Registered number:
123456

FRS 102 MEDIUM COMPANY[1] LIMITED

(subject to audit)

Directors' report and financial statements[2]

For the financial year ended 31 December 2017

[1] The qualifications for a company to be a Medium Company are set out in CA.2014 Section 280F; including Turnover not to exceed €40m, Balance sheet total not to exceed €20m, Employees not to exceed 250.
[2] The legal reference throughout this document is to the Companies Act 2014 ("CA.2014"). References to the Companies Act 2014 in this document are to the Companies Act 2014, as amended by the Companies (Accounting) Act 2017 and the Companies (Amendment) Act 2017.

Contents[3]

[3] CA.2014 s291 outlines the required contents of Companies Act financial statements and schedule 3 outlines the formats to be used in the primary statements as well as any additional disclosures required.

Company Information

Directors	Director 1 Director 2 Director 3 (resigned 28 July 2017)
Company secretary	Secretary 1
Registered number	123456
Registered office	24-26 City Quay Dublin 2
Independent auditors	123 Accounting Company Certified Public Accountants 123 City Quay Dublin 2
Bankers[4]	Allied Irish Bank IFSC Place Dublin 1
Solicitors[5]	A&B Solicitors Pearse Street Dublin 2

[4] No specific standard or legal requirement to include this but in practice included in financial statements.
[5] No specific standard or legal requirement to include this but in practice included in financial statements.

Directors' report

For the financial year ended 31 December 2017

The directors present their annual report and the audited financial statements for the financial year ended 31 December 2017.[6]

Directors' responsibilities statement[7]

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

Irish company law requires the directors to prepare the financial statements for each financial year giving a true and fair view of the state of affairs of the Company. Under the law, the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice in Ireland, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the Republic of Ireland' and Irish law.

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 at the financial year end date, of the profit or loss of the Company for that financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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; and
- prepare the 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, 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 Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.[8]

Principal activity[9]

The principal activities of the Company during the year was …………………………….

---

[6] CA.2014 Section 325: The directors' of a company for each financial year shall prepare a report (directors' report) detailing:
(a) general matters in relation to the company and the directors as specified in section 326;
(b) a business review in accordance with section 327 (exemption for small companies);
(c) information on the acquisition or disposal of own shares as specified in section 328;
(d) information on interests in shares or debentures as specified in section 329;
(e) statement on relevant audit information as specified in section 330.

[7] It is considered best practice to include a directors' responsibility statement, either as a separate statement or within the directors' report.

[8] Only include if applicable.

[9] CA.2014 Section 326(1)(b): The directors' report for a financial year shall state the principal activities of the company during the course of the year.

Directors' report

For the financial year ended 31 December 2017

Business review[10]

The directors have completed a detailed review of the Company's business strategy. They are confident they have put the necessary arrangements in place to ensure increased revenues and profits going forward. The directors are satisfied with the results of the Company for the year under review.

Future developments[11]

Over the coming years…….

Results and dividends [12]

The profit for the financial year, after taxation, amounted to €791,821 (2016 - €503,975).

The Company paid interim dividends amounting to €31,907 (2016: €41,645) during the financial year and declared dividends post year end amounting to €50,000 (2016: €Nil), which was paid out in February 2018.

Directors and their interests[13,14]

The directors who served at any time during the financial year, except as noted, were as follows:

Director 1
Director 2
Director 3 (resigned 28 July 2017)

Directors 1 and 2 remain in office in accordance with the Articles of Association.

---

[10] The report should include a fair review of the business containing:

- a balanced and comprehensive analysis of the development and performance of the business during the financial year; and
- a balanced and comprehensive analysis of the assets and liabilities and financial position of the company at the end of the financial year

consistent with the size and complexity of the business.

[11] CA.2014 Section 327 (5) The review shall include an indication of likely future developments in the business of the company.

[12] CA.2014 Section 326 (1)(d): The directors' report for a financial year shall state the amount of any interim dividends paid by the directors during the year and the amount, if any, that the directors recommend should be paid by way of final dividend.

[13] CA.2014 Section 326(1)(a): The directors' report for a financial year shall state the names of the persons who, at any time during the financial year, were directors of the Company.

[14] Disclosures of directors' interests should include interests of any shadow and defacto directors and also should include the interests held by the directors' spouse, civil partner, or child.

CA.2014 Section 329(4), which sets out the disclosure requirements for directors' interest, refers to all interests required to be recorded in the register of interests under CA.2014 Section 267. CA.2014 Section 267(3) then refers to information received by virtue of CA.2014 Section 261, which sets out the cases in which a duty arises to disclose interests, which includes interests held by the person's spouse or civil partner or child.

Any information with respect to directors is also required to be given in respect of the person who was secretary of the company at the end of the financial year concerned. CA.2014 Section 260 outlines that where the director or secretary together with their spouse/civil partner/sibling hold 1% or less of the nominal value of a particular class of shares, then no disclosure is required in respect of that particular class.

If there are no interests held by the directors or the secretary, this fact should be stated. No disclosure is required in case of non-voting shares.

CA.2014 Section 329 requires the directors' and secretary's interests to be stated in the directors' report (rather than the notes to the financial statements). The disclosure of interests in shares or debentures should include any such interests in the company or any other group company including the holding company.

