordance with FRS 1: Cash Flow Statements, it has not prepared a cash flow statement.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation

Depreciation is calculated in order to write off the cost of tangible fixed assets over their estimated useful lives as follows:

Machinery and equipment	15% on cost
Motor vehicles	20% on cost
Office equipment	10% on cost
Computer equipment	33% on cost
Buildings	2% on cost

Impairment reviews are carried out where there are events or changes in circumstances that indicate that the carrying amount of the fixed asset or goodwill may not be recoverable. Where there is an impairment loss it is recognised in the profit and loss account (There is no policy of revaluing fixed assets).

Other investments

Other investments are shown at cost less provision for impairments in value.

Electrical Contracting Limited

Notes to the financial statements for the year ended 31 December 2014

Stocks

Stocks are valued at the lower of cost and net realisable value. Full provision has been made for damaged, deteriorated, obsolescent or unusable materials. In the case of work in progress, cost is defined as the aggregate cost of raw material, direct labour and attributable proportion of direct production overheads.

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.

Leased Assets

Tangible fixed assets acquired under finance leases are included in the balance sheet at their equivalent capital value and are depreciated over the shorter of the lease term and their useful lives. The corresponding liabilities are recorded as a creditor and the interest element of the finance lease rentals is charged to the profit and loss account on an annuity basis. Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

Taxation

The charge for taxation is based on profit for the year. Deferred taxation is calculated on the differences between the company's taxable profits and the results as stated in the statutory financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. The full deferred tax effect is recognised on differences between amounts funded and amounts charged to the profit and loss in relation to pensions and other post retirement benefits. Discounting is used in calculating deferred tax.

Retirement Benefits

Retirement benefits are met by payments to a defined contribution pension fund. Contributions are charged to the profit and loss in the year in which they fall due.

Electrical Contracting Limited

Notes to the financial statements for the year ended 31 December 2014

2. TURNOVER

Turnover represents net sales to customers and excludes Value Added Tax.
All turnover derives from activities in the Republic of Ireland. The analysis of turnover by activity is as follows: -

	2014 €	2013 €
Electrical contracting services	<u>1,499,900</u>	<u>1,380,126</u>

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 €	2013 €
On bank loans and overdrafts made to the company	1,950	3,700
On loans to the company from group undertakings	-	-
On loans of any other kind made to the company	<u>3,750</u>	<u>4,411</u>
	<u>5,700</u>	<u>8,111</u>

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

i) Analysis of charge in the year

	2014 €	2013 €
<i>Current tax on income of this period:</i>		
Corporation tax	56,947	41,980
<i>Adjustments to current tax payable for previous periods:</i>		
<i>Deferred Tax</i>		
	<u>56,947</u>	<u>41,980</u>
<i>Factors affecting tax charge for period</i>		
Profit on ordinary activities before tax	147,338	134,665

ELECTRICAL CONTRACTING LIMITED

Notes to the financial statements for the year ended 31 December 2014

Profit on ordinary activities multiplied by
the standard rate of corporation tax in Ireland (2014: 12.5%)

Effects of:

Expenses not deductible for tax purposes

Utilisation of losses

Capital allowances for period in excess of
depreciation rate

Current tax charge for year

5. THE PROFIT BEFORE TAXATION WAS ARRIVED AT AFTER CHARGING

	2014 €	2013 €
Depreciation:		
Owned tangible fixed assets	40,319	35,901
Leased assets	3,750	-
Operating lease payments	3,089	-

6. DIRECTORS REMUNERATION AND TRANSACTIONS

	2014 €	2013 €
Salary	70,000	60,000
Retirement Benefit contributions	20,000	10,000
	<u>90,000</u>	<u>70,000</u>
<i>Directors loans</i>		
	James Hogan	Daniel O'Shea
Rate of Interest	0%	0%
Opening balance	12,500	12,500
Advances to directors	5,000	
Amounts repaid		(5,000)
Closing balance	<u>17,500</u>	<u>7,500</u>
Maximum amount outstanding during the year	17,500	12,500

These loans are repayable on demand.

ELECTRICAL CONTRACTING LIMITED

Notes to the financial statements for the year ended 31 December 2014

7. STAFF NUMBERS AND COSTS

	2014 €	2013 €
The average number of employees was as follows		
Administration	4	3
Distribution	3	3
Production	35	30
	<u>42</u>	<u>36</u>

These numbers include executive directors.