Directors' report

For the financial year ended 31 December 2017

Directors and their interests continued

In accordance with Section 329[15] of the Companies Act 2014, the directors' shareholdings and the movements therein during the financial year ended 31 December 2017 were as follows:

	Ordinary shares of €1 each	
	31/12/17	1/1/17
Director 1	**504**	**504**
Director 2	**506**	**506**
	1,010	**1,010**

Acquisition and disposal of own share[16]

Political contributions[17]

The Company made no political contributions during the year ended 31 December 2017 (2016: €Nil).

Research and development activities[18]

During the period, the Company expensed research and development costs of €5,846 (2016: €6,716).

[15] S329 only requires this information in respect of each person who, at the end of the year, was a director of the company
[16] CA.2014 Section 328: where, at any time during a financial year of a company, shares in the company:

(a) are held or acquired by the company, including by forfeiture or surrender in lieu of forfeiture; or
(b) are held or acquired by any subsidiary undertaking of the company,

The directors' report with respect to that financial year of the company shall state:

(a) the number and nominal value of any shares of the company held by the company or any subsidiary undertaking at the beginning and end of the financial year together with the consideration paid for such shares; and
(b) a reconciliation of the number and nominal value of such shares from the beginning of the financial year to the end of the financial year showing all changes during the year including further acquisitions, disposals and cancellations, in each case showing the value of the consideration paid or received, if any.

[17] CA.2014 Section 326(2)(d): the directors' report shall outline details of any political donations made during the year in excess of the limit as laid out in the Electoral Act, 1997. Donations in money or money's worth of €200 or over are to be disclosed.
[18] CA.2014 Section 326 (2)(b): provide an indication of the activities, if any, of the company in the field of research and development.

Directors' report

For the financial year ended 31 December 2017

Principal risks and uncertainties[19]

The directors consider that the principal risks and uncertainties faced by the Company are in the following categories:

Economic
The Company is exposed to the risk of foreign exchange losses, increased interest rates and inflation having an adverse impact on served markets.

Competitor
The directors of the Company manage competition through close attention to market research, benchmarking with competition, and recruitment of highly skilled professional staff.

Liquidity
Liquidity risk is managed by cashflow planning and ensuring adequate bank funding is in place.

Financial
The Company has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage credit, liquidity and other financial risk.

Branches outside of the state[20]

The Company does not have any branches outside of Ireland.

Events since the end of the year[21]

There have been no events since the end of the year that would have a material impact on the financial statements as presented.

Directors' compliance statement[22]

Each of the persons who are directors at the time when this Directors' report is approved acknowledged that they are responsible for securing the Company's compliance with its relevant obligations.

To ensure that the Company has achieved material compliance with its relevant obligations, the directors confirm that they have:

- drawn up a compliance policy statement setting out the Company's policies respecting compliance by the Company with its relevant obligations.
- put in place appropriate arrangements and structures that are designed to secure material compliance with the Company's relevant obligations.
- conducted a review, during the financial year, of the arrangements and structures, referred to above.

---

[19] The directors shall include a description of the principal risks and uncertainties facing the company in the year in line with CA. 2014 Section 327(1)(b). The opening paragraph is not a requirement under the Companies Act but is considered best practice.

[20] The directors' report should disclose the existence of any branches that operate outside of Ireland and the country where situated. Where none, the directors' report could disclose the following however it is not a requirement under CA.2014 Section 326(2)(c): There are no branches of the company outside the State.

[21] CA.2014 Section 326(2)(a): the report needs to include any important events effecting the company which have occurred since the end of the year if applicable. If none, state this fact.

[22] CA.2014 Section 325(2)(b): required a Directors compliance statement where the company has turnover exceeding €25m and a balance sheet total exceeding €12.5m. Where the directors have not put in place the relevant arrangements/structures, they must specify the reasons why this has not been done.

Directors' report

For the financial year ended 31 December 2017

Accounting records[23]

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The Company's accounting records are maintained at 123 High Street, Dublin 2, Ireland and are copied to the Company's registered office at regular intervals.

Asset values substantially different from book value[24]

Statement on relevant audit information[25]

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors[26]

The auditors, 123 Accounting Company, continue in office in accordance with Section 383(2) of the Companies Act 2014.

This report was approved by the board and signed on its behalf.[27]

....	....
Director	Director
Date:	Date:

[23] CA.2014 Section 326(1)(c): The directors' report for a financial year shall include a statement of the measures taken by the directors to secure compliance with the requirements of sections 281 to 285, with regard to the keeping of accounting records and the exact location of those records.
[24] CA.2014 Schedule 3 Section 49: Disclose in the directors' report, the years in which assets were valued and the market value/current cost (as applicable) where this is substantially different from the book value at year end. (This may also be provided in a note to the financial statements).
[25] CA.2014 Section 330(1): The directors' report in relation to a company shall contain a statement to the effect that, in the case of each of the persons who are directors at the time the report is approved in accordance with Section 332(1), (a) so far as the director is aware, there is no relevant audit information of which the company's statutory auditors are unaware, and (b) the 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 company's statutory auditors are aware of that information.
[26] This is a voluntary statement and other wording may be appropriate in different circumstances e.g resigning auditors (Section 400) or if it is the auditors first year of appointment (Section 383).
[27] CA.2014 Section 332(1) requires the directors' report to be approved and signed by 2 directors' if the board of directors has 2 or more members; just one Director should sign if it is a sole director company.

Independent auditors' report

Profit and Loss Account[28]

For the Year Ended 31 December 2017

	Notes	2017 €	2016 €
Turnover	5	**12,978,208**	12,839,470
Cost of sales		**(10,113,433)**	(9,864,833)
Gross profit		**2,864,775**	2,974,637
Administrative expenses		**(2,027,500)**	(2,384,753)
Other operating income		**72,842**	60,692
Fair value movements		**(605)**	(23,233)
Operating profit	7	**909,512**	627,343
Interest payable and expenses	6	**(17,354)**	(23,592)
Profit before taxation		**892,158**	603,751
Tax on profit	10	**(100,337)**	(99,776)
Profit for the financial year		**791,821**	503,975

There were no recognised gains and losses for the years ended 2017 or 2016 other than those included in the profit and loss account.[29]

The notes on pages 12 to 31 form part of these financial statements

[28] The Balance Sheet and Profit and Loss Account are still required to be presented in accordance with the Companies Act formats. The item headings above are consistent with the formats outlined in Schedule 3 of the Companies Act 2014.
[29] Where there are no other recognised gains or losses, this statement should be included.

Balance Sheet

As at 31 December 2017

	Notes	2017 €	2016 €
Fixed assets			
Intangible assets	12	**18,330**	17,733
Tangible assets	13	**4,583,993**	4,059,388
Investment property	14	**146,810**	131,374
		4,749,133	4,208,495
Current assets			
Stocks	15	**125,937**	106,238
Debtors	16	**425,662**	600,102
Cash at bank and in hand		**484,185**	271,664
		1,035,784	978,004
Creditors: amounts falling due within one year	17	**(1,847,919)**	(1,799,321)
Net current liabilities		**(812,135)**	(821,317)
Total assets less current liabilities		**3,936,998**	3,387,178
Creditors: amounts falling due after more than one year	18	**(1,021,185)**	(1,178,363)
Provisions for liabilities			
Deferred taxation	21	**(70,440)**	(123,356)
Net Assets		**2,845,373**	2,085,459
Capital and reserves			
Called up share capital	22	**1,010**	1,010
Profit and loss account	23	**2,844,363**	2,084,449
Shareholders' funds		**2,845,373**	2,085,459

These financial statements were approved by the board on ______ and signed[30] on its behalf by:

....	....
Director 1	Director 2
Date:	Date:

The notes on pages 12 to 31 form part of these financial statements.

[30] CA.2014 Section 324(1) requires the balance sheet to be signed by 2 directors (on behalf of the board) if the board of directors has 2 or more members; just one Director signs if it is a sole director company.

Statement of Changes in Equity [31]

For the Year Ended 31 December 2017

	Called-up share capital	Profit and loss account	Total equity
	€	**€**	**€**
At 1 January 2017	1,010	2,084,449	2,085,459
Profit for the financial year	-	791,821	791,821
Dividends paid	-	(31,907)	(31,907)
At 31 December 2017	**1,010**	**2,844,363**	**2,845,373**

	Called-up share capital	Profit and loss account	Total equity
	€	**€**	**€**
At 1 January 2016	1,010	1,622,119	1,623,129
Profit for the financial year	-	503,975	503,975
Dividends paid	-	(41,645)	(41,645)
At 31 December 2016	**1,010**	**2,084,449**	**2,085,459**

The notes on pages 12 to 31 form part of these financial statements.

[31] A Statement of Changes in Equity is required, although a company is permitted to present a Statement of Income and Retained Earnings in place of a Profit and Loss Account and a Statement of Changes in Equity if the only changes to its equity during the periods presented arise from profit or loss, payment of dividends and prior period adjustments.

Statement of Cash Flows

For the Year Ended 31 December 2017

	2017 €	2016 €
Cash flows from operating activities		
Profit before taxation	**892,158**	603,751
Adjustments for:		
Amortisation of intangible assets	**4,233**	4,678
Depreciation of tangible assets	**730,816**	389,894
Fair value remeasurements	**(15,436)**	54,139
Taxation paid	**(126,480)**	99,776
(Increase) in stocks	**(19,699)**	(11,083)
Decrease/(increase) in trade debtors	**174,440**	(113,217)
Increase/(decrease) in creditors	**104,184**	107,746
Net cash generated from operating activities	**1,744,216**	1,135,684
Cash flows from investing activities		
Purchases of intangible assets	**(4,830)**	(2,158)
Purchases of tangible assets	**(1,256,275)**	(763,916)
Sale of tangible fixed assets	**854**	-
Net cash from investing activities	**(1,260,251)**	(766,074)
Cash flows from financing activities		
Repayment of loans	**(166,059)**	(179,152)
Dividends paid	**(31,907)**	(41,645)
Net cash used in financing activities	**(197,966)**	(220,797)
Net increase in cash and cash equivalents	**285,999**	148,813
Cash and cash equivalents at the beginning of year	**198,186**	49,373
Cash and cash equivalents at end of year	**484,185**	198,186

The notes on pages 12 to 31 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2017

1. General information[32]

These financial statements comprising the profit and loss account, balance sheet, statement of cash flows and the related notes constitutes the individual financial statements of FRS 102 Medium Company Limited for the financial year ended 31 December 2017.