The aggregate payroll costs of these employees were as follows:

	2014 €	2013 €
Wages & Salaries	659,611	659,388
Social Welfare costs	<u>81,339</u>	<u>69,496</u>
	<u>740,950</u>	<u>728,884</u>

8. TANGIBLE FIXED ASSETS

	Land & Buildings €	Machinery & Equipment €	Motor Vehicles €	Office Equipment €	Total €
<u>Costs</u>					
At beginning of year	250,000	203,966	83,000	26,810	563,776
Additions in year	-	73,650	30,000	5,300	108,950
Disposals in year	-	(17,505)	(15,600)	(1,650)	(34,755)
At end of year	<u>250,000</u>	<u>260,111</u>	<u>97,400</u>	<u>30,460</u>	<u>637,971</u>
<u>Depreciation</u>					
At beginning of year	75,000	132,263	76,320	25,940	309,523
Charge for year	5,000	27,846	9,340	1,883	44,069
Eliminated on disposals	-	(17,327)	(15,600)	(1,650)	(34,577)
At end of year	<u>80,000</u>	<u>142,782</u>	<u>70,060</u>	<u>26,173</u>	<u>319,015</u>
<u>Net book value</u>					
At 31 December 2014	<u>170,000</u>	<u>117,329</u>	<u>27,340</u>	<u>4,287</u>	<u>318,956</u>
At 31 December 2013	<u>175,000</u>	<u>71,703</u>	<u>6,680</u>	<u>870</u>	<u>254,253</u>

ELECTRICAL CONTRACTING LIMITED
Notes to the financial statements
for the year ended 31 December 2014

Included in machinery & equipment is €25,000 in respect of assets held under finance lease and depreciation on that asset amounted to €3,750.

<i>In respect of prior year</i>	Land & Buildings	Machinery & Equipment	Motor Vehicles	Office Equipment	Total
	€	€	€	€	€
<u>Costs</u>					
At beginning of year					
Additions in year					
Disposals in year					
At end of year					
<u>Depreciation</u>					
At beginning of year					
Charge for year					
Eliminated on disposals					
At end of year					
<u>Net book value</u>					
At 31 December 2013	175,000	71,703	6,680	870	254,253
At 31 December 2012					

9. FINANCIAL FIXED ASSETS

(Details disclosed to include comparatives for movement in previous year)

	2014	2013
	€	€
Investments other than loans	<u>69,560</u>	<u>55,960</u>
	<u>69,560</u>	<u>55,960</u>

Listed

Cost

At beginning of year	55,960
Purchased during the year	<u>13,600</u>
At the end of the year	69,560

The listed investments are listed on a recognised Stock Exchange. The market value of the investment was €21,370.

ELECTRICAL CONTRACTING LIMITED

Notes to the financial statements for the year ended 31 December 2014

10. STOCKS

	2014 €	2013 €
Stock of materials on hand	175,896	159,231
Work in progress	<u>124,973</u>	<u>87,568</u>
	<u>300,869</u>	<u>246,799</u>

In the opinion of the directors there are no material differences between the replacement cost of stock and the balance sheet amounts.

11. DEBTORS

	2014 €	2013 €
Trade debtors	479,924	444,510
Directors' Loans (see note 6)	25,000	25,000
Other debtors	7,000	10,000
Prepayments	<u>5,978</u>	<u>4,817</u>
	<u>517,902</u>	<u>484,327</u>

12. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 €	2013 €
Trade creditors	358,741	349,456
Accruals	10,932	10,639
Deferred Income		
PAYE/PRSI	7,396	6,398
VAT	5,604	6,202
CT	21,565	27,931
Bank overdraft	12,588	-
Finance lease	<u>7,396</u>	<u>-</u>
	<u>424,222</u>	<u>400,626</u>

During the year certain stocks were purchased subject to a reservation of title. These have been accounted for as normal purchases. It is estimated that the amount due at the year end to creditors protected by reservation of title is €XX (2013: €YY).

ELECTRICAL CONTRACTING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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

	2014	2013
	€	€
Net obligations under finance leases And hire purchase contracts:		
Repayable between 1 and 2 years	9,654	-
Repayable between 2 and 5 years	6,106	-
After 5 years	<u>35,000</u>	<u>25,000</u>
	<u>50,760</u>	<u>25,000</u>

14. DETAILS OF BORROWINGS

	Within 1 year	Between 1 & 2 years	Between 2 & 5 years	After 5 years	Total
	€	€	€	€	€
<u>Repayable other than by instalments</u>					
Bank Overdrafts	12,588	-	-	-	12,588
<u>Repayable by instalments</u>					
Obligations under finance leases	7,396	9,654	6,106	-	23,156
	19,984	9,654	6,106	-	35,744

15. CALLED UP SHARE CAPITAL

	2014	2013
100,000 ordinary shares of €1 each		
Authorised	1000,000	100,000
Allotted, called up and fully paid 2 ordinary shares of €1 each	2	2

16. RELATED PARTY TRANSACTIONS

Details of loans to the directors are disclosed in note 6. In addition during the year the company provided electrical contracting services to a company called Treacy Trading Limited. James Hogan who is a director of the company is also a director of Treacy Trading Limited. The cost of the services was €17,965 and was provided at arms length prices. Treacy Trading Limited has a balance due to the company of €3,265 at the year-end and is included in trade debtors.

ELECTRICAL CONTRACTING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

17. RESERVES AND DIVIDENDS
(Details disclosed to include comparatives for movement in previous year)

Retained profit at beginning of year	657,818
Profit for the year	<u>90,391</u>
Retained profit at end of year	<u>748,209</u>

18. APPROVAL OF THE FINANCIAL STATEMENTS

The directors approved the statutory financial statements on the 2nd June, 2015.