FRS 102 Medium Company Limited is a private company limited by shares, incorporated in the Republic of Ireland. The registered office is 24-26 City Quay, Dublin 2. The nature of the Company's operations and its principal activities are set out in the directors' report.[33]

2. Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and Irish statute comprising of the Companies Act 2014.[34]

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).[35]

The financial statements are presented in Euro (€)[36] and all amounts have been rounded to the nearest Euro.[37]

3. Significant judgements and estimates[38]

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Directors believe that the critical accounting policies where judgments or estimates are necessarily applied are summarised below.

Going concern

The Directors have prepared budgets and cash flows for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the Company's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis, the Directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts classification of assets and liabilities that may arise if the company was unable to continue as a going concern.

---

[32] FRS 102 3.24: The legal form of the entity, its registration number, its country of incorporation and the address of its registered office (or principal place of business, if different from the registered office) are required to be disclosed in the notes.

[33] CA.2014 section 291 (3A)

[34] An explicit and unreserved statement of compliance with FRS 102 is required in the notes (FRS 102 3.3). Also CA.2014 Section 291(7).

[35] FRS 102 paragraph 8.5 & 8.7 requires entities to disclose the basis and key assumptions in the financial statements.

[36] The presentation currency has to be disclosed under FRS 102 3.23 (d).

[37] The level of rounding, if any, used in the financial statements has to be disclosed under FRS 102 3.23(e).

[38] FRS 102 8.6 & 8.7 requires the disclosure of key judgements and estimates that management have made that might affect the financial statements.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2017

3. Significant judgements and estimates (continued)

Useful lives of tangible fixed assets and intangible fixed assets

The Company estimates the useful lives of tangible fixed assets and intangible assets based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the useful lives.

4. Principal accounting policies[39]

4.1 Turnover[40]

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

Rendering of services

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

4.2 Going concern[41]

The financial statements are prepared on a going concern basis.

4.3 Intangible assets[42]

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Franchise fees 10 years

The amortisation charge is reflected in administrative expenses.

---

[39] CA.2014 Schedule 3 11-19 outlines what accounting principles must be disclosed

[40] FRS 102 23.30: The accounting policies adopted for the recognition of revenue are required to be disclosed along with the amount of each category of revenue recognised during the reporting period.

[41] FRS 102 paragraph 3.9 requires one to disclose that fact that financial statements are prepared on a going concern basis.

[42] FRS 102 paragraph 18.27 outlines what has to be disclosed.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2017

4. Principal accounting policies (continued)

4.4 Tangible fixed assets [43]

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method and is reflected in administrative expenses.

Depreciation is provided on the following basis:

Freehold property	2% Straight line
Leasehold property	14% Straight line
Fixtures and fittings	14% Straight line
Motor vehicles	25% Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Profit and Loss Account.

4.5 Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4.6 Investment Property[44]

Investment property is carried at fair value determined annually at each reporting date as derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided.
Changes in fair value are recognised in profit or loss.

[43] Pursuant to FRS 102 17.31(a) through (c), an entity should disclose the measurement bases used in determining the gross carrying amount, the depreciation method used and the useful lives or depreciation rates used.
[44] FRS 102 paragraph 16.1 & 16.7 outlines the policy disclosure requirements for Investment property.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2017

4. Principal accounting policies (continued)

4.7 Stocks[45]

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is calculated using the first in, first out method. Finished goods and goods for resale include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

4.8 Debtors[46]

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

4.9 Cash at bank and in hand[46]

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

4.10 Net debt

Net debt consists of the borrowings, together with any related derivatives and obligations under finance leases, less any cash and cash equivalents.

4.11 Creditors[46]

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

---

[45] Pursuant to FRS 102 13.22, companies need to disclose the following:

- the accounting policies adopted in measuring inventories, including cost formula used;
- the total carrying amount of inventories and the carrying amount in classifications appropriate to the Company;
- impairment losses recognised or reversed in profit and loss in accordance with Section 27; and
- the total carrying amount of inventories pledged as security for liabilities.

[46] Financial instruments measurement basis has to be disclosed in line with FRS 102 paragraph 11.40.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2017

4. Principal accounting policies (continued)

4.12 Financial instruments [47]

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade debtors and trade creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

4. Principal accounting policies (continued)

4.13 Provisions for liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

[47] Financial instruments measurement basis has to be disclosed in line with FRS 102 paragraph 11.40 & 11.43.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2017

The Company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence[48].

4.14 Finance leases [49]

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

4.15 Operating leases [50]

Rentals paid under operating leases are charged to the Consolidated Profit and Loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

4.16 Net debt

Net debt consists of the borrowings, together with any related derivatives and obligations under finance leases, less any cash and cash equivalents.

[48] Short-term compensated absences are disclosed and measured in line with FRS 102 paragraph 28.6.
[49] FRS 102 20.23 outlines the disclosure requirements for finance leases.
[50] FRS 102 20.16 outlines the disclosure requirements for operating leases.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2017

4. Principal accounting policies (continued)

4.16 Current and deferred tax [51]

Tax is recognised in the Profit and Loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the difference between the fair value of assets acquired and the future tax deductions available for them and the differences between the fair value of liabilities acquired and the amount that will be assessed for tax. Deferred tax id determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

4.16 Employee benefits[52]

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

4.17 Foreign currency translation [53]

In preparing the financial statements, transactions in currencies other than the Euro, which is functional currency of the Company, are recognised at the spot rate at the dates of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

[51] FRS 102 paragraph 29.25 states that current and deferred tax effects should be disclosed in the financial statements.
[52] FRS 102 28.39 to 28.44 outline the disclosure requirement for employee benefits.
[53] The currency has to be disclosed in line with FRS 102 paragraph 30.26.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2017

5. Turnover[54]

Turnover, analysed geographically between markets, was as follows:

	2017 €	2016 €
Europe	**2,978,208**	2,839,470
Rest of the world	**1,000,000**	1,000,000
	3,978,208	3,839,470

Turnover, analysed by category, was as follows:

	2017 €	2016 €
Sale of goods	**3,978,208**	3,839,470
	3,978,208	3,839,470

6. Interest payable and similar charges[55]

	2017 €	2016 €
Bank interest payable	**16,904**	21,324
Finance leases and hire purchase contracts	**450**	2,268
	17,354	23,592

[54] CA.2014 Schedule 3 62(1) and (2) state the turnover should be displayed by class and by geographical location. FRS 102 23.30(b) requires that the revenue be categorised into separate headings.

[55] Schedule 3 paragraph 60 of the CA. 2014 informs that interest payable note should be broken into distinct headings of i) loans and overdrafts made to the company by credit institutions, ii) loans to the company from group undertakings, iii) loans of any other kind made to the company.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2017

7. Profit on ordinary activities before tax

The profit on ordinary activities before tax is stated after:

	2017 €	2016 €
Auditors remuneration[56]	**4,500**	4,500
Operating leases[57]	**23,588**	28,799
Research and development charged as an expense[58]	**5,846**	6,716
Tax compliance services[58]	**1,000**	1,000
Foreign exchange losses[59]	**1,990,281**	625,290
Depreciation of tangible fixed assets[60]	**730,716**	389,894
Amortisation of intangible assets[60]	**4,233**	4,678

8. Staff costs [61]

Staff costs, including directors' remuneration, were as follows

	2017 €	2016 €
Wages and salaries	**1,069,729**	884,520
Social security costs	**77,206**	57,419
	1,146,935	941,939

Capitalised employee costs in the financial year amounted to €Nil (2014 - €Nil).[62]

[56] Medium size companies are exempt from disclosure of audit fees in the manner required by the CA. 2014 Section 322.
[57] FRS 102 20.16(b): a lessee shall make the following disclosures for operating leases:
(b) lease payments recognised as an expense
[58] FRS 102 18.29: an entity shall disclose the aggregate amount of research and development expenditure recognised as an expense during the period (i.e. the amount of expenditure incurred internally on research and development that has not been capitalised as an intangible asset or as part of the cost of another asset that meets the recognition criteria in this FRS.
[59] FRS 102 30.25(a) requires the disclosure of the amount of exchange differences recognised in the profit and loss during the financial year.
[60] CA.2014 Schedule 3 Profit and Loss Account Formats (15) and Schedule 3 (22)
[61] CA. 2014 S317(2) says that the aggregate remuneration of employees should be split between a) wages and salaries b) social insurance costs c) other retirement benefit costs d) other compensation costs in respect of those employees.
[62] It is a requirement to disclose the capitalised employee costs in line with CA. 2014 S317(3).

8. Staff costs (continued)

The average monthly number of employees[63] of the Company in the financial year was:

	2017	2016
	Number	Number
Administration and sales staff	**200**	200
Management staff	**4**	4
	204	204

[63] Average employee numbers are a requirement under CA.2014 S317(1)(a) and (b).

9. Directors remuneration[64]

	2017 €	2016 €
Directors' emoluments	**88,858**	94,567
Defined benefit accrued pension entitlement at the end of the period	**20,500**	23,500
	109,358	118,067
In respect of past directors		
Compensation paid or payable for directors' retirement benefits	**70,000**	55,000
Compensation for loss of office or other termination benefits	**50,000**	35,000
	120,000	90,000
During the financial year the number of directors who were receiving benefits and share incentives was as follows:		
Accruing benefits under defined benefit pension scheme	2	2

[64] Section 305 (1) of the Companies Act 2014 requires directors remuneration disclosures to include the aggregate amount of the gains on the exercise of share options. This however will only be applicable for financial years beginning on or after 1 June 2015 and hence it will not be required for financial statements where the period begins on or before 31 May 2015.
Other disclosures required regarding directors' remuneration include:
• Aggregate amount of emoluments in respect of 'qualifying services';
• Aggregate amount of emoluments in respect of share options
• Aggregate amount (excluding share options) paid under long term incentive schemes;
• Aggregate amount of contributions paid to a retirement benefit scheme (identifying DB and DC schemes separately); and
• Aggregate amount of compensation paid with respect to loss of office or other terminations.

Section 305(1)(d) in relation to the disclosure of amounts of any contributions paid also requires the disclosure showing the number of directors, if any, to whom retirement benefits are accruing under such schemes in respect of qualifying services.
Any amounts paid to past directors of the company or past directors of its holding company in respect of retirement benefits and compensation for loss of office or other termination benefits should also be disclosed. "Qualifying services", in relation to any person, means his or her services as a director of the company and his or her services, while director of the company, as director of any of its subsidiary undertakings or otherwise in connection with the management of the affairs of the company or any of its subsidiary undertakings.

The term 'director' includes shadow and defacto directors plus persons connected to directors, shadow or defacto directors

Transactions with directors
CA 2014, s307(1) to 308 requires disclosure of any transactions or arrangements with directors in the entity Financial Statements of a company and the group Financial Statements of a holding company including:

(a) Loans;
(b) Guarantees;
(c) Quasi-loans;
(d) Credit transactions;
(e) Any other transaction or arrangement in which a person, who was a director at any time during the period, had, directly or indirectly, a material interest in that transaction.

The requirements of s307(1) to (8) to an individual director and persons connected with him or her need not be disclosed if the aggregate value of all agreements, transactions and arrangements did not, at any time during the financial period, exceed €7,500.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2017

10. Tax on profit on ordinary activities[65]

The tax charge / (credit) is based on the profit for the year and represents:

	2017 €	2016 €
Corporation tax[66]		
Current tax on profits for the year	**152,884**	98,743
Adjustments in respect of previous periods	**369**	4,882
Total current tax	**153,253**	103,625
Deferred tax: origination and reversal of timing differences	**(52,916)**	(3,849)
Tax on results on ordinary activities	**100,337**	99,776

The tax charge for the year is lower than (2016: higher than) the profit for the financial year multiplied by the standard rate of corporation tax in Ireland at 12.5% (2016: 12.5%). The differences are explained as follows[67]:

	2017 €	2016 €
Profit on ordinary activities before tax	**892,158**	603,751
Profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2016: 12.5%)	**111,520**	75,469
Expenses not deductible for tax purposes	**23,970**	20,457
Capital allowances in excess of depreciation	**16,604**	2,156
Timing differences	**1,159**	5,543
Other timing differences	**(52,916)**	(3,849)
Tax on results on ordinary activities	**100,337**	99,776

[65] FRS 102 29.26 states that an entity shall disclose separately the major components of tax expense (income) and pursuant to FRS 102 29.27, an entity shall disclose the following separately:

(a) the aggregate current and deferred tax relating to items that are recognised as items of other comprehensive income or equity;

(b) a reconciliation between:

  a. (i) the tax expense (income) included in profit or loss; and

  b. (ii)the profit or loss on ordinary activities before tax multiplied by the applicable tax rate;

(c) the amount of the net reversal of deferred tax assets and deferred tax liabilities expected to occur during the year beginning after the reporting period together with a brief explanation for the expected reversal;

an explanation of changes in the applicable tax rate(s) compared with the previous reporting period.

[66] CA.2014 Schedule 3 (61) requires analysis of the basis on which the charge for corporation tax, income tax and other taxation on profits is computed, any special circumstances which affect the liability, the amount of the charge for corporation tax, income tax and other taxation on profits or capital gains.

[67] An entity is required to reconcile the tax expense in the P&L to the profits multiplied by the tax rate under FRS 102 29.27(b).

11. Dividends[68]

	2017	2016
	€	€
Paid during the year	**31,907**	41,645
	31,907	41,645

12. Intangible fixed assets[69]

	Franchise Fees	Total
	€	€
Cost		
At 1 January 2017	**91,268**	91,268
Additions	**4,830**	4,830
At 31 December 2017	**96,098**	96,098
Amortisation		
At 1 January 2017	**73,535**	73,535
Charge for the year	**4,233**	4,233
At 31 December 2017	**77,768**	77,768
Net book amount at 31 December 2017	**18,330**	18,330
Net book amount at 31 December 2016	17,733	17,733

Amortisation of intangible fixed assets is included in administrative expenses[70]

The Company's franchise fees, as can be seen above, has a carrying value of €18,330 and a remaining amortisation period of 5 years. [71]

[68] Under CA. 2014 Schedule 3 (53)(2) the entity is forced to disclose the dividends paid and proposed for the year.
[69] Pursuant to FRS 102 18.27 (c) through (e), an entity should disclose the gross carrying amount and the accumulated amortisation at the beginning and end of the reporting period and also a reconciliation of the carrying amount at the beginning and end of the reporting period showing the components of movement separately.
[70] FRS 102 18.27(d) requires the disclosure of where in the profit and loss account the amortisation of the intangible asset is included at financial year end.
[71] FRS 102 18.28(a) requires the disclosure of the useful lives of the intangible assets.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2017

13. Tangible fixed assets[72,73]

	Freehold Property	Leasehold Property	Motor Vehicle	Fixtures and Fittings	Total
	€'000€	**€'000**	**€'000**	**€'000**	**€'000**
Cost					
At 1 January 2017	2,248,740	335,203	42,649	3,849,373	6,475,965
Additions	337,946	30,962	12,226	875,141	1,256,275
Disposals	-	-	(4,552)	-	(4,552)
At 31 December 2017	2,586,686	366,165	50,323	4,724,514	7,727,688
Depreciation					
At 1 January 2017	236,433	165,587	31,750	1,982,807	2,416,577
Charge on owned assets	34,355	59,950	5,655	625,142	725,102
Charge on financed assets	-	-	-	5,714	5,714
Disposals	-	-	(3,698)	-	(3,698)
At 31st December 2017	270,788	225,537	33,707	2,613,663	3,143,695
Net book amount at 31 December 2017	**2,315,898**	**140,628**	**16,616**	**2,110,851**	**4,583,993**
Net book amount at 31 December 2016	2,012,307	169,616	10,899	1,866,566	4,059,388

Freehold property includes land of €634,330 (2016: €634,330), which is not depreciated.

Tangible fixed assets with a carrying value of €1,000,000 (2016: €1,000,000) are pledged as security for the Company's bank loans.[74]

Fixtures and fittings with a carrying value of €394,286 (2016: €400,000) are held under finance leases.[75]

[72] Pursuant to FRS 102 17.31(d) through (e), an entity should disclose the gross carrying amount and the accumulated depreciation at the beginning and end of the reporting period and also a reconciliation of the carrying amount at the beginning and end of the reporting period showing the components of movement separately.

[73] CA.2014 Schedule 3 (34) & (46)

[74] FRS 102 17.32(a) requires the entity to disclose the carrying amount of tangible fixed assets to which the entity has restricted title to or has pledged as security for liabilities.

[75] The entity shall disclose the carrying value for each class of asset that is held for finance lease in line with FRS 102 20.13.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2017

14. Investment property[76]

	€
Carrying value	
At 1 January 2017	**131,374**
Fair value movement	**15,436**
At 31 December 2017	**146,810**

The 2017 valuations were made by DJ Estate Agents Limited whose address is 4 Main Street, Clontarf, Dublin 2 and hold a relevant professional qualifications to make these open market valuations. [77]

15. Stocks[78]

	2017	2016
	€	€
Raw materials and consumables	**37,690**	26,293
Finished goods and goods for resale	**88,247**	79,945
	125,937	106,238

16. Debtors

	2017	2016
	€	€
Trade debtors	**58,439**	112,861
Other debtors	**190,373**	135,311
Prepayments and accrued income	**176,850**	351,930
	425,662	600,102

[76] Investment property is disclosed as required by FRS 102 16.10.
[77] Disclosed as required by FRS 102 16.10(b).
[78] An entity has to disclose stock under the guidelines as set out in FRS 102 13.22.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2017

17. Creditors: amounts falling due within one year

	2017	2016
	€	€
Bank overdrafts	-	73,478
Bank loans	119,489	128,370
Trade creditors	764,787	756,516
Corporation tax	35,931	9,158
Payroll taxes	42,429	32,195
Obligation under finance lease	34,286	40,000
VAT	79,044	59,593
Other creditors	520,328	390,105
Accruals	251,625	166,457
Deferred income	-	143,449
	1,847,919	1,799,321

18. Creditors: amounts falling due after more than one year

	2017	2016
	€	€
Bank loans	1,021,185	1,178,363
	1,021,185	1,178,363

18. Creditors: amounts falling due after more than one year continued

Bank loans are repayable as follows:[79]

	2017	2016
	€	€
Within one year	**119,489**	128,370
Between one to two years	**120,408**	133,951
Between two to five years	**318,173**	336,117
More than five years	**463,115**	579,925
	1,021,185	1,178,363

The bank loans and overdrafts are secured against assets of the Company. The Company had a loan with 1st Paris Bank of €1,021,185 (2016: €1,178,363). The interest rate on the loan is EURIBOR+2% .The loan is due for repayment in annual instalments over the next 5 years.

19. Financial risk management [80]

The Company has exposures to three main areas of risk - foreign exchange currency exposure, liquidity risk and customer credit exposure. To a lesser extent the Company is exposed to interest rate risk.

Foreign exchange transactional currency exposure

The Company is exposed to currency exchange rate risk due to a significant proportion of its receivables and operating expenses being denominated in non-Euro currencies. The net exposure of each currency is monitored and managed by the use of forward foreign exchange contracts, currency loans or overdrafts.

The forward foreign exchange contracts all mature within 12 months.

Liquidity risk

The objective of the Company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Company expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the Company has credit facilities available. Given the maturity of the bank loan in note 18, the Company is in position to meet its commitments and obligations as they come due.

[79] CA.2014. paragraph 56(1) of Schedule 3 requires that for each item shown under "creditors" in the company's balance sheet there shall be stated the aggregate amount of any debts included under that item which fall due for repayment or payment after the end of the period of 5 years beginning with the day next following the end of the financial year.
Paragraph 56(2) states that; "in relation to each debt falling to be taken into account under subparagraph 1, the terms of payment or repayment and the rate of any interest payable on the debt shall be stated".
Paragraph 56 (3) states that if compliance with subparagraph (2) above, in the opinion of the directors, would result in a statement of excessive length a general indication of the terms of payment and the rates of any interest payable on the debts is sufficient.
Paragraph 56(4) of Schedule 3 to the Companies Act 2014 requires the amount of any debts included within creditors in respect of which any security has been given to be disclosed and the nature of the securities (this relates to all amounts within creditors and not amounts payable in greater than 5 years or by instalments as required by paragraph 56(2) above).
Paragraph 56(5) clarifies disclosures regarding amounts above relates ONLY to amounts > 5 years. However, disclosures regarding security relates to any amount outstanding at balance sheet date.

[80] FRS 102 11.48A (f) requires the disclosure of the relevant risks arising from financial instruments to which the entity is exposed at the end of the reporting period.

19. Financial risk management (continued)

Customer credit exposure
The Company may offer credit terms to its customers which allow payment of the debt after delivery of the goods or services. The Company is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships and by credit insurance.

Interest rate risk
The Company borrows from its bankers using either overdrafts or term loans whose tenure depends on the nature of the asset and management's view of the future direction of interest rate.

20. Financial assets and liabilities [81]

	2017	2016
	€	€
Financial assets measured at fair value through profit or loss	**-**	-
Financial assets measured at amortised cost	**425,662**	600,102
Financial liabilities measured at amortised cost	**1,939,747**	2,176,727

21. Deferred taxation [82]

	2017	2016
	€	€
At 1 January 2017	**123,356**	127,205
Credited to profit and loss	**(52,916)**	(3,849)
At 31 December 2017	**70,440**	123,356

[81] FRS 102 11.41 to 11.43 require the disclosure of financial assets and liabilities of the entity for the financial year end.
[82] Deferred taxation is disclosed in line with FRS 102 29.27.

22. Called up share capital[83]

Authorised:	**2017**	2016
	€	€
1000 Ordinary shares of €1 each	**1,000**	1,000
	1,000	1,000

Allotted, called up and fully paid:	**2017**	2016
	€	€
10 Ordinary shares of €1 each	**10**	10
	10	10

23. Reserves[84]

Called-up share capital represents the nominal value of shares that have been issued.

The profit and loss account includes all current and prior periods retained profits and losses.

24. Commitments under operating leases[85] [86]

The Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017	**2016**
	€	**€**
Not later than 1 year	**791,687**	793,377
Later than 1 year and not later than 5 years	**931,423**	907,529
Later than 5 years	**141,678**	431,540
	1,864,788	2,132,446

[83] CA. 2014 S318 and FRS 102 4.2 requires the disclosure of both the authorised and the allotted share capital for the entity.
CA.2014 S318(3) requires the company to, provided that there was shares allotted in the year, disclose the following:
i) reason for the allotment
ii) Classes of shares allotted
iii) The number of each class of share allotted and their aggregate nominal value and the consideration received by the company for the allotment
iv) Whether the shares are presented as share capital or as a liability.

[84] FRS 102 4.12(b) requires a description of each reserve within equity.

[85] Operating leases are disclosed in line with FRS 102 20.16.

[86] CA.2014 Schedule 3 (58) 2 requires particulars of the total amount in respect of any financial commitment, guarantee or contingency not provided in the balance sheet to be disclosed.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2017

25. Reconciliation of cash and cash equivalents and net debt[87]

The following table sets out the reconciliation of net debt at the beginning and end of the year and the movements during the year.

	Opening balance	Other non-cash items	Acquisitions & disposals	Cash flow	Closing balance
	€	€	€	€	€
Cash & cash equivalents					
Cash at bank and in hand	271,664	-	-	212,512	**484,185**
Bank overdraft	(73,478)	-	-	73,478	**-**
Total	198,186	-	-	285,999	**484,185**
Bank Borrowings					
Creditors, amounts < 1 year	(128,370)	-	-	8,881	**(119,489)**
Creditors, amounts > 1 year	(1,178,363)	-	-	157,178	**(1,021,185)**
Total	(1,306,733)	-	-	166,059	**(1,140,674)**
At 31 December 2017	(1,108,547)	-	-	452,058	**(656,489)**

26. Transactions with related parties[88]

27. Ultimate holding company and controlling party[89]

Director 1 and Director 2 acting in unison are considered to be the immediate and ultimate controlling parties of the Company.

28. Events after the end of year[90]

No significant post balance sheet events took place after the financial year ended 31 December 2017.

29. Approval of financial statements

The board of directors approved these financial statements for issue on ________ 20XX.

[87] This is a sample disclosure to meet the requirement in paragraph 7.22 of FRS 102 March 2018. The requirement does not come into effect until accounts beginning on or after 1 January 2019, unless the company early adopts other provisions of the standard.
[88] Transactions with related parties are disclosed in line with CA. 2014 Schedule 3 paragraph 65 and FRS 102 33.9. There is an exemption under FRS 102 33.1A that means that transactions between group members do not have to be disclosed provided that they are wholly owned.
[89] Where the company is a subsidiary company, details of the holding company's name and location should be disclosed for the smallest and largest group for which group accounts are prepared and, if different, similar details of the ultimate holding company. Also the address where the group accounts can be obtained, if publicly available, must be given (Sch 3, Part V, s70).
When the company is controlled by another party the following should be disclosed:
(a) the related party relationship;
(b) the name of that party; and if different
(c) the name of the ultimate controlling party.
If these parties are not known this fact must be disclosed.
[90] FRS 102 32.9 -32.11 outline the disclosure requirements for non-adjusting events.

These template financial statements have been prepared by Grant Thornton on behalf of CPA Ireland.

These template financial statements are based on the activities and results of a particular company/group. The form and content of IFRS/FRS 102/FRS 102 1A/FRS 105 financial statements depend on the activities and transactions of each reporting entity. Our objective in preparing the template financial statements is to illustrate one possible approach to financial reporting by an entity engaging in transactions that are typical across a range of non-specialist sectors. However, as with any template, this illustration does not envisage every possible transaction and therefore cannot be regarded as comprehensive. Management is responsible for the fair presentation of financial statements and therefore may find other approaches more appropriate for its specific circumstances.

While every reasonable care has been taken by Grant Thornton in the preparation of this publication we do not guarantee the accuracy or veracity of any information or opinion, or the appropriateness, suitability or applicability of any practice or procedure contained therein. Grant Thornton is not responsible for any errors or omissions or for the results obtained from the use of the information contained in this publication.

Most importantly, the template financial statements are not to be used as a disclosure checklist as facts and circumstances vary between entities and each entity should assess individually which information to disclose in their financial statements.